

*investing
in
ourselves*

GIVING AND
FUND RAISING
IN ASIA

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ASIA PACIFIC PHILANTHROPY CONSORTIUM

WITH SUPPORT FROM

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The Asia Foundation

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Investing in Ourselves: Giving and Fund Raising in Asia

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ASIA PACIFIC PHILANTHROPY CONSORTIUM

THE ASIA PACIFIC PHILANTHROPY CONSORTIUM (APPC) is an informal network of like-minded organizations dedicated to promoting the flow and effectiveness of philanthropy in the region. The Consortium is not a membership organization, but an informal network of grantmaking philanthropic institutions and organizations that support the growth and development of Asian grantmaking philanthropies.

APPC's mission is to increase the quality and quantity of philanthropy within and to Asia by strengthening the institutional infrastructure and improving the operating environment for philanthropy and the nonprofit sector. To achieve its mission, APPC serves as a catalyst, convener, and network builder.

The Consortium is governed by an eighteen-person Executive Committee consisting of members from Australia, Bangladesh, China, Hong Kong, India, Indonesia, Japan, Korea, Pakistan, Philippines, Taiwan, Thailand, and the United States. It has received funding for its programs from private and corporate foundations in Australia, Japan, Korea, Taiwan and the United States. ◆

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Preface

Investing in Ourselves—Giving and Fund Raising in Asia had its origin in the International Conference on Supporting the Nonprofit Sector in Asia, sponsored by the Asia Pacific Philanthropy Consortium (APPC) in January 1998.¹

The central theme of the conference was the need to explore ways in which governments, international financial institutions, philanthropic foundations, corporations, and others could contribute to the continued growth and financial sustainability of nonprofit organizations in Asia during a period of economic decline. Although planned long before, the conference took place at the height of the Asian economic crisis, which began in Thailand in July 1997 and had just a few weeks earlier, in December 1997, brought the Korean economy to the point of collapse.

The economic crisis represented a setback to what had been until then more than a decade of steady growth of philanthropic foundations and other forms of organized philanthropy in Asia. In the short term, the economic crisis ensured that foreign funding would continue to be essential to the economic support of NGOs, but as I stated in my opening remarks at the conference:

From the perspective of long-term resource mobilization, Asian and other nonprofit organizations will ultimately depend for their survival on the quality of the relationships they are able to establish with public opinion in their countries and with their own governments, and only secondarily and for the short-term on their relationships with international public and private donor agencies.

In other words, the fundamental challenge to Asian NGOs was, and remains, to develop local sources of sustained funding.

The Asian Development Bank was represented at the conference by Gordon Wilkinson, who was at the time responsible for the ADB's work with NGOs. Wilkinson took the initiative to approach Jaime Faustino, who

was then APPC's Executive Officer (and, concurrently, The Asia Foundation's Assistant Representative in the Philippines), to express ADB's interest in discussing how ADB and APPC might cooperate to assist NGOs in their quest for financial sustainability.

Subsequently, APPC and Venture for Fund Raising, a newly established nonprofit consulting and research firm, developed a proposal and began the complicated process of negotiating co-financing arrangements with the Asian Development Bank. Before that deal could be consummated, however, USAID became interested in the project and provided funding for research on NGO resource mobilization strategies in the Philippines, a study that served as the pilot test for the eventual seven-country project. Subsequently, the Nippon Foundation in Japan also joined the project as a donor. We are grateful to all three donors for their support, and to The Asia Foundation for its role in facilitating the project and managing its finances.

Investing in Ourselves—Giving and Fund Raising in Asia had four principal objectives:

- to build awareness of successful methods of fundraising employed by Asian NGOs and to identify innovative best practices;
- to increase understanding of the need for transparency and accountability among Asian NGOs if they are to be successful in fundraising;
- to increase the capacity of Asian NGOs to mobilize resources; and
- to establish benchmarks against which to measure the nature and scope of philanthropic giving in selected countries.

The study also sought to document Asian fundraising experience in order to supplement or replace imported models and experience for use in local training; and to demonstrate that charitable giving and volunteering takes place even in relatively poor countries that do not share Western cultural traditions.

The study produced 112 case studies of successful local fundraising in seven countries (Bangladesh, India, Indonesia, Nepal, Pakistan, Philippines, Thailand) and household level surveys of charitable giving in four of these countries (India, Indonesia, Philippines, Thailand).

Investing in Ourselves is a pioneering study. The household survey on charitable donations in Indonesia is the first ever conducted in that country, and the surveys in India, Philippines, and Thailand complement surveys

being conducted by the Johns Hopkins Comparative Nonprofit Project. As a pioneering effort, there are few benchmarks against which to compare our survey findings and only limited experience on which to estimate the impact of potential sample bias. It will take repeated future surveys to validate or revise these results. We hope that publication of these findings, with all the methodological caveats discussed in Chapter 3, will encourage others to continue to gather empirical data that will eventually result in a more detailed and comprehensive understanding of the dynamics of charitable giving in Asia.

These caveats aside, the surveys and case studies begin to provide valuable insights into the dynamics of philanthropy in the countries studied.

The surveys confirm in a practical way what cultural anthropologists have long taught—that philanthropy takes place everywhere, in all cultures. The frequently heard arguments that there is no cultural tradition of philanthropy in Asia, or that it is a Western import, or that philanthropy only occurs in wealthy countries, are once again refuted by the results of this study. In all four countries, almost all high to middle income households, as defined in the local context, made philanthropic gifts during the preceding twelve months, a pattern similar to that found in “developed” countries.

In addition, the amounts donated to charitable causes are substantial in local terms. In Thailand, Philippines, and Indonesia, for example, the average amount given per capita was reported to be US\$546, \$400, and \$123, respectively. Restated in terms of purchasing power parity (PPP), which provides a more meaningful international comparison, these amounts convert to the equivalent of US\$1610, \$1385, and \$538, respectively. On the other hand, the Indian respondents reported significantly lower levels of giving and a lower giving *rate* (that is, fewer of the respondents reported giving).

There is a similar hierarchy of giving in all four countries. Individuals are the main recipients of philanthropy, followed by religious organizations, then voluntary organizations. Individuals were the recipients of about 40 percent of charitable giving in three countries, and about 58 percent in Thailand. Although the four countries have different religious traditions, in each of them religious organizations received almost a third of all giving except in Thailand. In that country, although 95 percent of the respondents reported that they had made “religious contributions” during the previous year, only about 16 percent of their cash donations on a per capita basis were reported to have gone to religious organizations.² (In contrast, the

annual estimates of private charitable donations compiled in *Giving USA* indicate that almost half of all charitable donations made in the United States go to or through religious organizations.) Voluntary organizations, particularly social service providers and those in education, received between 21 and 28 percent of charitable donations.

Both the surveys and the case studies suggest that there is considerable scope for increased fundraising from local sources in the seven countries studied, but that some significant obstacles need to be overcome. On the one hand, the household surveys and the case studies demonstrate that there is already a significant pool of current contributors in each country. As fundraisers everywhere know, it is often most fruitful to focus on increasing donations from those who already give. It also appears that at least some fundraising approaches common in the US and Europe, but previously presumed to be inappropriate in Asia, such as direct mail, media advertising, telephone solicitations, selling tickets to special events, workplace giving, and selling NGO products, publications, and services, have also been used successfully by NGOs across the region.

In a statement that draws together the survey findings and the case studies, the authors of the chapter on fundraising principles assert that “people don’t give money to causes; they give to *people* with causes.” While individual donors in each of the seven countries studied may differ in their motivation to give to others, they share the need for a sense of connection to the organization and its cause. Most often, that sense of connection takes a personal form—knowing the organization’s founder, trustees, or staff; believing in the personal integrity of key organizational leaders; serving as a volunteer; or being approached in a manner that takes into account the potential contributor’s interests and concerns. Advocating a good cause may not be enough to attract local funding; even more critical is building and nurturing positive personal and community relationships, based in large part on the organization’s demonstrated legitimacy, accountability, transparency, and impact.

The challenge for voluntary organizations, particularly for development-oriented NGOs, is whether and how they can increase their share of charitable giving from local sources. Given the importance of religion as a motivating force for charitable giving in all the countries studied, the obvious question is whether those who give to religious organizations also give to voluntary organizations or whether these are separate markets. Is it possible to increase local levels of giving so that both types

of organization benefit, or does giving to one come at the expense of the other?

From the perspective of an NGO fundraiser, we now know that ordinary people in relatively poor countries do make charitable contributions to causes they believe in, but voluntary organizations, even those that provide direct educational and social services, appear on average to receive less than a quarter of those contributions. Even less appears to be donated to development-oriented NGOs, except possibly in Indonesia, where the survey respondents reported that they give slightly more to development NGOs than to education providers. Is it because NGOs are still not well known to their communities? Is it therefore a matter of public education and better media coverage? Or are there also deeper issues at work—perhaps related to public expectations about the role of the State, or to issues of NGO legitimacy and accountability? The data in this study do not allow us to address these questions, but we now know that it is not simply a matter of “poor” people not having funds to give, or not having a tradition of charitable giving. If I were an NGO leader, I would be interested to ask: since local people do give money, why doesn’t more of it come to us? what can I and my organization do to raise our share of the charitable gift market? This book may help provide some of the answers, based on Asian experience.

I would like to express my thanks, on behalf of the Asia Pacific Philanthropy Consortium and The Asia Foundation, to the Asian Development Bank, the Nippon Foundation, and USAID for their financial support, and to all the researchers and participants who contributed their energy, enthusiasm, and insights to make this project a success. Above all, I would like to express thanks and appreciation to Jaime Faustino and his colleagues at Venture for Fund Raising for having the vision and the managerial capacity to conceptualize and implement so well this complex, multi-country and multi-donor effort. ▶

BARNETT F. BARON

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January 2002

Notes

- 1 Reported in Lori Vacek, *International Conference on Supporting the Non-profit Sector in Asia*, Bangkok, January 9–11, 1998 (available from The Asia Foundation)
- 2 Higher than average educational levels and employment patterns in the Thai sample may account for their unexpectedly low level of support for religious organizations, in a country otherwise known for its well-endowed temples and generally well-funded religious societies.

Introduction

JAIME FAUSTINO

ASIAN NON-GOVERNMENT ORGANIZATIONS (NGOs) have played a pivotal role in the growth of the region since the time they gained prominence in the 1980s. More than just engaging volunteers to provide relief operations in times of domestic or international crises, or providing basic services to marginalized and underprivileged sectors of society, NGOs have expanded their role to being governments' partners in pro-active policy formation and program implementation. They raise public consciousness of issues, advocate policy reforms, seek alternative development strategies, and create innovative strategies to encourage citizen participation in socio-political and economic matters. They also serve as monitoring institutions of the state, and facilitate international dialogue and understanding through their networking activities. NGOs have also become resource centers in the region, providing the public with information and technical and financial assistance.¹

Factors influencing this dynamism of the Asian non-profit sector are numerous and varied. An important one is the growth of Asian economies within the last two decades, in spite of the regional recession of the late 1990s. As industries expanded and business practices became globalized, more Asian multinational corporations reached out to communities wherein they operated, in response to public clamor for corporate social responsibility. Likewise, wealthy entrepreneurs engaged in charitable giving as a way of giving back to the community, even going so far as taking part in venture philanthropic initiatives.² Governments also played a crucial role in offering support to the non-profit sector, eliciting NGO participation in different levels of government activity, as authoritarian regimes collapsed and democratic states emerged. This, and the recognition that governments gave to NGOs as partners in development, in turn led to increased public acceptance and appreciation of the non-profit sector as a whole. Apart from these, religious and cultural traditions have also helped to promote the philanthropic sector in many Asian countries. Islam, Hinduism, Buddhism and Christianity have their own sets of beliefs about charity, while Confucian teachings and the close family structure in some Asian societies reinforced the idea of helping relatives in times of need.³

No matter how rapid the development of the non-profit sector had been recently, however, NGOs are still faced with challenges that impede on their growth. The biggest of these is the noted decline in international aid, as cited by the Synergos Institute:

“...with rising GNP in the region in recent years and an expectation that the trend will continue, an increasing number of international funding agencies have opted to decrease their support for CSROs.⁴ It remains to be seen whether they will reconsider that decision in light of the recent financial crisis and the adverse impact it is having on employment and income in the region.

“This reduction in international funding in recent years has meant that CSROs have had to turn increasingly to local sources of revenue to continue to maintain their programs ...”⁵

Thus, NGOs must learn to diversify their funding sources, in order for them to be less vulnerable to shifting funding priorities of donor agencies. Traditionally, non-profit organizations have operated on two sources of income: *grants* and *earned income*. Grants are usually awarded by bilateral or multilateral agencies, corporate foundations, or international organizations, while earned income activities are business-like operations that bring in additional revenue to non-profit organizations. These activities may come in the form of product sales, service provision, facilities rental, and other such revenue-generating activities. Although earned income *does* augment an organization’s funds, it may not be feasible or sustainable to some NGOs, as it presents its own set of organizational challenges, and has even led to some lawsuits in Bangladesh and in other parts of the region.⁶

However, the challenge to diversify funding sources presents another opportunity for non-profit organizations to gain the support of individuals through *gifts and contributions*. While these have been largely untapped sources of income for most NGOs, individual gifts present the possibility of being highly sustainable sources of growth. Given the long-standing philanthropic and religious traditions of many Asian countries,⁷ and the relative prosperity being enjoyed by emerging democratic and industrialized states, NGOs may find fund raising from individuals to be a viable alternative to grants and earned income.

Of course, this fund raising method will present its own challenges that may contest long-standing organizational practices in the non-profit sector.⁸ It is for this reason that *Investing in Ourselves: Giving and Fund Raising in Asia* was undertaken—to document, further develop, and disseminate country-specific strategies, principles and techniques for mobilizing local resources and expanding philanthropic giving. In presenting the key findings of this project to the public, it is hoped that more non-profit organizations will graduate from traditional funding sources, and move toward long-term financial sustainability.

Part One, written by Marianne Quebral and Niña Terol, provides a brief overview of NGOs in Asia and their roles in society. Part Two presents a framework for fund raising that is based on the professional experience of Venture for Fund Raising, and over 100 case studies on fund raising by Asian NGOs. The actual cases are available in the country volumes.

Part Three, co-written by Susan Hocking and Dr. Mark Lyons, provides the analysis of individual philanthropic giving. The chapter is based on surveys conducted in the four countries: India, Indonesia, the Philippines, and Thailand.

We wish to recognize the critical role played by the country teams in achieving this ambitious project. The country teams were composed of academics researchers and NGO managers from Bangladesh, India, Indonesia, Nepal, Pakistan, the Philippines, and Thailand. We also wish to gratefully acknowledge the financial support provided by The Asia Foundation, on behalf of the Asia Pacific Philanthropy Consortium, the Asian Development Bank, the Nippon Foundation, and the US Agency for International Development. ▶

Notes

- 1 Yamamoto, Tadashi. "Emerging Civil Society in the Asia Pacific Community," (Japan Center for International Exchange, 1995); Baron, Barnett F, ed. *Philanthropy and the Dynamics of Change in East and Southeast Asia*, (Trustees of Columbia University, City of New York, New York, 1991), especially "Introduction and Overview."
- 2 These are activities by which investors require that they taken an active role in NGO management, program design and implementation, and program assessment. For more information on venture philanthropy, visit

www.surdna.org/venture.html.

- 3 Vacek, Lori A., *Strengthening Philanthropy in Asia Pacific An Agenda for Action: Conference Summary Paper*; (Asia Pacific Philanthropy Consortium: Bali, Indonesia, July 2001); Baron, Barnett F. *Philanthropic Foundations in East Asia* (conference paper); Baron, Barnett F, ed. *Philanthropy and the Dynamics of Change in East and Southeast Asia*, (Trustees of Columbia University, City of New York, New York, 1991), especially "Introduction and Overview."
- 4 CSROs, or Civil Society Resource Organizations, are local, non-governmental grantmaking organizations supporting development programs in different countries.
- 5 Winder, David, *Civil Society Resource Organizations (CSROs) and Development in Southeast Asia: A Summary of Findings*, (The Synergos Institute Series on Foundation Building in Southeast Asia, 1998), p.15.
- 6 Vacek, Lori A., *Strengthening Philanthropy in Asia Pacific An Agenda for Action: Conference Summary Paper*; (Asia Pacific Philanthropy Consortium: Bali, Indonesia, July 2001), p.9.
- 7 Especially for countries where Islam, Buddhism or Christianity are being practiced by majority of the population.
- 8 These challenges will be discussed in the succeeding section.

PART ONE

An Introduction
to Asian Philanthropy
and NGOs

Marianne Quebral
Niña Terol

1 | The Context of Non-Profit Sector Development

Historical and Socio-Cultural Context

The history of Asian cultures has contributed much to the growth of philanthropy in the region over the last few centuries. As the continent is home to several of the world's major religions—Islam, Hinduism, Buddhism, and Christianity—much of philanthropic giving traces its roots to religious concepts of merit-making, alms-giving and performing charitable acts. Likewise, the close-knit family structure of most traditional Asian communities has made it common for family and neighbors to help one another in times of crises. Giving in this context has thus become an extension of service to one's family, rather than a random charitable act to a stranger.

Giving in Islam

Islamic teachings mandate that a Muslim who has reached a certain level of income¹ must pay *Zakat*,² an obligatory social donation amounting to as much as 2.5 percent of his or her annual net savings. In Indonesia and Pakistan, the government has set up agencies to facilitate *Zakat* collection, which is in turn disbursed to religious and social service organizations. Aside from this mandatory form of giving, Muslims are also encouraged to practice *Infaq*³ and *Sadaqah*.⁴

Giving in Hinduism

Like Muslims, Hindus also espouse concepts of social contribution: *datra datrtva* and *daanam parmraarth*. More than this, however, they are also encouraged to perform voluntary service, as *seva* is another Hindu concept.

Giving in Buddhism

Buddhism promotes the practice of *thambun*, or giving for merit-making religious purposes, and *thamtaan*, or giving to those in need. These concepts are considered the cornerstones of Buddhist philanthropy, as adherence to religious precepts is still a motivating factor for philanthropy among Buddhists.⁵

Giving in Christianity

Christians practice religious giving through alms-giving, tithing,⁶ and contributing to the Church during congregational worship and special occasions (e.g., weddings, baptisms and funerals). This was inspired by the teaching to “Love thy neighbor as thyself,” and was first operationalized in the Philippines through the *Misericordia*, a charitable institution founded by a Jesuit in 1594 for the social elite to give to the needy.⁷

Traditional Asian society and philanthropy

Traditional Asian societies have developed around small, rural communities, and have instilled in members a sense of kinship and willingness to help each other in times of need. In Indonesia, for instance, a large portion of the population still lives in rural areas, and practices *gotong royong*—the concept of mutual aid. This practice is supported by four themes:⁸

1. That man does not live alone in this world, but is part of his community, the wider social environment, and the natural and spiritual universe around him;
2. Thus man is essentially dependent in all aspects of his life on his fellows;
3. Therefore he must always endeavor to maintain good relations with other members of the community, urged by a spirit of equality; and
4. He must always endeavor as much as possible to conform, and to do the same and be the same as his fellows in the community.

Likewise, the Nepalese have adopted many socio-cultural concepts of giving and volunteering. Among these are the *muthi daan*, *guthi* and *parma*. *Muthi daan*, literally “giving a handful,” consists mainly of separating a handful of rice or other food grain from the amount taken out for cooking the family meal, and saving it until the quantity reaches a reasonably useful

amount. This is then given to the needy in its original form or converted by the donor into money before handing over to the receiving person or organization.⁹ *Guthi*, on the other hand, is the concept of extending support to members of the clan or community to which one belongs. Lastly, *parma* is the custom of labor exchange among people of mixed age-groups or families, similar to the Indonesian *gotong royong*.

Thai society, on the other hand, draws on the relationship between kinsmen for philanthropy in a different way. One finds that even in contemporary Thailand, persons who wish to perform an act of merit-making also solicit the support of family members through co-merit-making. This is said to strengthen family ties, as co-merit-making is rationalized to be an act that binds families together in “future existence.”¹⁰

The concepts presented above demonstrate how socio-religious culture has influenced the practice and development of philanthropy and volunteerism in the region. However, it should be noted that both religious and communal models of giving may be limiting in that they do not encourage an active participation in social and charitable causes outside one’s religious belief or community. In Indonesia, for example, it was noted that urbanization and modernization have led to the erosion of *gotong royong*, while Indians, on the other hand, lament that despite a “long and distinguished tradition of philanthropy... private giving to promote the public good is still inadequate.”¹¹ Likewise, there is now a prevalent attitude among Nepalese that only the government, foreign donors, and affluent philanthropists are responsible for providing for the less fortunate.¹²

Non-profit organizations are thus faced with the challenge of looking for new ways to motivate the giving public outside the religious and social pretexts. As economies expand and become more globalized, publics will be more discerning, and will search for a more powerful impetus for social involvement. The emergence of an economic and social elite, as well as the proliferation of new philanthropic foundations, present non-profit organizations with unique opportunities and challenges that may not be addressed by traditional models of giving and community participation.

Economic and Developmental Context

The world has witnessed an explosion of significant economic and developmental changes over the past four decades, and these have been more apparent in Asia than elsewhere. As economic barriers broke down and nations embraced the concept of globalization, developing economies experienced an upsurge, and local markets experienced the impact of large multinational companies operating within the region. This, in turn, led to rapid economic growth, the democratization of many Asian governments, and the emergence of a new social and economic elite.¹³

These have all contributed to the growth of the non-profit sector in previous years. More than these, however, Lester Salamon argues that three forces added pressure to the expansion of the non-profit sector around the world:

- Pressure “from below” in the form of spontaneous grass-roots energies;
- Pressure “from the outside” through the actions of various public and private institutions; and
- Pressure “from above” in the form of governmental policies.¹⁴

The proliferation of grassroots movements

The emergence of the middle class, coupled with governments’ inequity to respond to growing societal needs, sparked serious regional debates on the role of the elite towards the disadvantaged sectors of society.¹⁵ This spurred non-profit organizations to act on behalf of the marginalized, and to take on a variety of roles that included providing basic and social services (e.g., food, water, health care, education), advocacy, political lobbying, and grassroots mobilization.¹⁶

Support from local private institutions and international funding agencies

As economies created new wealth and enjoyed relative prosperity, private enterprises and corporations performed philanthropic activities for the benefit of local communities, albeit as part of their public relations exercises. In Hong Kong, for instance, major trading firms set up foundations or trusts that have funded scholarship, environmental protection, and infra-

structure development programs.¹⁷ Japan, on the other hand, which has the most developed foundation sector in East Asia, supports initiatives in science and technology, education and medical research / public health. In recent years, however, the amount of grants given by Japanese foundations has been steadily declining, reflecting the country's deepening economic recession.¹⁸

Another significant factor in the growth of the Asian non-profit sector is the availability of Official Development Assistance (ODA), which until recently has been the major source of income for many NGOs. Countries such as Japan, the United States, the United Kingdom and Germany have been disbursing millions of dollars worth of ODA, while countries such as Bangladesh, India and Indonesia have been receiving large sums of ODA, amounting to more than US\$1 billion per year until 1999.¹⁹ While this has certainly promoted international cooperation for many countries, it has also created dependence on foreign funding, and has hindered NGOs in developing countries from acquiring and sharpening skills in local resource mobilization and fund management.

This certainly becomes a cause for concern for many Asian NGOs, as foreign aid is in decline, and is expected to further decrease within the next few years. Michael Edwards, David Hulme and Tina Wallace cite the reasons as follows:

“This (the decline of foreign aid) is the consequence of persistent intellectual and communication failings in the case for aid, continued political disinterest and/or disillusion, and the emergence of new forms of international co-operation better-suited to the realities of a global economy where private flows of capital predominate (outside Sub-Saharan Africa) and economic integration is perceived as the best motor for change...”²⁰

Thus, in the face of global and economic change, funding agencies are looking at ways to go beyond subsidiary support and move towards “participatory development,” a cooperation strategy employed by the Organization of Economic Cooperation and Development’s Development Assistance Committee. This suggests that international NGOs should now make the transition from direct implementation of aid-funded projects, and work more toward “capacity-building, ‘leaning-for-leverage’ and other measures

designed to support local institutions to engage in discussions over development priorities, take part in global regimes, and operate successfully as motors for change in economic systems, governance and social policy.”²¹

The Asian economic crisis of 1997 and philanthropy

In discussing the relationship between economic change and Asian philanthropy, one must not forget to discuss the impact of the 1997 Asian financial crisis on many of the region’s societies. Tadashi Yamamoto quotes Jung Ku-hyun and Kim Ichoon as asserting that “the Asian financial crisis can be viewed as the failure of Asian economies... to adjust to these new realities of globalization.”²² Furthermore, Yamamoto claims that:

“...there was a sudden shift of people’s attention in countries in Asia to the inadequacy of systems of governance both at the state level as well as the corporate level, and the lack of transparency and accountability became a major issue in public debate. Instead of extolling the Asian values that brought about phenomenal economic success, the government and corporate leaders have been forced to pay greater attention to such government issues as corruption, human rights, income disparity, and social welfare.”²³

As governments were jolted with the reality of an economic crisis, the private and non-profit sectors worked to develop “social safety nets” for the public welfare. In Indonesia’s experience, the 1997 Asian financial crisis mobilized spontaneous public support for the marginalized, and forced NGOs to develop alternative fund raising strategies.²⁴ In fact, the major impact of the economic crisis was on government attitudes toward local NGOs in countries such as Korea, Japan, and Indonesia, all of which dramatically increased funding for local NGOs to provide services to the newly unemployed. Likewise, corporations were faced with calls “for greater financial transparency and more responsiveness to stakeholder concerns,”²⁵ and large multinational companies were faced with increasing pressure to give back to the local communities where they operated.

Indeed, development priorities, strategies and concerns have changed since the time when religion and traditional culture influenced much of

philanthropy. As economies open up and become more intertwined, so will international economics and politics play a role in local development initiatives. Communities are no longer distinct and disparate entities, but they now operate within the context of a larger, and much more dynamic and complex society. Thus, international governmental policies for development become central to local development, and force NGOs to look beyond traditional executive roles, as well as participate as policy legislators and advocates.

Political and Regulatory Context

Another significant change that occurred in Asia within the last several decades is the democratization and decentralization of many Asian governments. Although some countries such as Nepal and Thailand still preserve their monarchic traditions, most have already adopted democratic and participatory processes, thus opening up further opportunities for growth in the non-profit sector. Moreover, some governments have recognized the contributions of NGOs in their local community, and have even established systems and policies to support these organizations.²⁶ In Pakistan, for instance, the government has witnessed an unprecedented entry of NGO leaders into senior positions. Moreover, it has also launched an Enabling Environment Initiative, designed to review and reform earlier NGO legislation. However, it also cannot be denied that NGO-government relations can be tense, even adversarial, in some other countries.

