

JIPPS

Japan Institute for Public Policy Studies

Discussion Papers

Civil Society in Singapore

Yu Ishida

***National Institute of Technology, Akashi College, Japan**

and

Akie Koyama

SI-UK Education Council

Discussion Paper 2016-1

January 2016

1. Current status of the nonprofit sector in Singapore

1-1. Background history

Chong and Elies (2011, p.19) describe that “civil society in Southeast Asia may be said to have played a variety of roles from doing advocacy work, delivering public services, shouldering custodial responsibility, and monitoring state institutions.” They also note that civil society organizations (hereafter CSOs) have been “crucial to the representation of marginal communities, the protection of the environment, and the rising public awareness of issues such as gender, education and health.” Regarding civil society in Singapore, the Acting Minister of Information and the Arts, George Yeo, introduced the concept of “civic society” in 1991, and used it to promote “a civic-minded”, harmonious society that embraces the founding principles of Singaporean culture—the “4Ms”, meaning multi-racialism, multi-culturalism, multi-lingualism and multi-religiosity at “Singapore 21” in 1998. (Lee 2002, pp.97–98)

Even though Singapore remains a relatively new country, having become independent only with its separation from the Malaysian Federation in 1965, its history as a British trading colony dates to 1819, and the young nation enjoyed rapid economic growth during its first 25 years of independence, which saw it achieve a high GDP. (World Bank 2013, p.9) Singapore has developed an advanced economy and generated a large middle class families. The current situation with regard to Singapore’s GDP is shown in Figure 1 below. However, despite its strong economic development, the development of NGOs or civil society remains weak in Singapore. This weak civil society is a result of continuous domination by the People's Action Party (PAP), and differentiates Singapore from other East Asian countries such as the Philippines, Thailand, Indonesia. (Iwasaki 1998, Kanemaru 2004, p.94)

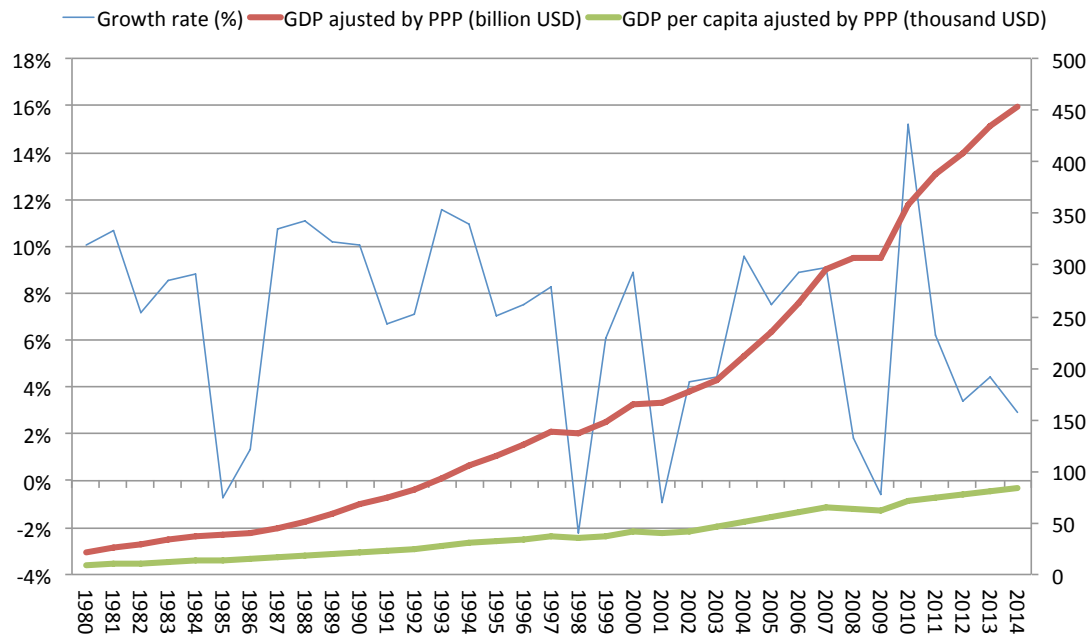


Figure 1: Economy of Singapore: GDP growth rate and a size of GDP adjusted by PPP

Source: IMF, World Economic Outlook Databases (As of Oct 2015)

Koh and Soon (2011, p.111–112) point out that in Singapore, community-based organizations (hereafter, CBOs), including the grassroots organizations under the PAP, were expected to act as “junior partners” of the state that contributed to the development of society. Voluntary welfare organizations that provided social services and engaged in advocacy were also expected to contribute in this manner. Only those organizations that met these expectations were accepted by government leaders as constituting Singapore’s civic society, which indicates that those leaders aimed to strengthen the ideology of the PAP government with respect to public policy and measure.

Some leaders of the PAP regime have supported and nurtured civil society. (Koh and Soon 2011, p.111) Significant legislation has focused on the non-profit sector, such as the “issuance of the Code of Governance, amendment of the Charities Act and associated regulations, and launch of the Charity Portal to help charities meet their regulatory obligations” in 2007, the “Global Financial Crisis, amendment to the 30/70 funding rule” in 2008, the “Amendment to the Charities Act, issuance of Charities

Accounting Standard, refinement of the Code of Governance and Evaluation Checklist” in 2010, and so forth. (NVPC 2012, p.2) The number of registered charities increased to reach around 2050 in 2011. The number of Institutions of a Public Character (hereafter, IPC) in most sectors increased rapidly between 2009 and 2011. (NVPC 2012, pp.3–4)

1-2. Changing contexts and trends in recent years

“Much of the local civil society landscape hinges on its relationship with the government. The long term trend to date has been the incremental widening of space for CSOs to operate.” (Koh and Soon 2011, p.126)

In contrast to the CBOs, which are “junior partners” of the state as mentioned above, Singapore’s CSOs tend to dispute the PAP government’s sole right to define the best interests of the nation. (Koh and Soon 2011, p.111) Such CSOs take several positions, one of which is an adversarial relationship with the government: considering themselves to be fulfilling a political function, they check any excesses of the state and also assume a complementary relationship with the state. They also act as a visible platform and express their concerns strongly. Irrespective of whether they are formally organized, these CSOs have become more visible since the mid-1980s. This trend of CSOs displaying their independence has enabled ground-up efforts to become increasingly apparent. Additionally, the tension between the state and civil society since the 1980s (1) provided opportunities to negotiate, (2) modified the operating environment to allow the CSO sector to exist and even grow, and (3) gave the CSOs a place to help the general public improve their social awareness. As a result, conditions have become liberalized in Singaporean civil society over the past decade. (Koh and Soon 2011, p.112)

For example, significant social change has occurred especially in the areas of conservation, women’s advocacy, and humanitarian disputes. The CSOs involved in these areas have raised public awareness and in some cases their advocacy has affected policy decisions. (Koh and Soon 2011, p.124) Thus, the CSOs play various roles in relation to social change.

