



Region Report

Southern and Southeastern Asia

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Overview of the Region

Economy	Population 2016*	Capital	GDP Per Capita* (US \$)	Official Language	Most Represented Religion**	Number of Registered POs	Registration Levels
India	1,324,171,354	New Delhi	1,709.4	Hindi, English	Hindu (79.8%) Muslim (14.2%)	70,000 (1)	Central and State
Indonesia	261,115,456	Jakarta	3,570.3	Indonesian	Muslim (87%)	48,886 (1)	Central and Local
Myanmar	52,885,223	Naypyidaw	1,275.0	Burmese	Buddhism (89%)	Unknown	Central, State and Local
Nepal	28,982,771	Kathmandu	729.5	Nepali	Hindu (81%)	42,000 (2)	Central
Pakistan	193,203,476	Islamabad	1,468.2	Urdu	Muslim (96%)	45,000 (1)	Central, State and Local
Philippines	103,320,222	Manila	2,951.1	Filipino	Catholic (81%)	Unknown	Central
Singapore	5,607,283	Singapore	52,960.7	English, Malaya	Buddhism (33%) Christian (19%)	Unknown	Central
Thailand	68,863,514	Bangkok	5,907.9	Thai	Buddhism (93%)	Unknown	Central, State and Local
Vietnam	92,701,100	Hanoi	2,185.7	Vietnamese	Folk Religion (73.2 %) Buddhism (12.2%)	Unknown	Central, State and Local

* Current US \$. World Bank 2016

** US Department of State. Bureau of Democracy, 2016. International Religious Freedom Report.

(1) ICNL. Civic Freedom Monitor

(2) ICNL. Civic Freedom Monitor. The unofficial number of associations in Nepal is around 84,000.

The Southern and Southeast Asian region includes South Asian countries: Nepal, India, and Pakistan, as well as Southeast Asian countries: Myanmar, Vietnam, Thailand, Indonesia, the Philippines, and Singapore. India, Pakistan, and Nepal are members of the South Asian Association for Regional Cooperation (SAARC) along with other South Asian nations. Myanmar, Vietnam, Thailand, Indonesia, Singapore, and the Philippines are members of the Association of Southeast Asian Nations (ASEAN). These intergovernmental organizations focus on stability through cultural and economic cooperation at the regional level.

The region represents rich geo-political, linguistic, and ethnic diversity, and varied socio-cultural and religious practices. Economies included in this report have varied forms of governments, such as republic (Indonesia, Myanmar, Nepal, Pakistan, the Philippines, Singapore, and Vietnam), federal republic (India), and absolute monarchy (Thailand). The Economist Intelligence Unit's Democracy Index (2017) - that scores economies based on five categories - electoral process and pluralism, civil liberties, the functioning of government, political participation, and political culture - categorizes India, Indonesia, the Philippines, and Singapore as flawed democracies; Nepal, Pakistan, and Thailand as hybrid regimes; and Myanmar and Vietnam as authoritarian regimes.

Economically, the South Asian sub-region is growing at a faster rate with a predicted GDP growth of 7 percent in 2017 and 7.2 percent in 2018. The Southeast Asian sub-region's GDP is also predicted to grow by 4.8 percent in 2017 and 5 percent in 2018 (Asian Development Outlook, 2017). However, the countries in the region are at different levels and stages of economic development. According to the World Bank (2016), Singapore and Thailand are upper middle-income countries; India, Indonesia, Myanmar, Pakistan, the Philippines, and Vietnam are lower middle-income countries; and Nepal is a low-income country (World Bank, 2016). The region has the second and fourth most populous countries in the globe—India (1.32 billion) and Indonesia (261.12 million) accounting for nearly one fourth of world's population.

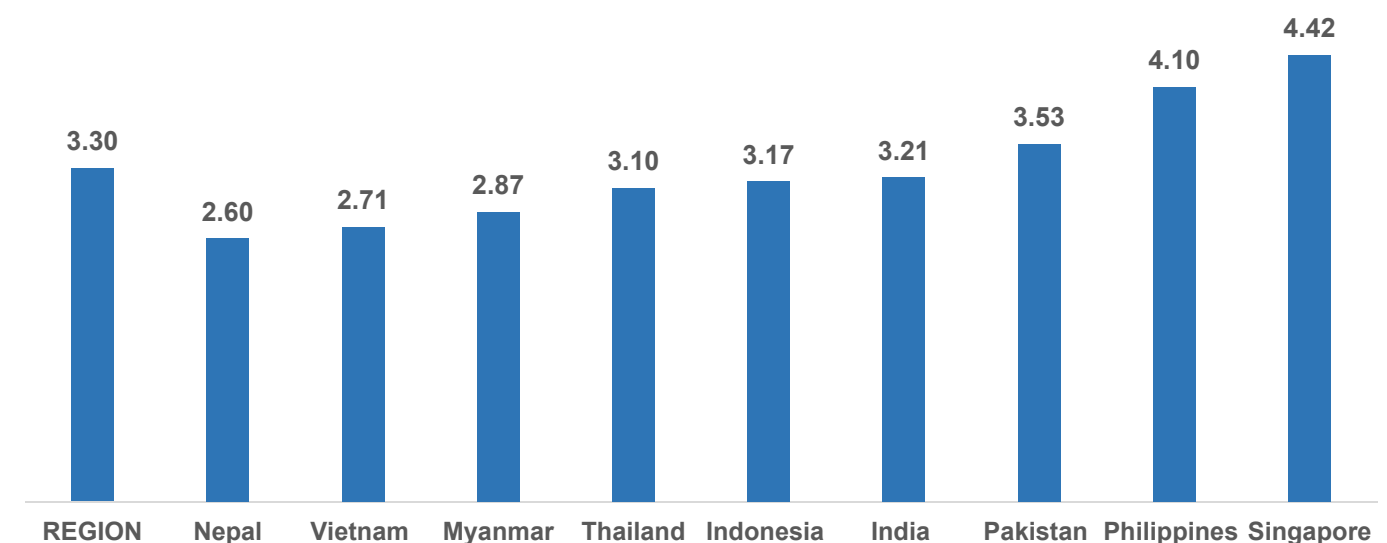
The region is also religiously diverse. Hinduism, the third largest religion in the world after Christianity and Islam, is the most represented religion in India and Nepal. Christianity is practiced in the Philippines, while Islam is the most represented religion in Indonesia and Pakistan. Another dominant religion in this region is Buddhism, especially in Myanmar, Singapore and Thailand.