The Philippines may perhaps boast of having one of the most vibrant non-profit sectors in Asia, and this may be attributed to sustained government support since the Aquino administration of 1986. During this time, many socio-political organizations helped thwart the 20-year Marcos dictatorship, and were instrumental in Corazon Aquino's ascension to power. Recognizing the need for civil society to support local development programs, the 1987 Constitution encouraged the organization and promotion of NGOs and community-based or sectoral-based people's organizations. A few years later, the Local Government Code of 1991 was enacted to strengthen the capacity of NGOs to have a voice in policy-making, as they were made to participate in decision-making of local development councils. They were also allocated seats and given sectoral representation in the governing and legislative bodies at the local level respectively.²⁸

While not all Asian non-profit organizations enjoy the same level of government recognition as those of the Philippines, administrations all over the region have developed regulatory measures to ensure some amount of control and management of NGOs. Following are eight issues upon which legal and regulatory matters of the non-profit sector revolve, cited by Thomas Silk, editor of *Philanthropy and Law in Asia*.²⁹

1. Registration: How does the legal existence of an NPO (non-profit organization) begin?
2. Registration: What are the legal obstacles and restrictions?
3. Tax exemption: Are NPOs exempt from income taxation?
4. Tax deduction: Can individual and corporate contributors obtain a tax benefit by deducting their contributions?
5. Capital formation: Are there legal barriers that limit the growth of NPOs through obtaining and retaining capital?
6. Internal governance: What rules apply to the internal governance of NPOs?
7. Accountability and Reporting: What reporting obligations are required of NPOs?
8. Dissolution: How does the legal existence of an NPO end?

Registration

The term “refers to the official process by which an NPO comes into legal existence as a distinct entity—with perpetual existence; and the ability to own property (including a bank account), to enter into contracts, and to bring legal actions.”³⁰

According to Silk, several patterns emerged from the study, two of which are:

1. Compulsory registration laws, even in those states where the laws were enacted as social control measures, have not prevented the proliferation of NPOs in recent years.

This is especially true for Thailand, which has only 300 registered NGOs, on account of stringent registration requirements. Likewise, the Bangladesh country report admits that many NGOs are “unincorporated associations,” as registration procedures are unclear and arbitrary.³¹

2. The registration process for NPOs within the region varies widely.

This pattern was likewise seen in the seven countries surveyed in this particular project. Of these countries, only the Philippines has an independent registration council—the Philippine Council for NGO Certification—which accredits NGOs based on established standards and criteria on the following:

1. The organization's vision, mission and goals;
2. Internal governance;
3. Administration;
4. Program operations;
5. Financial management; and
6. Networking

Moreover, the PCNC grants accredited NGOs “seal of good housekeeping”³² and recommends to the Bureau of Internal Revenue that they be granted donee status and tax exemption.

On the other hand, it was seen that NGOs in other countries were required to register with several distinct government agencies, depending on the nature of their organization. For instance, in Thailand, foundations and associations register with the National Cultural Commission; trade associations register with the Trade Association and Chamber of Commerce; and non-profit and voluntary cremation associations register with the Department of Public Welfare.³³ Likewise, Bangladeshi NGOs register with either the Department of Social Welfare, the Registrar of Societies, NGO-Affair Bureau, the Women and Children Affairs, the Home Ministry, or the National Board of Revenue for matters of taxation.³⁴

At times, State regulations with regard to NGO registration are seen as an assertion of implicit force on non-profit organizations. In the case of Nepal, the Social Welfare Council (SWC) was created by Social Welfare Act 2049 in 1992, to “monitor and co-ordinate the activities of the NGOs. However, the Council is still regarded to be an arm of the government, since the government selects the councilors. One of the bones of contention is also that according to the rule, NGOs need affiliation with SWC and its prior approval (sic) to receive funds from sources external to Nepal. This is viewed with distrust and suspicion that the Council can use this rule as vendetta

against any NGO that might not see eye-to-eye with the officials of the Council or the government of the time. SWC officials have stated many a time that the rule is required to check discrepancies in the apparent and the intended activities of NGOs and to keep track of the funds entering Nepal. They have also said that this rule has not been and will not be used against the NGOs that are transparent and coherent in their stated purposes and activities. This justification has not yet been fully accepted.”³⁵

In this regard, it can be seen that registration of non-profit organizations is still largely arbitrary, at times limiting, and in many cases controlled by the State.

Legal obstacles and restrictions of registration

Silk mentions several barriers to NGO registration, but the ones most applicable to this study are:

1. Burdensome financial requirements.

This is evident in Thailand, where only 300 NGOs are registered. According to the Thailand country report, the requirements for registration are a sizeable endowment fund and large membership base, which most NGOs have not successfully obtained.³⁶ In stark contrast, Bangladesh demonstrates a rather lax attitude toward NGO registration as laws do not require a capital structure and incentive for capital accumulation.³⁷

2. Limitations on legislative advocacy and elections for public office.

Although many Asian NGOs have now taken advocacy as part of their role and agenda in light of increasing social, political and environmental concerns, few are officially recognized by government as partners in legislation and policy reform. In the Osaka Symposium on Philanthropic Development and Cooperation in Asia Pacific, Tadashi Yamamoto and Susan Hubbard assert that:

“NGOs have usually been regarded with even more suspicion by governments. There are some NGO movements that have been encouraged by Asia Pacific governments who increasingly recognize that NGOs can be helpful in dealing with many of the newly-emerging socio-economic problems that are beyond the ability of the government to handle directly. The end of the cold war has reduced ideological conflicts within Asian countries, and there has been a growing

recognition by governments that these organizations can be a positive social force rather than dangerous anti-government elements.

“On the other hand, the public sector rarely appreciates the advocacy agendas associated with many NGOs. While experience varies around the region, many governments at the central and local levels regard NGOs as special interest organizations that do not keep the broader public interest at heart, as threats to social unity, or simply as private organizations placing additional burdens on government bureaucrats...”³⁸

Although this report covers only the Asia Pacific community, similar observations may be made about South Asian NGOs and governments, especially in Nepal and Pakistan, where NGO-government relations are still hostile for the most part, and where both sectors eye each other with distrust.³⁹

Some recent developments fortunately reveal some exceptions:

1. In the Philippines, former President Ramos' vision of a “Philippines 2000” sought the active participation of NGOs. A private sector coalition called the People's 2000 was organized to support the implementation of the Medium Term Philippines Development Plan. The Local Government Code of 1991 stipulated the participation of NGOs in all levels of decision making with the allocation of specific seats in local development councils.
2. In Thailand, NGO-CORD was asked to actively participate in the formulation of the Sixth and Seventh National Development Plans (1986-90 and 1991-95) as well as to serve as a member of several working groups and subcommittees on various development issues.⁴⁰

Tax exemption

Tax exemption is an issue with regard to NGO registration that most governments have not yet fully addressed. While it has gained the favor and acceptance of the Philippine, Nepalese, Pakistani and Indian governments, tax exemption is still rather hazy in Bangladesh, Thailand and Indonesia. Thai regulations require NGOs to be registered for at least three years before

gaining tax exemption status, and with only 300 NGOs registered with the government, companies and individuals are not really incentivized to support these organizations. Meanwhile, Indonesia reports that tax exemptions are available only for foundations working in the fields of religion, education, health, and culture; and these are applicable only to grants, donations, presents, inheritance, and government subsidies.⁴¹ Some donations for “charitable” purposes are also tax exempt in Bangladesh, but tax exemption laws here are generally unclear.⁴²

Besides these observations made from the country reports, Thomas Silk cites some patterns on tax exemption of Asia Pacific NGOs. Only those likewise noted in the participants of this seven-country study are mentioned:

1. Every country in the region has an income tax, and exemptions from income tax for NPOs are widespread throughout the region.
2. Tax exemptions for NPOs usually depend on two factors: the type of organization and the type of income received.
3. Gifts and contributions to NPOs are generally exempt from tax.
4. The exemption of passive (investment) income varies widely within the region.
5. The tax treatment of business income is not uniform within the region.
6. In some countries, tax exemption is an automatic consequence of registration,⁴³ but in other countries a separate step is required: application to a tax agency and receipt of favorable ruling.
7. To qualify for tax exemption, NPOs are not generally prohibited (sic) from engaging in business activities.
8. All of the country reports call for broadening the scope of income tax exemptions for NPOs.⁴⁴

Tax deduction

The Nonprofit Comparative Law Project found that most of the participant countries limited the percentage of income deducted from individual and corporate contributions. This is also true for some of the countries in this study, *if ever* they are found to provide tax incentives for individuals and corporations. The Philippines, Nepal, Pakistan and India country reports state that tax laws are favorable to the non-profit sector, and encourage individual and corporate giving, while Thailand, Bangladesh, and Indonesia say otherwise.

Capital formation and restrictions on obtaining and retaining capital

Generally, the countries surveyed in this study report that there are few restrictions with regard to the receipt of financial support from abroad. In fact, Official Development Assistance has been the primary source of income for many NGOs, with the conditions and restrictions arising from the donor institution. However, it is noted that in Bangladesh law “the use of foreign fund is restricted by conditionalities and even interest income cannot be generated through its use.”⁴⁵ India has a strict Foreign Contributions Act that requires prior government approval before an NGO can accept foreign funds. Indian NGOs also appear to receive a smaller percentage of their income from foreign sources than in other Asian countries.

Internal governance

To date, there are no formally set standards for the internal governance of NGOs in Asia. However, there are commonly accepted duties and responsibilities to beneficiaries. As Silk states:

“In common law countries, the basic legal obligations of directors of NPOs are usually expressed as fiduciary duties... Those duties are imposed on fiduciaries or trustees, who are charged with holding and administering property solely for the benefit of the beneficiaries of the trust. In performing their duties, trustees are obliged to observe a duty of care and a duty of loyalty. The duty of care requires the trustee or director to act in good faith... It also requires the director to act reasonably or prudently. The duty of loyalty obligates the director to avoid conflicts of interest, to act in the best interests of the NPO rather than in the interest of the director.”⁴⁶

Accountability and reporting

Financial transparency and accountability are NGO buzzwords that have come up more frequently in recent years, as an acknowledgment of NGOs' responsibility to the public, and in response to abuses uncovered in the past. Indonesia, for example, admits to having a non-profit sector that was once a pawn of the Suharto administration, with many *yayayans* (foundations) being controlled by government officials and their family and friends. During

this time, there were no explicit restrictions and regulations on the scope of work of NGOs, which “resulted in abuses of non-profit organizations and foundations for private interest.”⁴⁷ Because of this, Indonesia in 2001 enacted a new foundation law, which seeks to regularize foundation administration and increase public accountability as a condition for continued assistance by the International Monetary Fund (IMF).

Great care must thus be taken in evaluating organizations’ transparency and accountability, for which the Philippine Council for NGO Certification outlines several requirements:

1. Maintenance of financial books, such as a ledger, cash receipt book and cash disbursement book;
2. Registration with the appropriate government revenue agency;
3. Maintenance of a bank account;
4. Registration and documentation of official receipts;
5. The employment of separate officers for handling disbursements, bookkeeping and cash custody;
6. Auditing of supporting documents of financial transactions, conducted by a qualified and independent auditor;
7. The existence and observance of written policies and procedures in handling transactions; and
8. The use of a mechanism for disclosure of fund sources and fund raising activities.⁴⁸

Despite the absence of an independent NGO regulating and certifying councils in other parts of Asia, state agencies require non-profit organizations to submit audited financial documents and other such mechanisms for disclosure of fund raising activities. However, laws do not require *public* disclosure of NGOs’ activities or accounts.⁴⁹

Dissolution

According to Silk, there is a prevalence of involuntary or compulsory dissolution laws that permit broad administrative discretion. Therefore, most of the country reports in the Nonprofit Comparative Law Project recommend that these non-profit dissolution laws be reformed to limit abuses of

official discretion. In the countries surveyed in this study, little was said with regard to dissolution, except in the case of Bangladesh which specified that “dissolution of an agency by the government is derived from the common law tradition, and grounds include: improper use of funds, activities outside the purpose of the association, inability to pay debts, violation of terms and conditions of registration, etc.”⁵⁰

With the lack of a formal and systematic registration, evaluation and auditing process, it becomes evident that NGOs must take it upon themselves to regulate their own activities, and ensure the legitimacy, transparency and accountability of their particular organizations. However, this becomes another cause for concern, as NGOs recognize the dearth of instructional and training materials on organizational and financial management in the Asian non-profit sector. Thus, NGOs, umbrella organizations and their partners in the government and academe must collaborate to develop updated, relevant, and accurate information that will address this need and strengthen NGOs’ ability to govern and regulate themselves. ▶

Notes

- 1 This includes non-monetary assets, such as gold and silver, or merchandise, crops and livestock. For more information, refer to the Indonesia Country Report.
- 2 The Zakat (alms) requires all Muslims to give 2.5 percent of wealth and assets each year (in excess of what is required) to the poor. This is done before the beginning of the month of Muharram, the first month of the new year. Giving the Zakat is considered an act of worship because it is a form of offering thanks to God for the material well-being one has acquired (<http://www.zpub.com/aaa/zakat-def.html>).
- 3 Voluntary spending for the poor. Definition is taken from *Human Development and Poverty in the Arab States*, a paper written for the United Nations Development Program by Moez Doraid, March 2000 (<http://www.worldbank.org/wbi/mdf/mdf3/papers/labor/Doraid.pdf>).
- 4 Sadaqah is a voluntary act of giving alms by Muslims who want to contribute more than their obligatory zakat payment. It may be given to mark or bring blessings to occasions such as weddings, anniversaries, personal success or even instances of sadness or bereavement (http://www.islamiq.com/knowledgecenter/zakah_main.php4#sad).
- 5 For more information, refer to the Thailand Country Report.

- 6 This practice requires a Christian to give 10 percent of his or her income to the Church.
- 7 Taken from a report written by Jaime Faustino on the history of philanthropy in the Philippines.
- 8 Ouny S. Prijono, "Organized Philanthropy in Indonesia," in Baron, *Philanthropy and the Dynamics of Change in East and Southeast Asia*, op. cit. pp.127-128.
- 9 For more information, refer to the Nepal Country Report.
- 10 For more information, refer to the Thailand Country Report.
- 11 Taken from the India Country Report.
- 12 Taken from the Nepal Country Report.
- 13 Baron, p.4.
- 14 Olena P. Maslyukivska, *Role of Nongovernmental Organizations in Development Cooperation* (A paper prepared for the Collaborative Research Clinic: Using Public-Private Collaboration to Improve the Delivery of Urban Services in Developing Countries), (New Haven, Connecticut, May 10,1999), p.1. The third bullet will be discussed in the succeeding section.
- 15 Baron, p.4.
- 16 These roles will be discussed in detail in the chapter on the Roles of NGOs.
- 17 Tadashi Yamamoto, ed., *Emerging Civil Society in the Asia Pacific Community*, (Singapore: Japan Center for International Exchange, 1995), p.115.
- 18 Barnett F. Baron, *Philanthropic Foundations in East Asia* (a paper written for the Asia Pacific Philanthropy Consortium, August 2001), pp.6-9.
- 19 Sources: OECD, World Bank – <http://www1.oecd.org>.
- 20 Michael Edwards, David Hulme and Tina Wallace, *NGOs in a Global Future: Marrying Local Delivery to Worldwide Leverage* (Conference Background Paper, Birmingham, 1999), p.1.
- 21 Edwards, Hulme and Wallace, p.2; and Maslyukivska, p.1.
- 22 Tadashi Yamamoto, ed., *Governance and Civil Society in a Global Age*, (Japan: Japan Center for International Exchange, 2001), pp.16-17.
- 23 Yamamoto, *Governance and Civil Society in a Global Age*, p.17.
- 24 Taken from the Indonesia Country Report.
- 25 Baron, *Philanthropic Foundations in East Asia*, p. 5.
- 26 For more information, refer to the Philippine and India Country Reports.
- 27 Taken from the Pakistan Country Report.
- 28 Yamamoto, *Emerging Civil Society in the Asia Pacific Community*, p.188.
- 29 *Philanthropy and Law in Asia* is the result of a three-year study, the Comparative Nonprofit Law Project, an activity of the Asia Pacific Philanthropy Consortium. It contains baseline studies of the legal frameworks of nonprofit organizations in Australia, China, Indonesia, Japan, Korea, Philippines, Singapore, Taiwan, Thailand and Vietnam. Mr. Thomas Silk was the

- legal director of the Comparative Nonprofit Law Project, and editor of the book. Succeeding portions are taken from excerpts of the book, as quoted by Zhao LiQing and Larolyn Iyoya Irving, *The Non-Profit Sector and Development*, (Hong Kong: Hong Kong Press for Social Sciences Ltd., 2001), pp. 117-125.
- 30 Thomas Silk, "Philanthropy and Law in Asia: Summary and Further Reflections," in Zhao and Irving (ed.), *The Non-Profit Sector and Development*, p.118.
 - 31 Taken from the Thailand and Bangladesh Country Reports.
 - 32 Philippine Council for NGO Certification, *NGO Self-Regulation & Certification: The Philippine Experience* (The eighth in a series of monographs by the PCNC, funded by the Sasakawa Peace Foundation). The PCNC was founded by the League of Corporate Foundations (LCF), the Association of Foundations (AF), and Philippine Business for Social Progress (PBSP), on January 29, 1997.
 - 33 Taken from the Thailand Country Report.
 - 34 Taken from the Bangladesh Country Report.
 - 35 Taken from the Nepal Country Report.
 - 36 Taken from the Thailand Country Report.
 - 37 Taken from the Bangladesh Country Report.
 - 38 Tadashi Yamamoto and Susan Hubbard, *Summary Report on the Osaka Symposium on Philanthropic Development and Cooperation in Asia Pacific*, taken from Yamamoto, *Emerging Civil Society in the Asia Pacific Community*, p.46.
 - 39 For more information, refer to Nepal and Pakistan Country Reports.
 - 40 Yamamoto, *Emerging Civil Society in the Asia Pacific Community*, p.13.
 - 41 Taken from the Indonesia Country Report.
 - 42 Taken from the Bangladesh Country Report.
 - 43 This is especially true in Bangladesh. In the Philippines, *certification* is required, and not mere registration.
 - 44 The same can be noted for the country reports of this particular study.
 - 45 Taken from the Bangladesh Country Report.
 - 46 Thomas Silk, "Philanthropy and Law in Asia: Summary and Further Reflections," in Zhao and Irving (ed.), *The Non-Profit Sector and Development*, p.123.
 - 47 Taken from the Indonesia Country Report; and Baron, *Philanthropy and the Dynamics of Change in East and Southeast Asia*, p.8.
 - 48 Philippine Council for NGO Certification, *Evaluating Financial Management of NGOs (Monograph Series # 4*, funded by the Sasakawa Peace Foundation), p.4. Only relevant items were quoted.
 - 49 Taken from Bangladesh Country Report.
 - 50 Taken from Bangladesh Country Report.

2 | Non-Profit Organizations and Their Roles in Society

Non-profit organizations take on a multitude of roles and responsibilities, depending on the nature of their make-up, the needs of their beneficiaries, and their relations with the government, private sector, and the international community. This chapter examines the present roles of and challenges made to the non-profit sector as a whole, and will also discuss how these roles are affected by NGO relations with the State, the private sector, and the international community.

Roles of NGOs

Given the four-phase transition in the non-profit sector, six roles have emerged for NGOs as discussed by Cousins William.¹ A seventh role is included in this discussion, as seen in the Philippine NGO experience, and published in Tadashi Yamamoto's *Emerging Civil Society in the Asia Pacific Community*.²

1. **Development and Operation of Infrastructure** refers to the acquisition, subdivision and development of land; construction of housing projects; provision of infrastructure such as wells or public toilets and solid waste collection services. It may also include developing centers for building material supply and other community-based economic enterprises.
2. **Supporting Innovation, Demonstration and Pilot Projects** refers to the implementation of innovative and time-bound projects in particular localities. Under this model, NGOs may pilot projects in certain localities, or they may be used by government agencies to test innovative ideas which may not be implemented on a national scale. In many cases, NGOs hold the advantage over government, as they are able to conceptualize and implement projects without bureaucratic delay.
3. **Facilitating Communication and Networking** refers to the role of NGOs as liaison to the government and the public. In serving as a communi-

cator from the public to the government, NGOs may represent the people's agenda in policy and decision-making by informing government about the "lives, capabilities, attitudes and cultural characteristics of the people at the local level."³ On the other hand, they may also link government to the people by sharing information about government programs and initiatives.

4. **Technical Assistance and Training** refers to the role of NGOs in training other organizations and government, thus strengthening their technical capacity in a variety of fields.
5. **Research, Monitoring and Evaluation** refers to the role of NGOs in carefully documenting innovative projects, and sharing the results of the evaluation with the community and government, as well as the participant staff.
6. **Advocacy For and With the Poor** refers to the role of NGOs as "spokespersons or ombudsmen for the poor, and attempting to influence government policies and programs on their behalf." This may be done through policy advocacy, implementation of government programs, sponsoring of pilot projects, and mediation.
7. **Resource Mobilization and Management** refers to NGOs' role as intermediary organizations, obtaining funds from donors, and channeling these to beneficiary NGOs, who in turn distribute funds to local communities and people's organizations (POs).

The roles mentioned above are by no means mutually exclusive, and NGOs frequently have to grapple with a variety of these, depending on their community, their relations with government, and their audience. Many of the cases included in this study, in fact, shift from one role to another as the organization, or their community, matures. For example, **Mobile Crèches**,⁴ a non-profit organization in India providing integrated day care facilities for children of working mothers on construction sites, went beyond the provision of a health care facility to conduct programs in health, hygiene and nutrition; education and cognitive development; and training.

NGO Relations with Government and the Private Sector

The roles of NGOs are mostly performed with local communities as beneficiaries. However, it is important to note that NGOs cannot fully satisfy these roles without the support of two other central sectors of society: government and the private sector. As government is empowered to create an enabling environment for the growth and development of the non-profit side, the private sector has the capacity to share resources with, or transfer intellectual capital to, non-profit organizations for the benefit of the public. This section discusses some trends that either strengthen or threaten NGO relations with the public and private sectors, and suggests some options for improved collaboration.

NGO relations with government

NGO relations with government vary widely across Asian countries. As mentioned in the previous section on the *Political and Regulatory Context* of NGO development, government support for the non-profit sector may take on various forms, such as increased funding, collaboration on community capacity-building projects, or support for legislative reforms advocated by NGOs. NGOs, on the other hand, demonstrate support for government by implementing government projects, pilot testing innovative programs at the community level, or conveying and explaining government sentiments to the public.

Upon closer scrutiny, NGO relations with government may be described as covering three roles:

1. Critic – when NGOs scrutinize government policies, advocate reforms and serve as a check-and-balance institution of the State;
2. Competitor – when NGOs deliver services and programs that governments are generally unable to handle efficiently; and
3. Partner – when NGOs implement programs under the government's official development banner, and collaborate with the state in looking for alternative development strategies.

NGOs as critics.

In the book *Governance and Civil Society in a Global Age*, Tadashi Yamamoto and Kim Gould Ashizawa point out that non-profit organizations “can promote reform by playing a critical role as a watchdog, critic, and provider of alternative policy recommendations.”⁵ Indeed, it can be seen in the history of Asian governments that non-profit organizations and civil society movements have been instrumental in effecting (radical) change in governance systems. This is best illustrated by the 1986 and 2001 EDSA uprisings in the Philippines, and the end of the Suharto regime in Indonesia, which were led by NGO and civil society leaders. However, reforms need not be as drastic as the ones just mentioned, and NGO leaders must learn to draw the line between effective policy advocacy and excessive criticism of government.

NGOs as competitors.

One factor that led to the recent growth of the non-profit sector is the realization that governments have not efficiently provided needed services to the people. As states became decentralized and pluralized, new and varied concerns emerged which governments were unable to handle alone. Tadashi Yamamoto and Susan Hubbard wrote the following in their report on the Osaka Symposium on Philanthropic Development and Cooperation in Asia Pacific:

“Rapid economic growth in many Asian countries... brought about serious economic disparity among people within each country. The benefits of new wealth in urban areas attract people from rural areas, but the benefits are limited and the domestic migrants end up as squatters once jobs and housing are all gone. At the same time, rural areas are losing productive agricultural workers, a situation that exacerbates nationwide hunger and poverty. In addition, rapid economic development can result in the destruction of the natural environment, followed by the destruction of whole communities. These developments have made it clear that the state faces limitations on its ability to solve the problems arising from the recent trends in Asia, leaving a widening space for nonprofit organizations to move in and grapple with new and complex issues.”⁶

Indeed, NGOs have more than filled the gap left by governments in light of rapid economic advancement. They have mobilized and empowered communities, and implemented innovative programs in areas that governments could not reach. This may account for the deep-seated jealousy and mistrust that exists and remains until now between both sectors in many Asian countries.

NGOs as partners.

This third role of NGOs with respect to the state is what Dr. Philip Eldridge calls “high-level partnership,” where non-profit organizations demonstrate “a high level of partnership... in official development programs... This approach appears to be strictly development oriented rather than focused on mobilization or advocacy work, and entails linking NGO programs to existing community organizations or creating new organizations for the same purpose.”⁷

Unfortunately, the scope of NGO-government partnership is limited, and is more program-oriented than policy-oriented. Both parties have yet been unable to create that “enabling environment” which needs to grow. However, it is not the fault of either party, and both have to acknowledge that much work needs to be done if they truly believe in sustaining their country’s socio-economic development.

To create this “enabling environment,” the World Bank outlines seven essential “ingredients”:⁸

Box 1. Ingredients of an enabling policy environment

1. “Good Governance” – social policies which encourage a healthy civil society and public accountability of state institutions.
2. Regulations – designed to help, not hinder, NGO growth, as well as to root out corruption and to foster sound management discipline; eliminate restrictive laws and procedures.
3. Taxation policies – to provide incentives for activities which conform with State development priorities; to encourage indigenous philanthropy and income generation.
4. Project/Policy implementation – State-NGO collaboration with proven NGOs in a way which allows the NGOs to remain true to their agenda and accountable to members or their traditional constituency. This might typically indicate the following roles for NGOs

within government: articulation of beneficiaries' needs to project authorities, providing information about the scheme to communities, organizing communities to take advantage of the scheme's benefits, delivering services to less accessible populations, serving as intermediaries to other NGOs.

5. Policy formulation – provision of information to NGOs for dissemination to their constituencies; offering a role to NGOs in public consultations; invitation to NGO leaders to serve on official commissions etc. (for example, the Indian NGO, DISHA, has been an influential member of the Central Government's Commission on bonded labor). Public access to information is the key to success in this area.
6. Coordination – where the government fosters but does not dominate coordination, for example, through having NGO Units in relevant line ministries or NGO consultative committees; NGOs would be encouraged to attend to geographic or sectoral gaps, to avoid religious or ethnic bias, to avoid activities which contradict state programs or which make unrealistic promises; the government encourages training of NGO staff, for example, by ensuring that its own training institutions offer courses of relevance to NGOs; the government encourages improved attention to management skills, strategic planning and sharing of experience within the sector.
7. Official support – the government provides funds, contracts and training opportunities to give special encouragement to NGO activities in priority areas without undermining NGOs' autonomy and independence; broad agreement is sought with NGOs on such priorities by establishing formal consultation with NGO leaders. The Council for Advancement of People's Action and Rural Technology (the body which channels government funds to NGOs in India) and the forthcoming Community Action Program (a local government scheme for financing NGOs and community initiatives in Uganda) are illustrations.

NGO relations with the private sector

Another key player in development is the private sector, as it has precipitated the proliferation of non-government organizations. However, NGO relations with the private sector, like those with government, have been fragile—ranging from suspicious and volatile on one hand, to collaborative on the other.