Over the last 10 years, the non-profit sector in Singapore has been modest in

size despite a steady rise in both the number of organizations registered annually and the overall income of the sector. However, only large organizations associated with tertiary education, religious charities, and some large Voluntary Welfare Organizations (hereafter, VWOs) have grown, and these three types of organizations account for most of the capital flowing into the sector. As of 2012, there were 2,130 registered Non-Profit Organizations (NPOs) in Singapore, more than half of which were religious entities. Additionally, 17% of these registered NPOs were social service organizations while 4% were community organizations. (Anand and Hayling 2014, p.53)

Looking at organizational income, in 2011 the total income of the non-profit sector was approximately SGD 11.3 billion (USD 8.7 billion). The sector is dominated by 120 large charities (6% of the total number of organizations) with incomes above SGD 10 million, which together represented about 85% of the sector's total income. Meanwhile, the majority of non-profits operate with annual incomes less than SGD 250,000 (USD 203,467). Notably, only 18 of the 120 large charities are social welfare organizations. (Anand and Hayling 2014, p.53)

Household participation in charity is also changing with the evolution of the non-profit sector in Singapore. The National Volunteer and Philanthropy Centre (NVPC) (2013b) shows that donor participation rose to 91% and the amount of donations rose to SGD 1.10 billion in 2012, compared with 85% and SGD 1.07 billion in 2010, respectively. Anand and Hayling (2014, pp.50–51) explain that philanthropy in Singapore has been growing steadily in recent years in a situation of preferential tax policies as well as economic growth with a larger GDP than many developed countries. Additionally, Singapore is one of the largest concentrations of High Net Worth Individuals (HNWIs) globally whose collective wealth totaled USD 857 billion in 2012. Its condition has affected charitable giving that is rising annually since 2006. However, simultaneously they claim that contribution by HNWIs has not keep pace with the West, with only 23% of them as among their top three spending priorities compared with 41% of the US, even though informal giving is not taken into account. (Anand and Hayling 2014, p.10)

Following this philanthropic movement, tax-deductible donations have tended to increase in recent years. For instance, donations, which can be tax deductible,

generally increased with the growth of the health sector between 2007 and 2011. Additionally, corporate giving increased from 2009 to 2011. (NVPC 2012, p.5)

The NVPC (2015, p.5) further describes donors, saying that donors continued to prefer occasional giving. The NVPC states that regular donors gave 2–3 times more money than occasional donors. Moreover, those who earn below SGD 1,000 gave the highest proportion of income (1.8%), while those who earned SGD 5,000 to SGD 5,999 gave the lowest proportion (0.5%).

The donation of time in the form of volunteering is also increasing. Volunteer participation hit a record high of 32.3% of the NVPC survey respondents in 2012, increased from 23.3% in 2010. However, even as total volunteer hours increased to 91 million in 2012, from 89 million in 2010, average annual hours per volunteer decreased from 104 to 72. A reason for the growth in volunteering was the large increase in informal volunteers, such that one third of volunteers served informally in 2012, increased from just one in ten in 2010. (NVPC 2013b)

As with charitable giving, people preferred occasional volunteering, with seven out of ten volunteers volunteering on an occasional basis.

In parallel, corporate giving, including donations by grant-makers, has grown since 2009, coinciding with the expansion of tax deductions for donations. (NVPC 2012, p.5) Several new foundations have been established in the past ten years and philanthropic organizations and corporations account for more of the income of registered charities than ever before. (Anand and Hayling 2014, pp.50–51)

1-3. Chief participants and estimated total number of participants

The number of registered societies in 2010 was 7,111 (Koh and Soon 2011, p.115). Civil society organizations need to register under the Societies Act, Mutual Benefits Organizations Act, Cooperative Societies Act, or Charities Act.

Around 140 International Non-Profit Organizations (INPOs) are listed, a number that has more than quadrupled since 2005. This figure includes inter-governmental organizations (IGOs), NGOs with a social, humanitarian or environmental focus, industry associations, philanthropic foundations, think tanks and

corporate sustainability-related organizations. (Singapore Economic Development Board website)

According to the Ministry of Culture, Community and Youth (2013), there were 2,142 registered charities in Singapore in 2013 (p.10). Religious, social and welfare charities remained the main sectors, accounting for 77% of all charities. (p.11). In 2013, there were 599 approved IPCs. (p.17)

Anand and Hayling (2014, p.54) identify four key players in Singapore, namely the state and government affiliated organizations, VWOs, People's Association, and ethnic self-help groups.

1-4. Activities and tools

The activities of the non-profit sector in Singapore are conducted through state partnerships and public advocacy, and cover, for example, migrant worker welfare, animal welfare, environmental and heritage conservation, gender and women's issues, disaster-relief aid, capacity building, infrastructure activities in developing countries, theatre groups, and arts organizations. (Koh and Soon 2011, pp.116–118)

Singaporean civil society has long associated more with the provision of public services than with advocacy or other overtly political activities, something that has resulted from the nation's way of governance and unique history. Thus, a significant number of Singaporean NGOs have been involved in response to overseas crises by raising funds, helping provide aid and rebuild facilities, and dispatching volunteer teams to assist in disaster relief and recovery. (Osa 2013, pp.81–82)

1-5. Structures and scales of funding sources

Koh and Soon (2011, p.119) point out that the National Council of Social Service (NCSS) and National Volunteer and Philanthropy Centre (NVPC), the national umbrella agencies for NPOs, offer methods for capability development and financial resources to implement programs for volunteers as well as welfare and philanthropic organizations. Specifically, the NCSS, for example, has the Social Service Training

Institute, which provides training for the social service and non-profit sector.