Educational attainment levels are different depending on the country. Data from the UN Human Development Index reveals that the percentage of population (ages 25 and older) with at least some secondary education between 2005 and 2015 is highest in Singapore (78.6%), Vietnam (71.7%), and the Philippines (71.6%). Almost half of the population has at least secondary education in India (48.7%), Indonesia (47.3%), and Thailand (43.3%), while in Pakistan (35.4%) and Nepal (32.0%) only one third of the population reached a secondary level of education. Myanmar has the lowest (23.8%) proportion of population with the completion of secondary education.

The region has undergone political conflicts, ethnic violence, and terrorism and has witnessed the emergence of rights-based movements in past decades. Pakistan has suffered from terrorist attacks, and the spread of religious extremism, which has heavily influenced its political discourse and

administrative policies. Nepal has progressed into a constitutional democracy after years of violent conflict between the government forces and the rebel groups. Similarly, Myanmar is currently in a democratic transition after decades under oppressive military rule. While the economic liberalization, civil and political reforms are taking place under the newly elected democratic government, Myanmar’s government has received criticism for the treatment given to Rohingya Muslims in 2017. According to UN Refugee Agency Report, more than 420,000 people fled Myanmar in 2017, worsening the Rohingya refugee crisis in the South Asian region (UN Refugee Agency News, 2017). Countries in this region are also particularly vulnerable to natural disasters due to their geographical locations in a high-risk natural disaster area with close proximity to the Pacific Ocean, Indian Ocean, and the Himalayan Mountains. The numerous natural disasters faced by these countries in recent decades have impacted the socio-economic and political developments in the region and have increased regional and international cooperation and assistance. The devastating flood in India, Nepal, and Bangladesh in 2017, the earthquake in Nepal in 2015, and the recurrent cyclones and floods in Myanmar between 2015 and 2017 have influenced relevant public policies. The presence of international aid agencies and nonprofit groups has also increased along with philanthropic organizations and nonprofit groups that provide disaster relief as well as long-term recovery support.

Figure 1. Global Philanthropy Environment Index Overall Scores, by Economy



Source: Indiana University Lilly Family School of Philanthropy, 2018 *Global Philanthropy Environment Index*

Summary Report

The enabling conditions for the philanthropic environment are at their best in Singapore and the Philippines, and moderate in India, Indonesia, Pakistan, and Thailand, whereas in the remaining regional economies, the situation is not encouraging. The nearly ideal environment in Singapore is attested to by other sources, as well. For example, the Doing Good Index published by the Centre for Asian Philanthropy and Society has placed Singapore in the highest category. Indicators show that the government is supportive and encouraging toward philanthropic organizations, policies are well defined and diligently followed, tax exemptions are generous, and the culture is accommodating. In the case of the Philippines, the environment has improved when compared with 2015 results. However, there are some restrictions and requirements that leave the Philippines short of providing

the same environment as Singapore. For example, foundations face a minimum capital requirement as a precondition for formation. Philanthropic organizations have to register with the Bureau of Internal Revenue and, for that purpose, they have to get a permit from the local government. The Securities and Exchange Commission issues circulars periodically, thereby requiring organizations to keep up with the changes. These and many other formalities leave many philanthropic organizations, especially the smaller ones, struggling to comply with the law.

Economies with a rather moderate enabling philanthropic environment are those that are doing very well in some areas, but performing badly on many fronts. For example, India, Pakistan, Indonesia, and Thailand have quite liberal policies regarding the formation of organizations, but there are restrictions in certain areas. With regard to tax exemptions, all four countries have more or less the same environment. While India and Pakistan perform equally well in allowing tax benefits for donors and receivers, Thailand's tax policies for receiving charitable donations are quite hampering. Indonesia applies a completely different policy of tax benefit for donors from the rest of the countries in the region. The tax law does not provide tax credits for individuals, but corporate donors receive 100 percent of tax credits.

Sending cross-border donations is one area that seems to be quite restrictive in many of the economies. India not only links the outflow with approval of the Central Board of Direct Taxes, but also conditions donations to match the interests of India as a country. In Pakistan, though the process and policies are clear, sending cross-border donations is a rarely observed practice due to resource scarcity.

Finally, there are countries that are doing poorly on most measures of philanthropic environment. The restrictive environment in Myanmar is explained by the fact that the country has been under the control of an army that is not usually supportive of civic liberties. According to the country expert, Myanmar remained under sanctions (financially) for two decades, which severely affected cross-border transactions. Nevertheless, with the new fairly democratic government in place, things have started to improve. Vietnam's performance in terms of philanthropic freedom is surprising. There are increasing signs of collaborations and consultations between philanthropic organizations and the government, but the impact of this mutual understanding is not seen in other areas, i.e., formation and operation of organizations are restricted, and tax incentives are not encouraging. More upsetting is the deterioration of the philanthropic environment compared with the previous year studied: 2015. Nepal has shown some improvement recently, but has lagged behind in many areas. Unregistered POs are considered illegal; there is no timeframe for the registration process to be completed, which might lead to indefinite delays by the offices involved; tax incentives for individuals and corporate donors are negligible; sending cross-border donations is not allowed; and receiving donations is permitted only with prior approval. Though the government recognizes POs as agents of social change and policy documents are positive, as well, there is an underlying tension between the two sectors.

Lastly, it appears that the socio-cultural environment is very positive for philanthropic freedom in almost all countries. Most of them have a very rich culture and history of charitable giving, driven mostly by religious factors. Myanmar, which otherwise presents a gloomy picture, ranks even higher than Singapore in terms of socio-cultural environment for philanthropy. In fact, for the third year in a row, Myanmar topped the Charities Aid Foundation's World Giving Index, which ranks countries in terms of charitable donations.