Reasons for mutual distrust vary, but they may be fueled by increasing competition between both sectors, considering that non-profit organizations derive a substantial amount of funding from earned income ventures.⁹

Besides this, both may experience conflicts when they *do* engage in partnership, for “business does not perceive NGOs as being professional and competent to implement joint, very often costly, projects. NGOs prefer to ‘beg’ instead of putting a part of their material and human resources into projects.”¹⁰

In spite of this, two trends have emerged in the past several years that make one optimistic of the outcome of NGO-business relations: *corporate social responsibility* and *venture philanthropy*. Both very recent trends in business, these developments will be discussed in this section as the preferred modes of NGO-private sector interaction.

Corporate social responsibility (NGOs as beneficiaries)

Corporate social responsibility¹¹ is a recent development in the corporate world that is hinged on the realization that companies will only thrive in a healthy socio-political and economic environment. In earlier years, corporate social responsibility (or what is also called “corporate citizenship”) was taken in the context of businesses developing good public or community relations, and involved in giving money to charities, sponsoring parties for orphans, and other low involvement activities. Fortunately, this model has evolved into something more participatory and innovative. Evelina Asuncion-Pangalanan notes this change as such:

“A new management thinking in response to the challenges facing business has recently been noted which may be labeled as ‘stakeholder’ model with a change from an exclusive focus on shareholders and customers to an expanded concern for the impact of the business operations on a number of other key stakeholders, including workers, communities and the wider public. While before the traditional realm of business was to provide jobs for people, the current demand is for them to respect human rights and indigenous cultures, protect children in the workplace and increase their transparency and public disclosure. They are also called upon to share in the burden of ensuring resource sustainability and securing the long-term development and growth of the locality (Velasco & Velmonte, 1999, p.1). These have greatly influenced the

initiatives of various companies to build development relationships with civil society organizations.”¹²

The concept of corporate social responsibility has broadened and deepened the private sector’s involvement in development issues, and has allowed corporations to explore innovative avenues of participation, such as cause-related or social marketing, philanthropic fund raising, and the establishment of trusts and/or corporate foundations. In his article *Put your money where your heart is*, Ramon Osorio discusses the rationale behind corporate social responsibility:

“Advocacy programs help consumers satisfy their urge to altruism. By making a purchase within an advocacy program, the consumer directly or indirectly contributes to solving a social problem or providing for the needy.

“In a few more years, patronage of consumers will no longer just depend on product benefit or brand reputation. The corporation or brand’s upright business citizenship action will be an added consideration. That is perhaps the reason many companies have declared... a social commitment in the form of meaningful acts of corporate assistance to the public they serve.

“Advocacy will no longer be a fad. Consumers will continue to consistently demand ethical alternatives. Great value will be added to a company or brand that builds its reputation based on integrity, honesty and positive actions towards the solution of societal problems.”¹³

*Venture philanthropy
(NGOs and private enterprises
as high-involvement partners).*

Venture philanthropy is a very recent development in business practice, and had its Asian origins in India, the Philippines and Korea.¹⁴ Peninsula Community Foundation defines it as “the nonprofit sector’s application of certain practices used by venture capitalists when investing in new business ideas.”¹⁵ The Foundation’s venture philanthropy model applies five key elements:

1. Investments in long-term (3-6 year) business plans;
2. A managing partner relationship;
3. An accountability-for-results process;
4. Provision of cash and expertise; and
5. An exit strategy.

“Investors make long-term funding commitments, closely monitor performance objectives through pre-defined measurement tools, and problem-solve jointly with the nonprofit leadership team on a regular basis.”¹⁶

What is both unique and exciting about this model is that it offers non-profit organizations the opportunity to sharpen their professional and managerial skills, and to benefit from a transfer of technology and intellectual resources. Since NGOs will be expected to draft detailed and feasible business plans, they will be forced to think thoroughly about the objectives, processes, and possible outcomes of their projects. They will also learn to look beyond a programmatic approach to project implementation, and will be exposed to the financial implications of their initiatives. Moreover, non-profit organizations will be forced to remain transparent and accountable to their sponsor, and to handle all transactions with utmost care.

More than this, however, NGOs will benefit from a mentor-protégé relationship that may exist between their organization and the sponsoring corporation. Since venture philanthropy is likened more to an investment than a dole-out, the chances for increased participation of the sponsoring organization are high. They may be consulted on policy and strategic decisions, and even on their suggestions for alternative practices to improve efficiency and effectiveness.

Of course, there is always a risk that adopting this system of partnership may result in increased dependency on the donor, decreased flexibility and independence, and the perception that private enterprises are using NGOs to further their own agenda. Nevertheless, venture philanthropy offers both the private and non-profit sectors an interesting proposition which may stimulate further growth in the development sector. ▶

Notes

- 1 Cousin William, *Non-governmental Initiatives* (a paper published in *The Urban Poor and Basic Infrastructure Service in Asia and the Pacific*, (Asian Development Bank: Manila, 1991)) – <http://www.gdrc.org/ngo/ngo-roles.html>.
- 2 Segundo E. Romero, Jr. and Rostum J. Baustista, *Philippine NGOs in the Asia Pacific Context*, in Tadashi Yamamoto, *Emerging Civil Society in the Asia Pacific Community*, (Singapore: Japan Center for International Exchange, 1995), p.194.
- 3 William, op.cit.
- 4 Taken from *Mobile Crèches: An endeavor to bring the childhood back to the children of construction workers* (India case study).
- 5 Yamamoto Tadashi, ed., *Governance and Civil Society in a Global Age*, (Japan: Japan Center for International Exchange, 2001), p.22.
- 6 Yamamoto Tadashi and Susan Hubbard, *Summary Report on the Osaka Symposium on Philanthropic Development and Cooperation in the Asia Pacific*, as published in Yamamoto, *Emerging Civil Society in the Asia Pacific Community*, p. 44.
- 7 Dr. Philip Eldridge, *NGOs in Indonesia: Popular Movement or Arm of Government?*(working paper), as published in Yamamoto, *Emerging Civil Society in the Asia Pacific Community*, p.126.
- 8 The World Bank, as quoted by Maslyukivska, *Role of Nongovernmental Organizations in Development Cooperation* (a research paper for the UNDP/ Yale Collaborative Programme, 1999), p.12.
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- 10 Aybek Dumbaev, *NGO and Business: Charity is good, but business relations are better* (Internet document), <http://www.cango.net/news/archive/june-13-2000/a0002.asp>.
- 11 Corporate social responsibility – “When a company with a product, image or service to market, builds a relationship or partnership with a cause or not for profit organisation for mutual benefit.” (Business in the Community, UK – <http://www.cavill.com.au/CRM/What.html>)
- 12 Evelina Asuncion-Pangalanan, *Corporate Role in Development Partnership Implications to Social Work Practice and Education*, a paper written for the College of Social Work and Community Development, University of the Philippines, Diliman, Quezon City, Philippines, p.3.
- 13 Ramon Osorio, “Put your money where your heart is”, *Philippine Star*, November 21, 2001. (www.philstar.com)
- 14 Lori Vacek, *Strengthening Philanthropy in the Asia Pacific: An Agenda for Action* (a conference paper prepared for the Asia Pacific Philanthropy Consortium, Bali Indonesia, July 2001), p.8.

- 15 Taken from the Peninsula Community Foundation website: <http://www.pcf.org/oldsite/pcfsite/stratphil/stratphillinks/definition.html>.
- 16 Taken from the Peninsula Community Foundation website: <http://www.pcf.org/oldsite/pcfsite/stratphil/stratphillinks/definition.html>.

PART TWO

Fund Raising in Asia

Marianne Quebral

Niña Terol

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Fund Raising Principles and Best Practices

After exploring the world within which NGOs operate, and discussing their roles with respect to the different sectors of society, this next section examines fund raising principles and best practices drawn from the professional experience at Venture for Fund Raising and 112 Asian case studies documented in this project. Below is a summary of the fields these organizations operate under. Please note that because some organizations work in more than one field, the total is greater than the actual number of case studies.¹

Field	Number	Percent of total
Education and Culture, Schools and Training	37	26
Health and Medical, Hospitals	35	25
Aid to Children and Youth	17	12
Aid to Young Ladies and Women	15	11
Income-Generating Project and Micro -Enterprises	9	6
Concern for the Environment and Wildlife	9	6
Miscellaneous (e.g., elderly, shelter, refugees, religion)	18	13
TOTAL	140	

The succeeding analysis is not an exhaustive and conclusive study, but it highlights innovative and outstanding fund raising principles useful to other NGOs in the region.²

Fund Raising: Its Definition and Importance

“If NGOs were beggars, and we just kept on begging, there would be no chance to grow. Nobody can grow as a beggar... If NGOs want to survive, they have to rely on themselves. They cannot keep on begging.”

— Mr. Mechai Viravaidya, Founder
Population & Community Development Association
Thailand

The need for fund raising has achieved prominence within the last few years because of a shift in international funding priorities, and the decline of foreign aid. NGOs all over the region are beginning to feel a crunch in their operating and program budgets, and are compelled to seek alternative fund raising strategies to keep their organizations afloat. Now, more than ever, non-profit leaders are challenged to forego the easier task of grant proposal-writing, to build their own constituencies and mobilize local support.

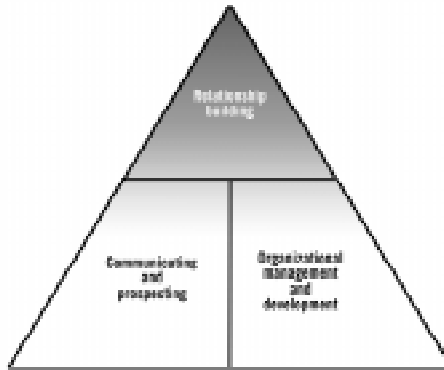
Facing up to this challenge takes more than learning the technical skills and techniques of fund raising, as it also involves the complex and delicate task of building relationships with other people who share similar values and goals, and upon whom our organizations can rely for support.

Thus, **fund raising** may be defined as:

A **management process** that involves **identifying people** who share the same values as your organization, and taking steps to **manage that relationship**.

Source: Venture for Fund Raising, Basic Course on Fund Raising, 2001.

Looking closely at this definition, one can see that fund raising is actually a process that involves three integrated concepts:



For each of these concepts, key principles have been outlined based on the lessons gleaned from the studies. These are discussed and illustrated in this chapter, to provide readers with an integrated model of best fund raising practices in the Asian region.

Organizational Management and Development

Organizational management and development is a fundamental of fund raising, as it involves establishing and strengthening organizations, and preparing them for the fund raising process. In this process, NGO leaders must identify the organization's vision, mission and goals, establish enabling systems and processes, streamline roles, and manage human, material and financial resources.

In order to do all these effectively, one must remember the following key principles:

Key Principles

1. Fund raising is just the means to an end—your vision!
2. Fund raising is a team effort, and involves:
 - The institution's commitment to fund raising.
 - Acceptance of the need for fund raising.
 - Institutional fund raising priorities, policies and resource allocation.
3. The responsibility for an institution's fund raising effort is shared by the Board, the President or Executive Director, and Fund Raising Officer.
4. You need money to raise money
5. There are no quick fixes in fund raising

Fund raising is just the means to an end—your vision!

Before an organization can take on the challenging task of raising resources, it is essential for the people involved in it to first know what aims they are striving for. They must be able to paint a picture of their ideal future (vision), know what steps to take towards building that future (mission), and set standards upon which their progress will be measured (goals).³

A clear vision is an organization's ultimate destination, its mission is its roadmap, and its goals are its road signs. Without these, fund raisers and organizations may still be able to raise funds, but they run the risk of implementing activities that convey different messages which actually run counter to each other, and project the image of a disjointed organization. In the end, this may waste an organization's resources, destroy its credibility, and prevent it from fulfilling its commitment to its constituency.

Most of the organizations studied maintained the same vision and mission, and developed their fund raising activities around these concepts. For instance, the **Hunza Environmental Committee of Pakistan**, an organization dedicated to environmental education and cost effective waste disposal, raised funds through eco-tourism and fertilizer sales. On the other hand, **Dharma Wulan Foundation from Indonesia**, an organization providing assistance to the elderly, raised funds from wealthy elderly citizens, discount cards, and membership drives.

Of course, there were also some instances when the “fit” between the

mission and the fund raising techniques became hazy as unique opportunities (e.g., concerts, sponsored events, gala activities) arose. According to the cases, this is not a major issue, however, because “givers did not seem overly concerned as long as the purpose and use of the funds was clear to the givers.”⁴

Fund raising is a team effort.

Financial resources are an organization’s lifeblood, and its leaders should ascertain an environment that is conducive to fund raising and building partnerships. First of all, an organization’s members must acknowledge the need for fund raising, and must forge a commitment to undertake this task. After all, with the decline in foreign aid, and hundreds of thousands of non-profit organizations competing for limited resources all over the region, an organization must demonstrate a certain level of dedication to the fund raising process for it to acquire the support that it needs to be financially sustainable.

Organizations must operationalize this commitment to fund raising through the establishment of clear policies, procedures and systems, and must also be ready to invest a commensurate amount on human, technical or material resources to make fund raising activities more efficient. Examples of policies would be the setting up of clear guidelines on whom to fund raise from and how to politely refuse donations from individuals or organizations whose values may conflict with those of the organization. Likewise, examples of investments that may be made to advance fund raising in the organization would be the hiring of a professional fund raising staff, allocation of a budget specifically for fund raising and communication activities, and so on.

Fund raising is the means to an end—your vision!

“When we started we did not even think of money... We were passionate about our goals... We thought we were going to help a few people and could raise money from some well-wishers. But then our goals kept enlarging. From helping a few people we wanted to make it a movement. From relief, we wanted to go into rehabilitation and from there to empowerment and counseling. From a small cramped shelter we wanted a spacious, free and conducive environment for our women. So our fund raising needs grew and grew.”

— *Vaishnavi Jayakuman,*
co-founder of The Banyan, India

The responsibility for an institution’s fund raising effort is shared by the Board, the President or Executive Director, and the Fund Raising Officer.

Although everyone in an organization should participate in the fund raising process to some degree, it is also inevitable for key members of the organization to uphold certain responsibilities. As evidenced by many case studies in this research, an organization’s board members are usually its fund raising champions, as most of these individuals have acquired a certain status in society, and have a wide network of friends and partners who may be willing to support non-profit organizations. However, it is still inevitable for some charismatic personalities in the board to take on more of the “front-line” fund raising responsibilities, as others are comfortable providing valuable advice and contacts.⁵

Fund raising is a team effort

In order not to centralize the fund raising program exclusively on Abu Syaqui and some board members..., the management of the foundation assigned new personnel and divisions that would focus mostly on fund raising programs. Those divisions were (i) Division of Fundraising and Donors Networking, which specialized in finding new regular fund donors to support the routine programs and operational cost of the foundation; (ii) Division of Qurban Saving Program, (iii) Division of Charity Box Program, and (iv) Division of VCD that deals with... temporary fund raising programs. The Board also assigned a special division of volunteers to conduct recruitment and supervision of all volunteers.

– *Case study,*
Dompet Sosial Umul Quro (DSUQ),
Indonesia

In summary, an organization’s board must be responsible for the following:

- The establishment of the organization as a legal entity
- Interface of the organization with the community
- Stewardship of the organization’s vision and mission, its policies, programs, and resources
- Evaluation of the board’s own composition and performance⁶

As the board’s role is more advisory than executive, except in cases where the organization is seeking the support of major donors and high-profile, high-net-worth individuals, it is important for them to have executive counterparts in the staff level. These fund raising officers and professionals are responsible for activating fund raising functions, managing the fund raising process, and reflecting the ideas and vision of the board

members. Moreover, they are also expected to take on some administrative tasks, such as:

- ▶ Planning fund raising programs and activities
- ▶ Reviewing donors' giving history
- ▶ Assisting in major gift solicitation (although board members usually take the front seat in this activity)
- ▶ Serving as contact persons of the organization
- ▶ Suggesting prospects
- ▶ Developing strategies for raising additional resources, or increasing the organization's constituency base⁷

You need money to raise money.

This may perhaps be one of the more important principles of fund raising, as it indicates organizational commitment to the objective through the allocation of resources. Unfortunately, it is also one which is often neglected, as some fund raisers believe that they can generate resources merely through word of mouth, or through the generosity and status of their board members. While fund raising through word of mouth and personal contacts has worked for some organizations, it must be remembered that fund raising is a management process, and would require at least *some* expense for the following activities:

- ▶ Prospect identification
- ▶ Prospect research
- ▶ Prospect / donor cultivation
- ▶ New donor recruitment
- ▶ Gift processing
- ▶ Donor appreciation, recognition and upgrade
- ▶ Record-keeping and monitoring

The Indiana University Center for Philanthropy prescribes some guidelines for Reasonable Cost Per Dollar Raised vis-à-vis different categories of fund raising activities:⁸

Category of Fund Raising Activity	Reasonable Cost Per Dollar Raised
New donor acquisition	Up to \$1.50 of gifts raised
Special events	Up to \$0.50
Donor renewal	Up to \$0.25
Major gift / capital campaign	Up to \$0.15
Planned giving	Up to \$0.15
Grant seeking	Up to \$0.20

Venture for Fund Raising, on the other hand, cites the average cost of direct mail, a fund raising technique often used in different Asian countries:

Country	Approximate \$US equivalent*
Nepal	US\$ 0.19
Japan	US\$ 3.75
Singapore	US\$ 0.40
Malaysia	US\$ 0.65
Indonesia	US\$ 0.20 to US\$ 0.40
Philippines	US\$ 0.48 to US\$ 0.58
India	US\$ 0.10 to 0.19

* Computed at an approximate exchange rate of Php52:US\$1
Source Venture for Fund Raising, *Basic Course on Fund Raising*, 2001

There are no quick fixes in fund raising.

Organizations that have successfully raised funds have realized that the preparation of successful fund raising activities may take as little as a few days, to as much as several months. This is because a certain amount of preparation has to be done *prior to* the fund raising event, and involves asking the following questions:⁹

1. Where is the organization now?

Involves an assessment of the organization's vision and mission, its fund raising history, the productivity of its fund raising techniques, its staff resources and office systems, and its current constituencies and markets.

2. Where does the organization want to be?

Involves the establishment of fund raising goals and objectives, identifying donor segments/target markets, identifying prospects in each segment, examining fund raising trends, and targeting constituencies that have been identified in the first step.

3. How can the organization get there?

Involves an examination of current organizational roles and practices, aligning the board and the staff in terms of program directions, cultivating existing donors, selecting fund raising vehicles to use, assigning roles and responsibilities, establishing timelines, recruiting volunteers and maintaining good relations with the public.

4. How will the organization do this?

Involves mapping out the fund raising plan; budgeting/allocating resources for fund raising activities; setting up systems and policies for donation processing, acknowledgment, recording, receipting and reporting; donor and volunteer recognition; and new prospect research.

There are many fund raising techniques to choose from, depending on an organization's vision and mission, and its fund raising objectives. Based on the case studies, the following techniques are used:

Fund Raising Technique	Number	%
Special Events	31	16
Product Sales	28	14
Subscription and Membership, Other Fees	26	16
Mail and Media Campaigns	20	10
Publications	16	18
Rental of Facilities and Assets	14	7
Religious Giving	12	6
Training and Consulting Services	11	6
In-kind Donations	9	5
Savings and Credit Schemes	9	5
Others (tours, payroll, expatriate, bequests)	19	10
TOTAL	195	

On Volunteers

What is perhaps most unique about the Edhi Foundation is that it has managed to attract such a large and committed volunteer base. Today there are over two thousand volunteers, comprising zonal heads, workers at several Edhi Homes, clerks at the Edhi Centers, workers at maternity homes, drivers for ambulances, doctors, architects, lawyers, accountants and other professionals.

Most of these volunteers have been inspired by Edhi and are willing to dedicate their efforts to a man who has taught them the value of self-help.

— Case study,
The Edhi Foundation, Pakistan

5. How will the organization know how successful it was?

Involves an objective evaluation of the effectiveness of programs being supported, vis-à-vis established objectives, goals and targets. This may be done by looking at an activity's return on investment, the target market's response rate, or the average donation received. It may also be seen in terms of the development of a larger constituency base, or the nurturing of volunteers as champions of the organization.

Professional Fund Raising

CIF (Concern India Foundation) has a group of well-trained and professional fund raisers. In its fund raisers, CIF looks for and nurtures traits such as strong communication skills, (goal-orientedness) with an ability to think creatively and present oneself effectively along with a strong belief in the work. Each of the six branches of CIF has a Resource Mobilization Manager and a Products Manager. The Resource Mobilization Manager heads the Resource Mobilization Team consisting of a corporate department, schemes department and events department. The products team is further divided into general products and exclusive products. Most of the members of these two teams are professional with experience in sales, marketing and hospitality. CIF has an induction program to orient the new team members on the philosophy of the organization and its resource mobilization initiatives...

— *Case study,*
Concern India Foundation,
India

It is evident from the key principles outlined above that fund raising does not start nor end with the execution of a single activity, or even a series of similar activities. It is a continuing process that begins with the establishment of an organization, and develops in complexity as the organization matures. Younger organizations may find that raising funds is their greatest challenge, but other, more established, organizations may find that it is actually a greater challenge to maximize their returns on resources raised. Clearly, it takes prudence, objectivity and proficiency to manage the fund raising process, but it also takes some amount of goodwill and well-established relationships to ensure the financial sustainability of organizations. The next chapter discusses the role of communications and good public relations in fund raising success.

Communication and Prospecting

Once an organization has ascertained its readiness for fund raising, it must then take on another challenge: to ensure its long-term sustainability and development by acquiring donors and maintaining a sizeable constituency base. Just as any other relationship begins with connecting to other individuals, so does a relationship with a donor or partner begin with the idea that both persons or organizations share similar values and interests. Once this has been acknowledged, both parties must make a conscious effort to strengthen and nurture the relationship, so that it becomes more productive and fruitful for both parties. In summary, the key principles for donor prospecting are:

Key Principles

1. Fund raising is FRIEND raising.
2. People don't give money to causes; they give to PEOPLE with causes.

► **Fund raising is FRIEND raising.**

One important lesson for many organizations featured in the case studies is that, more often than not, financial support is the *result* of a relationship with a donor, and not its *goal*. Before an organization receives support from an individual or another organization, it must first have gained the trust of the other party. As with all things, this may not be easy to do, and often requires a long process of “getting to know” one’s partner. In order to do this well, organizations would have to gather information on prospective donors and find ways to convert them into productive partners of the organization.

In order to determine whether an individual would make a good donor, an organization would do well to ask itself the following questions:¹⁰

- **Connection** – Do we have a connection to the donor? Do we know anyone who can introduce our organization to the prospect?
- **Capability** – Can the prospect afford to donate to the organization? If not, may he still be able to contribute to the organization in other ways?
- **Concern** – Are the prospect’s values and interests aligned with those

of the organization? Is he someone who will genuinely care about the welfare of the organization and its beneficiaries, and not only worry about its impact on his personal reputation or standing in society?

Once these questions have been satisfactorily addressed, one must move on to learning more about an organization's prospect, and find out more facts about the prospective donor, his donation pattern (i.e., incidence of having donated to other organizations, the frequency and amount of the donations, etc.), and specific interests. This will allow an organization to see how its programs would be able to fulfill a prospective donor's needs, and vice versa. As the goal of fund raising would ultimately be to cultivate life-long relationships, one must ascertain that this relationship starts out on the right foot, and with both parties clearly understanding the responsibilities involved in a partnership.

On Legitimacy, Transparency and Accountability

"I understand that the donors want to see results. So, although we monitor each project thoroughly, we let outsiders do the project evaluations. Who will trust in our projects if we evaluate them by ourselves? If we did that we would be like the Thai government who always says that all of their projects are good. No one assesses himself. We distinguish between monitoring work and evaluating work. We monitor projects ourselves to improve our working method, whereas we let outsiders evaluate our projects."

- Mr. Mechai Viravaidya, Founder,
*Population & Community Development
Association, Thailand*

- Vaishnavi Jayakuman,
co-founder of The Banyan, India

On the non-profit organization's side, its main responsibilities to its donors are to ensure its own legitimacy, transparency and accountability.

Legitimacy. Different countries have different terms and requirements for recognizing the legal existence of organizations, as discussed in the chapter on *The Context of Non-Profit Sector Development*. However varied these may be, each state still exercises a certain degree of control over the incorporation of non-profit organizations, and only those that have been established according to their country's civil laws and traditions may be considered "legitimate." Such organizations are more likely to gain donor support because they have achieved some level of compliance with government standards, and are less likely to be suspected of being

fronts for underground political movements or “fly-by-night” operations.

Transparency. This refers to open communication with internal and external stakeholders regarding an organization’s financial and management health, and is a characteristic of organizations that disclose information about their programs, activities, and even financial transactions and investments to stakeholders and anyone who wishes to know more about the organization. It is a criterion that is highly regarded by prospective donors and partners, as transparency assures them of an organization’s trustworthiness and commitment to its constituencies.

Accountability. This refers to an organization’s ability to stand up for its mission, and to be guided by sound management and financial principles. An accountable organization is one that responsibly serves its community, properly manages its resources, and is able to report back to donors regarding the use of donated funds. Such organizations are also likely to gain public support, as quite a number of donors now expect to be updated on how their funds have been used by their beneficiary organizations. Moreover, it is currently not uncommon for donors to request visits to project sites to be sure that their monies are being used in the best way possible.

An interesting example is **The Citizen’s Foundation** in **Pakistan**, which educates communities on development. This organization posts their audited financial statement in their website for increased transparency, and arranges tours for donors to see the progress of schools that are being built, in the belief that “seeing is believing.”

Not all organizations may be able to provide access to financial information the way **The Citizen’s Foundation** has, but some NGOs are already providing pre-project appraisals and ongoing expense accounting to donors. This reflects an increasing awareness of the importance of accurate and timely financial reporting, which will definitely help improve organization-donor relations.

While raising funds is one benefit of gaining and maintaining public support, another advantage of forming partnerships with other individuals and organizations is the attainment of non-monetary forms of support, such as volunteers, contacts or in-kind donations. For many organizations, these—especially volunteers and contacts—are just as valuable as money, as they

An Excerpt
from World Vision's
Direct Mailer

"Rakesh was at death's door. Rakesh was born in the famine stricken area of Melghat, Maharashtra. He was one among thousands who suffered from severe malnutrition. Continuous and progressive poverty had made Sawalkar, Rakesh's father, a skeptic who could not trust people. It was only when Rakesh's survival was in jeopardy that he rushed to Sushil, the World Vision project worker. Sushil helped Sawalkar to admit Rakesh in the local hospital where doctors fought to save his life. 'The doctor said that he will not live for more than three days. Look, today, four days later, he's still alive and healthy,' says his proud mother Kusum, pointing to him."

World Vision feels that such stories and photographs are not to generate pity for children in distress, but to generate compassion and a sense of responsibility in the hearts of those to whom the letters are addressed.

— Case study,
World Vision, India

also provide organizations with intangible benefits. Volunteers, for instance, not only provide free labor, but also add credence to the organization's system of values and belief, and may catalyze organizational growth by recruiting more volunteers and championing its cause. Likewise, contacts have the potential to be donors and partners, and may also become staunch supporters of an organization if well taken care of.