The NCSS raises funds through the Community Chest and spends those funds by paying them out to the VWOs. The NVPC operates diverse programs such as Board Match, which pairs NPOs with qualified and committed individuals who can strengthen their boards, and Social Leadership Singapore, which aims to create breakthroughs for NPO participants in their non-profit work to develop capacity. Funding for NPOs is also offered by the NVPC, for instance giving NPOs seed money via the New Initiative Grant. (Koh and Soon 2011, p.119)

Besides these programs operated by national umbrella agencies, Koh and Soon explain that individual independent entities provide training programs, such as the iLEAP Professional Course for Non-profit Leaders run by the Lien Centre for Social Innovation. The CSOs have received and benefitted from donations provided by the private foundations, including the Lee, Lien, Tsao and Shaw foundations. Particularly, CSOs from the social service sector have enjoyed individual and corporate giving as well as volunteer participation. Additionally, some companies have supported organizations that perform advocacy, or causes pursued by CSOs, such as the OCBC Bank, which supports the arts festival, and the commitment to the environment by the Far East Organization.

According to a joint-survey by the Network for Good, the Bridgespan Group, and Guidestar (2003), only one out of five charities that seek online donations received more than 5% of their funding via the internet. (NVPC, 2009) This means that charities in Singapore raise funds mostly offline.

NVPC (2013a) shows survey results in terms of NPOs that include Charities and Institutions of a Public Character. Two in three respondents (companies) donated in both 2010 and 2011. Three in five respondents contributed less than 0.5% of their pre-tax profits in both 2010 and 2011. The median cash donation was about SGD 12,000 in 2011. Three in five donors did not have formalized giving practices. Among non-donors, resource limitation was the main reason for not giving. The bigger the respondents, the more likely they were to give. Cash is the most common form of giving with around 84% of all donations taking this form. Limited time is the top difficulty for employees in volunteering. Past performance of NPOs was considered the most

important consideration before giving. Most firms contributed a bigger proportion of their pre-tax profits in 2011 than in 2006.

NVPC (2013b) shows a survey summary as follows. Donor participation grew in 2012 across most demographic groups, though growth was strongest among those earning SGD 2,000 to SGD 2,999 and among the lowest-income earners, as well as among those in the local private sector. The total amount donated to organizations increased to SGD 1.10 billion in 2012. Of this total, half was donated to religious organizations, while 14% was donated to organizations working overseas rather than in Singapore. Those earning less than SGD 1,000 per month donated the most as a proportion of their income. Most donors donated through formal means. Finally, current volunteers donated the highest average amounts to organizations.

MCCY (2013) calculated that the total receipts of the charity sector, including government grants, donations and fees and charges, reached SGD 12.6 billion in 2012, up from SGD 11.3 billion in 2011. Large charities received 85% of the aggregate giving. As for the charities' sources of income, between 2008 and 2012 about \$2.3 billion (18% of total receipts in 2012) comprised donations, with some charities being more dependent on donations while others depended on government grants or income from programs and services rendered. Total donations jumped 13% in 2012. Both corporate and individual donations decreased by 8% and 1%, respectively, in 2013 compared with 2012.

Anand and Hayling (2014, p.55) mention that government funding occupies a significant portion of the income of non-profits in Singapore. From another aspect, the administrative system whereby NPOs must register with the government empowers the latter to revoke the registrations of NGOs, and registered NGOs also have a duty to report on their activities and financial status. (Tanaka, 2001) Additionally, the government monitors NGOs by convention, with the result that NGOs rarely conduct advocacy activity. (Tamura and Oda 2004, p.130)

1-6. Policy framework

After independence from Malaysia in 1965, the PAP established itself as the

predominant political party, and has since controlled every aspect of people's life in Singapore. The party ensures the basic needs of citizens including jobs, housing, health care and education, but justifies its policies by limiting the freedoms of association, assembly, expression and media. In this point, Kanemaru (2014) mentioned that the PAP encourages and supports only a 'civil society' comprised of non-political volunteer organizations or POs, and not a 'civil society' seeking political influence.

The PAP government, while continuing to use legislation to limit and control NGOs, has become more accommodating towards NGOs since the 1990s, recently stating that the nation should not interfere excessively in the activities of NGOs in order to foster the development of a civil society and system. A typical example of the new government attitude is 'Singapore 21', which was announced by the PAP as a new national vision for the 21st Century. In 'Singapore 21', the PAP government offered verbal encouragement to the active participation in policy making by NGOs or individuals, and a notable NGO leader was appointed Nominated Member of Parliament (NMP). However, while the PAP government now views NGO activities favorably, it continues to constrain NGOs' political activities and advocacy. In fact, the government continues to restrict the involvement of NGOs and citizens in political affairs, thus preventing NGOs from expanding their projects to involve political issues.

As mentioned above, it is difficult for NGOs and volunteer organizations to participate in political activities. Additionally, typical volunteer organizations in Singapore are under the control of the PAP, and hence work on PAP projects that align with government policy. For example, the NVPC established under 'Singapore 21' is officially a not-for profit NGO institution, but is supported and influenced by the Ministry of Community Development, Youth and Sports. Similarly, the Central Community Development Council (CDC) works in regional management and connecting communities, and is assisted in its work by the government. That is, the PAP government uses NGOs as a means of strengthening its control in communities. While NGO is defined as meaning a non-governmental organization, in Singapore the term refers to government initiated organizations.

In Singapore, all organizations, not only NGOs, are required to register with the Home Affairs Minister, and NGOs are further required to comply with the

Companies Act, Societies Act, Trust Companies' Act and Charities Act, depending on their purposes and capabilities. If organizations work solely on charitable missions like poverty alleviation, educational problems, community development, environmental protection and so on, their activities are typically governed by the Charities Act, in which case the Commissioner of Charities (COC) controls their registration. Organizations registered as charities can receive full tax exemption, but must meet strict and complex government requirements.

Table 1 Summary of Incorporation, Reporting, and Tax Regulations

ORGANISATION TYPE	PUBLIC COMPANY LIMITED BY GUARANTEE	SOCIETY	CHARITABLE TRUST	CHARITY
Reporting/ Regulatory body	Accounting & Corporate Regulatory Authority (ACRA)	Registry of Societies (ROS)	Monetary Authority of Singapore (MAS)	Commissioner of Charities (COC)
Formal incorporation	Yes	Yes	Yes	Yes, must first be registered as one of the above before filing for charity status
Formal accounting standards	Yes, must submit audited accounts to ACRA	Yes, annual returns to be filed with ROS	No, unless required by trust deeds	Yes, must submit annual report and statement of account to COC; Institutions of Public Character (IPC) and charities with >\$250k in income must submit audited financials
Public reporting	No	No	No	Yes
Income tax requirement	Exempted if surplus funds are from members' contributions or if 50% of gross revenue receipts are from members.	No	Exempted if registered as charity	Exempted
Entitled to tax-free donations	No	No	No	Yes, only for charities with IPC status
Governed by	Singapore Companies Act	Singapore Societies Act	Singapore Trust Companies' Act	Charities Act

Source: Anand and Hayling (2014, p.61)

1-7. Objectives of intermediary organizations

In Singapore, the NVPC and NCSS are governmental institutions tasked with the delivery of social care to underprivileged people and communities.

