



**EAST-WEST  
PHILANTHROPISTS SUMMIT**

**东西方慈善论坛**

## **East-West Philanthropists Summit**

January 2-5, 2014

### **SUMMARY OF HIGHLIGHTS**

*The Philanthropists Summit was jointly organized by the East-West Center (Charles Morrison, President) and China Philanthropy Research Institute (WANG Zhenyao, President).*

*Generous grants from three of China's leading foundations have made the Summit possible: the Lao Niu Foundation, NIU Gensheng, Honorary Chair; the Huamin Charity Foundation, LU Dezhi, Chair; and the Kaifeng Foundation, DUAN Weihong, Chair.*

## INTRODUCTION

As the two largest economies in the world, the United States and China have the capacity to create important international philanthropic and public/private partnerships. Issues such as education, environment, climate change, healthcare, aging populations and sustainable cities demand that we share innovative strategies and build stronger partnerships and broader networks. By working collaboratively, philanthropists in the US and China can maximize their impact on the underlying causes of these and other urgent social problems.

China is in the midst of rapid transition, and seeks to greatly enhance social services. This calls for the growth of non-profit organizations. By December 2013, there were 3,600 foundations in China, compared to fewer than 400 just fifteen years ago. This explosive growth underscores the enormous potential of Chinese philanthropy. However, philanthropy leaders in China recognize that despite China's history of charity, the field of modern philanthropy is in an early stage of development. Future success depends on the government establishing supportive regulatory and tax policies, while philanthropists focus on setting clear visions and strategies, cultivating qualified staff, and maintaining solid relations with government, business and non-profit partners.

Philanthropy in the US is not without its own, often similar, issues. There is a new urgency to the way American foundations and philanthropists are responding to the challenges of global interdependence. Most believe their success depends on their ability to increase collaboration, both domestically and internationally.

To better understand each other and to explore opportunities for collaboration, philanthropic leaders from the US and China gathered at the East-West Center in Honolulu, Hawaii on January 2-5, 2014. The philanthropic sector in China was represented by Chinese philanthropists and representatives from private foundations, government and research institutes. US participants included leading philanthropists, representatives from the largest and most active private and family foundations, and academic and non-profit experts on philanthropy in the US and China.

There were three goals for the meeting:

1. **UNDERSTANDING:** Build personal relationships and enhance mutual understanding of the challenges and best practices of philanthropy in both China and the US.
2. **ACTION:** Identify opportunities for collaboration on issues of common concern. Seek tangible results and lasting partnerships.
3. **COLLABORATION:** Lay the groundwork for collaboration and expansion of the network through the East-West Philanthropy Forum.

## MEMORABLE COMMENTS

***China has been a very important part of my life. I believe strongly that US-China cooperation is critical to solving problems in the world.***

Henry M. PAULSON, Chairman, The Paulson Institute

***Philanthropy is not about giving money, but about elevating our lives to a new level.***

CAO Dewang, Founder, Heren Charity Foundation

***With more than US \$30 trillion and RMB 200 trillion in liquidity, there's no shortage of capital. Philanthropists must roll up their sleeves, seek out best practices and unleash individual creativity.***

Michael MILKEN, Chairman, Milken Institute

***Chinese entrepreneurs should diligently make, save and spend money in pursuit of philanthropy. This is the mission and responsibility of Chinese philanthropists.***

LU Dezhi, Chairman, Huamin Charity Foundation

***Private philanthropy can lead the way for government...demonstrate what works and what doesn't!***

Michael BLOOMBERG, Founder & Owner, Bloomberg LP; Former Mayor of New York City

***The world has entered a new era of "philanthro-capitalism." This is the first time so many major philanthropists from our two countries have sat down together, talked, taken meals together, and so forth. I notice some of you came in private jets, and yet you squish into small vans together here. Why? Because you've never had a chance to get together like this.***

WANG Zhenyao, President, China Philanthropy Research Institute, EWPF Secretary-General

***What are the components of strategic philanthropy? The ones that my family talked about 150 years ago are focusing on the root causes, taking risks and a long term view, collaboration, leverage, and breadth of vision.***

Richard ROCKEFELLER, Advisory Trustee, Rockefeller Brothers Fund

***My passion is the ocean. It's 72% of the planet and no one pays attention to it, yet it's key to the world's total ecology.***

Ray DALIO, Founder & Chairman, Bridgewater Associates; Co-Founder, Dalio Family Foundation

***The essence of philanthropy is love, kindness and sharing; it must be strong but flexible like water...***

DUAN Weihong, Chair, Kaifeng Foundation

***Philanthropists need to get together and improve education. There are new models; start early and concentrate on early childhood education where there's big bang for the buck.***

Marc NATHANSON, Chairman, Mapleton Investments; Founder, Nathanson Family Foundation

***How can philanthropy provide opportunities for the kind of concrete cooperation so vital today for advancing relations between China and the US?***