► **People don't give money to causes; they give to PEOPLE with causes.**

This second principle reinforces the idea of friend raising, as another lesson gleaned from the case studies is that people give to people, and not to abstract ideals. While an organization's mission is its *raison d'être*, its reason for being, it has to be concretized and personified to enable others to relate to it. For instance, **World Vision (India)** has personified poverty through their depiction of its ills in the eyes of children (e.g., child labor, hunger, illiteracy, etc.). This approach has struck a chord with prospective donors all over the world, and

has helped the organization raise huge amounts to sponsor thousands of impoverished children.

This principle may also be interpreted to mean that people give to organizations with which they have personal affiliations. Many of the case studies have shown that people often give because of the following:

- They are members (or volunteers) of the particular organization that is raising funds.
- They (or people they know of) have been helped by an organization, and want to return the favor.
- They seek “immunity” from illnesses, and donate their funds to a health-related organization.
- They know an organization’s founder, its board members, or staff.
- The organization’s principal fund raiser or champion is a prominent person in society, and they want to earn his/her favor.

These illustrate that people may have different motivations for giving to others, but they are usually based on a sense of personal connection to the organization or its cause. Thus, organizations and fund raisers may learn from this, so that they will strive to build relationships that are more intimate, and use more personalized approaches.

Relationship Building

For non-profit organizations to achieve long-term financial sustainability, it is not enough that they acquire public support. What is more crucial is for them to cultivate existing relationships, build new ones, and thus build an ever-expanding network of committed partners. This means that the fund raising process is a continuing spiral of activity, and requires the dedication of its board members and fund raising staff. To successfully build enduring relationships with its donors, organizations must remember the following principles:

Key Principles

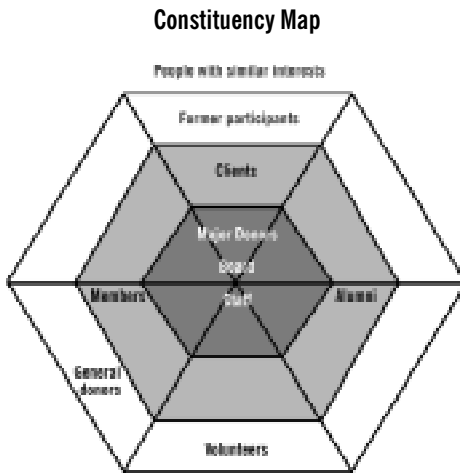
1. Donor cultivation means bringing the prospect to a closer relationship with the organization, increasing interest and involvement.
2. Start at the bottom of the fund raising pyramid to get to the top.

- Donor cultivation means bringing the prospect to a closer relationship with the organization, increasing interest and involvement.

Donor support and involvement for different organizations likely vary, but more often than not, they have tried to raise funds from any of the following groups of people:

- Members
- Contributors (past and present)
- Participants (past and present—for organizations that offer services)
- Volunteers and staff
- People with similar interests
- All other people who have been involved in some way in the organization (e.g., beneficiaries, suppliers, community partners, etc.)

These different groups of people are all part of an organization’s constituency, and they participate in its activities and programs in varying degrees. The figure below illustrates how these groups are distributed across an organization’s **constituency map**.

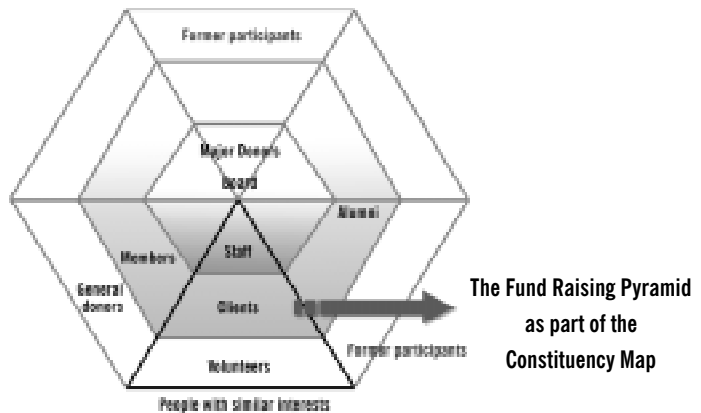


The diagram shows that as an individual’s involvement in an organization increases, the closer he is drawn into its core. People with similar interests in the organization and its general donors are placed on the outer layer of the map, while major donors and loyal supporters, regarded as key mov-

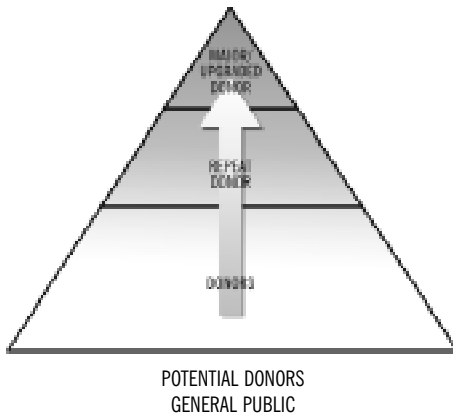
ers, are in the inner circle. Donor support impacts greatly on an organization; its withdrawal causes massive changes, suspension of programs, and a threatened dissolution of the organization itself. Thus, donors are now recognized as integral to the operation of non-profit organizations, and the goal of fund raising teams would be to encourage participation among donors, and “graduate” them into the inner layers of the constituency map. Some organizations even involve their donors and beneficiaries in strategic planning sessions and program planning.¹¹

► **Start at the bottom (of the fund raising pyramid) to get to the top.**

A concept related to the constituency map is that of the fund raising pyramid, which shows the proportion of an organization’s supporters to their level of involvement in its activities:



The diagram shows that supporters who are the least involved with the organization—and who form the majority of donors—make up the base of the pyramid. Further up the pyramid, individuals with greater involvement get fewer, and at the apex is the smallest group of supporters, who, however, contributes the most. Please see the following illustration:



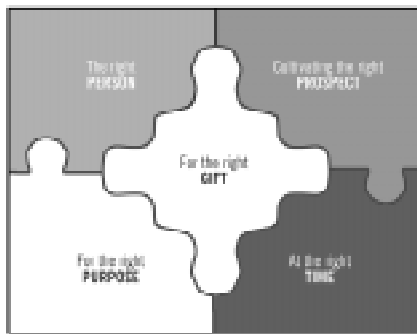
Major Donors make up only 10% of an organization's support base, but contribute 70% of total donations received

Repeat Donors make up 20% of an organization's support base, and contribute only 20% of total donations received

First-time Donors make up 70% of an organization's support base, but contribute only 10% of total donations received

The concepts presented above are part of what is known as the 80-20 principle, wherein 80 percent of an organization's support comes from only 20 percent of its donor base, while the remaining 20 percent is contributed by 80 percent of its donors. Organizations must learn how to convert potential supporters, or those outside the pyramid, to active donors, and continually move these up to higher levels, thus generating substantially larger amounts of money from their existing donor base.

In summary, one will see that all the fund raising principles outlined above are part of one integrated concept which shows the relationship between fund raisers, donors and the circumstances surrounding them, and which illustrates the essence of fund raising:



Some Issues for Future Case Studies

The preceding sections gave the reader several key principles upon which fund raising practices and activities may be based. In the course of reviewing all the cases, the researchers came upon several issues which may be addressed in succeeding studies. These issues are more organizational in nature, and may or may not have a direct impact on fund raising efforts:¹²

1. The matter of succession is considered clear when the NGO has an aging “one-man” or “one-woman” champion. There are also problems for the person taking over the work from the founder who must now train his or her successor. Succession tends to be a sensitive subject, and will require an even more bias, for example, in selecting those individuals who are willing to discuss their mortality objectively.
2. Professionalism is probably essential for the expansion of fund raising activities among the NGO community. It involves both training “insiders” who grew with the organization, and bringing in “outsiders” to fill in specific functions or tasks—for instance, marketing and public communications, logistics management, cost-benefit analysis. This “insider versus outsider” issue is common among private, for-profit firms.
3. NGO operations may get complicated with the mixture of volunteers and permanent staff, whether paid or not, whether part-time or full-time, ranging from clerical to the board level. One very interesting organizational issue is the dynamics of using this “mix” effectively, and how to manage transitions and movements within the mix. This issue can be studied not only on an annual basis, but even in terms of effective day-to-day operations—especially if pay and coercion, tactics acceptable in for-profit enterprises, are not acceptable in the NGO community.
4. Many of the NGO subjects interviewed for this study were reluctant to provide financial statements of their operations and details of their fund raising activities. It is possible that the NGOs do not undertake any type of feasibility or cost-benefit analysis, or that they have no accounting and control system and staff to document and store financial data for analysis.

Notes

- 1 Taken from the report of Dr. Frankie Roman, case consultant.
- 2 A profile of organizations surveyed may be found in Appendix 1.
- 3 Definitions of these terms are found in Appendix 2, and are taken from Venture for Fund Raising's Basic Course on Fund Raising.
- 4 Taken from the report of Mr. Frankie Roman, case consultant.
- 5 Taken from the report of Mr. Frankie Roman, case consultant.
- 6 Venture for Fund Raising, *Basic Course on Fund Raising*, 2001.
- 7 Venture for Fund Raising, *Basic Course on Fund Raising*, 2001.
- 8 Indiana University Center for Philanthropy, as quoted by Venture for Fund Raising, *Basic Course on Fund Raising*, 2001.
- 9 Venture for Fund Raising, *Basic Course on Fund Raising*, 2001.
- 10 Venture for Fund Raising, *Basic Course on Fund Raising*, 2001.
- 11 Taken from the report of Mr. Frankie Roman, case consultant.
- 12 All items are based on the report of Mr. Frankie Roman, Case Consultant.

PART THREE

Giving in Asia

Susan Hocking
Dr. Mark Lyons

Executive Summary

Objectives

This report is a product of the Resource Mobilisation Project of the Asia Pacific Philanthropy Consortium (APPC). The project consisted of a series of **case studies** of innovative approaches to fund raising in seven countries and **surveys** of philanthropic giving in four of those countries, namely, India, Indonesia, the Philippines and Thailand.

The surveys collected data on the dimensions of giving along with people's motives for giving and methods most commonly used for fund raising. This report contains the results of the surveys in a comparative framework.

The survey component of the project was designed to:

- assist voluntary organizations in each country to identify and utilize more successful methods of fund raising;
- provide data for each country to assist policy formulation on voluntary organizations; and
- establish benchmark data for philanthropic giving in each country.

In establishing benchmark data the key variables for each type of giving relate to:

- percentage of households that give (the **giving rate**); and
- the average amount given per capita of the surveyed population (**average amount given per capita**).

The types studied were giving to voluntary organizations, giving to religious organizations and giving to individuals.

Challenges of Cross-Country Comparisons

It is always difficult to compare data across countries as the survey questions asked in each country can be different. In this project, extensive efforts were made to ask the same questions in each participating country using similar survey instruments. The survey instruments were based on a model instrument, agreed upon by the survey teams in a joint workshop, with some adaptations, e.g. additional questions, to meet the cultural needs in each country. The core questions required for the comparative data, except those on the effectiveness of fund raising—which were not asked in Thailand—were used in all four countries.

The data on giving to voluntary organizations was collected by asking respondents whether they gave and how much they gave to a number of different categories of voluntary organizations. These categories were based on those used in the Johns Hopkins Comparative Nonprofit Study. However, wherever possible, categories with only a small number of givers were avoided because of the low reliability of such data.

Participating countries could then add more categories. In some cases, those added overlapped with the core categories, thereby making comparison difficult. An example of this was the addition of Royal Charities in the Thai survey. But, all things considered, the data collected was comparable across countries.

Comparing data across countries also poses a challenge, when the sampling methodology used is not the same. In this project, the sampling methodology for three countries—India, Indonesia and the Philippines—was based on a stratified sample of the population according to socio-economic class. Those surveyed in these countries were restricted to classes A, B and C. The Thailand team considered the most cost-effective means of undertaking the survey, which was to sample individuals in the workplace using purposive sampling. On the advice of the Thai team, the results for Thailand were classified on A/B.

The respondents in the Thai survey were better educated than the social classes A and B for the other countries. Therefore, in considering the results it is important to note that the Thai sampling methodology produced a sample of well-educated respondents who may be more generous and have different attitudes to giving, especially in relation to religious giving, than a sample of social class A/B chosen from the general population in Thailand.

Major Findings

A detailed comparison of the findings from these four countries with other countries, both developed and undeveloped, was not possible within the scope of this project. The data collected for this study was restricted to a representative sample of social classes A, B and C, while the studies in most developed countries are a representative sample of the whole population. This factor should be taken into account in making comparisons with studies from other countries.

In other studies on giving, religion is normally included as one of the possible fields. Therefore, in comparing both the giving rate and the amount given with other studies, it would be necessary to aggregate the giving to voluntary organizations and religious organizations. (Alternatively, if appropriate data was available, comparisons could be made by disaggregating religious giving from other studies.)

Below we present five tables that summarize the major results from the four country surveys. They summarize only data from socio-economic status (SES) classes A and B, the only data set that is comparable across all four countries. These tables present, for each of the major recipient categories (individuals, religious organizations and voluntary organizations), the giving rate, the average amount given, the average amount given per capita of the sampled population, the way the total amount given is divided between the recipient classes, and the generosity ratio. The generosity ratio is calculated, for each socio-economic class, as the average amount given by the sample and as a percentage of the average household income of the sample. Where our data allows us, we will add a line that aggregates giving to all types of recipients.

The amounts of money given are shown in both United States dollars (\$US) and Purchasing Power Parity (PPP). Purchasing Power Parity is a measure of what it costs in various local currencies to buy a certain basket of goods and services.

Giving rate for SES A, A/B and B - percentage				
Country	India	Indonesia	Philippines	Thailand
Voluntary organizations	51	82	88	81
Religious organizations	88	85	93	93
Individuals	73	98	78	91

table 1

table 2

Average amount given by givers per annum for SES A, A/B and B				
\$US (PPP)				
Country	India	Indonesia	Philippines	Thailand
Voluntary organizations	\$14 (69)	\$42 (183)	\$129 (446)	\$176 (519)
Religious organizations	\$14 (66)	\$45 (197)	\$138 (477)	\$96 (283)
Individuals	\$21 (100)	\$52 (227)	\$203 (702)	\$345 (1018)

table 3

Average amount given per capita per annum for SES A, A/B and B only - \$US (PPP)				
Country	India	Indonesia	Philippines	Thailand
Voluntary organizations	\$ 7 (35)	\$ 34 (149)	\$113 (391)	\$143 (421)
Religious organizations	\$ 12 (58)	\$ 38 (167)	\$128 (444)	\$ 89 (263)
Individuals	\$ 15 (72)	\$ 51 (222)	\$159 (550)	\$314 (926)
TOTAL	\$ 34 (165)	\$123 (538)	\$400 (1385)	\$546 (1610)

table 4

Percentage given per capita by category of recipient for SES A				
Country	India	Indonesia	Philippines	Thailand
Voluntary organizations	21%	28%	28%	26%
Religious organizations	35%	31%	32%	16%
Individuals	44%	41%	40%	58%
TOTAL	100%	100%	100%	100%

table 5

Generosity ratio by category of recipient for SES A, A/B and B				
Country	India	Indonesia	Philippines	Thailand
Voluntary organizations	0.3%	1.6%	1.3%	1.4%
Religious organizations	0.6%	1.8%	1.5%	0.9%
Individuals	0.7%	2.5%	1.8%	3.0%
TOTAL	1.7%	5.9%	4.6%	5.3%

Similarities

Perhaps the most important finding of this study is that in all four countries, almost all high- to middle-income households made philanthropic gifts in the preceding twelve months. In this regard, these households appear to be as committed to philanthropy as are similar households in northern or developed countries. The difference, however, is that the comparison with developed countries has the limitation that developed countries tend to collect data on the giving rate for the whole population rather than for particular social classes.

Another similarity among all four countries is their uniformly high rate

of giving to religious organizations. This suggests that religious traditions are strong even among high- and middle-income households, precisely those groups most exposed to the secularizing influences of northern culture. Nonetheless, as we shall see below, religious beliefs are not uniformly powerful as a motive for giving.

Overall, there is a high rate of support for individuals in all four countries, but, as we shall see below, the way in which that support is divided between different groups of individuals varies between countries.

Again, there is a similarity among the four countries in the effect of socio-economic status on giving. While the effect of SES on the giving rate is small, it is greater on the average amount given. These findings are not surprising. Our data is not particularly well suited to study the effect of SES on generosity, but it appears that the generosity ratio falls slightly between households in SES A and those in SES C.

A final similarity among all the countries is the uniformly high level of importance given to “feeling of compassion” as a motive for giving. All other motives and the various techniques used vary between countries, sometimes in interesting ways, as we shall see below.

Differences

Not surprisingly, differences in the dimensions of giving among the four countries outnumber similarities.

This is nowhere clearer than in comparisons of the average amounts given by givers. Even when expressed in PPP, Indians in SES classes A and B give far smaller amounts than do Indonesians, while Thais and Filipinos—in that order—are far in front of both. This is true of giving to each major category of recipient, with the interesting exception that high- to middle-income Filipinos give more to religion than do Thais in classes A/B. The differences are even greater when we look at average amount given per capita. Comparisons across countries using SES classes should be treated cautiously as the way SES is measured differs among countries, as discussed in Chapter 4.

There are also limitations in that SES measures purchasing power, not available income. It is for this reason that we use the generosity ratio, to give an additional measure of philanthropic disposition among these SES classes in each country.

The generosity ratio shows a similar pattern to the other data. High- and middle-income Indians are not as generous as people from similar social strata in the three Southeast Asian countries. Indonesians, however, turn out to be more generous than Filipinos, while the apparent benevolent bent of Thais is shown to be less dramatic than the PPP measures suggest.

When we look at the way members of these strata in each country divide the way they allocate funds among the three main groups of recipients, we see some interesting similarities as well as differences. In all countries, individuals are the main recipients of philanthropy, receiving around 40 percent of the total given in three countries and a little more than half in Thailand. All four countries give between 20 and 30 percent to voluntary organizations. It is the proportion given to religious organizations that shows some interesting differences. Indians give the highest proportion to religion, followed by Indonesia, then the Philippines and last, Thailand.

As regards giving to other voluntary organizations, India is a particularly marked exception. This is true not only in amounts given, but in the numbers who give (the giving rate). For the three countries in Southeast Asia, the giving rate is as high as or even higher than in northern countries. But in India the giving rate is dramatically lower than the other three. In other words, barely half of the high- to middle-income Indians in our sample support other voluntary organizations. Expressed in still another way, almost one half of Indians from the social stratum that support religious organizations, do not support other voluntary organizations. Neither the demographics of these two groups, nor the motives of Indian givers suggest a reason for this difference.

When we turn our attention to the fields in which voluntary organizations are active, we see that those providing social services are the most popular in three countries. In Indonesia, development organizations are the most widely supported though there may be some overlap with social services. A look at the data on average amounts given to voluntary organizations in particular fields shows that in India and Thailand, supporters of such organizations in education give the largest amounts on average (though in India, development organizations receive the same level of support). In the Philippines those supporting development give the largest gifts (but those supporting cultural organizations also give large sums).

However, when we examine the average amount given per capita of the population surveyed (a measure which combines the giving rate and the

average amount given) education receives the largest amount from our sample in Thailand, while in India and the Philippines, it is social services. In Indonesia, the largest sum goes to development NGOs, a little more than that received by voluntary organizations providing education. In India, the level of support for social services would be considerably higher if we counted organizations providing support to victims of calamities to the social services.

Of equal interest is that, compared to households of similar class in the two other countries, Thais and Filipinos are more likely to give to voluntary organizations in many fields. This supports the thinking that the Philippines and Thailand have a particularly lively and widely spread voluntary sector.

There are also differences in the support given to different groups of individuals in the four countries. Giving to individuals here should be viewed as having two components—giving to those such as relatives, friends and subordinates, with whom the giver has a direct and on-going relationship; and giving to strangers, such as beggars. Interestingly, in three of the four countries, three-quarters or more of the population surveyed gave to beggars (and over 60 percent in Thailand), though the amounts given were small. Nonetheless, it indicates that direct gift-making to the needy is favored over relying on intermediary organizations as is most common in the north. Of course, the needy are numerous in these countries, and those with high incomes would be aware that such people have no other source of income. The percentage of those supporting beggars in Thailand is likely to be lower than in the other countries because of government efforts to prevent street begging.

Interestingly, the two countries (Thailand and Indonesia) where more than 50 percent of the sample gives to relatives were the most affected by the financial crisis that hit a number of Asian countries in 1997. Thailand also stands out for its high level of giving to needy subordinates (a category added by the Thai team). In the Philippines, while giving to relatives is below 50 percent, giving to friends is much higher than in other countries. India has the lowest numbers of those who give to relatives and friends. These figures suggest that high income Indians have few ties with poorer people, whether relatives or friends. This is perhaps because the growth of a large middle class happened earlier in India than in the Southeast Asian countries (where many of the middle-class have relatives back in their home villages), or perhaps because the financial crisis, which India avoided, impoverished many of the new middle-class.

Regarding motives for giving, we see a great deal of difference in the responses given by our different country samples. One striking difference is the greater value given to religious beliefs in Indonesia, where almost all the respondents say it is an important/very important reason for giving. This motive is affirmed by about three-quarters of the sample in India and the Philippines but by less than 40 percent in Thailand.

By contrast, over 60 percent of Thais cite “to return a favour/passing the kindness” as a major motive compared with less than 10 percent of Indonesians (and 40 to 50 percent of the other two country groups). These differences point to the strength of philanthropy in the Islamic religious tradition and suggest that the Buddhist tradition that dominates in Thailand emphasizes reciprocal obligations rather than direct philanthropy. Interestingly, Thais give proportionately less to religious organizations. This finding may be influenced by the fact that the sample in the Thai study is better educated than those in the other countries.

From a practical point of view, the data gives some guidance to those who would like to increase the funds raised for other voluntary organizations. Except for India, there are relatively few people who do not give at all. The most fruitful approach in those countries will be to increase the amount given by those who already give. In India there are many who give to religious organizations but not to other voluntary organizations. But there are no obvious features that distinguish such people and could help voluntary organizations to target their fund raising appeals. However, religion is cited as the most important motive for giving for 50 percent of those higher income Indians who do give to other organizations, suggesting that organizations that would raise funds should appeal to a religious motivation.

It is interesting to examine the different methods used to raise funds and their success rates (see Chapter 10). This data shows, for example, that selling tickets to special events is a highly successful method of fund raising in India, but is used sparingly (on only 11 percent of our sample). In India, too, gifts are successfully obtained from 85 percent of those approached at the workplace, but only 22 percent report being approached, suggesting another potentially effective manner of fund raising.

Households and individuals give to other individuals, religious organizations and other voluntary organizations. The questions for other voluntary organizations are:

- ▶ Can the total amount of giving be increased so the funds flowing to these other voluntary organizations can also increase?
- ▶ Can these other voluntary organizations obtain a greater share of the total funding by diverting some of the funding currently going to individuals or religious organizations?

The answers to these questions may vary between countries and also by category of organization. If a voluntary organization is trying to increase the total size of philanthropic giving, then it should consider whether households/individuals do not give because they are not approached in the most effective way or they do not give because they do not choose to do so.

There are clearly better ways of approaching households/individuals that will increase both the giving rate and the average amount given. The case studies that are part of this overall project are designed to assist voluntary organizations in this regard. ▶

1 | Introduction

Background

This chapter is designed to highlight the results from the perspective of voluntary organizations. It is a product of the Resource Mobilisation Project of the Asia Pacific Philanthropy Consortium (APPC). The project consisted of a series of **case studies** of innovative approaches to fund raising in seven countries and **surveys** of philanthropic giving in four of those countries: India, Indonesia, the Philippines and Thailand.

The surveys collected data on the dimensions of giving along with people's motives for giving and methods most commonly used for fund raising. This report contains the results of the surveys in a comparative framework.

The survey component of the project was designed to:

- assist voluntary organizations in each country to identify and utilize more successful methods of fund raising;
- provide data for each country to assist policy formulation on voluntary organizations; and
- establish benchmark data for philanthropic giving in each country.

In establishing benchmark data the key variables for each type of giving relate to:

- percentage of households that give (the **giving rate**); and
- the average amount given per capita of the surveyed population (**average amount given per capita**).

The types studied were giving to voluntary organizations, giving to religious organizations and giving to individuals.

Challenges of Cross-Country Comparisons

It is always difficult to compare data across countries as the survey questions asked in each country can be different. In this project, extensive efforts were made to ask the same questions in each participating country using similar survey instruments. The survey instruments were based on a model instrument, agreed upon by the survey teams in a joint workshop, with some adaptations, e.g. additional questions to meet the cultural needs in each country.

The core questions required for the comparative data were asked in all four countries, except those on the effectiveness of fund raising, which were not asked in Thailand. This was unfortunate because such data could also provide guidance for fund raisers in the three countries.

The data on giving to voluntary organizations was collected by asking respondents whether they gave and how much they gave to a number of different categories of voluntary organizations. These categories were based on those used in the Johns Hopkins Comparative Nonprofit Study with some changes to reduce the number of categories. Wherever possible categories with only a small number of givers were avoided due to the low reliability of such data collected.

Participating countries could then add more categories. In some cases this caused difficulties in comparing the data when the categories added overlapped the core categories used in each country. An example of this was the addition of Royal Charities in the Thai survey. But, all things considered, the data collected was comparable across countries for most categories.

Comparing data across countries also poses a challenge when the sampling methodology used is not the same. In this project, the sampling methodology for three countries—India, Indonesia and the Philippines—was based on a stratified sample of the population according to socio-economic class. Those surveyed in these countries were restricted to classes A, B and C.

The Thailand team considered the most cost-effective means of undertaking the survey was to sample individuals in the workplace. On the advice of the Thai team, the results for Thailand were classified on A/B. These respondents in the Thai survey were better educated than the social classes A and B for the other countries. Therefore, in considering the results it is important to note that the Thai sampling methodology

produced a sample of well-educated respondents who may be more generous and have different attitudes to giving, especially in relation to religious giving, than a sample of social class A/B chosen from the general population in Thailand.

Giving Rate to Voluntary Organizations

A key objective of the survey was to determine the giving rate to voluntary organizations across the four countries. There is a high rate of giving to voluntary organizations in Indonesia, the Philippines and Thailand but a markedly lower giving rate for India.

Giving rate to voluntary organizations (percentage)				
Country	India	Indonesia	Philippines	Thailand
SES A, A/B and B	51	82	88	81
SES A, B, A/B and C	46	77	86	na

table 1.1

Figure 1 shows the giving rate by socio-economic class. There is little difference in the giving rate by socio-economic status for India, Indonesia and the Philippines.

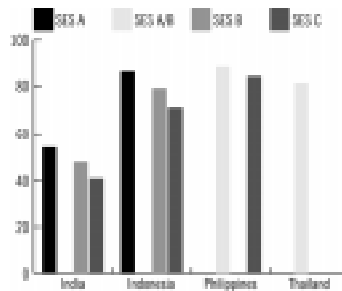


figure 1.1

This giving rate can be compared for socio-economic classes A, A/B and B with giving to religious organizations and giving to individuals.