The NVPC, established in 1999, conducts fundraising, advocacy about volunteering and philanthropy, national research and conferences, and networking, including working with other associations, companies and governmental institutions. The NCSS, established in 1992, provides capacity building for VWOs as partnership organizations, as well as funding and training. In 2013, the NCSS provided funding of about SGD 80 million to VWOs to deal with social problems.

The government has also invested SGD 45 million (USD 36.6 million) in a capability fund to build up the professional and service delivery capacity of VWOs. (Anand and Hayling 2014, p.62) Recently, the main actor supporting social needs at the community level has shifted from the Singapore government to VWOs, because government cannot handle the current complex social problems caused by an aging and increasingly inequitable society.

1-8. Current agenda

Considering the non-profit sector, it can no longer gather enough contributions especially from middle-class people, because of a lack of funds, talented human resources and business skills. Various financial supports and training programs exist for CSOs, whether provided by government or other associations, and organizations must utilize these programs and reinforce their abilities to scale up the sector in Singapore. Additionally, to raise public awareness and involve more people in volunteering and donation, it is very important for organizations to keep high transparency and accountability to the public.

From the aspect of government, Anand and Hayling (2014) explained that a lack of long-term strategic focus and strict regulatory environment for NPOs, restrictions on cross-border funding and fundraising for international aid and limitation

of tax benefits are obstacles to growth for the non-profit sector. Although the Singapore government prohibits NGOs from engaging in political criticism and monitoring, it should provide some political flexibility to the non-profit sector, such as by permitting international fundraising or expanding tax exemptions, as a means of showing leadership in the support and fostering of NGOs. Government should also consider the adoption of volunteer education so that children can learn about contributing to society, helping make participation in volunteering and donation into a general attitude.

Lian (2014) identifies two challenges after measuring charities from the perspective of a foundation in Singapore. The first is a transparency issue regarding the need for due diligence, while the second relates to a lack of the organizational management skills necessary to effective performance. In relation to this second issue, Cheng (2008, p.9) points out that the non-profit sector continues to suffer a lack of watchers, namely charity-oriented rating agencies and analysts such as GuideStar and Charity Navigator in the United States of America. Such organizations can provide benchmarks to help grant-makers and donors make decisions based on richer information about individual charities.

1-9. Potential scenarios for the future

Singapore has developed dramatically because of the government's successful economic policies, and is now an Asian financial hub. The Singaporean government now thinks it worthwhile to build Singapore into a philanthropic center in the Asia region. Therefore, the government is accelerating its policies or support for the non-profit sector, for example adopting tax deductions for donations, establishing supporting associations, and inviting international agencies to take advantage of the supportive environment provided in Singapore.

Another reason the Singapore government must approach philanthropy seriously is the potential for philanthropy to respond to and resolve social problems. It is obvious that the government cannot tackle all kinds of social issues, which are becoming ever more serious and complex. Amenable NGOs thus are needed to help the government perform an expanding role and stabilize Singaporean society.

It is important that government grasps trends in the non-profit sector and describes a concrete long-term strategy for the sector, based on an understanding of what NGOs truly need to operate their projects. According to Anand and Hayling (2014), “building the capacity of NGOs to address emerging social problems, a strategic partnership between the government and NGOs and access to official socio-economic data motivate NGOs in Singapore to move forward.”

2. Non-conventional behavior of the Non-Profit sector in Singapore

2-1. Background history

Loh (2014, p.80) describes a growing corporate interest by noting that "a mapping of Singapore's social investment ecosystem reveals a mix of well-supported and often longstanding institutions, many exploring new activities, as well as promising new organizations and initiatives to support domestic Social Purpose Organizations (SPOs)." A number of new initiatives have supported the growth of social enterprises. However, in Singapore, the social enterprise sector is still widely recognized as remaining at an early stage of development, with much more time and investment being needed to build its capacity. Currently a growing number of social enterprises incorporate social or environmental causes into sustainable business models.

2-2. CSR in the private sector

In Singapore, government and labor unions lead CSR activities. While private companies typically must take ultimate responsibility for expanding CSR projects and raising awareness, the Singapore government shows great leadership in the sector and pushes private companies to practice CSR.

Giving an example, the Center for Corporate Social Responsibility (CCSR), established in 2002, promotes CSR and its importance in Singapore, and also works to build networks among countries in the Asia and Pacific region to share CSR

information, understand the situations of other countries and set common CSR principles. Another purpose of establishing the CCSR is to respond to problems related to poverty, employment, and environmental pollution as well as low compliance awareness as national issues (Global Environmental Forum 2005, p.6).

Another example is the Singapore Compact, which is a non-profit and membership organization that aims to root and grow the spirit of corporate social responsibility through networking events, trainings, information services, CSR conferences and other programs in Singapore.

Restated, the role of the CCSR and the Singapore Compact is to stimulate awareness regarding CSR among local companies in Singapore, and those organizations that try to complement the government's CSR initiative.

2-3. Involvement of social enterprises

Public awareness of social enterprises in Singapore is growing (Prakesh and Tan 2014, pp.16–17), though no official definition of “social enterprise” exists and few organizations with social purposes in Singapore currently identify themselves as social enterprises (Loh 2014, pp.73–75). Census Consultancy (2011) describes that public awareness of social enterprises can be improved via broadcast media, print media and internet media using the data of survey respondents. However, the social enterprise sector in Singapore remains very small, with self-identified social enterprises representing only an estimated 0.12% of small and medium enterprises in 2012. (Prakesh and Tan 2014, p.20)

Prakash and Tan (2014, p.12) point out that the origin of social enterprises in Singapore can be traced back to at least 1925, when the first co-operative was established. In 2013, there were at least 200 self-identified social enterprises (such as T.Ware and Milaap) despite the lack of a legal definition of such organizations. Recent estimates by Loh (2014) based on interviews suggest the number of social enterprises ranges from 200 to 400, including 83 cooperatives. The membership of the Social Enterprise Association (SEA), which numbered 145 in 2013, provides a quantifiable indicative figure. Based on very rough estimates the sector has approximately doubled

in size over the last seven years. (Loh 2014, p.75)

The targeted beneficiaries of the social enterprises are wide ranging, and include, for example, ex-offenders, stay-at-home mums, and the poor. Social enterprises have been moving towards social and welfare related areas of activity. Moreover, corporate engagement in social enterprises has been growing as part of CSR efforts. (Loh 2014, pp.75–76)

Prakash and Tan (2014, pp.14–16) categorize social enterprises in Singapore into three main types: 1) profit re-investing social enterprises, 2) work integration social enterprises, and 3) cooperatives. Loh (2014, pp.74–75) illustrates four models of social enterprises, namely: 1) the social needs model, 2) the subsidized service model, 3) the profit reinvestment model, and 4) the work integration model, two of which are the same as the Prakasha and Tan model.