Key Findings

1. Philanthropy as a sector is diversified and holds great promise

The Southern and Southeastern Asia region has deep-rooted cultural and religious traditions and a diverse philanthropic sector. Although registration is required for philanthropic organizations to function in most of the countries, there is a large number of unregistered groups practicing philanthropy at the grassroots level. Traditional philanthropic organizations in many of these countries play key roles in social development.

The majority of the governments in the region accept the concept of philanthropy as an active agent for social change. In Myanmar, Vietnam, and Nepal, philanthropic organizations are considered important players in societal development, and philanthropic organizations are consulted in policy formulation and tackling social issues, especially in Singapore and the Philippines. The emerging view of philanthropy as a social agent for socio-economic wellbeing and political and civic participation in this region can reflect the aspirations of nearly one third of world population and holds greater promise for philanthropy worldwide.

In India, the current government led by the Bharatiya Janata Party is focusing on social development aided by nonprofit organizations. On one hand, government efforts to drive socio-economic development have energized philanthropic groups working on social change, awareness building, and knowledge sharing on civic responsibility (Ohlrich 2017). On the other hand, the government has curtailed activities of many not-for-profit groups, especially the ones with religious affiliation. The 2016 government decision to cancel the license of Compassion International, a US-based nonprofit organization on the alleged grounds of promoting religious conversion is indicative of government's stand on the activities of religious foreign-funded philanthropic organizations (Barry and Raj, 2017). In this region, the most common legal forms of philanthropic organizations are association, foundation, trust, society, endowment, nonprofit companies, and cooperatives. There are thousands of waqf (Muslim Charitable Foundations) in India and Pakistan. There are also a high number of international nonprofit organizations and groups, including Red Cross, Amnesty International, Rotary Club, and Lions Club, working closely with local organizations. The registration for nonprofit organizations take place at multiple government levels in India, Indonesia, Myanmar, Pakistan, Thailand, and Vietnam; while Nepal, the Philippines, and Singapore provide centralized registration. The philanthropic organizations in the region primarily focus on education, water and sanitation, health and medical service and research, economic development and poverty alleviation, advocacy and human rights, arts and culture, housing, women empowerment, and microfinance among others. In general, natural disasters have transformed the philanthropic landscape in the region and changed public perceptions toward philanthropy. During the big flood in 2015, nearly three-fourths of the total population of Myanmar was affected. It caused massive devastation and displacement of millions of people. Similarly, the massive earthquake in Nepal in 2015 caused approximately 10,000 deaths, and structural devastation. Philanthropic organizations along with international nonprofit groups provided significant support during the relief and recovery stages. In Myanmar, the United Nations' World Food Programme (WFP) addressed the immediate food and nutrition need for more than 455,000 people (WFP, 2016) and 60,000 people have received cash grants from the Myanmar Red Cross and the International Federation of the Red Cross and Red Crescent Societies (IFRC) (IFRC, 2016). In 2016, another earthquake hit the Shan state in Myanmar, which gave philanthropic

organizations an opportunity to provide the needed assistance and develop goodwill and acceptance from the state and the public. After the 2015 Nepal earthquake, international relief organizations also provided significant support to Nepal; the International Committee of the Red Cross set up a “people finder” for family members to locate loved ones in the epicenter zone, UNICEF provided 120 tons of humanitarian aid in the form of medical supplies, tents and blankets, and Doctors Without Borders sent eight teams to assist in relief efforts and foreign governments, as well as the United Nations, offered financial assistance to support relief and long-term recovery efforts in the country (Regan, 2015, Hrywna and Sullivan, 2015). Additionally, the Indian government’s decision to promptly relax government regulations on cross-border donations improved the philanthropic activities across borders as well as the political understanding and cooperation between the two countries.

Philanthropy, as an emerging sector, is developing through network creation, civic awareness building, and volunteerism in this region. It is also developing professionalism and bringing in transparency and accountability to the public-private partnership. However, it is important to note that the growing events of international terrorism, cybercrimes, drug and human trafficking along with the cases of money laundering, can also lead to greater government monitoring and regulatory practices with regard to cross-border donations. The governments need to implement an effective legal framework to ease cross-border donations and international aid. Regional and international cooperation are also crucial in this regard. Further, there are also greater need to engage governments and the public to participate in philanthropic discourse.

2. Governments impose regulatory control over the philanthropic sector

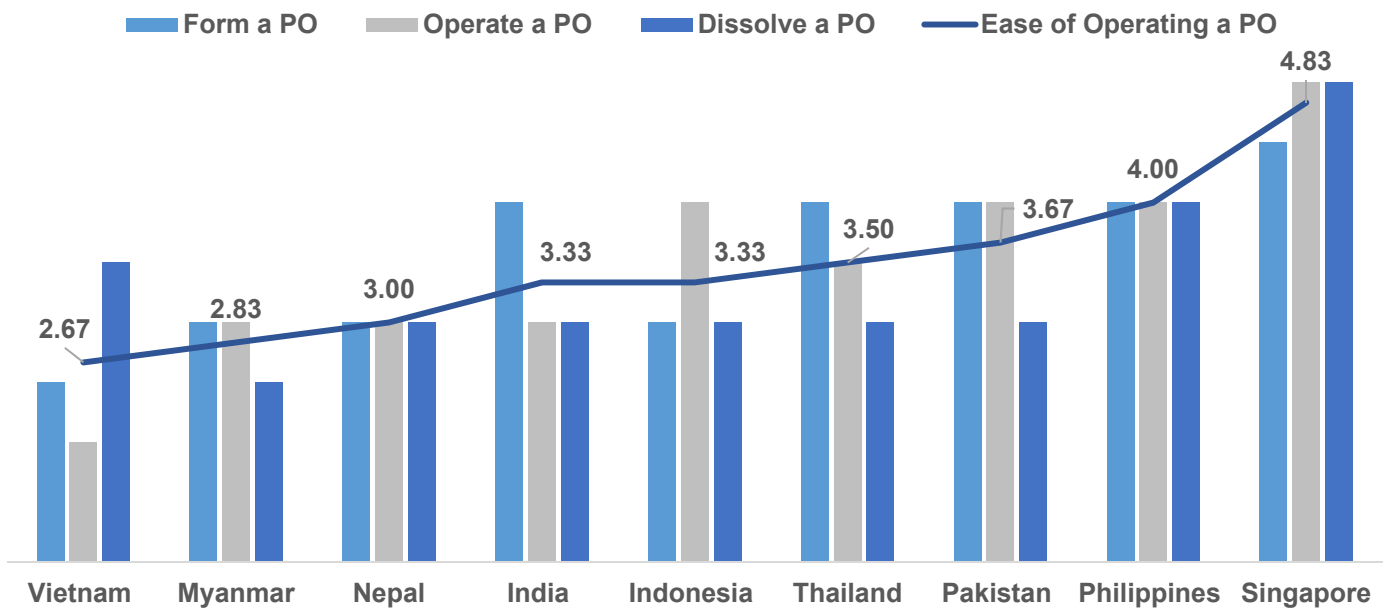
Ease of operating organizations across the Southern and Southeastern Asia region occurs at different levels. In all the countries in this region, citizens enjoy the constitutional rights to set up and operate philanthropic organizations following legal registration process and procedures; nonetheless, the Philippines and Singapore have more enabling philanthropy environments. While Vietnam and Myanmar have numerous challenges and barriers that restrict the ease of operating philanthropic organizations. In India, Indonesia, Pakistan, and the Philippines, philanthropic organizations can function without registration or accreditation, but if the organization is involved in commercial activities or overseas financial transactions registration is required.