One of the most important findings is that in all four countries, almost all high- to middle-income households made some philanthropic gifts in the preceding twelve months. In this regard, these households appear to be

table 1.2

Giving rate - SES classes A, A/B and B only				
Country	India	Indonesia	Philippines	Thailand
Voluntary organizations	51	82	88	81
Religious organizations	88	85	93	93
Individuals	73	98	78	91

as committed to philanthropy as are similar households in northern or developed countries.

For India, the giving rate to religious organizations is comparable with the other three countries. In India there are households that choose to give to religious organizations but do not give to voluntary organizations. For other countries most households/individuals that give to religious organizations also give to voluntary organizations.

Amount Given to Voluntary Organizations

For each type of giving, the average amount given by those households that gave (**average amount given by givers**) was the actual variable collected from the respondents but a core variable in the results is the **average amount given per capita** of the surveyed population. The average amount given per capita can be calculated as the giving rate multiplied by the average amount given by givers.

For cross-country comparisons of purchasing power, the international community has developed what are called Purchasing Power Parities (PPPs). These are measures based on what it costs in various local currencies to buy a certain basket of goods and services. Therefore, the amounts given are shown in US dollars as these are more easily converted to local currencies, and in Purchasing Power Parity (PPP) as this is the most appropriate measure for cross-country comparisons. Purchasing Power Parity is a measure that reflects the relative costs in various local currencies to buy a certain basket of goods and services.

To cite an example, in 2000, the official currency exchange rate was 43 Indian rupees to buy one US dollar and 40 Thai baht to do the same. However, the amount that a dollar (43 rupees) can purchase in India is greater than a dollar (40 Baht) can purchase in Thailand, or than what a dollar can purchase in the United States. In India in 2000, the PPP conversion factor from US dollars was approximately five while in Thailand it was approxi-

mately three. That means that in India, 43 rupees would purchase about five times as much as a dollar in the United States: while 40 Thai baht would purchase about three times as much as a dollar in the United States.

Average amount given per annum to voluntary organizations for SES A A/B and B only				
	India	Indonesia	Philippines	Thailand
Average amount given by givers				
US dollars	\$14	\$42	\$129	\$176
Purchasing Power Parity	69	183	446	519
Average amount given per capita				
US dollars	\$7	\$34	\$113	\$143
Purchasing Power Parity	35	149	391	421

table 1.3

The differences between India and the three other countries are more dramatic when comparing average amount given per capita, as this takes into account both the lower giving rate and the lower average amount given by givers. For example, in India 51 percent of households indicated giving to voluntary organizations and on average they gave \$14 per household. Therefore the average amount given per capita of the surveyed population was calculated at \$7 (51 percent x \$14).

For comparing the differences **between** countries the PPP measures are used. These show less dramatic differences between the amounts given in Thailand and the Philippines and the amounts given in India and Indonesia. This is because the PPP measures the cost of a given basket of goods and services in each country.

The amount given per capita can be compared for socio-economic classes A and B with giving to religious organizations and giving to individuals.

Average amount given per capita per annum for SES A, A/B and B only - \$US (PPP)				
Country	India	Indonesia	Philippines	Thailand
Voluntary organizations	\$ 7 (35)	\$ 34 (149)	\$113 (391)	\$143 (421)
Religious organizations	\$ 12 (58)	\$ 38 (167)	\$128 (444)	\$ 89 (263)
Individuals	\$ 15 (72)	\$ 51 (222)	\$159 (550)	\$314 (926)
TOTAL	\$ 34 (165)	\$123 (538)	\$400 (1385)	\$546 (1610)

table 1.4

Households in India, Indonesia and the Philippines all gave a larger average amount per capita to religious organizations than to voluntary orga-

nizations. In India it was some 65 percent larger. Indians also gave twice as much to individuals as voluntary organizations.

In Thailand, the surveyed population gave more on average to voluntary organizations than religious organizations and then, on average, more than twice as much was given to individuals than voluntary organizations.

The amounts given to different types of recipients can also be shown in percentage terms. This is shown in Table 1.5.

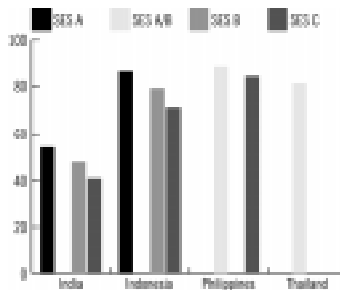
table 1.5

Percentage given per capita by category of recipient for SES A				
Country	India	Indonesia	Philippines	Thailand
Voluntary organizations	21%	28%	28%	26%
Religious organizations	35%	31%	32%	16%
Individuals	44%	41%	40%	58%
TOTAL	100%	100%	100%	100%

The average amount given per capita to voluntary organizations, shown in Figure 1.2, varies markedly by socio-economic status in Indonesia and the Philippines and to some extent in India. This shows the importance of identifying not only households that are more likely to give to voluntary organizations but also those households that are likely to give larger gifts.

For fund raisers it is important to identify both those households who are more likely to give and, within this group, those who are more likely to give larger amounts. The country reports for India and Indonesia provide guidance on the geographic locations where households are both more likely to give and where they are more likely to give larger amounts.

figure 1.2



Giving Rate by Category of Organization

The giving rate for each field is shown in Table 1.6. In all countries the giving rate to social services is relatively high and the giving rate to culture and arts is relatively low. The India survey added giving to victims of calamities and victims of war. In other countries these organizations should have been classified as social services. Therefore, if these fields had been included in social services the giving rate for social services in India would have been higher.

The Philippines shows evidence of a more developed voluntary sector than other countries with organizations in five fields having a giving rate of more than 30 percent. Thailand also shows relatively high giving rates across a number of fields. In Thailand, there is also a relatively high giving rate to Royal Charities.

Field	India	Indonesia	Philippines	Thailand*
Culture & arts	7	5	15	5
Sports & recreation	4	13	36	14
Education	7	30	36	35
Health	5	5	30	23
Social services	18	39	61	51
Environment	1	3	35	13
Development	2	54	10	27

table 1.6

Amount Given by Category of Organization

The amount given by givers to organizations in different fields is shown in Table 1.7. These amounts are shown in both \$US and PPP (in brackets).

As mentioned earlier, this is the measure of giving actually collected from each respondent. After a positive response to the question about giving to organizations in each field, each respondent is asked the amount given in the last 12 months.

The average amounts given should provide benchmarks for voluntary organizations in each country. Organizations should be able to compare the average amounts given to their organization with the average amounts given to organizations in the same field in that country.

table 1.7

Average amount given by givers per annum to voluntary organizations by field for socioeconomic classes A, A/B, B and C - \$US (PPP)				
Field	India	Indonesia	Philippines	Thailand*
Culture & arts	\$ 3 (14)	\$ 7 (28)	\$ 51 (177)	\$ 36 (105)
Sports & recreation	\$ 4 (21)	\$ 5 (20)	\$ 22 (77)	\$ 92 (271)
Education	\$ 11 (54)	\$ 22 (97)	\$ 39 (134)	\$123 (363)
Health	\$ 6 (27)	\$ 8 (33)	\$ 22 (77)	\$ 47 (140)
Social services	\$ 7 (32)	\$ 13 (58)	\$ 35 (121)	\$ 48 (142)
Environment	\$ 11 (52)	\$ 34 (148)	\$ 18 (62)	\$ 20 (60)
Development	\$ 8 (39)	\$ 14 (60)	\$ 59 (205)	\$ 56 (164)

* Classes A/B for Thailand only

Table 1.7, in conjunction with Table 1.6, shows that a field with a low giving rate often has quite a high average gift. For organizations in these fields it is important that they target their fund raising efforts carefully. Organizations in fields such as social services may need to be less targeted, although it should still be worthwhile identifying those types of households giving relatively large gifts.

The average amounts given per capita shown in Table 1.8 reflect both the giving rate and the average amount given by givers. Again these amounts are shown in both \$US and PPP (in brackets). For India, if the average amounts given to “others” are combined with social services, more than 60 percent of the amount given goes to social service organizations. In Indonesia, there is a relatively large amount given to education while in the Philippines the amounts given are equally spread across the fields.

In Thailand, the average amount given to education is likewise relatively large, but this may be a reflection of the higher education levels of the

table 1.8

Average amount given per capita of the population surveyed to voluntary organizations by field for socioeconomic classes A, A/B, B and C - \$US (PPP)				
Field	India	Indonesia	Philippines	Thailand*
Culture & arts	\$ 0.2 (1)	\$ 0.3 (1)	\$ 7.4 (26)	\$ 1.7 (5)
Sports & recreation	\$ 0.2 (1)	\$ 0.6 (3)	\$ 8.1 (28)	\$ 13.0 (39)
Education	\$ 0.8 (4)	\$ 6.7 (29)	\$ 14.0 (48)	\$ 43.6 (129)
Health	\$ 0.3 (1)	\$ 0.4 (2)	\$ 6.7 (23)	\$ 10.9 (32)
Social services	\$ 1.2 (6)	\$ 5.2 (23)	\$ 21.3 (74)	\$ 24.7 (73)
Environment	\$ 0.1 (1)	\$ 1.0 (4)	\$ 6.3 (22)	\$ 2.8 (8)
Development	\$ 0.2 (1)	\$ 7.5 (32)	\$ 5.9 (20)	\$ 15.0 (44)
Others**	\$ 2.1 (10)	\$ 1.3 (5)	\$ 3.0 (10)	\$ 31.0 (99)
All Fields	\$ 5.1 (25)	\$ 23.0 (100)	\$ 72.7 (251)	\$142.7 (421)

* Classes A/B only for Thailand

** For India, “others” includes giving to victims of war and calamities. For Thailand, “others” includes Royal Charities.

surveyed population in Thailand. More than 20 percent of the total giving goes to Royal Charities in Thailand.

The Generosity Ratio

In comparing the amount given across countries a useful measure is the **generosity ratio**. This is calculated as the average amount given by the sample as a whole as a percentage of the average household income of the sample (an indicator of capacity to give).

The generosity ratio shows a similar pattern to the other data. High- and middle- income Indians are not as generous as people from similar social strata in the three Southeast Asian countries. Indonesians, however, turn out to be marginally more generous than Filipinos, while the apparent benevolent bent of Thais is shown to be less dramatic than the PPP measures suggest.

Generosity ratio by category of recipient for SES A, A/B and B				
Country	India	Indonesia	Philippines	Thailand
Voluntary organizations	0.3%	1.6%	1.3%	1.4%
Religious organizations	0.6%	1.8%	1.5%	0.9%
Individuals	0.7%	2.5%	1.8%	3.0%
TOTAL	1.7%	5.9%	4.6%	5.3%

table 1.9

Reasons for Giving

A similarity between all the countries studied is the uniformly high level of importance of “feeling of compassion” as a motive for giving. Other points of interest are the importance of believing in the cause to the Filipinos, religious beliefs to the Indonesians and, as might be expected, the returning of a favour to the Thais. The small percentage of Thais reporting religious beliefs/practice ties in with previous data for the Thai survey.

Table 1.11 shows the different methods of fund raising that the surveyed population in each country has experienced over the last 12 months.

table 1.10

Selected reasons for giving (percentage reporting very important/important)				
Reason	India	Indonesia	Philippines	Thailand
A feeling of compassion	91	89	99	90
Giving makes the giver feel good	81	89	99	65
Due to religious beliefs/practice	76	98	76	38
Believing in the cause/organization	64	46	92	61
To return a favor/passing the kindness	43	na	52	63

table 1.11

Method of fund raising (percentage approached by each method)				
Method of giving	India	Indonesia	Philippines	Thailand
In the street, by a person collecting money for an organization	34	72	61	na
Through an appeal in the mail for an organization	5	15	39	21
An appeal in the newspaper/media	20	6	18	18
At your door by a person collecting for your organization	48	81	81	na
By telephone as part of an appeal for an organization	2	4	6	na
To buy tickets to a special event	11	12	82	na
By a relative/friend/dependant	16	20	76	16
At workplace	22	30	34	11

Aside from questions about methods that had been used to persuade them to make a donation, respondents were also asked if they gave when approached in a particular way. This data gives us a rough guide to the effectiveness of various fund raising methods, though in only three of the four countries (the question was not asked in Thailand). Clearly those methods that persuaded the respondent to give are more effective than those with only a low positive response. The data is presented in Table 1.12.

When combined with data on the frequency with which different techniques are used, the results of this effectiveness measure provide a useful guide to fund raisers. In the Philippines for example, mail appeals are very effective but not used much. The effectiveness rate of this technique suggests it could be used more. Similarly, special events are effective in all three countries but are not so much used in Indonesia and India. They should be. Workplace giving seems particularly effective in all three countries, but is not as widely used as it could be.

Effectiveness of fund raising methods (percentage of those approached by this method who gave)				
Method of giving	India	Indonesia	Philippines	Thailand
In the street, by a person collecting money for an organization	63	53	69	na
Through an appeal in the mail for an organization	57	44	82	na
An appeal in the newspaper/media	35	48	64	na
At your door by a person collecting for your organization	75	48	86	na
By telephone as part of an appeal for an organization	57	13	33	na
To buy tickets to a special event	80	68	97	na
By a relative/friend/dependant	81	57	98	na
At workplace	85	70	94	na

Future Work

In undertaking future studies for a given amount of funding there is a trade-off between asking a smaller number of questions of a larger sample and asking a larger number of questions of a smaller sample. The former can provide more reliable estimates of some key variables while the latter can provide more comprehensive information for fund raisers.

A more comprehensive study is justified at intervals of some three to four years to understand the relationships between different types of giving and the reasons people give. In the interim it may be more cost effective to use omnibus surveys to ask questions on only a selected number of key variables.

The difficulty with an omnibus survey, especially when costs can be charged per question, is to ensure that the questions are carefully selected.

In asking questions about giving to voluntary organizations, it is important to note that the way the questions are asked can affect the results. The total amount given to voluntary organizations in this project is calculated by summing up the amounts given to organizations in different fields such as social services. The method of asking these questions not only provides data on the average amounts given to organizations in various fields; it also assists the respondent to recall all the amounts given over the last 12 months.

Even when asking only selected questions, it is important to ask about religious organizations so that religious giving is not confused with giving to other voluntary organizations. However, giving to individuals could be omitted, as it is more difficult to define individual giving. For example, should individual giving be confined to individuals in need, or should it be confined to individuals outside the household? The information is also less useful for fund raisers who need to target households that are more likely to give larger gifts to voluntary organizations.

An important addition to the model survey instrument, compared with the Johns Hopkins work, were questions on methods of fund raising. This seems to be a worthwhile topic for additional work, especially if some questions can be added on preferences for fund raising as well as the effectiveness of methods of fund raising. It would also be useful to analyze effectiveness of fund raising for different types of giving and even for different categories of voluntary organizations if the sample size was large enough.

In some countries credit cards are used extensively to ensure that givers deliver the gift at the time of agreeing to the gift. Credit cards are used for fund raising by mail, telephone and public media campaigns. In other countries fund raising is more centered in the workplace and periodic deductions are made from salaries. In many Asian countries, few people had been approached to raise money through events but when this did occur it tended to be very effective.

At the time of developing the model instrument, the results from the case studies were not available. Now that the results are at hand, it would be useful to generate a more comprehensive survey on methods of fund raising. This could be undertaken with a study of effective methods of fund raising—especially emerging trends—in developed countries.

In terms of population surveys, the results of the surveys for this project should provide benchmarks for future studies. The reliability of the current surveys depends, among other things, on the numbers in the sample as outlined in the attachment to the complete report.

It also depends on the extent that the random stratified sample of the surveyed population is applied. In India, the sampling methodology had the benefit of good census data by socio-economic class and location. This makes it easier for the survey company to identify geographic areas with large proportions of socio-economic classes A, B and C. The sampling meth-

odology in India could be relatively easily replicated especially if the same survey company would do future surveys.

The Indonesian survey team did not have the extensive census data available to the survey company in India. Therefore, a future survey may get different results because the sampling methodology may be more difficult to replicate.

The Indian survey also ensured that only classes A, B and C were included in the sample by using a grid to identify such classes at the beginning of the interview. The Indonesian survey team was not as rigorous in excluding only classes A, B and C, as the socio-economic classes were allocated as part of the analysis. This does not affect the comparisons for Indonesia for classes A and B that are the major comparisons used in this project. A future survey in Indonesia would need to be more rigorous in this aspect of the methodology.

The Philippine survey was undertaken as part of an omnibus survey. The major problem in terms of reliability is the relatively small sample size. This could be resolved by utilizing an omnibus survey at intervals of 2 to 3 months to provide a larger sample. It would be cost effective to ask a smaller number of questions. Repeating the survey in the Philippines would provide more reliable benchmarks. It should be possible to combine this additional data with data from the current survey if this was undertaken under similar economic conditions as the current survey.

In Thailand, the survey team decided that the most cost effective approach was to undertake a stratified sample by occupation. As mentioned above, this produced a better educated sample than might be found in social classes A and B in the general population. For future comparative data, it may be appropriate to undertake a survey in Thailand of the general population in classes A and B.

The reliability of the current surveys can only be tested by replicating the surveys in each country. The key recommendation for future surveys is that it is better to obtain more reliable estimates of fewer variables than ask too many questions that can lead to respondent fatigue as well as additional costs. It is also important to ask the questions in the same way especially for future surveys using these surveys as benchmark data. ▶

2 | The Model Instrument

Definition and Scope of Giving

In the survey the following definition of giving was used:

“We would like to ask you about giving and donating money. By this we mean a voluntary contribution, one that is unrelated to the purchase of goods and services for yourself. For example, some people and families donate money to help the poor; others give to cancer research, for hunger relief or (use salient examples in the context of your country).”

People make gifts of money and goods to **individuals**, such as members of their family, friends and beggars, and to organizations. These organizations include **religious organizations** such as mosques and temples and **other voluntary organizations**, such as social service or environment organizations. Although a major objective of the survey was to collect data that would assist these other voluntary organizations to undertake more effective fund raising, it was considered important to collect data on giving to individuals and religious organizations, to place giving to other organizations in its wider context. For this reason, people were asked about their giving to each of the above-mentioned groups.

Components of the Model Instrument

The model survey instrument has six major sections. These are:

- measures of giving to individuals;
- measures of giving to religious organizations;
- measures of giving to other voluntary organizations;
- reasons for giving;

- methods of fund raising; and
- demographic data.

Giving to Individuals

The model instrument collects data about the extent of direct giving to individuals. The recipients of individual giving studied across all countries were relatives, friends and beggars. In some countries a question was also asked about victims of calamities, and in Thailand a question was asked about subordinates (in need). In Thailand, the questions about relatives and friends were targeted to relate to relatives (in need) and friends (in need). Thailand also created a separate category called (in a translation from the Thai), “Social Tax.” This referred to gifts exchanged between family friends and neighbors on various celebratory occasions such as a wedding or a graduation, or on the death of a family member. These have an obligatory character to them and the Thais do not consider them philanthropic. As a result, they are excluded from these comparative results.

Surveys also collected data about supporting individuals with gifts in kind as well as money. But some countries did not ask about gifts in kind made to organizations. For this reason, data on giving in kind is not considered in this report. It can be found in several of the country reports.

Giving to Religious Organizations

By religious organizations is meant organizations whose primary purpose is the provision of opportunities for religious worship and the encouragement of religious behavior. It was recognized that, in some cases, religious organizations passed gifts on to other organizations. In some countries, respondents were asked, “What causes do you think the money that you gave to religious organizations will be used?” Nonetheless, it is assumed that the primary recipient of the gift was the religious organization (or an individual such as a monk) and the giving was in fulfillment of a religious purpose.

The section on religious giving allows each country to ask particular aspects of religious giving for their country. The Indonesian team developed a section on tithing for the different religious groups in Indonesia. The Thailand team was able to collect data on giving to monks.

Giving to Other Voluntary Organizations

To obtain comparative data by field of activity to other organizations for giving, it is necessary to use a consistent classification of fields across all countries.

The classification used is the International Classification of Nonprofit Organizations (ICNPO) that has been used in the Johns Hopkins Project. At the inception workshop in Manila some of the categories in this classification were collapsed to simplify the collection and analysis of data. Each country was asked to prepare a list of the most appropriate organizations in each field for their particular country. Thus, it became easier for the respondent and the interviewer to classify the organizations into the ICNPO category. In some countries, however, these separate categories were added to the list of destinations rather than collapsed into the appropriate ICNPO class. This made sense in the context of the particular country, but made comparison difficult.

Reasons for Giving

The reasons for giving asked in Stage 1 of the Philippines survey were discussed at the inception meeting in August 2000. From this discussion a smaller number of reasons were incorporated in the model instrument. This allowed individual countries to add additional reasons that were important within each individual country. For example, the Indonesian survey had social solidarity as a reason for giving.

Methods of Fund Raising

The section on methods of fund raising was developed for the APPC comparative study. This provides data on the types of fund raising currently being utilized in each country and the percentage of people who give for each type of fund raising.

Demographic Data

Most countries asked for data on education, occupation, income and religion.

3 | Sampling Methodology

As noted in Chapter 2, an important decision taken at the inception meeting was to limit the scope of the survey to higher income classes in large cities. The decision was taken in the interests of economy, but also because these were the groups that had the most to give. Although all countries had stratification systems based on an A, B, C, D and E division, each country defined such classes in different ways. These differences, together with a somewhat wider or narrower geographical spread, were the two most important factors that made comparisons between the data from each country difficult. A further difference was that three countries sampled households on a random basis, while in Thailand, the sample was drawn on the basis of occupation, using purposive sampling.

This is a brief overview of the sampling methodologies, which are dealt with in more detail in the country reports.

Sampling by Socio-economic Status (SES)

For all countries, the sample design required the respondents to be drawn from socio-economic classes A and B. For Thailand and the Philippines, there was no distinction made between classes A and B in collecting the data. In India, Indonesia and the Philippines, interviews were also conducted with respondents from class C.

In this project the sampling methodology for three countries—India, Indonesia and the Philippines—was based on a stratified sample of the population according to socio-economic class. Such classes surveyed were restricted to classes A, B and C in these three countries.

The Thailand team considered that the most cost-effective means of undertaking the survey was to sample individuals in the workplace. On the advice of the Thai team the results for Thailand were classified on A/B. The respondents in the Thai survey were better educated than the social classes A and B for the other countries. Therefore, in considering the results it is

important to note that the Thai sampling methodology produced a sample of well-educated respondents who may be more generous and have different attitudes to giving, especially in relation to religious giving, than a sample of social class A/B chosen from the general population in Thailand.

Socio-economic status is measured in different ways in each country. For example, in India a grid is used that classifies socio-economic status by the level of occupation and income. In the Philippines, the classification is based on family income, type of dwelling unit, occupation and educational background of the household head. A similar method is used in Indonesia. In Thailand, it is based on income but uses occupation as a proxy for income level. Further details are provided in the country reports.

Sampling by Urban Areas

In India, the proposed sampling methodology was designed to conduct interviews in the four mega-metros and ten other cities with a population of more than one million. The four mega-metros were Delhi, Chennai (formerly known as Madras), Kolkata (Calcutta) and Mumbai (Bombay). The ten other cities were chosen to represent the five major regions in India. The results from these cities were used to represent the 22 cities in India with a population of more than one million.

In Indonesia, interviews were conducted in Jakarta and ten other cities. Six of these cities have a population greater than one million persons, while the other four cities are state capitals or have particular features of importance for patterns of giving. In Indonesia, some of these urban areas surveyed did not strictly meet the criteria for comparable data but these urban areas were important for understanding the extent and directions of philanthropy in that country.

In both India and Indonesia, the two most populous countries in the project, identifying regional differences was a particularly important part of the project.

The Thailand survey used purposive sampling in two provinces. There were 800 interviews in Bangkok and 400 in Nakornrachasima. The second survey for the Philippines was undertaken in the National Capital Region (NCR).

Demographic measures by country (2000)				
Nature of urban area	India	Indonesia	Philippines	Thailand
Metros	4	1	1	1
Sample size	2400	400	400	800
Cities > 1 million	10	6		1
Sample size	4000	1260		400
Other large cities	-	4		
Sample size		840		
Total	6400	2500	400	1200

Weighting the Sample Data

So that the results collected from the sample would reflect the distribution of key variables in the population under study, the results were weighted by the appropriate weightings of the selected variable. The ability to use appropriate weights depended on the availability of data about the population surveyed. For example, in India there was extensive census data for each major city by socio-economic class. In other countries, data of this quality is not available.

The Indian results were weighted by ACNielsen as part of the analysis. This was based on the number of households in each socio-economic class in cities with a population of more than one million.

The population estimates for the Philippines were weighted by the proportion in each socio-economic class in the National Capital Region. The weightings for Indonesia were also based on the numbers in the population in each of the socio-economic classes A, B and C in the cities surveyed.

For Thailand, the weightings were undertaken using the estimated numbers of individuals in each of the occupational classes. ▀

4 | Comparisons

Common Measures

Comparing behavioral data across countries is always challenging. For the most part we compare percentages of the population who do something or believe something or experience something. But for some things we are interested in, we need other measures.

In the case of giving, for the last sets of questions, reasons for giving and experience of methods of fund raising, simple percentage comparisons are appropriate. To compare data on the extent of giving requires some more complex approaches.

The most important questions to ask of respondents are whether, over a specified period, they gave, to what they gave and the amount they gave. It is also useful to know their level of income.

From these questions, data can be determined on:

- the percentage of households in the sample who gave (**giving rate**),
- the average amount given by households who gave (**average amount given by givers**), and
- the average amount given by households in the surveyed population (**average amount given per capita**).

From these estimates the following ratio can be determined:

- the average amount given by the sample as a whole as a percentage of the average household income of the sample (an indicator of capacity to give). This provides what can be called the **generosity ratio**.

These measures are all useful for cross-country comparisons. But not all of them are immediately suitable for comparative purposes.

Explaining Purchasing Power Parities

The first and fourth of these measures, being ratios, do not need to be expressed in a common value to enable comparisons between countries. It is easier to make international comparisons of the second and third measures by introducing an additional concept, that of Purchasing Power Parity.

For cross-country comparisons of purchasing power, the international community has developed what are called Purchasing Power Parities (PPPs). These are measures based on what it costs in various local currencies to buy a certain basket of goods and services. Therefore, the amounts given are shown in US dollars as these are more easily converted to local currencies, and in Purchasing Power Parity (PPP) as this is the most appropriate measure for cross-country comparisons. Purchasing Power Parity is a measure that reflects the relative costs in various local currencies to buy a certain basket of goods and services.

To cite an example, in 2000, the official currency exchange rate was 43 Indian rupees to buy one US dollar and 40 Thai baht to do the same. However, the amount that a dollar (that is 43 rupees) can purchase in India is greater than a dollar (that is 40 Baht) can purchase in Thailand, or than a dollar can purchase in the United States. In India in 2000, the PPP conversion factor from US dollars was approximately five while in Thailand it was approximately three. That means that in India, 43 rupees would purchase about five times as much as a dollar in the United States, while 40 Thai baht would purchase about three times as much as a dollar in the United States.