The establishment of a Social Enterprise Fund in Singapore in 2003 was followed by the Social Enterprise Committee in 2006 and the Asian Venture Philanthropy Networks in 2011. (Loh 2014, p.61) These organizations increase the availability of financial support, such as the NVPC's start-up capital, DBS's banking services, loans and grants, for Singapore's growing social enterprise sector. (pp.76–77)

2-4. Impact of social investment

Social investment activities have developed involving a range of funding organizations, such as government foundations and venture philanthropists. Loh (2014, p.61) expresses that “the variety and frequency of social investment related activities has blossomed.” Additionally, Singapore is expanding its regional role in social investment, and social investment efforts, including Impact Investment Exchange Asia, are being made by Singapore's Economic Development Board (EDB).

2-5. Policy framework

The ideas of social enterprises and investments are relatively recent, and thus the definition of social enterprises is uncertain and not regulated by the government.

Prakash (2014) noted that only co-operatives are regulated by the Registry of Co-operative Societies under the Co-operative Societies Act.

However, in the social investment sector, expectations towards government have been increasing, and the Ministry of Social and Family Development has taken the initiative to create necessary programs and support for the sector, admitting the importance of social enterprises and investments as a new national safety net.

To meet local interest in the social investment sector and also support the sector, the Singaporean government and related associations have offered various funds and programs. For instance, the Social Enterprise Association, Singapore National Co-operative Federation and Social Innovation Park have created opportunities for networking, training and capacity development, along with providing loans at legal interest rates and grant funding as part of the DBS Bank Social Enterprise Package. Also, various funds exist to support philanthropic activities, including ComCare Enterprise Funding, the Youth Social Enterprise Entrepreneurship Program for Start-ups, Central Co-operative Fund, New Co-operative Fund, Social Enterprise Fund, National Youth Fund, Jump Start Fund and the North East Community Development Council Social Innovation Fund.

Thus, government and interested organizations are found to be cultivating the social sector likely to bring valuable social benefits through financial and environmental supports.

2-6. Current agenda

As mentioned above, the Singaporean government has not yet consolidated the legal status of social enterprises and its support for the social sector is a relatively recent phenomena. Recognition of social enterprises among Singaporean citizens thus remains immature. According to the Survey on Social Enterprise 2010, awareness of social enterprises among the 2,000 respondents was just 13%, though even this low level represented an improvement relative to past surveys.

While the sector was established mainly to prepare financial aid provided by government and funds, the quality and quantity of most enterprises unfortunately has

failed to reach the required level. Investors have a strong interest in the sector but often face organizations that lack accountability or transparency about their projects. In fact, Ministry of Social and Family Development (MSF) stated that about half of the 80 social enterprises funded since 2003 failed to adequately run their operations from a business perspective. For wide-ranging cooperation, government and supporting associations must strengthen not only financial services but also provide support for practical business matters, such as how to manage organizations and sustain their projects.

According to Loh (2014), interactive assistance between financial capital and human capital by the government is required, which involves providing larger amounts of start-up capital, in the range SGD 30,000 to SGD 50,000. Such capital can continue to grow philanthropic support to SPOs, enable the consideration of supportive policies to increase regional philanthropy, provide more support for existing capacity building organizations, attract educated and skilled young people to the sector, and foster collaboration with other organizations.

2-7. Potential scenarios for the future

Singapore ranks among the developed countries and is also a world business center. Thus the country has quite big potential to improve its domestic social and philanthropic sector and may lead to develop the nonprofit sector in Asia. Providing and enforcing legislations and policies for social enterprises, including tax exemption, raising public awareness, and strong back-up for business operations are keys for Singapore to progress toward becoming a model country in Asia.

3. Current status of foundations in the Non-Profit sector

3-1. Background history

Anand and Hayling (2014, p.55) explain that Singapore's organized philanthropic sector consists of private and family foundations, corporate foundations

and funds, government-related/affiliated organizations (including philanthropic institutions established by statute or administered by particular government entities), religious charities and funds and special interest/affinity groups, for instance ethnic self-help groups, and Chinese clan associations.

Compared with other countries, Singapore has few private foundations. However, the number of foundations recently has been increasing, and interestingly most tend to support education. Koh and Soon (2011) identified five notable foundations, namely the Lee Foundation, Shaw Foundation, Hong Leong Foundation, Lien Foundation, and Tsao Foundation. The Lee Foundation, established by Lee Kong Chian in 1952, provides financial support for people struggling with education and medical problems. The Shaw Foundation, founded by Tan Sri Runme Shaw in 1957, donates to support schools, learning centers, hospitals and disadvantaged citizens. The Hong Leong Foundation, organized by the Kwek family in the 1980s, organizes volunteer activities that bridge racial, linguistic and religious differences. The Lien Foundation, established by Lien Ying Chow, provides funding for educational and charitable issues. Finally, the Tsao Foundation, founded by the Tsao family, offers health care programs for laborers and the elderly.

The problem facing Singapore's organized philanthropic sector is that the Singapore government places NGOs and other NPOs under PAP control. Domestic NGOs cannot accept donations from foreign foundations, even foreign foundations that have meaningful international projects, such as the Ford Foundation. Therefore, NGOs in Singapore must raise their funds entirely domestically.