The rules and mechanisms for registration are clear, precise and user-friendly in some countries like Singapore and the Philippines. The registration can also be very extensive and bureaucratic as in the case of Vietnam and Myanmar. In Pakistan, organizations are required to register, document and report budgetary information, and state purpose and funding information. The license validation process implemented in 2015 is another barrier for philanthropic organizations to access resources in Pakistan. International NGOs are required to sign a Memorandum of Understanding (MOU) with the Ministry of Interior, while organizations receiving foreign contributions must register with the Economic Affairs Division before using foreign monies, services, and goods in Pakistan (ICNL, 2017).

The registration costs vary greatly from one country to another. Nepal has the lowest registration costs (as low as US \$22) and Thailand has the highest (US \$5,500 – US \$14,285). The corruption at various levels of government departments and offices might indirectly affect the average cost of registration for philanthropic organizations causing delays in the registration process. The Transparency International’s Corruption Perception Index ranks 180 economies by their perceived levels of public sector corruption according to experts and business people. The index uses a scale

of 0 to 100, where 0 is highly corrupt and 100 is very clean. According to the Corruption Perception Index 2017, all economies in the region scored 40 or below except for Singapore with a score of 84.

Figure 2. Scores on Ease of Operating Philanthropic Organizations, by Economy



Economy	Ease of Operating a PO	Form a PO	Operate a PO	Dissolve a PO
Vietnam	2.67	2.5	2.0	3.5
Myanmar	2.83	3.0	3.0	2.5
Nepal	3.00	3.0	3.0	3.0
India	3.33	4.0	3.0	3.0
Indonesia	3.33	3.0	4.0	3.0
Thailand	3.50	4.0	3.5	3.0
Pakistan	3.67	4.0	4.0	3.0
Philippines	4.00	4.0	4.0	4.0
Singapore	4.83	4.5	5.0	5.0

Source: Indiana University Lilly Family School of Philanthropy, 2018 *Global Philanthropy Environment Index*

In terms of operation, philanthropic organizations are mostly free to operate within their stated area of action or territory. Philanthropic organizations in Indonesia, Singapore, and the Philippines can operate without excessive government interference. The ease of operating also includes establishing networks with similar organizations or use of media and communications. In Thailand, however, the government reserves the right to restrict the operation of an organization if there is attempt to insult, defame or threaten the Thai royal family. In Vietnam, philanthropic organizations operate within the legal limits set by the government. In Myanmar, the 2014 Act of Peaceful Assembly and Peaceful

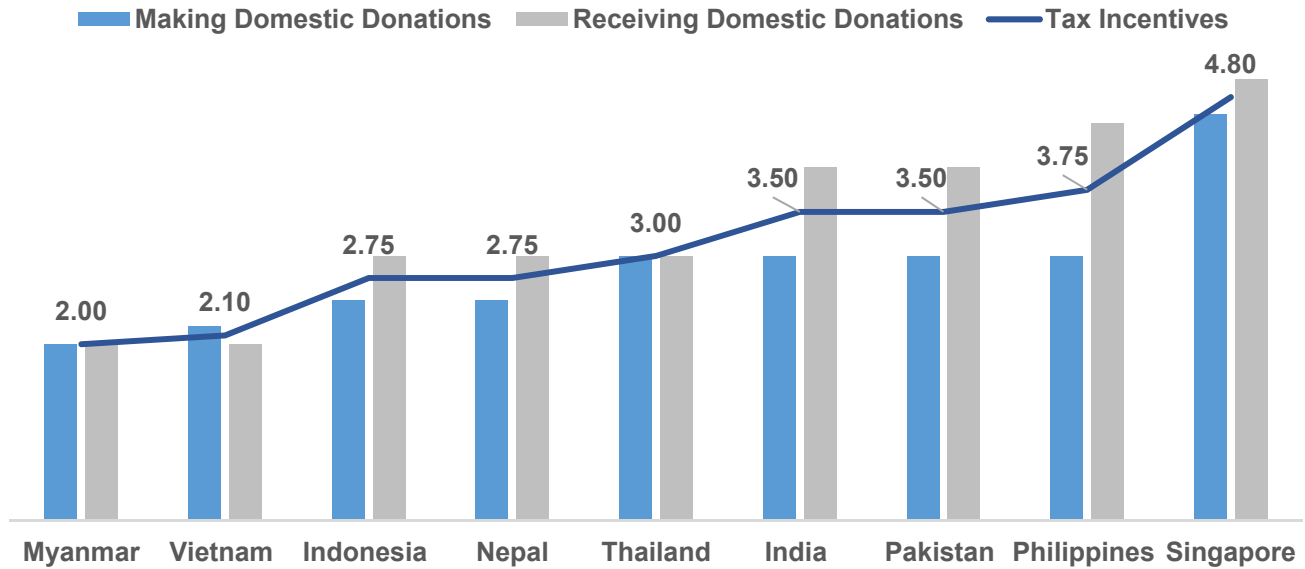
Procession is a great concern with regard to freedom of operation of nonprofit organizations as it appears to be used increasingly to criminalize protesters, unreasonably restricting the right to freedom of expression and assembly. In Pakistan, the government decision to take legal actions on advocacy groups and/or human rights activities is indicative of governments control on the philanthropic sector.