Some Basic Cross-Country Comparisons

The following two tables contain some basic demographic and economic variables for the four countries involved in this study.

table 4.1

Demographic measures by country (2000)				
Measure	India	Indonesia	Philippines	Thailand
Population (millions)	1005.3	212.6	75.6	62.7
Population growth	1.9%	1.6%	2.0%	1.5%
Life expectancy	62	65	68	71
Urban population	28%	38%	57%	36%
Majority Religion	Hindu	Muslim	Catholic	Buddhist

Source: Statistics from the World Bank cited in Asia Week, August 2001
 – www.asiaweek.com

The second table contains several basic economic variables (taken from the World Bank, cited in *Asia Week*). ►

Economic measures by country (2000)				
Measure	India	Indonesia	Philippines	Thailand
GNP (PPP)	\$1710B	\$558B	\$272B	\$368B
Per capita GNP (PPP)	2,167	2,685	3,622	5,757
Per capita GNP (nominal USD)	\$452	\$617	\$1,046	\$1,949
GDP annual growth	5.7%	5.1%	3.6%	3.1%
PPP conversion factor for local currency units	9.0	2,299	14.5	13.7
PPP conversion factor for US dollars	4.79	4.35	3.46	2.95

Source: Statistics from the World Bank cited in *Asia Week*, August 2001
 – www.asiaweek.com

table 4.2

5 | Giving to Voluntary Organizations

Introduction

The chapters that follow report the results of giving to other voluntary organizations, giving to religious organizations and finally, giving to individuals. For ease, we refer to these as voluntary organizations, religious organizations and individuals.

For each chapter data will be provided by the five measures outlined in Chapter 3. For each of these measures we provide headline data from SES classes A and B. These are the data that can be better compared across all four countries.

For each major category of recipient, we also provide data on giving by SES classes A, B and C for India and Indonesia, and Classes A/B and C for the Philippines. This is to test whether socio-economic status has any effect on these measures.

In addition, we explore giving to voluntary organizations in various fields of activity in a separate chapter. We also provide data on giving to different categories of individuals.

The report also touches on people's reasons for giving and methods used to raise funds as well as their experience of these methods. Further, the report covers the response in the three countries to these different methods of fund raising.

Comparing the Overall Giving Rate

In Table 5.1, the giving rate to other voluntary organizations is compared across the four countries studied.

table 5.1

Giving rate to voluntary organizations (percentage)				
Country	India	Indonesia	Philippines	Thailand
SES A, A/B and B	51	82	88	81
SES A, B, A/B and C	46	77	86	na

The measures in the first row are the most appropriate for the comparisons across the four countries studied and consequently are highlighted in bold. There is little difference in the giving rates to voluntary organizations across Indonesia, the Philippines and Thailand. All are over 80 percent. However, India is substantially lower at 51 percent.

These measures of the giving rate in Table 5.1 can provide a benchmark for future surveys of giving to voluntary organizations in the countries studied. For future studies, for socio-economic classes A and B, the benchmark measures are those in the first row, while for future studies that survey classes A, B and C, the appropriate benchmarks are in the second row. The data in the country reports for India, Indonesia and the Philippines can be more easily reconciled with the data in the second row as the country reports for these countries reflect the data for social classes A, B and C.

Comparing the Giving Rate by Socio-economic Status

Table 5.2 shows the giving rates to voluntary organizations by socio-economic status.

table 5.2

Giving rate to voluntary organizations by socio-economic status (percentage)				
Country	India	Indonesia	Philippines	Thailand
SES A	54	86		
SES A/B			88	81
SES B	48	79		
SES C	41	71	84	

It can be seen from Table 5.2 that the giving rate declines slightly as we move from social classes A to B to C. These differences are as might be expected. Individuals in higher socio-economic classes, with greater capac-

ity to give, are more likely to give than individuals in lower socio-economic classes.

Comparing the Average Amount of Giving by Givers

The average amount of giving can be compared more easily across countries if only one measure of the amount of giving is used. In the table below the amount of giving to voluntary organizations is combined for socio-economic classes A and B to provide one comparative measure of giving in terms of Purchasing Power Parity.

The comparison of the amounts given is also shown in US dollars—and it is also provided for social classes A, B and C—so that the data can be reconciled with the country reports.

Average amount given by givers to voluntary organizations				
Socio-economic status	India	Indonesia	Philippines	Thailand
SES A, A/B and B				
Purchasing Power Parity	69	183	446	519
US dollars	\$14	\$42	\$129	\$176
SES A, A/B and B				
Purchasing Power Parity	53	131	294	na
US dollars	\$11	\$30	\$85	na

table 5.3

Table 5.3 shows that, in PPP terms, the amount given by givers for social classes A and B is about three times as much in the Philippines and Thailand as it is in Indonesia, despite the fact that all countries have similar giving rates. Then, the average amount given by Indonesians is twice as much as the amount given by Indians.

For future surveys in these countries for social classes A and B only, the benchmark measures that can be used are those of the amount of giving to voluntary organizations in the top half of the table, while for future surveys with interviews across social classes A, B and C the measures in the bottom part of the table should be used.

Comparing the Average Amount of Giving per Capita

The average amount of money given per capita combines the giving rate with the average amount given by givers. In simple terms, the average amount given (by givers) is multiplied by the percentage of people who give (the giving rate). A low average in the size of gifts made by givers, but from many givers, will produce the same effect for a concerned population as large gifts made by few givers. For example, if 80 percent of the population gives an average amount of \$10 each, the average amount per capita is \$16. But if 10 percent of the population gives an average amount of \$160 each the average amount per capita is also \$16.

The average amount of money given per capita (of the population surveyed) combines the giving rate with the average amount given by givers. This means that the comparisons of giving to other organizations in India with that in the other countries are even more dramatic, in that the average amounts given per capita reflect both the lower giving rate to voluntary organizations in India and the smaller average amount given.

table 5.4

Average amount given per capita to voluntary organizations				
Socio-economic status	India	Indonesia	Philippines	Thailand
SES A, A/B and B				
Purchasing Power Parity	35	149	391	421
US dollars	\$7	\$34	\$113	\$143
SES A, A/B and C				
Purchasing Power Parity	24	100	254	na
US dollars	\$5	\$23	\$73	na

In a similar way the combination of lower average size of the gift (by givers) with a lower giving rate emphasize the effect of socioeconomic status on giving. This can be seen more clearly when we separate the socioeconomic classes.

table 5.5

Average amount given per capita to voluntary organizations by socio-economic status (Purchasing Power Parity)				
Country	India	Indonesia	Philippines	Thailand
SES A	49	258		
SES A/B			391	421
SES B	25	93		
SES C	12	25	218	

For comparisons of the amount of giving per capita with studies in other developing countries, it is essential to determine whether the studies were undertaken for the population as a whole or for only some social classes. The importance of this can be seen in Table 5.5 where the amounts given in PPP vary dramatically by socio-economic class.

Comparing Amounts Given Using the Generosity Ratio

A person's generosity is not simply a measure of what he gives, but rather what he can afford to give. A person who earns \$200 per year and gives away \$20 is more generous than someone whose annual income is \$200,000 but gives \$10,000. We can compare giving as a percentage of income for those who give and aggregate that for the groups we are interested in comparing. But that will compare only givers within each group. If we want to compare the generosity of two groups, say upper and middle class Thais with upper and middle class Indians, we should compare the performance of the whole group. This means comparing the average amount given per capita of the group as a percentage of the average income of that group.

We can also use the generosity ratio to compare the generosity of different SES classes.

Table 5.6 does both of these things. The first line displays the generosity ratio for comparison across countries. This comparison of the generosity of socio-economic classes A and B across the four countries shows that Indonesians are the most generous in their giving to voluntary organizations, followed by Thais and then Filipinos. Indians are a long way behind.

The generosity ratio across the three socio-economic classes indicates that in all cases, it declines as we move down the socio-economic class ladder.

Generosity ratio for giving to voluntary organizations by socio-economic status				
	India	Indonesia	Philippines	Thailand
SES A, A/B & B	0.3%	1.6%	1.3%	1.4%
SES A	0.4%	1.7%		
SES A/B			1.3%	1.4%
SES B	0.3%	1.6%		
SES C	0.2%	1.0%	1.1%	

table 5.6

der. However, the movement is different when we look at the generosity ratio of giving to religious organizations and to individuals.

Giving to Voluntary Organizations by Field

Persons surveyed in each country were asked about their giving to different voluntary organizations active in different fields. Seven major categories were used in each country. However, several countries had additional fields. For example, Thailand added Royal Charities to the list of organizations and India added organizations dealing with victims of war/terrorism and natural calamities. Data is likewise reported for socioeconomic classes A, B and C in India, Indonesia and the Philippines, but only for A/B in Thailand.

Giving rate by field

This data were aggregated to provide the overall giving rate and amount given to organizations. It is important to note that the data were collected in this manner as it provides a way of asking for the information so that the individual is prompted to recall the different types of organizations to which he may have given.

The giving rate to voluntary organizations in different fields shows some important similarities but usually one country behaves differently from the others. For example:

- the high rate of giving to social services compared with most other fields in all countries;

table 5.7

Giving rate to voluntary organizations – socio-economic classes A, A/B, B and C (percentage)				
Field	India	Indonesia	Philippines	Thailand*
Culture & arts	7	5	15	5
Sports & recreation	4	13	36	14
Education	7	30	36	35
Health	5	5	30	23
Social services	18	39	61	51
Environment	1	3	35	13
Development	2	54	10	27

* Classes A/B only for Thailand

- the low giving rate in India to education (only seven percent) compared with the three other countries which are all over 30 percent;
- the high giving rate to health organizations in the Philippines, and to a lesser extent Thailand, compared with India and Indonesia which were both only five percent; and
- the comparatively high giving rate to development organizations in Indonesia and to environment organizations in the Philippines.

There appears to be a low incidence of giving to social services (only 18 percent) in India compared with the other three countries. However, this must be qualified since the Indian survey had two additional fields of giving to organizations dealing with victims of war/terrorism and their families (18 percent), and organizations dealing with victims of natural calamities and their families (21 percent). In other countries, giving to these organizations would be included in social services. However, it is likely that many of the respondents giving to these two fields may have also given to social services and/or would have given to organizations in both these additional fields. Hence, the overall percentage to social services would be considerably lower than 57 percent which is the aggregation of the three fields. The above complexity shows the importance of using the same fields for each country for making valid cross-country comparisons.

In Thailand, there was a giving rate of 34 percent to Royal Charities. As the Royal Charities operate across a number of fields, it is not possible to aggregate them into any particular field.

Compared with Indians and Indonesians, the Thais and Filipinos are more likely to give to many voluntary organizations in many fields. In the Philippines, voluntary organizations in each of the seven fields receive support from at least 10 percent of well-off Filipinos. Indeed, organizations in five of the seven fields are supported by at least 30 percent of the Philippine sample. This supports the proposition that the Philippines has a particularly lively and widely spread voluntary sector.

In Thailand, organizations in only one field (the arts) are supported by less than 10 percent of the sample, but only two fields are supported by more than 30 percent. In Indonesia, support is more concentrated. Only in four fields are voluntary organizations supported by more than 10 percent of the sample and only two fields are supported by more than 30 percent.

Average amount given by givers by field

Table 5.8 displays this data in US dollar values to match the data presented in the country reports. Table 5.9 presents the data in PPP, the better to enable cross-country comparisons.

table 5.8

Average amount given by givers per annum to voluntary organizations by field (US dollars per annum) – socio-economic classes A, A/B, B and C				
Field	India	Indonesia	Philippines	Thailand*
Culture & arts	\$ 3	\$ 7	\$ 51	\$ 36
Sports & recreation	\$ 4	\$ 5	\$ 22	\$ 92
Education	\$ 11	\$ 22	\$ 39	\$ 123
Health	\$ 6	\$ 8	\$ 22	\$ 47
Social services	\$ 7	\$ 13	\$ 35	\$ 48
Environment	\$ 11	\$ 34	\$ 18	\$ 20
Development	\$ 8	\$ 14	\$ 59	\$ 56

* Classes A/B only for Thailand

table 5.9

Average amount given per capita of the population surveyed to voluntary organizations by field (US dollars per annum) – socio-economic classes A, A/B, B and C				
Field	India	Indonesia	Philippines	Thailand*
Culture & arts	14	28	177	105
Sports & recreation	21	20	77	271
Education	54	97	134	363
Health	27	33	77	140
Social services	32	58	121	142
Environment	52	148	62	60
Development	39	60	205	164

* Classes A/B only for Thailand

In PPP terms, Thais who give to education give the largest average gift (but they are from classes A and B only). Within each country, average gifts to education are among the three largest in size. The range in the size of average gift to each field is smallest in the Philippines. The variation in size of average amount given in India is also relatively small, but the size of those amounts is also far smaller than in other countries.

In some countries, several fields received large average gifts, but, as we shall see, when we look at average gift per capita, there were few who gave to these fields.

For example, the Indonesians give the largest amount to environment organizations but Indonesians have a giving rate of only 3 percent for this category of organization. The Indians give a relatively large amount to development organizations but the giving rate is only 2 percent. Filipinos give relatively large amounts to cultural organizations and development organizations, \$51 and \$59 respectively, but the giving rate is relatively low at 15 and 10 percent respectively for these categories of organizations.

There is a distinct pattern of having a high average amount given for organizations where the giving rate is low. This is due to a small percent of the population giving relatively large amounts to these organizations in these fields. On the other hand, for social service organizations where the giving rate is higher for all countries, the average amount given by givers is relatively low.

For organizations in fields where the giving rate is low, it is more important for fund raisers to use their efforts to identify those people who are more likely to give in order to maximize the total fund raising.

Average amount given per capita by field

The average amount given per capita of the population surveyed combines the giving rate and the average amount given per capita. It provides a different picture of the fields that receive higher average amounts compared with other fields.

Average amount given per capita of the population surveyed to voluntary organizations by field (US dollars per annum) — socioeconomic classes A, A/B, B and C				
Field	India	Indonesia	Philippines	Thailand*
Culture & arts	\$ 0.2	\$ 0.3	\$ 7.4	\$ 1.7
Sports & recreation	\$ 0.2	\$ 0.6	\$ 8.1	\$ 13.0
Education	\$ 0.8	\$ 6.7	\$ 14.0	\$ 43.6
Health	\$ 0.3	\$ 0.4	\$ 6.7	\$ 10.9
Social services	\$ 1.2	\$ 5.2	\$ 21.3	\$ 24.7
Environment	\$ 0.1	\$ 1.0	\$ 6.3	\$ 2.8
Development	\$ 0.2	\$ 7.5	\$ 5.9	\$ 15.0
Others**	\$ 2.1	\$ 1.3	\$ 3.0	\$ 31.0
All Fields	\$ 5.1	\$ 23.0	\$ 72.7	\$ 142.7

* For India, "others" includes giving to victims of war and calamities. For Thailand, "others" includes Royal Charities

** Classes A/B only for Thailand

table 5.10

When we turn to the average amount given per capita we see that voluntary organizations in education and social services received the largest amount of support in all four countries (in India, all the other figures can be added to social services, as can a good part of the other category for Thailand). It also shows the relative strength of support to voluntary organizations across all fields in the Philippines when compared with other countries.

In per capita terms the average amount given to organizations in different fields can be aggregated to determine the average amount given to all fields. ►

table 5.11

Average amount given per capita of the population surveyed to voluntary organizations by field (Purchasing Power Parity) -- socio-economic classes A, A/B, B and C				
Field	India	Indonesia	Philippines	Thailand*
Culture & arts	1	1	26	5
Sports & recreation	1	3	28	39
Education	4	29	48	129
Health	1	2	23	32
Social services	6	23	74	73
Environment	1	4	22	8
Development	1	32	20	44
Other	10	5	10	99
ALL FIELDS	25	100	251	421

* Classes A/B only for Thailand

6 | Giving to Religious Organizations

Comparing the Giving Rate

In Table 6.1 below, the giving rate to religious organizations is compared across the four countries studied. The figures, in bold, for social classes A and B are the appropriate measures for the comparisons across the said four countries.

Giving rate to religious organizations (percentage)				
Country	India	Indonesia	Philippines	Thailand
SES A, A/B and B	88	85	93	93
SES A, B, A/B and C	87	84	86	na

table 6.1

There are some minor differences in the giving rates to religious organizations for social classes A and B in all four countries, in that India and Indonesia are marginally lower than Thailand and the Philippines.

The results incorporating class C show that there is little difference across the three countries for which there is data. This measure allows the giving rates to be reconciled with the data given in the country reports and provides benchmark data for future studies incorporating social class C.

That the giving rate for social classes A and B is marginally lower in Indonesia may appear surprising, given the strong encouragement of philanthropy in Islam. The clearest sign of this encouragement can be seen in the *Zakat*, the obligation to giving a certain proportion of income (or property) that falls on Muslim households with a relatively high level of wealth. Most of those of Muslim faith in our sample would be under such an obligation, an obligation that in Indonesia, the predominantly Muslim country in our group of four, is facilitated by the state designating certain Zakat collection agencies. However, the Zakat does not have to be paid to a religious organization such as a mosque. In Indonesia, our partners took the

view that data on gifts made under the Zakat obligation would be collected separately and are not included in this report. However, while Islam places a Zakat obligation on people of relatively high wealth or earning, they and others are encouraged to give (or give more) under what is called the *Sadaqah* obligation. Again, this encouragement does not require gifts to a mosque or other religious organizations.

Comparing the Giving Rate by Socio-economic Status

Table 6.2 shows the giving rates to religious organizations by socio-economic status.

table 6.2

Giving rate to religious organizations by socio-economic status (percentage)				
Country	India	Indonesia	Philippines	Thailand
SES A	87	88		
SES A/B			93	93
SES B	88	84		
SES C	86	83	85	

Table 6.2 shows that for India and Indonesia there are only marginal differences in the giving rate to religious organizations by social class. This can be compared with giving to voluntary organizations where there is a noticeable difference in the giving rates for these countries.

Comparing the Average Amount of Giving by Givers

The average amount of giving to religious organizations can be compared more easily across countries if only one measure of the amount of giving is used. In Table 6.3 the amount of giving to religious organizations is combined for socio-economic classes A, A/B and B to provide one comparative measure of giving in terms of Purchasing Power Parity. This comparison of the amounts given by givers is also given in US dollars so that the data can be reconciled with the country reports.

The measures of the amount of giving to religious organizations in the top half of the table can be used as a benchmark measure for future surveys

Average amount given by givers to religious organizations				
Socio-economic status	India	Indonesia	Philippines	Thailand
SES A, A/B and B				
Purchasing Power Parity	66	197	477	283
US dollars	\$14	\$45	\$138	\$96
SES A, A/B, B and C				
Purchasing Power Parity	53	131	297	na
US dollars	\$11	\$30	\$86	na

in these countries for social classes A and B only. These measures are highlighted in bold.

This table shows that, in PPP terms, the amount given by givers to religious organizations is far higher in the Philippines than elsewhere. The amount given in the Philippines is almost seven times higher than in India.

Future surveys with interviews across social classes A, B and C, should use as benchmark measures those in the bottom part of the table. For comparisons of the amount of giving to religious organizations with studies in other developing countries, it is essential to determine whether the studies were undertaken for the population as a whole or for only some social classes. The importance of this can be seen in Table 6.5 where the amounts given in PPP are shown by socio-economic class.

For India, the average amount given by givers in social class A is nearly double the average amount given by givers in social class C. For Indonesia, this difference is even more dramatic in that social class A is some seven times social class C. The differences in the amounts across social classes are similar for both religious organizations and voluntary organizations.

Comparing the Average Amount of Giving per Capita

The average amount of money given per capita (of the population surveyed) combines the giving rate with the average amount given by givers. In simple terms, the amount given by givers for each type of giving is multiplied by the percentage of people who give (the giving rate).

table 6.4

Average amount given per capita to religious organizations				
Socio-economic status	India	Indonesia	Philippines	Thailand
SES A, A/B and B				
Purchasing Power Parity	58	167	444	263
US dollars	\$12	\$38	\$128	\$89
SES A, A/B, B and C				
Purchasing Power Parity	46	110	256	na
US dollars	\$10	\$25	\$74	na

When we look at the effect of SES, we find the expected decline across SES classes. The decline is least dramatic in India where A and B are effectively the same, while SES C is still more than half of SES B. By contrast, in Indonesia, the decline is much greater.

table 6.5

Average amount given per capita to religious organizations by socioeconomic status (Purchasing Power Parity)				
Country	India	Indonesia	Philippines	Thailand
SES A	63	287		
SES A/B			444	283
SES B	62	122		
SES C	38	44	260	

Comparing Amounts Given Using the Generosity Ratio

A review of the generosity ratio for religious organizations indicates that among classes A and B, Indonesians are the most generous, followed by Filipinos. Indians are noticeably less generous in their support for religion.

As to the effect of SES we find that in India and Indonesia, members of SES B are more generous than SES A or C. Indeed, in India, members of SES C are slightly more generous than those in SES A. ▶

table 6.6

Generosity ratio for giving to religious organizations by socioeconomic status				
	India	Indonesia	Philippines	Thailand
SES A, A/B & B	0.6%	1.8%	1.5%	0.9%
SES A	0.5%	1.9%		
SES A/B			1.5%	0.9%
SES B	0.7%	1.8%		
SES C	0.6%	1.5%	1.3%	

7 | Giving to Individuals

Comparability of the Data

Comparing the data on giving to individuals across the four countries studied is more problematic than the comparisons of giving to voluntary organizations and religious organizations.

The data on giving to individuals were collected by asking respondents whether they had given to different categories of recipients such as relatives, friends, beggars and victims of calamities. However, these questions were asked in different ways in some countries.

In three countries, it was possible for respondents to report gifts to any relatives and friends, while in Thailand the questions were asked about relatives **in need** and friends **in need**. This has the effect of narrowing the level of giving reported and is a preferable way to ask the question and should be followed in future surveys.

In Thailand, the question in relation to giving to beggars was asked in terms of beggars/street children. This had the effect of widening the scope of the question. It is recommended that this wider category should be used in subsequent surveys.

These differences in the questions should be kept in mind in the comparisons of individual giving across countries. It should be noted that changing the questions in subsequent surveys in the countries studied makes the data for individual giving from this survey of limited use as a benchmark for future surveys.

Comparing the Overall Giving Rate to Individuals

In Table 7.1, the giving rate to individuals is compared across the four countries studied.

This measure of the giving rate could provide a benchmark for future surveys of giving to individuals in Thailand, if the recommendations for future surveys were adopted. For other countries, these measures would be less useful as a benchmark.

The giving rate shows very high rates of support for individuals in Indonesia and Thailand, but somewhat lower rates in India and the Philippines.

table 7.1

Giving rate to individuals (percentage)				
Country	India	Indonesia	Philippines	Thailand
SES A, A/B and B	73	98	78	91
SES A, B, A/B and C	72	96	81	na

Comparing the Giving Rate by SES

The Philippines is the only country showing differences in the giving rate to individuals with a five-point difference between social classes A/B and C.

table 7.2

Giving rate to individuals by socioeconomic status (percentage)				
Country	India	Indonesia	Philippines	Thailand
SES A	73	99		
SES A/B			78	91
SES B	73	97		
SES C	71	95	83	

Comparing the Average Amount Given by Givers

The average amount given by givers to individuals is shown in the following table. The average amount given by Thais is substantially greater than that in the other three countries. In terms of average amount given, Filipinos are the next highest. It should be recalled that the Thai survey used a narrower set of categories for giving to friends and relatives.

table 7.3

Average amount given by givers to individuals				
Socio-economic status	India	Indonesia	Philippines	Thailand
SES A, A/B and B				
Purchasing Power Parity	100	227	702	1,018
US dollars	\$21	\$52	\$203	\$345
SES A, A/B, B and C				
Purchasing Power Parity	85	161	509	na
US dollars	\$18	\$37	\$147	na

Comparing the Average Amount Given per Capita

table 7.4

Average amount given per capita to individuals				
Socio-economic status	India	Indonesia	Philippines	Thailand
SES A, A/B and B				
Purchasing Power Parity	72	222	550	926
US dollars	\$15	\$51	\$159	\$314
SES A, A/B, B and C				
Purchasing Power Parity	61	163	414	na
US dollars	\$13	\$37	\$120	na

Once again, the contribution of high giving rate and high average gift size makes the average amounts given by Thais in classes A and B significantly higher than the average amount given by other countries. Also, there is a considerable variation among countries, with India giving by far the smallest amount.

table 7.5

Average amount given per capita to individuals by socioeconomic status (Purchasing Power Parity)				
Country	India	Indonesia	Philippines	Thailand
SES A	84	345		
SES A/B			550	926
SES B	63	148		
SES C	46	66	390	

We find that social class has a dramatic effect on the amount given to individuals in all three classes where data is available. The drop between classes A and C is greatest in Indonesia.

Comparing Amounts Given Using the Generosity Ratio

When we compare the generosity ratio for giving to individuals, we see that classes A and B in Thailand are the most generous, followed by Indonesia.

When we examine the effect of SES on generosity, we see that generosity in giving to individuals is higher in lower SES classes in both Indonesia and the Philippines, while SES class has no effect on generosity in India.

table 7.6

Generosity ratio for giving to individuals by socio-economic status				
	India	Indonesia	Philippines	Thailand
SES A, A/B & B	0.7%	2.5%	1.8%	3.0%
SES A	0.7%	2.3%		
SES A/B			1.8%	3.0%
SES B	0.7%	2.7%		
SES C	0.7%	2.8%	2.0%	

Comparing the Giving Rate to Categories of Individuals

table 7.7

Giving rates to individuals by recipient and country (percentage)				
Recipient	India	Indonesia	Philippines	Thailand
Relatives	14	56	56	51
Friends	12	32	82	29
Beggars	80	81	92	63
Victims of calamities	31	39	41	na
Others	7	na	na	34

As noted in Chapter 3, data were collected on giving to different categories of individuals. Details of giving rates to these different categories can be found in Table 8.8. They show that in all four countries, a higher proportion of people in classes A, B and C support beggars than they sup-

port other categories. They also show considerable variation across countries. For example, most Indians support beggars but few support relatives or friends. By contrast, friends are strongly supported in the Philippines.

Comparing the Average Amount Given to Categories of Individuals

The tables below present the amounts given by givers in US dollars and PPP terms.

Average amount of money given by givers to individuals by recipient and country (US dollars per annum)				
Recipient	India	Indonesia	Philippines	Thailand
Relatives	\$31	\$39	\$75	\$406
Friends	\$18	\$20	\$71	\$168
Beggars	\$ 3	\$ 5	\$ 9	\$10
Victims of calamities	\$ 6	\$11	\$34	na
Others	\$12	na	na	\$143

table 7.8

Average amount of money given by givers to individuals by recipient and country (PPP)				
Recipient	India	Indonesia	Philippines	Thailand
Relatives	155	206	354	1287
Friends	90	106	335	533
Beggars	15	26	42	32
Victims of calamities	30	58	160	na
Others	59	na	na	453

table 7.9

Comparing the Amounts Given per Capita to Categories of Individuals

When we look at the average amount given per capita, once again, the extraordinarily large amounts given by classes A and B in Thailand when compared with classes A, B and C in other countries stand out. Relatives are the single largest category of recipient in three countries, but are behind friends in the Philippines. In Thailand, subordinates in need receive slightly more than do friends. What is also striking is the relatively small amount

that is given on average to beggars. They are supported by most but receive very little. ▶

table 7.10

Average amount of money given per capita to individuals by recipient and country (US dollars per annum)				
Recipient	India	Indonesia	Philippines	Thailand
Relatives	\$ 4	\$23	\$42	\$207
Friends	\$ 2	\$ 6	\$58	\$ 48
Beggars	\$ 2	\$ 4	\$ 8	\$ 6
Victims of calamities	\$ 2	\$ 4	\$14	na
Others	\$ 1	na	na	\$ 53
TOTAL	\$12	\$37	\$122	\$314

table 7.11

Average amount of money given per capita to individuals by recipient and country (PPP)				
Recipient	India	Indonesia	Philippines	Thailand
Relatives	21	99	145	612
Friends	10	28	201	142
Beggars	11	18	29	19
Victims of calamities	9	19	48	na
Others	4	na	na	155

8 | Reasons for Giving

The table below compares the percentage for each country reporting a particular reason as very important or important. The major findings are:

- The uniform importance of a feeling of compassion;
- The importance of religious beliefs/practice in Indonesia (98 percent) compared with India (76 percent) and the Philippines (79 percent) and the relative unimportance of that motive in Thailand;
- The relative importance of believing in the cause/organization in the Philippines (92 percent) compared with India (64 percent) and Thailand (61 percent) and Indonesia (46 percent).

