

Philanthropy, Government, and Social Capital

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摘要

慈善行為是社會資本的重要組成部分。互相關顧是社會凝聚力之本，但慈善行為不應取代政府提供社會安全網的角色。社會安全網是維護不幸人士的根本，必須集體承擔以保健全。慈善行為作為自願的關顧行為決不能保證社會安全網對不幸人士能提供即時和足夠的支援。本文探討民間的慈善行為在社會的角色和政府的角色應如何互相配合。

Where does philanthropy fit in?

Philanthropy is part of the “care culture.” Philanthropists are people who care and who cherish a dream, a dream of building a better society. The care culture is part of social capital that empowers a society and makes it capable of moving forward and dealing with difficulties that may come along.

Philanthropy is a voluntary activity. Because it is voluntary, we cannot expect philanthropy to be able to provide us with an adequate social safety net, which we want to ensure to be available for all those who need it. So philanthropy is no substitute for the social safety net.

The social safety net is basic. Ideally philanthropists do not have to lend a hand to help anyone to protect him from the worst misfortunes, since if philanthropists have to play this role, it means the social safety net is inadequate and there is a good chance some of the unfortunate will not get help when they need it. We do not want to see, for instance, a world in which children who have lost their parents to rely on voluntary help in order to survive. We want to make sure that they survive, that they get nourishment and education, and that they get medical help when they fall sick.

Philanthropists give for the causes they believe in: so the activity reflects their values. There are those who want to give to promote the arts, to protect the environment, to preserve biodiversity, to encourage and to support medical research, etc. Thus, the Bill and Melinda Foundation fights infectious diseases such as AIDS and hepatitis B. Eli Broad pledged 60 million dollars in 2003 to the Los Angeles County Museum of Art.

In practice, however, the social safety net has many holes, and philanthropists go a long way to fill those holes. But we should know that this is not ideal. Philanthropists who care must do their part to ensure the integrity of the social safety net. This is at least as important as the giving of money. This being the case, it will be against the cause of philanthropy, against the care culture, for philanthropists to shun their tax paying responsibilities. Governments need sufficient revenue in order to fund the social safety net.

There are philanthropists who believe that the government should be “small” and they try every means to get a tax shelter. This might make sense if the government is really too big: i.e., is doing things that it should not be doing, or if the government is known to be very inefficient and thus is wasting money. But providing an adequate social safety net and providing good education to every child are things that every government should do. Philanthropists should pay their share of taxes and ensure that the government does its duties.

Who Can Give

Not everybody can give. Some firms and individuals are struggling to survive, so they are not in the position to give, at least not in a way that makes a difference. However, many firms and individuals are very well positioned to give. While giving should be voluntary the rich should be reminded that their riches are not entirely due to their own merits. They may have benefited from their monopoly positions which may have been brought about by various reasons, including historical reasons. They may have earned very handsome economic rent through access to international markets that has now been made possible by modern technology, for which millions of people have worked hard in order to achieve the penetration. For example, Google and Amazon.com would not have been so successful had it not been for the cheap computers that are churning out from China and elsewhere, where workers earned very meager wages. Many successful movie stars, sportsmen or sportswomen, and singers achieved their success through hard work and with their talents, but it is again the access to international markets that had made them so rich. Some of the super-rich made their fortune because globalization has availed them of cheap labor and large markets. But while the market situation is very favorable to them, it was quite unfavorable to those general workers who have to compete with millions of others for the few jobs that are available. Hundreds of millions of people

work very hard for very meager wages, and they work productively, but they can hardly make enough to make a comfortable life. Philanthropists true to their cause need to think of them and support research that can alleviate poverty and hunger.

Volunteers cf. Donors

Many people, instead of giving money, offer their time. These givers of time serve the same causes as the philanthropists although they are seldom recognized as such. In some cases, the donations in kind may be worth a lot, and may transcend national boundaries. Tim Berners-Lee, the inventor of the world wide web, has chosen not to patent his invention thus benefiting billions of people. The amount that he gave up is reckoned to be in billions of US dollars.

