



# **Patient Philanthropy**

**A Bold Vision for  
Social Transformation**

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*“We seek to nurture the best ideas and fund the most innovative solutions, accepting and learning from failures.”*

## **‘DEDICATION FOR A GENERATION’**

‘Patient Philanthropy’ is a bold new vision for social transformation. It combines the dynamic power of entrepreneurial culture with a deep commitment to alleviating social ills. It seeks to harness the energy and expertise of local actors, while engaging the underutilized resources of philanthropists worldwide, in particular family foundations. This approach owes much to earlier philanthropic endeavors, but it also acknowledges their shortcomings, and challenges the well-intentioned but misguided framework of the development model. In an impatient world, patient philanthropists are willing to take risks for long-term social reward, in the belief that some solutions require dedication for a generation.

*“Patient Philanthropy prioritises  
the needs of stakeholders ahead of  
the profit of shareholders.”*

## IN PRAISE OF PATIENCE

‘Patience is a virtue’: an antique proverb from a bygone age. In the 21<sup>st</sup> Century, patience seems an unlikely aspiration, out of step with the culture of instant gratification. But patience retains its virtues – discipline, dedication, fidelity – especially in an era of rapid change. Patient Philanthropy begins from the knowledge that some ideas require ‘deep time’ to incubate; and that current funding models fail to facilitate this organic growth, hindering local economies and extending a culture of dependence.

Patient Philanthropy seeks to empower local entrepreneurs to create and deliver solutions to social challenges. Entrepreneurs are already at the forefront of finding innovative answers to everyday problems, and Patient Philanthropy aims to unleash their energy by committing funding, time and informed support to help develop and implement their ideas. Some models of philanthropy treat funding recipients as passive: Patient Philanthropy regards them as active partners, with a nuanced understanding of the local situation. We seek to nurture the best ideas and fund the most innovative solutions, accepting and learning from failures, in place of a top-down approach that relies on bureaucratic mediation, which rarely serves those most in need.

Patient Philanthropy takes a holistic approach to investment, measuring social and environmental as well as fiscal impact. It is born of the belief that enterprises, whether profit-making or not-for-profit, are adept at solving problems, and that their solutions can serve society. A successful enterprise can adapt and respond to challenges in a resilient and sustainable manner, and looks to cultivate vital entrepreneurial skills – from breaking down barriers to identifying and resolving structural weaknesses.

Patient Philanthropy prioritizes the needs of stakeholders ahead of the profit of shareholders. It seeks to maximize social rather than financial returns, and has no short-term expectation of profit. The value is to be judged as much in the intangibles, such as difficult-to-measure quality of life improvements, as in the balance sheet returns. Nonetheless, Patient Philanthropy demands accountability as proof that an enterprise can grow sustainably, and ultimately justify the capital investment.

Yet it is the *patience* of Patient Philanthropy that makes it unique: a willingness to invest with a long horizon of time and a high tolerance for risk. It is also flexible in its growth strategy, seeking partnerships with governments, businesses and non-governmental organizations (NGOs) that share its ambitions. In addition, it engages in a mentoring relationship with partners, offering not only seed (and early stage growth) funding but also management support in the form of networking, business and administrative expertise.

*“My father’s steadfast commitment to philanthropy has had a profound influence on my own engagement.”*



## A FAMILY PHILANTHROPIST

*A good man leaveth an inheritance to his children's children.*

*Proverbs 13:22*

Born in Asia, raised in Africa and educated in Europe and the United States, I am a family philanthropist with a global outlook. My interests and investments bridge the business and non-profit worlds, and my mission bridges generations – inherited from my parents, to be passed on to my children.

My roots are Chinese. Born in Hong Kong to parents from Jiangsu and Chekiang provinces in China, I embrace their values of hard work and compassion and strive to follow in their footsteps. My father's steadfast commitment to philanthropy has had a profound influence on my own engagement. Not only did he give generously of his money but he also put in time and effort to try to ensure an enduring positive outcome for the intended beneficiaries.

At the age of three, I moved with my family to Lagos, Nigeria, where my father expanded an established family business originally founded by my grandfather in Shanghai. I spent seven happy years living in Nigeria, and have continued to engage with the country through the family business. In West Africa, I witnessed first-hand the perils of privation and the failures of the traditional development paradigm to stem the tide of need. I knew the classical development model didn't work, but until recent years, I couldn't see any alternative.

As an undergraduate student at the University of Chicago in the early 1980s, I learned about free markets and profit maximization. These ideas influenced me greatly in my early career and I continue to believe that free trade and individual enterprise are the bedrock of an open society. However, I now question the focus on profit maximization, and the priority of shareholder remuneration, to the exclusion of stakeholders. We live in an interconnected world where purely financial business decisions can have devastating social and environmental consequences.

