There is a growing number of philanthropists in the Asia region, however, the poor are still poor and more needs to be done.

By Dr Dennis W Cheek

Press conferences throughout 2011 and into 2012 have heralded the growth and staying power of personal wealth among Asians. In its 2011 annual listing of the world’s billionaires, Forbes reported that Asians now inhabit three of the top 25 slots. A breakdown of Forbes’ 2011 report by country (according to my rough analysis) shows a grand total of 297 Asian billionaires spread across 12 Asian nations and special administrative regions, with a combined wealth of approximately US$935 billion. To put their wealth in perspective, the combined wealth of contemporary Asian billionaires roughly equals the estimated combined wealth of four famous American tycoons from the past two centuries, i.e., John D Rockefeller, Andrew Carnegie, Cornelius Vanderbilt, and Bill Gates (US$924 billion according to a Forbes calculation in 2008 dollars).

When we move outside the stratospheric levels of billionaires, accumulating Asian wealth looks even more impressive. In 2011, Wealth-X (a company that provides its members with qualified prospects and intelligence on ultra-high net work individuals) used the benchmark of US$30 million in assets as a marker. It estimated that there were about 185,780 such individuals in the world with a total wealth of US$25 trillion. About 42,525 of these individuals live in the Asia-Pacific region (including Australia and New Zealand) with a combined wealth of US$6.2 trillion. This means that wealthy Asia-Pacific non-billionaires add about US$5.2 trillion to the total pool of Asian wealth. Wealth-X predicts that the total number of these wealthy individuals within Asia-Pacific will exceed that of Europe by 2024 and that of the US in 2032.

If we lower the parameter and require investible assets of US$1 million or more (not counting one’s home), the number of wealthy individuals in just nine Asian nations and Hong Kong mushrooms to 1.2 million according to a 2011 CLSA (independent brokerage and investment group) study. (The countries include Indonesia, China, Thailand, India, Philippines, South Korea, Malaysia, Singapore, Taiwan, and Hong Kong. Notably, Japan was excluded from the analysis.) CLSA estimates that within the next five years the number of these individuals within the studied jurisdictions will expand 2.4 times to total 2.88 million individuals. Thus, across Asia, there are many millions of individuals who are wealthy by Asian standards.

Drawing ready comparisons across the reports is next to impossible due to different measures and data, the varying ways in which...
data is sorted and sieved, and perhaps most importantly, the underlying assumptions used to calculate numbers for both the current situation and future projections. There are substantial disagreements due to these factors, however, the overall trends provide much cause for rejoicing.

Despite this rapid expansion of private Asian wealth, the wealth per adult (using an estimate of total wealth from all sources), according to the Credit Suisse Global Wealth Databook 2011, still looks rather grim. There are 32 nations and special administrative regions in Asia (if we exclude what the UN designates as Western Asia). The wealth per adult is US$100,000 in three Asian nations, between US$25K and 100K in three additional nations, and under US$5,000 in five Asian nations. The remaining nations have a wealth per adult of US$5,000 to US$25,000. By this wealth per adult measure, Asia finds itself only ahead of Africa in cross-continent comparisons. Asia also remains the continent with the highest numbers of individuals living in absolute poverty, with chronic malnourishment, suffering from preventable diseases, and lacking educational provision.

**MORE GIVING NEEDED**

Asian philanthropists can give money to causes near and dear to them such as establishing private schools or universities and supporting local communities. While it would be utterly wrong to denigrate the worth of these actions, the urgency of current Asian contexts suggests that many entrepreneurs who have been highly successful in their business affairs may be able to do so much more. Success will require forming alliances for philanthropic endeavors not unlike the many alliances that exist in the business world.

The leadership skills and business acumen applied in successful businesses could be deployed to push for transformational projects that reinvent and massively improve social systems through a tough-minded, innovative and rigorous approach to managed change. Such endeavors are not for the faint-hearted and will require listening to those closest to the action; not unlike the need to listen to the customer in business.

It will require patience, fortitude, a clear vision, principled giving, sustained advocacy, public pressure, open transparency as to goals and results, and above all, entirely new levels of collaboration and sharing among Asian philanthropists and with potential partners outside of Asia. There is also likely much to be learned from new South-South dialogues to complement historic East-West ones. Asian philanthropists must make their global mark and demonstrate that unique Asian innovations, clever adaptations from elsewhere, and contextualized solutions can vastly improve the future of this great continent. Let’s be cautiously optimistic about this new Asian wealth and look for strong signals that this strategic moment is being effectively seized by Asian philanthropists.

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