In terms of dissolution, countries like Singapore, the Philippines, India, and Pakistan allow philanthropic organizations to voluntarily terminate activities and dissolve themselves through a proper legal procedure. Singapore has a clear legal procedure in place to dissolve philanthropic organizations. In the Philippines, the Corporate Code regulates the disposal of remaining assets of registered organizations in the event of dissolution. The Indian government cannot shut down a philanthropic organization without following the legal procedure; however, legal dissolution in India involves extensive legal and bureaucratic procedures and hence, is time-consuming and expensive. In some countries, termination is not always a voluntary process. For instance, the Pakistani government reserves the right to scrutinize and cancel the licenses of philanthropic organizations based on noncompliance to regulatory requirements. In 2014, the Pakistani government cancelled the licenses of more than 200 nonprofit organizations followed by the cancellation of 2,400 more by the authorities of Sind and Baluchistan provinces on the basis of regulatory and noncompliance issues. Similarly, in Myanmar, the failure to submit required annual narrative and financial reporting for five years can lead to the non-functioning status of philanthropic organizations and their cancellation.

3. Restrictive tax systems in some economies

Tax regulations in the region are very diverse also. Singapore has a detailed legal framework for tax procedures and related fiscal issues. Singapore, the Philippines, and Pakistan score relatively better than Myanmar or Vietnam in terms of ease of making and receiving domestic donations. Singapore offers a clear and consistent legal framework with significant tax incentives to individual and corporate donors that give to charity. In India, donors are either entitled to 50 or 100 percent tax deduction depending on the type of donations and registered charitable organizations are offered 100 percent tax deductions as long as they follow the regulatory framework set by the income tax law. Tax incentives for donors in Pakistan are low compared with other countries in the region, providing 30 percent tax deduction for individual donors and 20 percent for corporate donors. Vietnam and Myanmar have less favorable laws and regulations on individual and corporate charitable donations. In Vietnam, the science and technology organizations are not allowed to receive any donations, except if such organizations operate under the Vietnam Union of Sciences and Technology Associations (VUSTA).

Figure 3. Scores on Tax Incentives, by Economy



Economy	Tax Incentives	Making Domestic Donations	Receiving Domestic Donations
Myanmar	2.00	2.0	2.0
Vietnam	2.10	2.2	2.0
Indonesia	2.75	2.5	3.0
Nepal	2.75	2.5	3.0
Thailand	3.00	3.0	3.0
India	3.50	3.0	4.0
Pakistan	3.50	3.0	4.0
Philippines	3.75	3.0	4.5
Singapore	4.80	4.6	5.0

Source: Indiana University Lilly Family School of Philanthropy, 2018 *Global Philanthropy Environment Index*

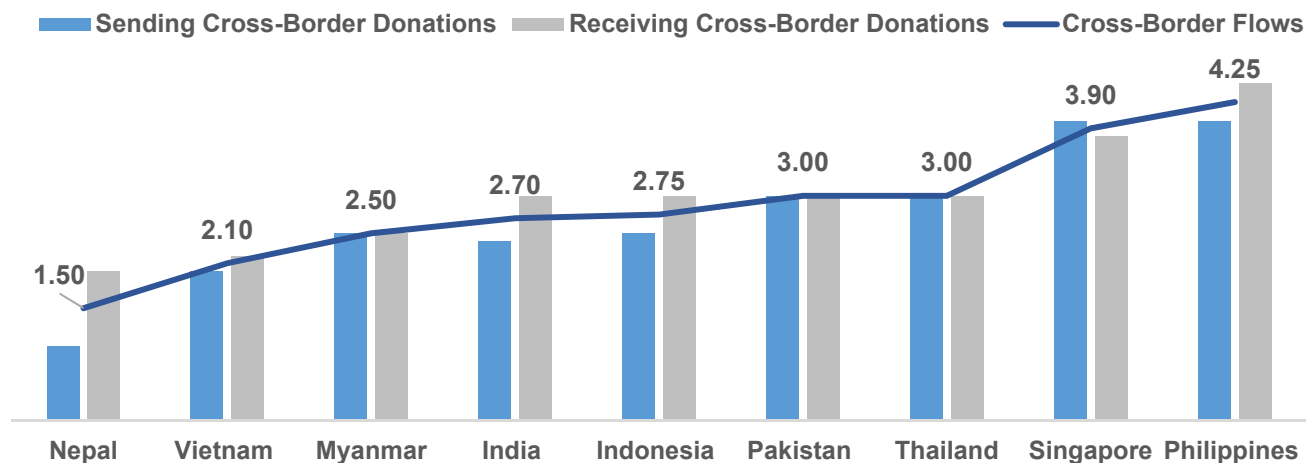
The regulatory environment for receiving domestic donations is favorable in Singapore. Registered charities are often tax exempt and in general, philanthropic organizations qualify for significant tax deductions in the form of tax rebates or reimbursement. In Vietnam and Myanmar, philanthropic organizations face greater bureaucratic hassle and government control in receiving charitable donations. In Vietnam, there are separate regulations for each type of philanthropic organization without providing clear terms and conditions about tax exemptions in terms of which income sources qualify for tax exemption or tax benefits and which do not. Hence, it complicates the tax exemption procedures in Vietnam.