The Costs and Benefits of Philanthropy and Voluntary Services

There are costs as well as benefits to philanthropy. Some of the benefits accrue to the philanthropists, some to the beneficiaries, and some to the rest of society. There are of course also some costs to philanthropy. However, in so far as philanthropy is philanthropy, and voluntary service is voluntary service, the net benefits must be positive.

Philanthropists benefit spiritually if they believe they are serving a good cause, in which case they are doing what they want and thus gain peace of mind. They benefit from seeing that others benefit, and that the society in which they live is getting better off with their help. More important, they help build a caring society. Andrew Carnegie gave most of his wealth away—some 350 million dollars in total—an astronomical amount in his day, and had always held that while it was alright to accumulate a vast fortune when one is alive, “a man who dies rich dies disgraced.”

It cannot be denied that some philanthropists and volunteers may give not so much for the benefit of others as for their own personal gain, through recognition, sales and profit, etc. According to Paul Johnson, the well known British historian, donations to some are a demonstration of wealth. “The ancients had a phrase,” he wrote in *Forbes*, “‘as rich as Croesus.’ Croesus was the King of Lydia, . . . , and his wealth was measured by his generous donations to the religious shrines.” However, it is counter-productive to allege or to imply that any specific philanthropic act is for recognition or personal gain. The fact is that philanthropy and

voluntary services are always a gesture of care and do help people and should therefore be encouraged. Thus, it was certainly a sign of immaturity or lack of understanding that years ago, students of the Hong Kong Polytechnic University protested against naming a campus building with the name of Run Run Shaw to mark Sir Run Run’s donations. Society needs to give philanthropists the full recognition that they deserve for giving, and philanthropists will do well to give others an example by standing out rather than staying anonymous. Of course, whether one stays anonymous or stands out should be a personal choice and should strictly be the prerogative of the donors themselves.

Information that Philanthropists Should Have

In order to achieve the greatest bang for the buck that philanthropists give, it is important that they know where their donations go to and how the money is spent. This way the donations will stand a better chance of producing the highest values. The government has responsibility in ensuring that receivers of donations provide as much as possible about how they use the money received and what are the results.

Giving to Alleviate Poverty or Support Education?

Unfortunately, giving can never alleviate poverty noticeably. Even giving to support education may not alleviate poverty, because what creates poverty is often not the lack of education but the super-abundance of labor. Supporting education can reduce illiteracy and help build a caring society, and while education may help a particular person get a better job, it may not help everybody get a better job. We have just learnt that in China, where the number of university graduate has almost doubled in the past 5 years, university graduates are having a hard time finding a job. The *Businessweek* just reported a story to the effect that a Ph.D. from the best agricultural university in China had difficulty landing a job that pays \$750 a month. That is why funding poverty research to improve our understanding of how to tackle poverty problems is at least as important as donating to the poor.

There is little doubt that giving to support education is for a very good cause and highly commendable, but promoting education is far from being an effective way of alleviating poverty. If education is of the right quality, it will make a people happier notwithstanding a relatively low income, and it will make a safer and better knit community. It will reduce waste. In particular, education may

allow people to acquire “mental goods” with much less resources. Kenneth Galbraith in his early book *The Affluent Society* explained how unnecessary consumption is generated as people engage in the rat race.

Giving to Brokers or Direct Beneficiaries

There are many NGOs that act as brokers who are the intermediary between the philanthropists and the beneficiaries of the giving. It is important that these brokers' books and activities are transparent. But today it has been revealed that a number of these NGOs actually consume a large chunk of the donations before the rest is given to the beneficiaries. The government is the only authority that can make sure that these NGOs are honest.

For potential philanthropists there is always the question of whether they should give to agencies such as the Community Chest, or agencies working on behalf of clients as opposed to giving directly to those who stand to benefit. There is the risk that some of the agencies may not be honest and may profiteer from donations. Thus there is a case for having all charities properly audited and regulated in order to minimize chances of embezzlement. We certainly need more transparency about the collection and the disposal of funds.

Reference: “The Richest 400 People in America,” *Forbes* Special Issue, October 11, 2004.