3-2. Changing contexts and trends in recent years

Several foundations were established in recent years, in each case being established by Singaporean business persons. One of the major family foundations in Singapore is Tan Chin Tuan, run by the well-known philanthropist of the same name. During the same period, Lee Kong Chian, Lien Ying Chow and the Shaw Brothers also generated foundations. All these foundations were influenced by the philanthropy of the Southern Chinese clans who came to seek their fortunes in Singapore in the 19th

century. Associations were formed to facilitate the activities of richer clan members in helping hardworking new immigrants with housing and other financial needs. These family foundations were all established in decades long past, when Singapore was still a young and poor country compared to its modern condition. (BBC, 2014)

Today the inhabitants of Singapore are among the wealthiest in the world. Singapore's GDP per head of population stands at more than \$43,000 according to the World Bank. However, in regard to charity, Singapore compares poorly to countries with the same standard of living. The World Giving Index, compiled by the Charities Aid Foundation, illustrates charitable behavior around the globe, and Singapore ranks 64th out of 153 countries in terms of the percentage of the population who volunteer money, time or other assistance to strangers, and lags behind its neighbors Myanmar, the Philippines and Indonesia. (BBC, 2014)

Alongside a rise in private charitable giving, new foundations, including the Community Foundation of Singapore, the Temasek Foundation, and the Capital and Hope Foundation, have been established within the past ten years. A breakdown of the income of the charity sector illustrates that institutional philanthropy, such as corporate giving, is increasing more abundantly in the sector that traditionally relied on individual philanthropy, such as charitable giving by individuals and families. (Anand and Hayling 2014, p.55) Additionally, Loh (2014, p.61) points out that currently family foundations foster trends in corporate philanthropy and are a key aspect of this trend.

3-3. Fundamental nature of foundations i.e. independent, corporate, or community based, and their scales

Family foundations comprise 74% of all grant-making entities, while special interest/affinity groups comprise 38%, corporate foundations 14%, and government based grant-makers 1%. Moreover, family foundations account for 19% of all giving, while special interest/affinity groups comprise 3%, corporate foundations 3%, and government based grant-makers comprise 74%. (Loh 2014, p.68)

Whilst the grant-making foundation sector in Asia is smaller and less mature than that in Europe or North America and has a poor network both domestically and

internationally, numerous grant-making foundations in Asia, including the Lien Foundation, are innovative and committed to the development of philanthropy. (Loh 2014, p.33) Family foundations and community foundations play a significant role in the Singaporean non-profit sector.

“Family” foundations are not organizations whose board members consist solely of the members of a real legal family, and in fact can have non-family board members. The NVPC organizes considerations such as merit and demerit in cases involving only family board members as well as those involving non-family members in order to recognize and determine board eligibility and terms of office that assist current board governance as well as to minimize the potential for future conflicts among family members. For instance, they “can still seek outside views without relinquishing voting rights” and can “maintain the private nature of philanthropy by keeping it within the family” in organizations whose boards comprise family members. On the other hand, non-family board members “can offer a wider range of knowledge expertise that family members may not have” and a “more diverse board representing different views from the community.” (NVPC 2005, p.11)

The family foundations are a significant player in the building of civil society in Singapore, while government-based entities dominate institutional grant-making. There are numerous family foundations in Singapore, and well as largely “family” managed foundations, with the Tsao Foundation an example of the latter. Even though exact data on the extent of the giving of these foundations are not publicly available, certain facts about their activities have been uncovered, such as 33% of their charitable giving being directed abroad and education being their favorite focus. (Loh 2014, pp.68–69)

Regarding community foundations, their aims are to provide individuals and smaller corporates with logistical and advisory support. (Loh 2014, p.10) A similar operational model and portfolio of services is seen in other countries, and the Community Foundation in Singapore is modelled after overseas foundations such as the Silicon Valley Community Foundation, San Francisco Foundation, and so on. (NCYS 2008) In Singapore, community foundations can obtain IPC status. For example, the Community Foundation of Singapore (CFS), planned to apply for IPC status on its

establishment in 2008 under the initiative of the NVPC based on the model used by foundations. An aim of the CFS is to access individual donors to assist them with professional advice on social causes to support. Additionally, the NVPC set up the CFS as an incubator of new foundations for more people to consider establishing own foundations in the future to get ideas about grant-making.

In terms of scale, the CFS started with government support of \$10 million for its start-up and administration. Its grant-making aims to maximize the impact of grant disbursement, and so SGD 50 million was set aside for first-round grant-making. Even though it only manages donations exceeding SGD 1 million (USD 0.8 million), limiting its client base to high net worth donors, Anand and Hayling (2014, pp.56–57) indicate that the CFS contributes invaluable to the Singaporean philanthropy sector based on its freedom from family or corporate ties and its substantial resources.

Besides family and community foundations, it is also important to mention corporate foundations. Company officials usually sit on the boards of corporate foundations. The corporation sometimes has targeted fields where it focuses its support activities. Examples of such foundations in Singapore include the Capitaland Hope Foundation, Citi Foundation, Goldman Sachs Foundation, Hong Leong Foundation, JCCI Singapore Foundation, Keppel Volunteers, New Century Worldwide Hope Foundation, Parkway HealthCare Foundation, Temasek Foundation, and so on. Additional names can be found on the website “concern.sg.” (Table 2). Corporate foundations can be of significant scale. For example, DBS Bank Ltd. established a foundation to strengthen their CSR with a fund of SGD 50 million in 2015. (DBS 2014)

Table 2: List of Corporate Foundations

Name	Focus Areas in Singapore
American Chamber of Commerce	Scholarships, Environmental Sustainability
Capitaland Hope Foundation	Children, Recycling
Citi Foundation Microfinance	Financial Education
Credit Suisse Asia-Pacific Philanthropic Committee	Youth, Arts

Foundation of Rotary Clubs (S) Ltd	Families, Youth
Goldman Sachs Foundation	Youth, Entrepreneurship
Hong Leong Foundation	Education, Disaster, Community Development
JCCI Singapore Foundation Ltd	Arts, Scholarships
Keppel Volunteers	Disability
Levi Strauss Foundation	HIV/AIDS, Labour Issues
New Century Worldwide Hope Foundation Ltd	Families
Parkway HealthCare Foundation	Elderly, Healthcare
Salesforce.com Foundation	Technology, Youth
SembCorp Environmental Management	Scholarships
Singapore-India Partnership Foundation	India
Singapore Millennium Foundation	Scholarships
Singapore Press Holdings Foundation Limited	Scholarships, Language Enrichment, Arts, Media, Sports, Social Services
Singapore Totalisator Board	Social Services, Sports
SingHealth Foundation	Health, Research, Education
SingTel Touching Lives Fund	Children, Youth
Standard Chartered Bank – Seeing is Believing	Blindness
StarHub - Sparks Fund & Arts	Children, Disability, Arts
Temasek Foundation	Governance, Education, Healthcare, Disasters
Trailblazer Foundation Ltd	Education, Sports, Children, Youth, Scholarships, Lung Cancer, Stroke, Disability
UBS Philanthropy Services	Social Entrepreneurship
UPS Foundation	Disaster, literacy and hunger relief
Want Want Foundation Ltd	Disaster

Source: concern.sg (2010, website)

3-4. Activities and tools

While Singapore has well-known foundations, such as the Lee and Lien foundations, it also has many other foundations. For instance, the Silent Foundation supports niche causes that lack strong advocacy, with examples including animals and the environment. Many foundations are active in the non-profit sector, but currently there is no empirical data on the number of foundations in Singapore, including both corporate and family foundations. (Lian, 2014)

Currently, community foundations primarily target HNWI, and particularly new donors who have not yet decided his/her giving behavior. They also welcome donations from group donors, including sibling and alumni groups, as well as other foundations. In terms of outcome after grant-making, they monitor the grants disbursed and report to their donors on how the grant is used and observed outcomes.