In the Philippines, Myanmar, Nepal, and Thailand, philanthropic organizations require separate registration, documentation and report submission to qualify for tax exemptions. For example, in Nepal, non-governmental organizations need to apply for a permanent account number (PAN); and in Pakistan, organizations are required to register with the Federal Board of Revenue in order to qualify for tax exemptions. Similarly, Indonesian tax policy restricts the number of organizations from applying tax exemptions by allowing only a few activities to be tax deductible. For instance, the tax exemption is applicable on: (a) income that a nonprofit organization uses to provide scholarship funds, and (b) income of a nonprofit organization working on areas of education, or research and development that is re-invested in its work as per the timing requirements of the Income Tax Law.

4. Highly monitored cross-border donations

With the highest score in this category, the Philippines has the most favorable legal framework for any form of regulatory control on sending or receiving cross-border charitable donations. The Philippines also exempts import duties and value added tax on the inbound cross-border donations to accredited relief organizations, such as Red Cross. Registered private organizations such as hospitals receiving foreign donations are exempt from import duty as long as they are duly registered. There are no restrictions in terms of receiving foreign grants or other forms of cross-border donations.

Figure 4. Scores on Cross-Border Flows, by Economy



Economy	Cross-Border Flows	Sending Cross-Border Donations	Receiving Cross-Border Donations
Nepal	1.50	1.0	2.0
Vietnam	2.10	2.0	2.2
Myanmar	2.50	2.5	2.5
India	2.70	2.4	3.0
Indonesia	2.75	2.5	3.0
Pakistan	3.00	3.0	3.0
Thailand	3.00	3.0	3.0

Singapore	3.90	4.0	3.8
Philippines	4.25	4.0	4.5

Source: Indiana University Lilly Family School of Philanthropy, 2018 *Global Philanthropy Environment Index*

Other countries in this region such as India, Pakistan, and Singapore have more restrictive legal frameworks in place for sending cross-border donations. In these countries, organizations require prior permission or approval from the assigned government authorities. In most cases, the legal framework allows varied forms of outbound donations for charitable causes when proper documentation exists, and there is more flexibility in the case of outbound charitable donations for disaster relief. For example, Singapore does not require prior approval for sending donations for disaster relief. India has also fast-tracked the approval process of all outbound donations (individual and philanthropic organizations) in the aftermath of 2015 Nepal earthquake. Countries like Singapore offer tax deductions on cross-border donations to further boost the donors' interest on charitable giving. Nepal is the only country that does not allow individuals or philanthropic organizations to send cross-border donations.

In most countries in the region, the regulatory framework is less restrictive for receiving cross-border donations. Some countries favor incoming cross-border donations with little limitations. For example, Singapore allows all forms of incoming donations except donations to support political causes or radical social issues. In Thailand, Pakistan, India, and Nepal, organizations are required to have prior registration, approval and/or permission from respective government officers in order to receive foreign donations. Thailand requires that organizations submit a Memorandum of Understanding (MOU) and a financial report to the government to be considered for tax exemption. Nepal and Myanmar also have provisions for certain tax exemptions on specific goods and upon prior approval. In India, the government can suspend or cancel licenses to receive foreign funds under the Foreign Contribution Regulation Act if the organization violates the Act or the terms of conditions of the license or has made an incorrect or false statement, if it is necessary in the public interest to cancel the organization's license based on the opinion of the Central Government, or if the organization has not been engaged in any reasonable activity in its chosen field for the benefit of society for two consecutive years (Article 14, Foreign Contribution Regulation Act). Finally, Vietnam requires philanthropic organizations to go through a costly and bureaucratic process of approval to be able to receive cross-border donations, remaining subject to state control and reporting.

Issues of corruption, fraud and money laundering are of concern with regards to cross-border flows in many countries in the region. According to the U.S. Department of State's 2016 International Narcotics Control Strategy Report, India, Pakistan, Thailand, Indonesia, the Philippines, and Singapore are vulnerable to international money laundering, drug trafficking and terrorist financing risks. Singapore is a stable, financial hub of the Southeast Asia. The Philippines is an emerging player in the economic growth in the region with relaxed tax regulations for cross border donations. This makes these states vulnerable for international money laundering by the drug trafficking groups and terrorist organizations. There are numerous terrorist, insurgent groups active in the South Asian countries. The porous borders of India, Pakistan, Myanmar, and Thailand also make these countries perfect destinations for transnational criminal activities. These types of illicit financial and criminal activities prompt governments to take strict financial measures and to maintain government monitoring, having the potential to negatively affect cross-border philanthropic flows.

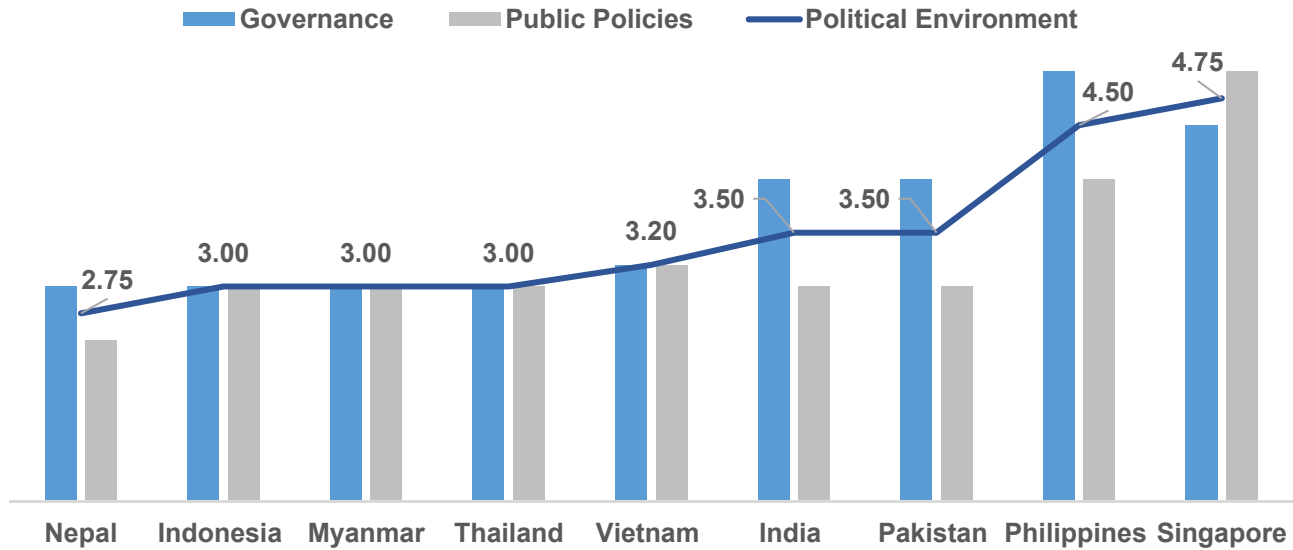
5. Emerging collaborations with government