Over the course of my career, I have reinvented myself from a generally unsuccessful entrepreneur in my early professional life to becoming the founder of our family office, Legacy Advisors Limited in Hong Kong (a pioneering effort in Asia in the early/mid 1990's), and Chairman of Wahum Group Holdings, a third generation family-owned manufacturing business.

*“Now I hope to inspire my peers  
to embark on their own similar journey,  
and galvanize a new generation of family  
philanthropists to make charitable giving  
more efficient and effective.”*

In 2003, our family's nascent interest in philanthropy led us to establish the Chen Yet-Sen Family Foundation (CYSFF) in honor of my late father, with a strategic focus on early childhood literacy, library development and education enhancement. With my wife Su Lee, I co-founded the Hong Kong chapter of Bring Me a Book, and together we have launched the Feng Zikai Chinese Children's Picture Book Award.

I am also the co-founder of Adlens, a revolutionary adjustable focus eyewear company, and I serve as a trustee of Vision for A Nation (VFAN), a charitable organization that helps health ministries in low-income countries build primary eye care services. VFAN's first nationwide program, in Rwanda, is now well underway, providing access to affordable glasses and training to nurses and national health workers.

In its 10 years of operation to date, CYSFF has become recognized within the philanthropic communities of Hong Kong and China as a progressive pioneer in philanthropy. My experience in setting up and leading the development of the Foundation has opened up a new world of opportunity, leading me on a deeply meaningful life journey; one that I have found both challenging and fulfilling. Now I hope to inspire my peers to embark on their own similar journey, and galvanize a new generation of family philanthropists to make charitable giving more efficient and effective.

*“Family foundations can engage  
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space between a good idea and its proof of  
concept manifestation.”*

## **PATIENT PHILANTHROPY CASE STUDY: 'ADLENS' AND 'VISION FOR A NATION'**

Family philanthropy may be only about six percent of global philanthropic giving, but it can have an outsized impact on growth and development, and assumes a disproportionate amount of risk. Unlike the traditional grant-making portfolio method, a venture philanthropist goes deeper, planning for the long term with an investment-minded approach. Family philanthropists are uniquely positioned to spearhead innovation in development by funding the critical early phase that does not initially appear a viable investment from a traditional financial perspective. This is where we should focus our attention and resources most directly.

Private philanthropists are accountable first – and sometimes exclusively – to ourselves and our families. We have the flexibility to take risks and accept the consequences of failure that government and other benevolent institutions (even corporate foundations) cannot assume with ease. The nascent private initiatives we fund can be nurtured in the early stages with both capital and expertise, then successful models can be replicated and scaled by government or other more risk-averse donors. Family foundations can engage in patient capital investing to fund the space between a good idea and its proof of concept manifestation.

In 2004, I was introduced to a new technology: variable focus lenses. I recognized its potential for disruptive change to the optical industry and the value it could bring to people in the developing world. Variable focus lenses closely model the eye's natural dynamic behavior, restoring vision quality and control. Each lens can be manually adjusted to an individual's near, intermediate or distance vision requirement.

Partnering with Professor Joshua Silver from the Department of Atomic and Laser Physics at Oxford University, I co-founded Adlens, a commercial enterprise with a social purpose. Adlens was set up with a joint aim: to address the unmet need for refractive vision correction in the developing world, and to build commercial applications of variable focus lens technology. Better vision for all can come through designing commercially successful eyewear that has quality, value and style.

Since its commercial launch, Adlens has sold over 600,000 pairs of glasses, making it the global sales leader and the largest manufacturer of variable focus eyewear in the world. Adlens currently employs over 70 staff in five locations around the world. Incubating and growing this enterprise towards a path of sustainability and profitability has taken a decade.

*“From the outset, funding these start-ups didn’t make sense from a strict financial standpoint, but we knew that a successful launch would demonstrate its value and attract additional investment.”*

The patient capital investment for Adlens as a commercial enterprise was coupled with a strategy to utilize this technology and expertise in the developing world. Finding it difficult to interest any existing charities already working in the vision care sector, we decided to launch our own initiative using a venture philanthropy approach. In 2010, we launched Vision for a Nation to bring vision care to the developing world, beginning in Rwanda.

