Q: We are planning to give our company's CSR (corporate social responsibility) efforts a bigger push and are looking into what we can do; for instance, doing more charitable work. 'Philanthropy' and 'charity' have been terms used. Is there a difference between them?

A: Charity and philanthropy have been defined in different ways through the ages and in diverse cultures. Both concepts involve a basic desire to make a positive difference in the lives of others.

Philanthropy literally conveys the idea of goodwill demonstrated towards the human race, while charity is an empathetic response, frequently to human misfortune or suffering ('love in working clothes'). Both concepts involve a relationship between a personal giver/donor and others within the realm of civic life, rather than relying solely on governmental or strictly institutional actions.

The concepts diverge a bit more as we think about who, what, why and how. Generally, charity is more individualistic in nature and more immediate; a short-term 'fix' of spontaneous human generosity immediately applied to an evident problem encountered by one or more people. This often takes the form of giving money for humanitarian crises, providing free food or shelter for people and voluntary service by company employees at social welfare organisations, schools, etc.

Philanthropy involves altruistic behaviour and is frequently mediated through institutions such as charities, foundations, family businesses and corporations. It seeks to effect long-term change that positively transforms a problem, issue, area, sector, community or organisation. It results in systematic changes, new approaches or scaling up a solution to impact a large number of individuals or organisations. Many changes take years of sustained effort, clever thinking and ongoing monitoring to alter systems or change human behaviour.

SMEs can, and do, engage in both charity and philanthropy. Employees and owners provide a charity 'band-aid' for fellow human beings' anguish when confronting the serendipity of life ('there but for the grace of God go I'). SME philanthropy leverages corporate resources (human, social and physical capital and systems) to effect long-lasting, catalytic changes in sociotechnical systems, so that human beings benefit on a large scale and major problems confronting humanity are ameliorated.

If charity is the band-aid, philanthropy is either 'the cure' or at least a major intervention that demonstrably and substantially improves societal or organisational outcomes. Good philanthropy is charitable in the deepest possible sense and excellent charities are philanthropic.

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