Reasons for giving (percentage reporting very important/important)				
Reason	India	Indonesia	Philippines	Thailand
A feeling of compassion	91	89	99	90
Giving is easier than volunteering time	75	na	85	37
Giving makes the giver feel good	81	89	99	65
Due to religious beliefs/practice	76	98	76	38
Being asked to give	49	na	55	27
Believing in the cause/organization	64	46	92	61
To return a favor/passing the kindness	43	na	52	63
Pressured to give	18	1	14	22

na = data not collected

table 8.1

The reasons for giving are also compared across countries in Figure 8.1.

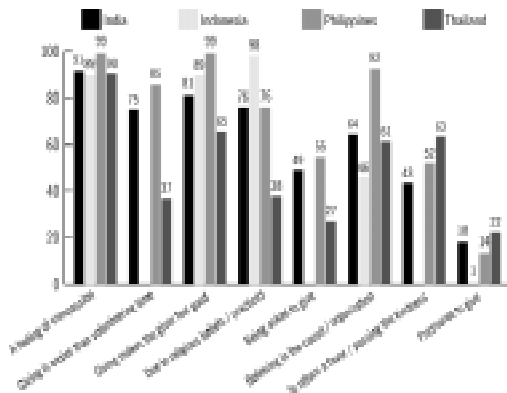


figure 8.1

9 | Methods of Fund Raising

Methods of Fund Raising

Respondents were asked about the methods by which they had been approached to give and whether they had responded favorably to that approach. The questions on the methods of fund raising were asked of those respondents who were approached in the last 12 months to give money to an organization.

The major findings are:

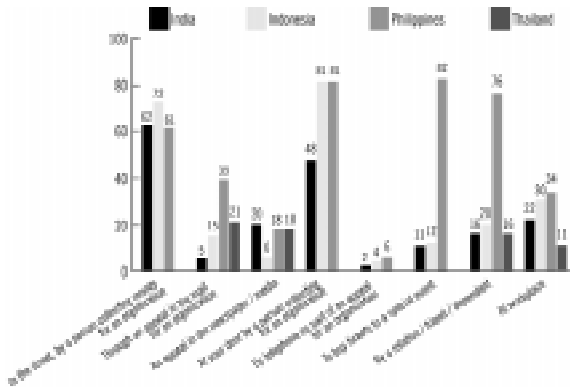
- The percentage of households approached at the door was 81 percent for the Philippines and Indonesia compared with only 48 percent for India.
- The percentage of households approached in the street was 72 percent for Indonesia and 61 percent for the Philippines, compared with only 34 percent for India.
- The percentage of households approached by mail was low in both India and Indonesia (15 percent for Indonesia and only 5 percent for India) and the percentage approached by telephone was even lower (4 percent and 2 percent respectively).
- The percentage of households approached to buy tickets for a special event was very high in the Philippines (82 percent) but very low in both India and Indonesia.

table 9.1

Method of fund raising (percentage approached by each method)				
Method of giving	India	Indonesia	Philippines	Thailand
In the street, by a person collecting money for an organization	34	72	61	na
Through an appeal in the mail for an organization	5	15	39	21
An appeal in the newspaper/media	20	6	18	18
At your door by a person collecting for your organization	48	81	81	na
By telephone as part of an appeal for an organization	2	4	6	na
To buy tickets to a special event	11	12	82	na
By a relative/friend/dependant	16	20	76	16
At workplace	22	30	34	11

na = data not collected

figure 9.1



Although only a small percentage were approached to buy tickets for special events, the percentage of those approached giving by this method was relatively high.

Effectiveness of Fund Raising Methods

As they were asked about methods that had been used to persuade them to make a donation, respondents were also asked if they gave when approached. This data give us a rough guide to the effectiveness of various fund raising methods, though in only three of the four countries (the question was not asked in Thailand). Clearly, those methods that persuaded the

table 9.2

Effectiveness of fund raising methods (percentage of those approached by this method who gave)				
Method of giving	India	Indonesia	Philippines	Thailand
In the street, by a person collecting money for an organization	63	53	69	na
Through an appeal in the mail for an organization	57	44	82	na
An appeal in the newspaper/media	35	48	64	na
At your door by a person collecting for your organization	75	48	86	na
By telephone as part of an appeal for an organization	57	13	33	na
To buy tickets to a special event	80	68	97	na
By a relative/friend/dependant	81	57	98	na
At workplace	85	70	94	na

na = data not collected

respondent to give are more effective than those with only a low positive response. The data are presented in Table 9.2 and Figure 9.1.

When combined with data on the frequency with which different techniques are used, the results of this effectiveness measure provide a useful guide to fund raisers. In the Philippines for example, mail appeals are very effective but not used much. The effectiveness rate of this technique suggests it could be used more. Similarly, special events are effective in all three countries but are not used much in Indonesia and India. They should be. Workplace giving seems particularly effective in all three countries, but is not as widely used as it could be. ▶

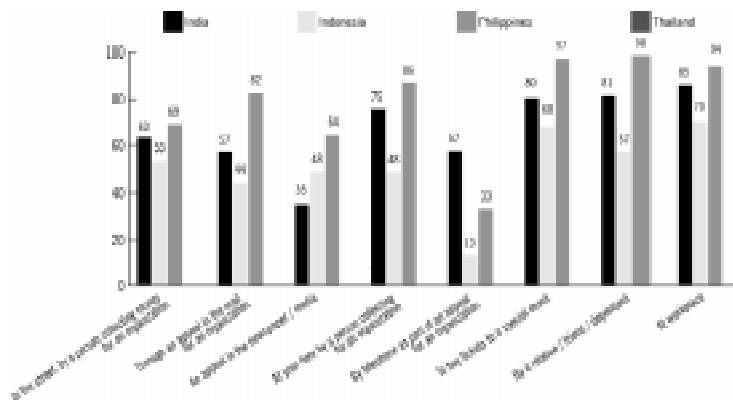


figure 9.2

10 | Major Findings

In this penultimate chapter, we will summarize the main data from the surveys and discuss the findings from the research first by identifying similarities between the four countries and identifying the main ways in which one or more countries differ.

In developing the major findings a detailed comparison of the findings from these four countries with other countries, both developed and undeveloped, was not possible within the scope of this project. The data collected for this study were restricted to a representative sample of social classes A, B and C, while the studies in most developed countries are a representative sample of the whole population. This factor should be taken into account in making comparisons with studies from other countries.

In other studies on giving, religion is normally included as one of the possible fields in giving to non-profit organizations. Therefore, in comparing both the giving rate and the amount given with other studies, it would be necessary to aggregate the giving to voluntary organizations and religious organizations in this project before making comparisons. (Alternatively, if appropriate data were available, comparisons could be made by disaggregating religious giving from other studies.)

Summary Tables

Below we present five tables that summarize the major results from the four country surveys. They summarize only data from SES classes A and B, the only data set that is comparable across all four countries. These tables present, for each of the major recipient categories (individuals, religious organizations and voluntary organizations), the giving rate, the average amount given by givers, the average amount given per capita of the sampled population, the way the total amount given is divided among these recipient classes and the generosity ratio. Where our data allow us, we will add a line that aggregates giving to all types of recipients.

table 10.1

Giving rate for SES A, A/B and B				
Country	India	Indonesia	Philippines	Thailand
Voluntary organizations	51	82	88	81
Religious organizations	88	85	93	93
Individuals	73	98	78	91

table 10.2

Average amount given by givers per annum for SES A, A/B and B only - \$US (PPP)				
Country	India	Indonesia	Philippines	Thailand
Voluntary organizations	\$ 14 (69)	\$ 42 (183)	\$129 (446)	\$176 (519)
Religious organizations	\$ 14 (66)	\$ 45 (197)	\$138 (477)	\$ 96 (283)
Individuals	\$ 21 (100)	\$ 52 (227)	\$203 (702)	\$345 (1018)

table 10.3

Average amount given per capita of the surveyed population per annum for SES A, A/B and B only - \$US (PPP)				
Country	India	Indonesia	Philippines	Thailand
Voluntary organizations	\$ 7 (35)	\$ 34 (149)	\$113 (391)	\$143 (421)
Religious organizations	\$ 12 (58)	\$ 38 (167)	\$128 (444)	\$ 89 (263)
Individuals	\$ 15 (72)	\$ 51 (222)	\$159 (550)	\$314 (926)
TOTAL	\$ 34 (165)	\$123 (538)	\$400 (1385)	\$546 (1610)

table 10.4

Percentage given per capita by category of recipient for SES A, A/B and B only				
Country	India	Indonesia	Philippines	Thailand
Voluntary organizations	21%	28%	28%	26%
Religious organizations	35%	31%	32%	16%
Individuals	44%	41%	40%	58%
TOTAL	100%	100%	100%	100%

table 10.5

Generosity ratio by category of recipient for SES A, A/B and B				
Country	India	Indonesia	Philippines	Thailand
Voluntary organizations	0.3%	1.6%	1.3%	1.4%
Religious organizations	0.6%	1.8%	1.5%	0.9%
Individuals	0.7%	2.5%	1.8%	3.0%
TOTAL	1.7%	5.9%	4.6%	5.3%

Similarities

Perhaps the most important finding is that in all four countries, almost all high- to middle- income households made philanthropic gifts in the preceding twelve months. In this regard, these households appear to be as committed to philanthropy as are high- to middle-income households in northern or developed countries. In making this comparison with developed countries, it should be kept in mind that the comparison with developed countries has the limitation that developed countries tend to collect data on the giving rate for the whole population rather than particular social classes.

Another similarity among the four countries is their uniformly high rate of giving to religious organizations. This suggests that although the four countries have distinct religious traditions, those traditions are strong even among high- and middle-income households, precisely those groups most exposed to the secularizing influences of northern culture. Nonetheless, as we shall see below, religious beliefs are not uniformly powerful as a motive for giving.

Overall, there is a high rate of support for individuals in all four countries, but, as we shall see below, the way in which that support is divided between different groups of individuals varies between countries.

Another similarity among the four countries is the effect of socio-economic status on giving. SES has only a small effect on the giving rate, but a greater effect on the average amount given by givers. These findings are not surprising. Our data are not particularly well suited to study the effect of socio-economic status on generosity, but it appears that the generosity ratio falls slightly between households in SES A and those in SES C.

A final similarity among all the countries is the uniformly high level of importance given to “feeling of compassion” as a motive for giving. All other motives and the various techniques used vary between countries, sometimes in interesting ways, as we shall see below.

Differences

Not surprisingly, differences in the dimensions of giving among the four countries outnumber similarities.

This is nowhere clearer than in comparisons of the average amounts

given by those who give. Even when expressed in PPP, Indians in SES classes A and B give far smaller amounts than do Indonesians, while Thais and Filipinos (in that order) are far in front of both. This is true of giving to each major category of recipient, with the interesting exception that high- to middle-income Filipinos give more to religion than do Thais in classes A/B. The differences are even greater when we look at average amount given per capita. Comparisons across countries using SES classes should be treated cautiously as the way SES is measured differs between countries as discussed in Chapter 4.

There are also limitations in that PPP measures purchasing power, not available income. It is for this reason that we use the generosity ratio, to give an additional measure of philanthropic disposition among these SES classes in each country.

The generosity ratio shows a pattern similar to the other data. High- and middle-income Indians are not as generous as people from similar social strata in the three Southeast Asian countries. Indonesians, however, turn out to be marginally more generous than Filipinos, while the apparent benevolent bent of Thais is shown to be less dramatic than the PPP measures suggest.

When we look at the way members of these strata in each country allocate funds among the three main groups of recipients, we see some interesting similarities as well as differences. In all countries, individuals are the main recipients of philanthropy, receiving around 40 percent of the total given in three countries and a little more than half in Thailand. All four countries give between 20 and 30 percent to voluntary organizations. The proportion given to religious organizations shows some interesting differences. India gives the highest proportion to religion, followed by Indonesia, the Philippines and Thailand least, less than half the proportion given by India.

As far as giving to other voluntary organizations is concerned, India is a particularly marked exception. This is true not only in amounts given, but in the numbers who give (the giving rate). For the three countries in Southeast Asia, the giving rate is very high, as high as or even higher than in northern countries. But in India the giving rate is dramatically lower than the other three. In other words, barely half of the high- to middle-income Indians in our sample support other voluntary organizations. Or, to put it another way, almost one half of Indians from this social stratum that sup-

port religious organizations, do not support other voluntary organizations. Neither a scrutiny of the demographics of these two groups, nor the motives of Indian givers suggest a reason for this difference.

With regard to the fields in which voluntary organizations are active, we see that those providing social services are the most popular in three countries. In Indonesia, development organizations are the most widely supported though there may be some overlap with social services. When we look at the data on average amounts given by givers to voluntary organizations in particular fields, we find that in India and Thailand those supporting voluntary organizations in education give the largest amounts on average (though in India, development organizations receive the same level of support). In the Philippines those supporting development give the largest gifts (though those supporting cultural organizations also give large sums).

However, a look at the average amount given per capita of the population surveyed (a measure which combines the giving rate and the average amount given by givers) indicates that education receives the largest amount from our sample in Thailand; in India and the Philippines, it is social services that receives the most. In Indonesia, development NGOs receives the largest sum from our sample, a little more than that received by voluntary organizations providing education. In India, the level of support for social services would be considerably higher if we counted organizations providing support to victims of calamities to the social services.

Of equal interest is that compared to households of similar class in the other two countries, Thais and Filipinos are more likely to give to voluntary organizations in many fields. This supports the proposition that the Philippines and Thailand have a particularly lively and widely spread voluntary sector.

A look at the support given to different groups of individuals shows some intriguing differences among the four countries. Giving to individuals should be viewed as having two components—giving to relatives, friends and subordinates, with whom the giver has a direct and on-going relationship, and giving to strangers, such as beggars. Interestingly, in three of the four countries, three-quarters or more of the population surveyed gave to beggars (and over 60 percent in Thailand), though the amounts given are small. Nonetheless, it indicates a high level of direct gift making to needy others, rather than relying on intermediary organizations as is most common in the north. Of course, the needy are numerous in these countries,

and those with high incomes would be aware that such people have no other source of income. The percentage supporting beggars in Thailand is likely to be lower than in the other four countries because of government efforts to prevent street begging.

Interestingly, the two countries (Thailand and Indonesia) where more than 50 percent of the sample gives to relatives were the most affected by the financial crisis that hit a number of Asian countries in 1997. Thailand also stands out for its high level of giving to needy subordinates (a category added by the Thai team). The Philippines was not as badly affected as was Indonesia and Thailand, and while giving to relatives is below 50 percent, giving to friends is higher, much higher than other countries. India stands out from the rest in the low numbers who give to relatives and friends. These figures suggest that high-income Indians have few ties with poorer people, whether relatives or friends. This is perhaps because the growth of a large middle class happened earlier in India than in the Southeast Asian countries (where many of the middle-class have relatives back in their home villages), or perhaps because the financial crisis, which India avoided, impoverished many of this new middle-class.

When we turn to motives for giving, we see a great deal of difference between the responses given by the different country samples. Two stand out. One is the greater importance given to religious beliefs in Indonesia, where almost all the samples say that it is an important/very important reason for giving. This motive is affirmed by about three-quarters of the sample in India and the Philippines, but by less than 40 percent in Thailand.

By contrast, over 60 percent of Thais cite “to return a favour/passing the kindness” as a major motive compared with less than 10 percent of Indonesians (and 40 to 50 percent of the other two country groups). These differences point to the strength of philanthropy in the Islamic religious tradition and suggest that the Buddhist tradition that dominates in Thailand emphasizes reciprocal obligations rather than direct philanthropy. Interestingly, Thais give proportionately less to religious organizations. This finding may be influenced by the factor that the sample in the Thai study is better educated than the samples in the other studies.

From a practical point of view, the data give some guidance to those who would like to increase the funds raised for other voluntary organizations. Except for India, there are relatively few people who do not give at all. The most fruitful approach in those countries will be to increase the amount

given by those who already give. In India there are many who give to religious organizations but not to other voluntary organizations. But there are no obvious features that distinguish such people and could help voluntary organizations to target their fund raising appeals. However, religion is cited as the most important motive for giving for 50 percent of those higher income Indians who do give to other organizations, suggesting that organizations that would raise funds should appeal to a religious motivation.

A more interesting approach can be found in examining the different methods used to raise funds and their success rates (Tables 10.1 and 10.2). This data shows, for example, that selling tickets to special events is a highly successful method of fund raising in India, but it is used sparingly (on only 11 percent of our sample). In India, too, gifts are elicited from 85 percent of those approached at the workplace, but only 22 percent report being approached, suggesting another potentially effective way of fund raising.

Households and individuals give to other individuals, religious organizations and other voluntary organizations. The questions for other voluntary organizations are:

- Can the total amount of giving be increased so the funds flowing to these other voluntary organizations can also increase?
- Can these other voluntary organizations obtain a greater share of the total funding by diverting some of the funding currently going to individuals or religious organizations?

The answers to these questions may vary between countries and also by category of organization. If a voluntary organization is trying to increase the total size of philanthropic giving, then they should consider whether households/individuals do not give because they are not approached or they do not give because they choose not to do so.

There are clearly better ways of approaching households/individuals that will increase both the giving rate and the average amount people give. The case studies that are part of this overall project, are designed to assist voluntary organizations in this regard. •

11 | Future Surveys

The Model Instrument

Compared with the questionnaire used in the initial Philippines study, the model instrument was simplified wherever possible. For future surveys, it is recommended that the model instrument be simplified even further. The model instrument can be obtained from Venture for Fund Raising.

In each country, information was collected on giving in kind. This data is not presented in the report as it adds to the complexity of the analysis. Giving in kind provides additional problems for the reliability of the data as the valuations of in-kind contributions can vary considerably and can be over-estimated by the giver. Asking about in-kind data adds to the complexity of the interviews considerably and therefore the number of questions that can be asked. It can also provide errors in the initial analysis of data that can some take effort to resolve.

Hence, one possible simplification is to drop out the reference to giving in kind for all categories of recipients because it increases both the complexities of the interviewing and the analysis.

As discussed in Chapter 4, for cross-country comparisons of giving, it is important to have the same fields for each country. However, within each country, it may be more important to consider different fields to reflect the giving patterns in the individual country.

In reviewing the categories, the major changes would be in giving to individuals. In Thailand the categories of friends and relatives were amended to friends (in need) and relatives (in need). It is recommended that these amended categories be used in future surveys. The Thai survey also used the category of beggars/street children rather than beggars. This seems to be a useful addition.

In undertaking future studies for a given amount of funding there is a trade-off between asking a smaller number of questions of a larger sample or a larger number of questions of a smaller sample. The former can provide

more reliable estimates of some key variables while the latter can provide more comprehensive information for fund raisers.

A more comprehensive study is justified at intervals of some three to four years to understand the relationships between different types of giving and the reasons people give. In the interim it may be more cost effective to use omnibus surveys to ask questions on only a selected number of key variables.

An omnibus survey may be difficult to conduct especially when costs can be charged per question, but it ensures that the questions are carefully selected.

In asking questions about giving to voluntary organizations, it is important to note that the way the questions are asked can affect the results. The total amount given to voluntary organizations in this project is calculated by summing up the amounts given to organizations in different fields such as social services. This method of asking such questions not only provides data on the average amounts given to organizations in various fields; it also assists the respondent to recall all the amounts given over the last 12 months.

Even when asking only selected questions, it is helpful to ask about religious organizations so that religious giving will not be confused with giving to other voluntary organizations. However, giving to individuals could be omitted, as it is more difficult to define individual giving. For example—should individual giving be confined to individuals in need, or should it be confined to individuals outside the household? The information is also less useful for fund raisers who need to target households that are likely to give larger gifts to voluntary organizations.

Sampling Methodology

The sampling methodology used in India, across four metros and more than 10 million cities, with stratification across socio-economic classes, is a benchmark for future surveys. This methodology was possible due to the large sample size and the availability of data on households by socio-economic class in each of the cities surveyed. It was also possible to use this data to estimate measures of giving for all cities in India with a population of more than one million. The sampling methodology also allowed estimates for individual regions in India that should be useful for fund raisers in India.

In terms of population surveys the results of the surveys for this project

should provide benchmarks for future ones. The reliability of the current surveys depends, among other things, on the numbers in the sample.

It also depends on the extent that it is a random stratified sample of the surveyed population. In India the sampling methodology had the benefit of good census data by socio-economic class and location. This makes it easier for the survey company to identify geographic areas with large proportions of socioeconomic classes A, B and C. The sampling methodology in India should be relatively easily replicated especially if the same survey company would do future surveys.

The Indonesian survey team did not have the extensive census data available to the survey company in India. Therefore, a future survey may get different results because the sampling methodology may be more difficult to replicate.

The Indian survey also ensured that only classes A, B and C were included in the sample by using a grid to identify such classes at the beginning of the interview. The Indonesian survey team was not as rigorous in excluding only classes A, B and C, as the socio-economic classes were allocated as part of the analysis. This does not affect the comparisons for Indonesia for classes A and B that are the major comparisons used in this project. A future survey in Indonesia would need to be more rigorous in this aspect of the methodology.

In the Philippines, the survey was attached to an omnibus survey rather than being a special one on giving. The smaller sample size for the Philippines survey makes it difficult to undertake some analyses, as the standard deviations for the amounts given are often undesirably high. This is partly due to the relatively small sample size and, therefore, the ability of one or two outliers to have a substantial effect on the results.

Despite the above restrictions, the experience in the Philippines shows that it is possible to undertake the giving survey as part of an omnibus survey. This has the advantage of considerable reductions in the cost. It has the added advantage of making much easier the undertaking of future surveys with the current one providing benchmark data.

Additional Questions

It is perfectly reasonable for countries to add additional questions to suit their particular conditions, provided that these are not so numerous as to cause respondent fatigue, and provide that they can be easily incorporated into one or other categories in the model instrument.

The material on methods of fund raising was confined to the questions in the model instrument in India. In the other countries, additional questions on fund raising were added that could be useful in future surveys of giving.

In the Philippines, a question was included on the amount of times respondents gave in each year. In Thailand, there were additional questions on merit-making which could be useful for other countries with similar practices.

Further Work

Questions on methods of fund raising were incorporated in the model survey instrument patterned after the Johns Hopkins work. This seems to be a worthwhile innovation, especially if some questions can be added on preferences for fund raising as well as the effectiveness of methods of fund raising. It would also be useful to analyze effectiveness of fundraising for different types of giving and even for different categories of voluntary organizations if the sample size was large enough.

In some countries, credit cards are used extensively to ensure that givers deliver the gift at the time of agreeing to the gift. Credit cards are used for fund raising by mail, telephone and public media campaigns. In other countries fund raising is more centered in the workplace and periodic deductions are made from salaries. In many Asian countries, few people were approached to raise money through events but this method proved to be very effective.

At the time of developing the model instrument the results from the case studies were not available. Now that the results are available it would be useful to develop a more comprehensive survey on methods of fund raising. This could be undertaken with a study of effective methods of fund raising in developed countries, especially emerging trends in fund raising.

The Philippine undertaking was done by a survey company as part of an omnibus survey. The major problem in terms of reliability is the relatively

small sample size. This could be resolved by utilizing an omnibus survey at intervals of two to three months to provide a larger sample. It would be cost effective to ask a smaller number of questions. Repeating the survey in the Philippines would provide more reliable benchmarks. It should be possible to combine this additional data with data from the current survey if this was undertaken under similar economic conditions as the current survey.

In Thailand, the survey team decided that the most cost effective approach was to do a stratified sample by occupation. As mentioned above, this produced a better educated sample than might be found in social classes A and B in the general population. For comparative data it may be appropriate to conduct a survey in Thailand of the general population in classes A and B.

The reliability of the current surveys can only be tested by replicating them in each country. The key recommendation for future surveys is that more reliable estimates can be obtained with fewer variables than with too many questions that can lead to respondent fatigue as well as additional costs. For future surveys, it is also important to ask the questions in the same way, using these surveys as benchmark data. ▶

Appendix 1

CASE SUMMARY MATRIX

COUNTRY & CASE TITLE	GOALS & ACTIVITIES	FUND RAISING ACTIVITIES	CASE ISSUE(S)
NEPAL			
Center for Community Development & Research (CCODER)	Capacity building for micro-enterprises (credit & crafts); schools and health centers.	Sale of surplus goods from affiliated co-ops; dairy plant; rental of training hall; local tourism.	Coordinating activities given small staff size (18).
Child Development Society	Sponsorship for children's education.	Individual donations; product sales of donated goods; concert events.	New NGO (1991) currently depending on "one person"
Dhulikel Hospital	General hospital for the poor; outreach program.	Primarily international donations; hospital fees; in-kind donations (e.g. supplies); individual donations.	Finding and nurturing the individual donors that they prefer to institutions.
MANUSHI	Income generation for disadvantaged and destitute women.	Product sales from arts and crafts programs.	How to provide marketing support to "business" projects; lack of buyers.
Naari Abhyutthaan Kendra (NAK)	Assistance for empowerment to disadvantaged girls and women of Chitwan district.	Sale of handicrafts; ladies hostel; rental of hall; publication and sale of telephone directory; membership fees.	Sustaining the sacrifices of a small volunteer staff (8 core).
Nepal Agroforestry Foundation	Promotion and management of agro-forestry. Some emphasis on women who forage trees for fodder.	Fees; training; facilities rental; publications; "exposure trips".	Effective "division of labor" among the 60 regular and 20 part-time staff.
Nepal Water for Health (NEWA)	Water and sanitation for community development; assistance and training.	Rafting; "trolley dash"; poster sales (cards and maps).	Uneven revenues and uncertainty of amounts from events.
Paropkar Sanstha	Treatment of epidemics; community development— orphanage, schools, ambulance service, primary health care.	Shop room and conference hall rental; grain sales; in-kind donations; donations from orphanage visitors and "alumni".	Sustaining donations as government/royal support diminishes.
Tewa	Mobilizing women's groups in rural communities. Assistance for schools and small-scale infrastructure; training volunteers.	Cultural shows; house parties; walkathon; raffle tickets; resale of goods; "piggy bank".	Focusing on fewer, more effective fund raising events.