Working in alliance with the Ministry of Health in Rwanda, Vision for a Nation has introduced vision assessment and affordable eyewear to the country's national health service; an achievement that many more developed countries have not yet delivered. VFAN's nationwide program includes three-day vision assessment training for Rwandan nurses, which is now being incorporated into the curriculum of all eight nursing schools in Rwanda. To date, we have trained over 1,200 nurses, at least two for each of the 502 health centers in Rwanda today. These nurses are supported by the nation's network of 45,000 community health workers who are now driving public awareness of the availability of primary eye care.

Vision for a Nation has already achieved significant success, yet despite the importance of eye care and the potential of adjustable glasses to improve livelihoods, attracting donors to fund their distribution has been a challenge. Intuitively, everybody knows that being able to see clearly, both for reading and at a distance, improves both quality of life and productivity, but generating standardized metrics to demonstrate this is difficult. Because poor vision is not a life-threatening condition, it falls into a nebulous, 'non-urgent' category and is low on the priority scale for development aid funding. The World Bank supports literacy programs teaching adults to read but does not provide reading glasses, even though presbyopia starts by the age of 35 in sub-Saharan Africa. In Rwanda, we initiated studies of basket weavers, measuring how glasses enhanced their speed and accuracy; improvements that reflect a broader, greater benefit in terms of quality of life.

Our investments are starting to be noticed. Now that VFAN is up and running, more traditional donors are beginning to take an interest. We have attracted development funding from the Department for International Development (DFID), and we are in the process of collaborating with other potential donors to expand our reach in Rwanda and elsewhere. Yet this commercially disruptive technology for the developed world, with the ability to vastly improve lives in the developing world, would not have happened without family philanthropy and patient capital investing. From the outset, funding these start-ups didn't make sense from a strict financial standpoint, but we knew that a successful launch would demonstrate its value and attract additional investment.

These two eye initiatives – Adlens and Vision for a Nation – are characteristic of the philanthropreneur approach to investing. Philanthropreneurs bring an entrepreneurial approach to philanthropy, marrying the commercial imagination with the moral imagination.

*“Chinese culture is generous, but in  
a different way from the West.”*



## THE CHINESE CENTURY: BIRTH OF A NEW PHILANTHROPY?

*“Of 122 billionaires around the world who have signed the Giving Pledge promoted by Messrs Buffett and Gates, promising to give away half their wealth by the end of their lives, not a single one is Chinese, even though China now has 358 billionaires, one-fifth of the global total.”*

*The Economist*

In the Chinese-speaking world, from Shanghai to Singapore, it is possible to glimpse the excess of a new ‘Gilded Age’. By the end of the 21st Century, China will likely be the world’s sole superpower, having eclipsed the United States in almost every metric. But how will it lead the world, and what will be the role of its wealthiest and most influential citizens? In an age of widening inequality and ecological catastrophe, who will repair the social fabric and realize the vision of a ‘harmonious society’?

Chinese culture is generous, but in a different way from the West. The Chinese concept of generosity extends first and foremost to meeting the needs of an extended family, then charity to the community, while social reform and general civic well-being is traditionally the responsibility of the government. State bureaucrats conforming to Confucian values have discouraged citizens from engaging in the public realm, ensuring that a culture of philanthropy has been slow to emerge.

Family philanthropy is still a new phenomenon in China. In the United States, long-established private and family philanthropists such as Carnegie and Rockefeller have been joined by a new generation of emerging leaders like Jeff Skoll and Bill Gates. Wealthy Chinese will write big checks in support of charitable causes, but are reluctant to ‘meddle’ in efforts to elicit social change. The recent efforts of Jack Ma and Ronnie Chan to establish charitable foundations are a step in the right direction, but they still focus on giving money *away* rather than engaging in finding solutions to difficult social causes, committing time along with financing to improve the likelihood of success. While our inclination may be to deflect attention away from our wealth, it is a privilege and a duty to share our expertise as well as our resources.

What makes Patient Philanthropy so powerful in the Chinese context is that it shares two fundamental Confucian tenets: a focus on the family as the primary source of giving; and the ‘long view’, over decades rather than years – not uniquely Chinese, but *quintessentially* Chinese. This is important for the Patient Philanthropist, whose obligation is generational: he nurtures the fruits of ‘slow’ growth, and passes down a sense of civic duty.

*“It is important that the early pioneers  
in Patient Philanthropy reach out to  
encourage their peers.”*

Yet the Confucian heritage can also restrain the entrepreneurial temperament: the Chinese reverence for maturity, for the wisdom of age, along with the expectation of unquestioning loyalty to the patriarch, has generally resulted in a reticence to embrace the ‘cult of youth’. Entrepreneurialism does not require youth *per se*, but a youthful mentality – a belief that it is possible (indeed, desirable) for citizens to forge their collective destiny, and reshape the world in imaginative and inventive ways. It is vital to be cognizant of these competing tensions within the national cultural tradition in order to develop a uniquely Chinese approach: what we might term **philanthropy ‘with Chinese characteristics’**.