Foundations may make the appeal that the general public or donors can enjoy tax advantages when they make donations to foundations. For example, grant-makers provide information on IPC status. (NVPC, 2005)

3-5. Funding scales and sources

Taking the CFS as an example of scale, its total expenditure is approximately SGD 8.3 million, while its donations totaled around SGD 6.9 million in 2014, versus 10.0 million and 8.6 million, respectively, in 2013 and 2014. (SGD 2013; 2014)

For the CFS, its total income in the 2014 fiscal year was approximately SGD 12.9 million, of which around SGD 11.8 million was from donations. (CFS, 2014) Total income and donations totaled approximately SGD 17.6 million and 14.9 million, respectively, in 2013. (CFS, 2013) As for total funds and liabilities, the CFS had net funds totaling SGD 43.7 for 2014, and SGD 32.6 million for 2013. (CFS 2013; 2014)

To understand the general picture of funding scale and sources, we need to collect financial statements and extract data.

3-6. Roles of foundations in Non-Profit sector

NVPC (2005) illustrates that “grantmakers play an important role in assessing needs, providing solutions and improving communities,” and lists several roles including that they implement systematic giving, change agents, and institutionalize giving. Cheng (2008) indicates that “the role that grant makers play is crucial in that they are in the best position to bridge the disconnect between revenue and expenditure in the charity sector.”

Foundations offer grant-makers opportunities to realize social change by carrying out systematic giving over the long-term, otherwise it is difficult for one-time or short-term donations to effect change. The grant-makers that support foundations must react and respond as quickly as they can provide funds to strongly impact society. Viewed from the opposite direction, individuals and family units often make requests of the foundations that give them money, and specifically request that those foundations create an institution to support good long-term relations with society. (NVPC, 2005)

As MCYS (2008) describes, CFS has a role as an incubator for donors who may have the chance to start their own foundation in the future, and specifically can show philanthropists wishing to establish their own foundation how best to manage a foundation to contribute to society. For individual donors, the CFS advises on which sectors need support and can maximize the return on their spending, as well as giving donors feedback on how their funds are to be used by delivering periodic reports, sometimes customized reports presented to individual donors. These activities may increase the trust in and accountability of the philanthropic sector and its activities.

Generally, foundations receive funds from donors which they disburse as grants to NPOs through a rigorous process to ensure the money is properly used to achieve value in the form of deliverables to beneficiaries. Additionally, foundations have roles in drawing people’s attention to social needs, clarifying and recognizing future social needs, and providing funds for continued support for non-profit programs when NPOs face social and economic difficulties.

3-7. Networks and intermediaries for foundations

The names of intermediaries are listed on the website www.concern.sg. This website lists as domestic intermediaries such as Ammodo, Asia Pacific Ventures, Centre for Social Entrepreneurship and Philanthropy, GIVE.sg.

Ammodo, for example, “connects nonprofits with socially responsible companies and engaged individuals in a unique environment of shared interests and supplies the tools necessary to support online campaigning, fundraising, engagement and communication,” while the Centre for Social Entrepreneurship and Philanthropy “aims to advance social entrepreneurship and philanthropy research and education, as well as enhance the community development efforts of the university's students, alumni, staff and other stakeholders.” Moreover, GIVE.sg “aims to save charities of all sizes money. [And] has developed an open platform whereby all charities who are interested at innovating themselves can simply utilize GIVE.sg and avoid the high investment previously required to move ahead into the digital age.” (concern.sg, n.d.)

Additionally, in terms of international networks, there are the Asia Pacific Philanthropy Consortium and the Centre for Asian Philanthropy. The former is an independent association and grant-making philanthropic institution concerned with developing philanthropy in the Asia Pacific region as well as with creating networks to gather and disseminate research and information on philanthropy and the non-profit sector in the Asia Pacific. Meanwhile, the latter provides management tools to link charitable donations with organizations in need within the Asian region. (concern.sg, n.d.)

3-8. Current agenda

Regarding social investment, the role investment is expected to play in broader social engagement and cross-sector collaboration is questioned, and investment links can be established with local social enterprises that are mature in terms of scale and quality through investments in capital and capacity building.

As for needs, shortfalls exist for all types of capital in Singapore's social investment in the non-profit and social enterprise fields. Loh (2014) addressed the needs

for social investment as follows. In financial capital, core support is lacking, independent support is also lacking, and there is little support for advocacy activities. In terms of human capital, foundations must systematically build the capacity of field support organizations to mature, and NPOs and social enterprises have similar needs. It remains difficult for non-profits to attract talent interested in pursuing alternative career paths. Channels for meaningful engagement are also lacking. Intellectual capital remains insufficient to understand its roles and the work it performs. To overcome this requires effort to conduct systematic evaluation. Finally, in terms of social capital, less network results in less collaboration. Thus the creation of social capital is necessary to realize additional collaboration and so stimulate social investment.

Cheng (2008, p.9) indicates that society needs more service providers catering to charities to provide an ecosystem for the non-profit sector, with offerings in strategic advice, training, professional development, human capital matching, brokering and technical services, not just in Singapore but also in developing countries. Although they play a significant role in charities, regulatory support mechanisms for charity service providers have not yet been established, and such charities are treated more like commercial service providers.

3-9. Potential scenarios for the future

Like many other countries, Singaporean society still overlooks many social agendas, and thus foundations may seek out and fund new causes.

There is also an agenda on relations with NPOs that are recipients of foundation grants. Lian (2014) points out that the foundations need to help recipients better organize themselves and improve their transparency, and to accomplish this must go into the field to give recipients ideas about how they can work better with grant-makers in the future, rather than simply offering resources to NPOs.