Philanthropy is aspiring to be an active partner in the social development process in Singapore and the Philippines. Economic and political stability, higher tax incentives and stronger collaborations between the government and philanthropic organizations have paved the way for a more favorable environment. Further, public policies and services are designed to promote and support philanthropic organizations. The governments also encourage the involvement of philanthropic organizations in policy development and implementation. The National Council of Social Services in Singapore provides greater access to resources and opportunities to philanthropic organizations working in the social sector. Singapore also offers incentives for international philanthropic organizations to establish their regional bases in Singapore for outreach and networking.

Along with Singapore, the Philippines has also maintained a favorable political environment for philanthropy. In the Philippines, partnerships between the local government units and NGOs in local development programs are constitutionally mandated (1987) and enshrined in the Local Government Code (1991). There are positive public-private partnerships on social issues in the Philippines and the political environment allows private and civic groups to participate in decision-making processes at national and local levels.

Myanmar also recognizes the role of philanthropy to address humanitarian help and social development needs. The aftermath of the devastating natural disasters, such as Cyclone Nargis in 2008, and the catastrophic flood following Cyclone Komen in 2015 have led to greater collaborations between the government and the philanthropic organizations. The government is allowing philanthropic organizations to receive direct funding from international sources and has also established the Development Assistance Coordination Unit (DACU) in December 2016 to provide further development assistance and coordination among different government bodies and social service providers. Another newly established democracy in the region, Nepal, however, has fared poorly in both governance system and public policies to strengthen collaboration and provide the conditions for the growth of the philanthropic sector. The government acknowledges the role of these organizations in social change, but holds strict regulatory policies. The Associations Registration Act (1977) along with the proposed Social Welfare and Development Act (2016) is believed to critically limit the operational space of nonprofit organizations.

Figure 5. Scores on Political Environment, by Economy



Economy	Political Environment	Governance	Public Policies
Nepal	2.75	3.0	2.5
Indonesia	3.00	3.0	3.0
Myanmar	3.00	3.0	3.0
Thailand	3.00	3.0	3.0
Vietnam	3.20	3.2	3.2
India	3.50	4.0	3.0
Pakistan	3.50	4.0	3.0
Philippines	4.50	5.0	4.0
Singapore	4.75	4.5	5.0

Source: Indiana University Lilly Family School of Philanthropy, 2018 *Global Philanthropy Environment Index*

In Vietnam, the communist regime and its economic policy together with burdensome bureaucratic practices and restrictions on several sectors, have limited philanthropic growth. Similarly, in Indonesia philanthropy is seen only as an alternative source of funding for government-related projects. Therefore, the Indonesian government does not provide adequate policies to promote the philanthropic sector and donors are sometimes pressed by government to support government-supported causes.

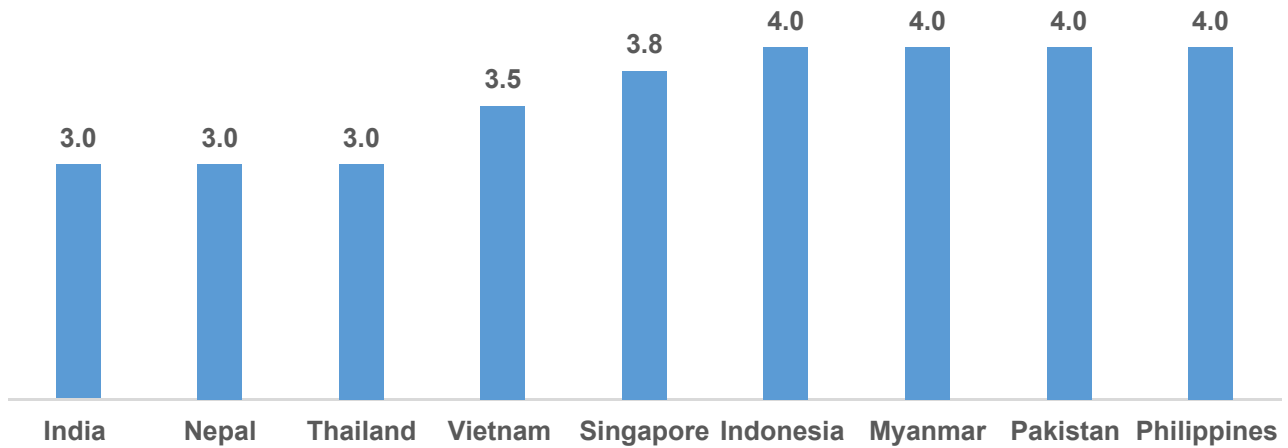
The political practices in India and Pakistan show some levels of public-private partnerships between philanthropic organizations, private companies and government. In India, there is a high level of collaboration between the government and nonprofit organizations in the fields of healthcare and education. India introduced the tripartite partnership through the 2013 Companies Act, which

requires the corporate sector to spend two percent of their profits every year on corporate social responsibility. In India, philanthropic organizations try to fill the gaps in welfare and development, but the decreasing level of government incentives and funding does not support their work. Similarly, Pakistan acknowledges the work of philanthropic organizations in social development. The *zakat* money is collected within the tax system and distributed to support local organizations working in education and health. India, Pakistan, and Nepal regulate the sector and maintain control over philanthropic organizations, but philanthropic organizations also monitor government practices and policies and in the process, they create accountability. Increasing collaboration, however, does not prevent the government from carefully monitoring and strictly regulating the operation of the sector. Governments in the region are putting regulatory measures in place to control the vastly growing philanthropic sector, especially advocacy organizations.