It is an exciting time to be a Chinese philanthropist, at the convergence of seemingly disparate but inextricably linked phenomena: burgeoning wealth and unencumbered family opportunity. Yet the prospect of committing time and resources to a new venture beyond one’s realm of expertise may be daunting for a new philanthropist. It is important that the early pioneers in Patient Philanthropy reach out to encourage their peers, and that civil society welcomes new activist donors: it should be a matter of social recognition to contribute one’s time and resources to help those less fortunate. Engaged philanthropy can liberate not just the recipient, but also the giver: he exercises not only the power to help shape another’s destiny, but becomes an active player in creating a just and prosperous society, and in so doing becomes a role model for future generations.

*“We take the approach of identifying unmet social needs and then developing solutions rather than simply doling out grants to those who ask.”*

**PHILANTHROPY IN CHINA CASE STUDY:  
'BRING ME A BOOK HONG KONG'  
AND  
'FENG ZIKAI CHINESE CHILDREN'S PICTURE BOOK AWARD'**

At the Chen Yet-Sen Family Foundation, we take the approach of identifying unmet social needs and then developing solutions rather than simply doling out grants to those who ask. With a strategic framework and domain expertise accumulated over time, we can make flexible and fast but informed funding decisions that carefully assess risk without the constraints of arduous regulations.

Beyond the initial funding decisions, we engage fully with those we choose to fund, offering both technical expertise and ongoing support to enhance the likelihood of success. Our mode of operation is resilient, adaptable and supportive of our implementation partners. This has been an evolutionary process for us.

At first, the CYSFF took a traditional grant-making approach to our philanthropy. With a mission to improve childhood literacy on the Chinese mainland and in Hong Kong, we gave grants to local organizations to fund the construction of libraries. However, as we learned more about the needs in the sector, we determined that an opportunity existed to further literacy and to develop learning on a deeper level.

In 2006, we launched Bring Me A Book Hong Kong (BMABHK) to advocate family literacy by facilitating easy access to children's books and empowering parents and teachers to read aloud with children. BMABHK still funds the installation of bookcase and book bag libraries in schools and community centers in Hong Kong, but also organizes teacher and parent training as well as advocacy to help evolve public opinion about the need to read to children. BMABHK is now an independent organization with a dynamic board and staff, with thousands of volunteers and training hours completed, and hundreds of libraries installed in schools and organizations throughout the city.

*“Family foundations can engage in a type of venture philanthropy that other donors would hesitate to fund.”*

This process helped us recognize the importance of reading in a child's native language, and we were surprised to find a dearth of good quality original children's picture books in Chinese. To address this need we launched the Feng Zikai Chinese Children's Picture Book Award in 2008 to encourage more investment in creative talent, and help promote the publication and distribution of high-quality Chinese children's picture books. This award aims to honor writers and illustrators, encourage publishers to commission original Chinese language picture books, and to engage the public in valuing and reading it. This globally-recognized biannual contest has increased the inventory of excellent books in this arena and raised the profile of talented local artists and authors.

The evolution of our experience in launching first BMABHK and then Feng Zikai is an example of how family foundations can engage in a type of venture philanthropy that other donors would hesitate to fund. Our hope, if not expectation, is that eventually traditional sources of funding and institutions can step in once the start-up risk has been assumed and the value demonstrated.

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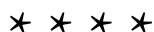
## A BOLD NEW VISION FOR SOCIAL TRANSFORMATION

*“The humility to see the world as it is, the audacity to imagine the world as it could be.”*  
*Jacqueline Novogratz*

Humility and audacity are two of the core impulses of Patient Philanthropy.

*Humility*, because we acknowledge that social problems are complex, that many have tried to tackle them previously, and that solutions are rarely instantaneous. Moreover, we don't have a better understanding of local situations than locals themselves, who mediate these problems every day; and so we seek to facilitate, rather than dictate.

*Audacity*, because we aspire to universal dignity, and are driven by the conviction that it is possible to create significant lasting social change. We share the ambitions of people everywhere in the world to create a prosperous, just and sustainable society which offers opportunity for all, from generation to generation, and rewards imagination and innovation.



“The gentleman devotes his efforts to the roots, for once the roots are established, the Way will grow therefrom”, wrote Confucius. The Patient Philanthropist plants a seed deep in the ground: it may not bloom in his lifetime, but its strong roots will nourish and sustain for generations to come.