In Singapore the government is strongly supportive of measures intended to build the environment, including collaboration with the NVPC, and this gives opportunities for young foundations to grow. Additionally, other support exists for charities to engage with society, for example the VCF Shared Service Grant which provides co-funding for charities that outsource their payroll, finance and accounting functions to a third-party service provider (Singapore Government, 2014). This kind of support may accelerate the development of the non-profit sector in Singapore.

References

- Anand, P. U. and Hayling, C. (2014). *Levers for Change: Philanthropy in Select South East Asian Countries*. Lien Centre for Social Innovation Reports. Lien Centre for Social Innovation.
- BBC (2014) “Singapore banking dynasty gives back through charitable family foundation,” (<http://www.bbc.com/news/business-29687174>), 20th October 2014.
- Census Consultancy. (2011). *Survey on Social Enterprise 2010*.
- Cheng, W. (2008). The charity ecosystem. *Social Space*. no.1, pp.4-13.
- Cheo, A., Ng, C., Yudi, L. & Teng, M. (2013). *Corporate Perception of Social Enterprises in Singapore 2013. A survey by the Social Enterprise Association*.
- Chong, T. and Elies, S. (eds.) *An ASEAN community of all: exploring the scope for civil society engagement*. Friedrich-Ebert-Stiftung.
- Chia, R. (2012). *Democracy and Civil Society in Singapore: The Politics of Control*. Singaporeans for Democracy.
- Community Foundation of Singapore. (2013). *Financial Statement, FY2013*. (<http://cf.org.sg/wp-content/uploads/2015/03/Audit-Report-FY13.pdf>)
- (2014). *Financial Statement, FY2014*. (<http://cf.org.sg/wp-content/uploads/2015/03/Audit-Report-FY14.pdf>)
- Concern.sg. (n.d.). *Fundraising*. (<http://www.concern.sg/Fundraising>). Accessed on 15 Oct 2015.
- DBS Ltd. (2014). DBS launches SGD 50 million Foundation to strengthen CSR efforts. *Newsroom*. 12 February 2014. (https://www.dbs.com/newsroom/DBS_launches_SGD_50_million_Foundation_to_strengthen_CSR_efforts_MIGRT).
- Gomez, J. (2005). International NGOs: Filling the “Gap” in Singapore’s Civil Society. *SOJOURN*, vol.20, no.2, pp.177-207.
- Iwasaki, I. (1998) “Singapore,” Iwasaki, I. (ed.) *Asia and Civil Society*, pp.77-108.
- John, R. (2013). The Emerging Ecosystem of Entrepreneurial Social Finance in Asia. *Entrepreneurial Social Finance in Asia: Working Paper No.1*. Asia Centre for Social Entrepreneurship & Philanthropy, National University of Singapore.

- John, R. and Tan, P. with Ito, K. (2013). *Innovation in Asian Philanthropy*. Centre for Social Entrepreneurship & Philanthropy, National University of Singapore.
- Koh, G. and Soon, D. (2011). "Singapore". Chong, T. and Elies, S. (eds.) *An ASEAN community of all: exploring the scope for civil society engagement*. Friedrich-Ebert-Stiftung.
- Lee, T. (2002). The politics of civil society in Singapore. *Asian studies*, vol.26, no.1, pp.97-117.
- Lian, T. N. (2014) Coutts Institute Million Dollar Donor Report, The Silent Foundation. (<http://www.silent.org.sg/media.html>)
- Loh, J. (2014) "Singapore," *From Charity To Change Social investment in selected Southeast Asian countries*, Lien Centre for Social Innovation Reports. Lien Centre for Social Innovation, pp.62-87.
- Maisharah, S. (2008). Tracing Singaporean's Social Sector. *Social Landscape*, p.16-22.
- Ministry of Community Development, Youth and Sports [MCYS] (2008). Community Foundation of Singapore: A New Initiative to Encourage & Facilitate Philanthropy, *MCYS Media Release*, no.17/2008, March.
- Ministry of Culture, Community and Youth of Singapore Government. [MCCY] (2014). *Commissioner of Charities Annual Report*
- (2014). VCF Shared Services Grant. *Charity Portal*. (<https://www.charities.gov.sg/Grants/VWOs-Charities-Capabilities-Fund/Pages/Shared-Services-Grant.aspx>)
- National Volunteer & Philanthropy Centre. (2005). *Granting wishes: Grantmaker's starter-kit, setting up a charitable grantmaking foundation*.
- (2009). *Fundraising – Research on "donation friendly" websites*. web version.
- (2012). *Charity Trends-Trend Analysis based on Commissioner of Charities Annual Reports October 2012*.
- (2013a). *Corporate Giving Survey 2012*.
- (2013b). *Individual Giving Survey 2012 Media Briefing*.
- (2013c). *Subjective Well-Being Study*.
- Osa, Y. (2013). The Growing Role of NGOs in Disaster Relief and Humanitarian Assistance in East Asia in Rizal Sukuma & James Gannon (ed). *Growing Force:*

Civil Society's Role in Asian Regional Security.

- Prakash, R. and Tan, P. (2014). Landscape of Social Enterprises in Singapore. Social Entrepreneurship in Asia: Working Paper NO.1. Centre for Social Entrepreneurship & Philanthropy, National University of Singapore.
- Singapore Economic Development Board.(<https://www.edb.gov.sg/content/edb/en/industries/industries/international-non-profit-organisation.html>)
- Singapore Department of Statistics website (http://www.singstat.gov.sg/statistics/latest_data.html#1)
- Tanaka, Y. (2001). "Singapore," Shinichi Shigetomi (ed.) *The State and NGOs in Asia*, Akashi Shoten.
- The Bridgespan Group. (2003). *Seeing the Internet's (Not so) Obvious Benefits*. Retried on 26 September 2014.
(<http://www.aligningthestars.com/BSGweb/filestorage/CMS/Internets%20Not%20So%20Obvious%20Benefits.pdf>)
- Kanamaru, Y. (2004) "Civil society and NGO in Singapore," *Seiji-Kenkyu*, vol.51, pp.93-125
- Global Environmental Forum (2005) *CSR in Asia*.
- Tamura, K. and Oda, Y. eds. (2004) *NGO and Gender in Southeast Asia*, Akashi Shoten.
- Knott, J. H. (2013). Speech: 2013 Lien Conference on Public Administration.
(<https://priceschool.usc.edu/files/2014/01/Singapore-Lien-Conference-speech.pdf>)