COUNTRY & CASE TITLE	GOALS & ACTIVITIES	FUND RAISING ACTIVITIES	CASE ISSUE(S)
Team Organising Local Institute (TOLI)	Community development (originally in irrigation projects) and building self-reliant model communities.	General and honorary membership fees; training; publication; rentals; surplus funds from projects; staff.	Focusing activities to grow better given a large (102) staff.
Vijaya Development Resource Center (VDRC)	Training and providing community development education services.	Training related activities— rental of hall and facilities; ambulance service.	Sustaining the expansion of beneficiaries (since 1978).

INDONESIA

Bina Swadaya	Education and training; consulting and research for social development; micro-financing; micro-entrepreneurship; community forestry; low-cost housing; environment and health.	Magazine and book publications (nation wide); sale of plantation products; tours and travel; rental of training facility; rural bank; consulting services.	Managing an expanding network of “maturing” NGOs; keeping the mission alive as it expands more into commercial activities.
Dana Mitra Lingkungan	Environmental conservation and pollution reduction; publications and public education.	Corporate contributions and membership subscriptions.	Expanding the board’s role and its relationship with the executive director.
Darut Tauhid Foundation	Charismatic preaching.	Commercialization of founder-- radio based fund raising; public savings campaign; waqf & religious giving.	Reorganizing and professionalizing staff to match increasingly sophisticated and elaborate fund raising processes.
Dharma Wulan Foundation	Assistance to the elderly.	Tapping the “wealthy elderly”; membership drives; discount cards; special events; “arisan”; publications.	Developing a long-term fund raising strategy.
Dompot Sosial Umum Quoro (DSUQ) Bandung	Donation boxes for Ambonese refugees; funding medical and humanitarian missions; meat-packing (to preserve meat for religious activities).	Traditional Qurban collection of sacrificial animals and build-up of savings for sacrificial purchase; donation boxes; foster-a-child program.	Expanding fund raising beyond the primary Qurban activity.

COUNTRY & CASE TITLE	GOALS & ACTIVITIES	FUND RAISING ACTIVITIES	CASE ISSUE(S)
Komite Kemanusiaan Indonesia (KKI)	Donation packages of food, medicines, farm tools, and aid to Ambonese refugees.	Large special gala events to tap large corporate and individual donors (e.g. arts and cultural performances); mobilization of board for high-level fund raising; walkathon; direct mail and follow-up.	Long-run sustainability given small target market of donors.
Koperasi Setia Bhakti Wanita (KSBW)	Empowering women to take control of personal household finances; developing income-generating household activities for women.	“Arisan” (rotating membership contribution and lending); voluntary and compulsory forms of saving; credit scheme; shopping center.	Expanding beyond the basic “arisan” concept of fund raising.
Medical Emergency Rescue Committee (MER-C)	Medical assistance to victims of wars, conflicts, or natural disasters; financial and psychological assistance to refugees’ children.	Religious giving through mosque activities and events; CD message presentations to corporations; use of media; soliciting in Germany.	Application of the “doctors without frontiers” by locals in their environment.
Maha Bhoga Marga (MBM) Bali	Assisting business development for communities; providing health and disease prevention services; counseling.	Carpentry and woodcraft sales; pig breeding; credit (with a commercial bank).	Dependence on business rather than individual donations by a Protestant Church NGO in a Muslim country.
Pancur Kasih Social Creation Foundation (YKSPK)	Social and economic upliftment of indigenous and impoverished Dayaks; multi-ethnic school; credit union; scholarships; old-age funds.	Membership in the credit union; Dayak Solidarity fund; earned income; training; sale of books on Dayak culture.	Assessment of results and performance; sustaining the tradition of giving among Dayaks.
Pusat Pendidikan Lingkungan Hidup (PPLH) Seloliman	Nature conservancy education.	Seminars; training workshops; social events; projects for corporate donors; study tour packages; sale of products; restaurant; rental of facilities.	Internal organizational development strategy and structure.
Tengko Situru Foundation	Social and economic upliftment of indigenous and impoverished upland Torajanese; livestock raising; home construction.	Income generating farm activities—vegetable growing, pig and cattle breeding; micro-credit; “arisan”; traditional “food auctions” and product sales.	Taking over from the departing foreign experts.

COUNTRY & CASE TITLE	GOALS & ACTIVITIES	FUND-RAISING ACTIVITIES	CASE ISSUE(S)
Yayasan Dompot Dhu'afa	Financing chronic medical treatment, paying school fees, investing in micro-enterprises.	Mobilizing community resources via religious groups (zakat, infaq, sedikah), membership collections & corporate donations.	Analysis of funding sources.
Yayasan Manusia Indonesia	Collection & sale of used & second-hand donated goods for the education of poor children & teacher training.	Second hand donations for resale, direct mail & newspapers, special events, "personal approach".	Continued growth for a young (1998) NGO.
Yayasan Mitra Mandiri	Encouraging businesses to get involved in solving business problems.	Primarily corporate donations.	"Technology transfer" of the United Way model of raising funds.

THAILAND

Amateur Volleyball Association of Thailand	Physical education & youth development.	Sponsorships of major sporting events.	How to raise funds in an economic crisis.
Bodin Decha Parent Teachers' Association	PTA of a government school.	Donations from parents of students for student events (charity bowling, TV drama, soccer game with foreign team).	Dependence on soliciting "voluntary" contributions from parents.
Foundation for Children	Children's physical & mental health, & vocational training after Grade 6.	Donations for projects, tours, book, product & souvenir sales, birthday meal programs, events.	Mapping out a long term strategy.
Foundation for Slum Child Care	Care for slum children, milk supplement, family health & relations, youth development.	Donation boxes, project donors, children sponsorship, events (concert & movie).	Preparing for the future beyond the current economic crisis.
Foundation for Thai Rural Reconstruction Movement	Human resource development (following the PRRM model).	(Professional) consulting organization-- publishing, training, space rental.	Surviving, coping, and growing given the NGO's political ups and downs.
Foundation for the Blind	Provide education & survival skills (safety, daily health) & vocational training for the blind.	Donation boxes, raffle tickets (art auction), individual donations.	Managing & assessing costs & benefits from a large event.

COUNTRY & CASE TITLE	GOALS & ACTIVITIES	FUND-RAISING ACTIVITIES	CASE ISSUE(S)
Foundation of the Association of University Women	Empowering university women (started in 1948).	Dorm for students, membership fees, individual donations, gala dinner event.	Sustainability over time (given other options for U. women) for an "old" NGO run by a single champion.
Friends of the Asian Elephant Foundation	Care & rehabilitaiton of elephants.	Funds from elephant "incidents" (injuries), membership fees, elephant "events", direct mail.	Organizational structure for more effective fund-raising.
Population & Community Development Association	Reduce (then) rapid population growth.	Directly & specifically targetting the non-urban business sector, funding for rural projects, their NGO network (w/ their donors).	Generating projects for funding, second genration, post-founder management.
Raks Thai Foundation	Subsidiary of CARE.	Tapping the business community, donation boxes, radio program.	Getting used to professional fund-raising methods.
Rung Arun School	Youth Camp	Selling shares & bonds of the school.	Fundraising though the financial markets.
Satree Foundation	Venue for women with various political leanings.	Tapping wealthy members, use of gala events (dinners), gymnastic events, political speeches.	Continuity in the wake of internal problems.
Siam Society	Academic society to promote arts & sciences.	Various catogiores of fees, space rental study tours, publications, project sponsors, shop sales (museum store)	To continuously geenrate fundable projects for both local & international givers.
Suan Kaew Foundation	Religious foundation dedicated to spreading the Buddha's teachings, plus aid to the elderly, drug rehabilitation.	Contribution from sermons, income from food business, self-help courses, flea market, recycle used donations, herb garden.	Succession planning in a religious foundation, professionalizing the "PR" proselytizing work.
Thai Holistic Health Foundation	Promoting (cheaper) "traditional" medicine, educating the public in an alternative health path.	Grants, membership fees, health center sales (prodcuts, books, handicrafts).	Aggressively build fund raising given loss of international & government financial support.

COUNTRY & CASE TITLE	GOALS & ACTIVITIES	FUND-RAISING ACTIVITIES	CASE ISSUE(S)
PAKISTAN			
Aasthan Latif Welfare Society (ALAST)	Educating young rural girls give a cultural bias against female literacy.	Memberhsip fees & individual donations, publicaitons, personal effort by the board.	Revival after loss of international support & need ot sustain indigenous found raising.
Anjuman-i-Hamayati-Islam	Preserving the Islamic heritage (with emphasis ontheyouth).	Use of key influentialdirectors in the obard, tuition fees, alumni support, publishing & printing, property bequestsd (waqf), religious donarions (for a women's shelter, ex-pat Pakistanis.	lexpansion out of the Lahore home base, attracting the next/ younger generation.
Bedari Crisis Center	Focus on women's issues-- doemstic violence.	Individual donations, gala events, pledge campaign.	Managing through an internal organizational crisis.
Cooperation for Advancement, Rehabilitation & Education (CARE)	Children's education, medical dispensary.	Founder's personal efforts, events (raffles, shows), arts & crafts sales, web page for ex-pats.	Limits to growth under one person.
Citizen's Foundation	Education for development.	Donations to set up schools from the participating public, use of directors & school chapters/support groups, children's events (art-a-thon).	Tapping the multinationals as a source of funds.
Citizen's Police Liaison Committee	Working with local polic stations to bridge credibility gap, improve working conditions of the police.	Support from business commi=unity (walk to beat crime), funding fro specific projects, community fund raising.	Stay in successful niche or move on to difficult tasks (kidnapping).
Edhi Foundation	Medical dispensary, ambulance & nursing services, emergency burial, shelter for the handicapped, destitute, orphans.	Religious giving (donation boxes) in-kind donations, print campaign.	Handling interference form government, politicians, etc.
Hamdard (Waqf)	Religious endowment of income generating property based on Islamic law; set up a city of knowledge & culture..	Set up a pharma firm using waqf.	Succession & carrying on the legacy.

COUNTRY & CASE TITLE	GOALS & ACTIVITIES	FUND-RAISING ACTIVITIES	CASE ISSUE(S)
Hawwa	Economic and social upliftment of impoverished & destitute women through technical and vocational training, loom weaving, functional literacy, pre-job training.	Sale of arts & crafts products from own outlet, sewing & stitching contracts for uniforms for institutions (hospitals).	Going to the next expansion phase.
Hunza Environmental Committee	Environmental education, cost effective waste disposal, model for mountain areas.	User fees from local businesses, hotels, hospitals, households. Plans for ecotourism, fertilizer sales.	How to move away from volunteerism & build a permanent staff.
Layton Rahmatulla Benevolence Trust	Eye care for the poor.	Individual & corporate donations, national foundations, in-kind.	Planning the second generation strategy for growth.
S K Memorial Cancer Hospital	Cancer treatment & public awareness.	Celebrity fund-raising.	Success after Imram Khan.
Society for Torghar Environmental Protection (STEP)	Increasing indigenous wildlife via community education & involvement.	Trophy hunting (after rebuilding the population).	Developing the structure to sustain initial success.
SOS Children's Village	Home for orphans & abandoned children.	National zakat, personal donations & special events, corporate sponsorship, Friends of SOS (international)	Going after the "big money" to fund future (ambitious) plans.
Umeed-e-Noor	Home for special children.	Annual charity events (cricket match).	Dependence on major gala events.

INDIA

Association for Leprosy Education Rehabilitation & Treatment (ALERT)	Urban leprosy control & public education.	Events (concert), photo exhibitions, school fund raising, bequests, individual & corporate donations.	Creative positioning for a misunderstood ailment.
Banyan	Assistance to destitute & mentally disturbed street women.	Interest earned, in-kind donations, sale of greeting cards, donation boxes, movie club, public awareness events.	Matching funds to a rapidly growing need/demand.
Bharat Gyan Vigyan Samati	Increasing literacy, specially in the rural areas.	Individual & in-kind donations.	Local fund resource mobilization.

COUNTRY & CASE TITLE	GOALS & ACTIVITIES	FUND-RAISING ACTIVITIES	CASE ISSUE(S)
Blind Relief Association	Senior secondary school, technical training, teacher training.	Individual & corporate donations, candle-making, rentals.	Increasing the quantity of non-donor grants, & building staff capability for fund raising.
Concern India Foundation	Care for all disadvantaged women & children & prisoners, aged, mentally & physically disabled.	Sale of greeting cards, special events, donation boxes, trading goods.	Develeoping a more focused fund raising strategy.
CRY	Financial support, training, "capacity building" to improve children's survival & protection.	Cards, child sponsorship , payroll giving, in-kind donations.	Managing an expanding partner network.
EKLAVYA	Education of children.	Other local trusts and foundations, project-based funding, publications.	Designing an organizational structure for coninued growth.
Association for Leprosy Education Rehabilitation & Treatment (ALERT)	Assistance to hospitals, emergency care, blood donations, newsletters.	Corporate support due to one person's efforts.	Keeping alive volunteerism (& no remuneration), dependence on one key person.
Hindu Mission Hospital	Multidisciplinary hospital with outreach services, annual school medical check-up, mobile clinic & medical camp, nutrition meals, artificial limbs.	Fees for hospital services, donations of fixed assets, appeals through schools, direct mail, events, donation boxes.	Strategy & structure for large scale fund raising.
Karunashraya Bangalore Hospice Trust	Professional palliative care facility for terminally ill patients.	Individual & corporate donations, Rotary Club drive, corporate sponsorship of events (walkathon), using two prominent board members.	Balancing "fund raising fatigue" with an ambitious program.
Katha	Education for working children, teacher education, publications, entrepreneurship school..	Project grants, individual & corporate donations, sales of publications.	Differentiating the fund raising strategy (given larg enumbe rof appeals to children's education.)
Manipal Heart Foundation	Cardiac care & heart operations for children (& adults).	Speaking engagements	Two person fund raising operation, single method.

COUNTRY & CASE TITLE	GOALS & ACTIVITIES	FUND-RAISING ACTIVITIES	CASE ISSUE(S)
Mobile Creches	Integrating day care facility for children of working mothers on construction sites, slums & resettlement areas.	Individual donations, letter campaign, "calling on friends", in kind.	Professionalizing the organization as volunteers decline over time.
National Association for the Blind	Education, rehabilitaiton & vocational training, research, mobile unit, blindness prevention.	"Personal selling", word of mouth by key board members for cash & property donations, gala events, mailing school cards, seeking bequests.	Focusing fund raising efforts for the next expansion stage.
Payroll Giving in India	Use of payroll for charity purposes.	Encouraging corporations to undertake payroll giving.	"technology transfer" & acceptance of a "Western" technique.
Society for Rural, Urban, Tribal Initiatives (SRUTI)	Community focused fellowships (health, education, forest rprotection).	Collection of old newspapers & house hold scrap, sale of transformed waste into gifts (greeting cards, tags) donated garments from exporters, musical.	Diversifying fund raising methods.
Voluntary Health Association of India (VHAI)	Intermediary umbrella NGO, support organization for other NGOs dealing in health.	Printing press publications, training workshops.	Osetting the structure to manage & coordinate a netork.
World Vision India	Preventing child labor, sponsoring children.	Direct mail & TV program appealing for child sponsors.	Developing other approaches consisten with the basic mission.

BANGLADESH

Anjuman Mufidul Islam	Education to lower income classes, financial assistance & medical & health care to orphans, elderly, destitute & deserted.	Individual contributions & donations, zakat, hide sales, membership fees, donation boxes.	"Going commercial" following a land donation, developing a distinctive fund raising activity.
Ain O Salish Kendra (ASK)	Legal aid, arbitration for disadvantaged women, advocacy, training programs.	Consulting & training fees, membership subscriptions.	Managing expanding & diversified activities.
Bangla German Sampreeti	Improving education.	International donors & foregin churches in Germany & Austria through local affiliate NETZ, interest earned, subscriptions, local donations.	Making up for lost donor funding, & setting up the appropriate organization.

COUNTRY & CASE TITLE	GOALS & ACTIVITIES	FUND-RAISING ACTIVITIES	CASE ISSUE(S)
BIRDEM	Education & treatment of diabetes, health surveys, blood tests.	Memberships, cultural shows, lottery.	Professionalizing the organization under new leadership.
Bishwa Shaitto Kendro	Promoting literacy through reading; books, mobile library, reading center.	Advertisements in publications, sale of publications, facilities rental.	Professionalizing a "one-person" fund raising method.
Chhayanaut	Promoting Bengali culture through education, training, arts & events.	High profile "selling" using personalities & gala events, lectures, tuition fees.	Asset expansion needs a new fund-raising strategy.
Dhaka Ahsania Mission	Charity dispensary, primary school, girls' sewing school, newsletter, vocational training, book distribution.	Subscriptions, sales of hides of sacrificial animals, annual membership drive, books sales & training fees.	Limiting the activities despite a broad mission.
Dhaka Community Hospital	Treatment of patients with arsenic problems (arsenicosis-- arsenic pollution), health insurance scheme, rural health camps diagnosis & treatment, research.	Patient fees, project specific donations, interest earned.	NGO now "can't go it alone" & needs sustainable partnerships beyond the existing network.
Gano Shahajio Shangshtha	Child care & primary education, legal aid & advocacy.	Donor funded programs, including government donor, income from mortgaged land.	How to revive from a crisis, loss of international donor.
Human Development Foundation	Vocational training for the handicapped (focus on women), financial assistance for medical hospitalization, education for underprivileged children.	Membership donations, use of partner network, in-kind donations.	Sustaining a diversity of activities.
Liberation War Museum	Evoking patriotism.	Entrance fees, contributions from trustees, membership categories, charity shows & recitals, ex-pats.	Continuing to sustain public interest in a "one-product" activity.
Kochi Kachar Mela	Espousing Bengali culture, education of youth (children & adolescents).	Rental income, admission fees, membership donations.	Carrying on after the death of the previous leader.
Poribesh Roksha Sapath (POROSH)	Reducing environmental degradation..	Registration fees, Events (marathon, cycle race, boat procession), sale of T-shirts.	Financial sustainability & growth for a young organization.

COUNTRY & CASE TITLE	GOALS & ACTIVITIES	FUND-RAISING ACTIVITIES	CASE ISSUE(S)
Prabin Hitoishi Sangha	Free medical care for aged (>55).	Service & membership fees, individual & corporate donations.	Facing a growing demand & declining funds.
Prothom Alo Acid Assistance Fund	Aid to acid victims (women), physical & psychological & legal assistance.	Individual donations, specially from students, promotions in newspapers.	Growing a young organization.
Rokeya Sadan	Shelter for victims of violence (women), vocational school.	Handicraft production & sales, canteen, catering, sale of spices.	Matching the growth of beneficiaries with income generating activities.
Sajida Foundation	Financial services to urban & semi-urban women & help for entrepreneurs.	Donations, charges & fees, dividends from endowment.	Professionalizing the organizational structure.
Sandhani	Medical services, blood donations, eye/organ donations.	Monthly contributions, advertisement in publications, interest earnings, individual & organizational donors.	Developing a fund raising strategy.
Salimullah Muslim Orphanage	Care & vocational education of orphans (6-18).	Membership fees, rental of shops & warehouses, religious giving (zakat, fitra, sadaquah, sacrificial animals).	Planning future growth.
UBINIG	Research & policy advocacy, handloom weaving, rural & small scale industrialization, improving agri/farm/rice productivity.	Consulting, workshop fees, crop sales.	Balancing policy research with commercialized income generating projects.

Appendix 2

DEFINITION OF VISION, MISSION, AND GOALS

Vision

- Shared hopes, dreams and images of the future
- In evaluating an organization's vision statement, one must ask the following questions:
 - Is it powerful?
 - Can you relate to it and work hard to achieve it?
 - Does it capture your image of the future?
 - Does it inspire performance?

Mission

- The reason why an organization exists
- Its purpose
 - How does it achieve its purpose>
 - Whom does it serve?
- A good mission statement
 - Is clear and understandable
 - Expresses the organization's reason for being
 - Specifies the purpose of the organization
 - Is broad enough for flexibility but not too broad to lack focus
 - Serves as an energy source and a rallying point for the organization

Goals

- Shape the targets towards which plans and actions are directed
 - Specific – what is required is clearly stated
 - Measurable – results are quantifiable
 - Attainable – targets are realistic and challenging
 - Relevant – goals have an impact on an organization's Key Results Areas (KRAs)
 - Time bound – a clear time frame is defined

Appendix 3

THE INTERNATIONAL CLASSIFICATION OF NONPROFIT ORGANIZATIONS (ICNPO)

GROUP 1: CULTURE AND RECREATION

1 100 Culture and Arts

- Media and communications
- Visual arts, architecture, ceramic arts
- Performing arts
- Historical, literary and humanistic societies
- Museums
- Zoos and aquariums
- Multi-purpose culture and arts organizations
- Support and service organizations, auxiliaries, councils, standard setting and governance organizations
- Culture and arts organizations not elsewhere classified

1 200 Recreation

- Sports clubs
- Recreation / pleasure or social clubs
- Multi-purpose recreational organizations
- Support and service organizations, auxiliaries, councils, standard setting and governance organizations
- Recreational organizations not elsewhere classified

1 300 Service Clubs

- Service clubs
- Multi-purpose service clubs
- Support and service organizations, auxiliaries, councils, standard setting and governance organizations
- Service clubs not elsewhere classified

GROUP 2: EDUCATION AND RESEARCH

2 100 Primary and Secondary Education

- Elementary, primary and secondary education

2 200 Higher Education

- Higher education (university level)

2 300 Other Education

- Vocational / technical schools
- Adult / continuing education
- Multipurpose educational organizations
- Support and service organizations, auxiliaries, councils, standard setting and governance organizations
- Education organizations not elsewhere classified

2 400 Research

- Medical research
- Science and technology
- Social science, policy studies
- Multi-purpose research organizations
- Support and service organizations, auxiliaries, councils, standard setting and governance organizations
- Research organizations not elsewhere classified

GROUP 3: HEALTH

3 100 Hospitals and Rehabilitation

- Hospitals
- Rehabilitation hospitals

3 200 Nursing homes

- Nursing homes

3 300 Mental Health and Crisis Intervention

- Psychiatric hospitals
- Mental health treatment
- Crisis intervention
- Multi-purpose health organizations
- Support and service organizations, auxiliaries, councils, standard setting and governance organizations
- Mental health organizations not elsewhere classified

3 400 Other Health Services

- Public health and wellness education
- Health treatment, primarily outpatient
- Rehabilitative medical services
- Emergency medical services
- Multi-purpose health service organizations
- Support and service organizations, auxiliaries, councils, standard setting and governance organizations

- Health service organizations not elsewhere classified

GROUP 4: SOCIAL SERVICES

4 100 Social Services

- Child welfare, child services, day care
- Youth services and youth welfare
- Family services
- Services for the handicapped
- Services for the elderly
- Self-help and other personal social services
- Multi-purpose social service organizations
- Support and service organizations, auxiliaries, councils, standard setting and governance organizations
- Social service organizations not elsewhere classified

4 200 Emergency and Refugees

- Disaster / emergency prevention, relief and control
- Temporary shelters
- Refugee assistance
- Multi-purpose emergency and refugee assistance organizations
- Support and service organizations, auxiliaries, councils, standard setting and governance organizations
- Emergency and refugee assistance organizations not elsewhere classified

4 300 Income Support and Maintenance

- Income support and maintenance
- Material assistance
- Multi-purpose income support and maintenance organizations
- Support and service organizations, auxiliaries, councils, standard setting and governance organizations
- Income support and maintenance organizations not elsewhere classified

GROUP 5: ENVIRONMENT

5 100 Environment

- Pollution abatement and control
- Natural resources conservation and protection
- Environmental beautification and open spaces
- Multi-purpose environmental organizations
- Support and service organizations, auxiliaries, councils, standard setting and governance organizations
- Environmental organizations not elsewhere classified

5 200 Animals

- Animal protection and welfare
- Wildlife preservation and protection
- Veterinary services
- Multi-purpose animal services organizations
- Support and service organizations, auxiliaries, councils, standard setting and governance organizations
- Animal related organizations not elsewhere classified

GROUP 6: DEVELOPMENT AND HOUSING

6 100 Economic, Social and Community Development

- Community and neighborhood organizations
- Economic development
- Social development
- Multi-purpose economic, social and community development organizations
- Support and service organizations, auxiliaries, councils, standard setting and governance organizations
- Economic, social and community development organizations not elsewhere classified

6 200 Housing

- Housing association
- Housing assistance
- Multi-purpose housing organizations
- Support and service organizations, auxiliaries, councils, standard setting and governance organizations
- Housing organizations not elsewhere classified

6 300 Employment and Training

- Job training programs
- Vocational counseling and guidance
- Vocational rehabilitation and sheltered workshops
- Multi-purpose employment and training organizations
- Support and service organizations, auxiliaries, councils, standard setting and governance organizations
- Employment and training organizations not elsewhere classified

GROUP 7: LAW, ADVOCACY AND POLITICS

7 100 Civic and Advocacy Organizations

- Civic associations
- Advocacy organizations

- Civil rights associations
- Ethnic associations
- Multi-purpose civic and advocacy organizations
- Support and service organizations, auxiliaries, councils, standard setting and governance organizations
- Civic and advocacy organizations not elsewhere classified

7 200 Law and Legal Services

- Legal services
- Crime prevention and public safety
- Rehabilitation of offenders
- Victims support
- Consumer protection and associations
- Multi-purpose law and legal service organizations
- Support and service organizations, auxiliaries, councils, standard setting and governance organizations
- Law and legal organizations not elsewhere classified

7 300 Political Organizations

- Political parties
- Political action committees
- Multi-purpose political organizations
- Support and service organizations, auxiliaries, councils, standard setting and governance organizations
- Political organizations not elsewhere classified

GROUP 8: PHILANTHROPIC INTERMEDIARIES AND VOLUNTARISM PROMOTION

8 100 Philanthropic Intermediaries

- Grantmaking foundations
- Voluntarism promotion and support
- Fund-raising intermediaries
- Multi-purpose philanthropic intermediaries and voluntarism organizations
- Support and service organizations, auxiliaries, councils, standard setting and governance organizations
- Philanthropic intermediary organizations not elsewhere classified

GROUP 9: INTERNATIONAL ACTIVITIES

9 100 International Activities

- Exchange / friendship / cultural programs
- Development assistance associations

- International disaster and relief organizations
- International human rights and peace organizations
- Multi-purpose international organizations
- Support and service organizations, auxiliaries, councils, standard setting and governance organizations
- International organizations not elsewhere classified

GROUP 10: RELIGION

10 100 Religious Congregations and Associations

- Protestant churches
- Catholic churches
- Jewish synagogues
- Hindu temples
- Shinto shrines
- Arab mosques
- Multi-purpose religious organizations
- Associations of congregations
- Support and service organizations, auxiliaries, councils, standard setting and governance organizations
- Religious organizations not elsewhere classified

GROUP 11: BUSINESS AND PROFESSIONAL ASSOCIATIONS,
UNIONS

11 100 Business and Professional Associations, Unions

- Business associations
- Professional associations
- Labor unions
- Multi-purpose business, professional associations and unions
- Support and service organizations, auxiliaries, councils, standard setting and governance organizations
- Business, professional associations and union organizations not elsewhere classified

GROUP 12: [NOT ELSEWHERE CLASSIFIED]

12 100 N.E.C.

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