6. Religious philanthropy faces political challenges

Most of the countries in this region - Nepal, India, Indonesia, Thailand, Pakistan, Myanmar, and the Philippines - have strong cultural traditions of giving deeply rooted in religious practices and social values. The Philippines, being a Catholic country, strongly practices the Catholic value of giving money to the church. There is also the traditional concept of “*bayanihan*” rooted in the spirit of community, cooperation and a sense of common good, which favors philanthropy. Similarly, the Islamic giving practices of “*zakat*” (alms-giving), “*sadaqa*” (donation) and “*waqf*” (religious endowment) are common in Indonesia and Pakistan, leading the way to philanthropic giving and volunteering.

According to the Pakistan Center of Philanthropy report (2016, p.3) “nearly 98 percent of Pakistani people either give through cash, in-kind or time volunteered”. In the Gallup Global Civic Engagement Index (2016), Indonesia is ranked as the second middle-income country (after Myanmar) most likely to donate money to charity. Myanmar continuously topped the Global Civil Index survey (2017) for three years (2014, 2015 and 2016) in the “proportion of population giving, not how much they give”. Both Buddhism and Islam promote philanthropy. Buddhism encourages charity every day, and mostly to unknown people on the street; Islam, the religion practiced by 88 percent of the population in Indonesia, promotes *zakat* that is paid once a year, to about 700,000 mosques, *zakat* collection agencies, or to the two largest organizations Nahdatul Ulama or Muhammadiyah. Thailand, with a majority Buddhist population, also has a strong culture of religious philanthropy. Similarly, in India and Nepal, the cultural and Hindu religious concept of “*Daana*” or “good karma” are favorable to all kinds and levels of giving. Vietnam also has certain social values and traditional practices favorable for philanthropy. Charitable donations are also common in Southern Vietnam. Singapore, with its diverse immigrant population, also harbors faith-based values of giving and doing good in the community. In the recent years, there are efforts to promote philanthropy based on social and cultural values of giving. The government of Singapore is also promoting and collaborating with philanthropic organizations in addressing societal problems and development issues.

Figure 6. Scores on Socio-Cultural Environment, by Economy

Source: Indiana University Lilly Family School of Philanthropy, 2018 *Global Philanthropy Environment Index*

The public perception of philanthropic organizations is very positive in Singapore, the Philippines and Myanmar. However, in Nepal, Vietnam, Thailand and Pakistan, the lack of transparency and accountability, and the misuse of funds by nonprofit organizations undermine social trust in philanthropy. Further, the public perception of the operation space of philanthropic organizations in some countries such as Nepal and Thailand lies in disaster relief and management and not in the area of advocacy or social transformation.

It is also important to note that philanthropic organizations often provide equal space and opportunities to both genders. In Pakistan and Nepal women’s participation in the nonprofit sector has been increasing in recent years, showing a positive step towards gender equality. Nonprofit organizations working on gender equality and social transformation also face challenges and, sometimes, threats by the “dominant religious fundamentalist segments of society” (Bhattacharya, 2016). There is a hidden tension between the nonprofit sector and the most influential (political/religious/ social) groups in countries like Nepal, India, and Pakistan. However, human rights and women’s empowerment are some of the key issues of many nonprofit organizations in this region, which clashes with the prevalent societal gender norms and cultural practices. In developing democracies, social groups based on religious, political, and cultural ideologies often compete for power and decision-making. Nonprofit groups and organizations in these countries in recent years have gained popularity and public support because of their focus on social transformation. These groups and organizations are sometimes negatively viewed as the future contenders in the prevailing power in politics and decision making by other dominant groups.

7. The future of philanthropy

Increasing role of individual philanthropy. Individual giving is the most dominant form of giving in this region and, with the economic growth and increasing use of technology, individual philanthropy has the potential to be on the rise in the upcoming years (Bain and Company, 2017; Pakistan Center for Philanthropy, 2017). Growing middle classes in countries like India,

Indonesia, Pakistan, and the Philippines are likely to favor the philanthropic growth in the future. Simultaneously, with growing economies, countries in the region are in urgent need of social reforms in terms of human and sustainable economic development. As an example, Thailand's economic goals, as reflected in the proposed 20 Year National Strategy (2017-2036), are calling for broad reforms in terms of human capital, economic stability, environmental sustainability (World Bank, 2017). Without public-private partnerships, these goals are not fully attainable. Thus, the government as well as the nonprofit organizations will be partnering together to encourage and involve middle- and high-income individuals as well as corporations.

Corporate Philanthropy. Governments are focusing on corporations to support social development and sustainability through mandatory corporate social responsibility (CSR). India is the first country in the region to make corporate social responsibility mandatory through its 2013 Companies Act. This act mandates the corporations in India with net worth of at least INR 5 billion (approximately US \$90 million); annual turnover of at least INR 10 billion (approximately US \$180 million) or annual net profit of INR 50 million (approximately US \$900,000) must disperse two percent of their net profit to charities primarily in areas related to sustainable development such as education, poverty and hunger alleviation, and gender equality. It has also led to an increase of corporate charitable spending from an estimated INR 33.67 billion (approximately US \$600 million) in 2013 to around INR 250 billion (approximately US \$4.5 billion) in 2015. With more governments urging corporations to commit to corporate social responsibility, including the Philippines, Singapore, and Thailand, corporate philanthropy is expected to be on the rise in the region.

Crowdfunding is increasing with greater internet access and social-media use. Crowdfunding and cause-based philanthropy is slowly gaining momentum with the increasing use of the Internet and social media in this region. It has been observed that the young generations are more interested in donation-based crowdfunding rather than giving money to traditional charities and fundraising. Two of the most populous countries of the world - India and Indonesia—are projected to have the highest rate of youth population in future (World Bank, 2016). With increasing access to the Internet and social media, it is expected that increasing number of young people will participate in similar donation-based crowdfunding activities in this region. It will positively influence philanthropy. Equity crowdfunding—a business model which helps enterprises to raise investment funds, through an intermediary e-platform, from “the crowd” of investors—has gained greater attention in this region. In the report on Facilitating Equity Crowdfunding in the ASEAN Region published by ASEAN (2017), equity crowdfunding has been hailed as an important funding source for development and social change.

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