

## **SESSION III : Priorities of International Philanthropy**

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### ***Discussion Summary***

The discussion on "Priorities in International Philanthropy" began with comments by former Minister Michio Nagai, a participant on the floor, on the difficulties of persuading corporations to consider grantmaking programs in areas besides science, technology, and commodity-related research. The relative lack of Japanese private sector involvement in public issues was attributed in part to the nature of Japan's economic development in the post-war period. Acknowledging that on sound business reasoning, many CEO's refer fundraisers to Keidanren or the government, speakers echoed nonetheless the statement by Mr. Longley in his presentation that corporate giving is both a "moral obligation and a marketing tool." It was advocated that programs be expanded to encompass areas the government could not reach, thereby utilizing more fully the vitality of the private sector. One important effect would be to help reform some of the mores that were ingrained in Japanese society during the economic growth period to make them more compatible with contemporary global conditions. Other participants noted interest in Mr. Longley's comment and suggested that Japanese trust bankers and corporations broaden their outlook on international philanthropy.

The dialogue became more specific as participants focused on pragmatic methods of implementing more creative charitable programs. One participant recommended that corporate giving organizations consider donations of knowledge, equipment, and manpower in addition to simple monetary grants. Several other speakers shared their experiences introducing corporate volunteerism as an alternative that has a strong positive impact on employees. One speaker described a program that makes small corporate funds available for charitable activities, independent

of the regular grantmaking program, in which employees are volunteering. Others spoke of making young executives of international corporations available to programs in developing nations and spurring the youth in those countries to greater involvement.

Several speakers considered whether Japanese corporations, with their traditionally demanding work schedules, would be less conducive to employee volunteer programs than their American counterparts. The American experience seemed to indicate that even the busiest employees enjoyed donating their time, and in fact many were already involved in community programs. It was emphasized that volunteers' contributions should be recognized in the corporation and in the community, and that this attention itself improved company morale.

An important aspect of volunteerism is its ability to educate the entire corporation about philanthropy and develop the social consciousness of even employees not regularly working in the community. One participant discussed the importance of changing corporate culture and creating a new sensitivity at the top of businesses. He suggested various forms of external and internal intervention to persuade a CEO of the value of corporate philanthropy, including consultations with peer CEOs, eminent individuals from other fields, or officers of industrial associations who are already committed to corporate giving. Occasionally, employees active in the community can involve a CEO and thus begin a philanthropy program at their corporation.

The discussion returned to priorities in grantmaking as Mr. Longley elaborated on his comment that philanthropy is both a moral obligation and marketing tool. No matter how altruistic the intent, there is ultimately a business reason for initiating a giving program, whatever form it takes. The business reason could be as fundamental as improving the health of the community in which the corporation is located, making the corporation a more appealing place to work and therefore attracting more skilled employees. There was some disagreement as to whether a philanthropic program must include marketing elements. One speaker described a philanthropic industrial association whose member corporations receive no public relations benefits. Participating CEOs devote tremendous amounts of time and money and have a correspondingly profound influence on the attitudes of their peers, employees, and society in general.

There was some debate on the relative priorities in the

program objectives of corporate philanthropies as fulfilling a moral obligation or serving as a marketing tool. It was generally recognized that many communities have come to expect greater social commitments by corporations, and that ultimately those with vibrant giving programs will enjoy a more profitable future.