WU Jianmin, Vice President, China Institute for Innovation and Development Strategies

***Our goals include harmonious societies, integrated economies, inclusive approaches, better understanding and good education. Philanthropy is barely meeting these needs, so it's also important to leverage government money and influence policy.***

Charles MORRISON, President, East-West Center

***Do something! Stop talking. Fewer empty words. Action, action and more action!***

NIU Gensheng, Founder & Honorary Chairman, Lao Niu Foundation

## **SUMMARY OF SUMMIT HIGHLIGHTS**

### **Looking Back Over 100 Years of US-China Philanthropy**

- China has a long history of religion and ethics that emphasize giving back to society. The “Tao” of doing business has not been just about making profits, but about making profits in a responsible way and using them to enhance society overall.
- Philanthropy in China is moving from traditional charities that stem from religious, cultural and social values, toward a more professional philanthropic framework in which philanthropists and foundation leaders organize and invest more strategically by establishing goals, developing programs to achieve those goals, and evaluating impact.
- Americans have been doing philanthropic work in China for more than a century. Data suggests that the first phase of modern philanthropy in China was defined by leading US philanthropists from the Rockefeller Family and the Ford Foundation.
- Governments are generally slow to innovate, and businesses are driven by profits and competition. In the US, the 20<sup>th</sup> century demonstrated how a robust non-profit sector is needed to augment the limits of government and the profit-oriented business sector.
- Things have changed rapidly over the past thirty years as China has allowed individuals to accumulate great wealth. Some of these individuals now want to give back almost everything they have earned, but they want to do so responsibly and efficiently.

### **Looking Ahead to 21st Century Challenges**

- Research indicates that China and the US will continue to be the world’s leading powers for at least the next few decades, but neither will have more than 20% of global power. Other countries will also have seats at the table. This global interdependence requires us to work together to address major global issues such as education, environment, energy, climate change, aging and rapid urbanization.
- At their historic meeting in Sunnylands, California, US President Obama and PRC President Xi Jinping called for a new type of great power relationship. Philanthropy is a new arena -- a common ground on which the two countries can build mutual trust and collaborate for the benefit of all.
- China’s government has long encouraged small scale private charity, even as it has taken the lead in providing for the public good. However, the recent emergence of high wealth individuals eager to donate their wealth directly has created the need to restructure the laws and regulations governing philanthropy in China.
- China is in the process of revising its regulations and tax policies to facilitate more effective operations by foundations and non-profit organizations.
- Strategic philanthropy needs to do more to treat the root causes of problems, not just the symptoms. China and the US have much to learn from each other in this area.

## KEY FINDINGS OF THE SUMMIT

### Priority Areas In Need of Support:

- **Education,**
- **Environment**
- **Philanthropy Training**

### **Education**

- Philanthropy can be useful in enhancing the effectiveness of education through projects that focus broadly on practical experience, discovery and proven accomplishment rather than rote learning and high test scores.
- Philanthropy can play a role in providing better education to more people. Technology allows for greater interaction. As more students begin taking classes online, the digital classroom of the future will rise in importance, especially in rural areas.
- Experiential learning, through devices such as science museums for children, and the application of digital technologies to communicate real life situations, is now more possible than ever.

### **Environment**

- One of the problems that the Chinese people are most concerned about these days is smog. It is said that there will be sharp increase in lung cancer in the next five to seven years. Dealing with pollution will become a turning point in the way China handles environmental issues.
- The US had a long time to address its environmental challenges. China is facing serious environmental problems, but the organizations and structures for dealing with them are still underdeveloped. Air and water have no national boundaries. China-US collaboration on environmental protection is crucial to effectively address this global challenge.
- Environmental protection calls for strong partnerships between government, businesses and non-profit organizations. Government needs to provide supportive policies as well as the social capital and land resources to make this possible. Private companies also need to play a more active role. The key is to create a nexus of good people and good ideas. It's not about money, but about what each party can bring to the table.
- More Chinese companies are going global. There will be many more Chinese multi-national companies in the next 25 years. These companies need to learn how they can work with local communities and help to protect the environment, wherever they operate.

- The experience of US foundations and donors combined with the intellectual curiosity and determination of China's philanthropists will stimulate public-private partnerships and raise the consciousness of the general public.

### **Philanthropy Training**

- We need to be concerned with the quality and impact of private philanthropy since the level of funding is small compared to either government or business. Strategic philanthropy is complicated because we need to assess impact, yet 'not everything that can be measured counts, and not everything that counts can be measured.'
- When we talk about innovation in philanthropy, it's important to think about how to use technology to increase access to financial, human and social capital.
- As philanthropy in the US and China relies more and more on technology, the field of philanthropy will need managers who know how to deploy technology with maximum efficiency and impact. Capacity building is a pressing need in both countries.
- The philanthropic sector can move faster and take bigger risks than government. Businesses are averse to financial risk in the absence of the potential of high financial reward. Philanthropists in China and US should cultivate a corps of young social entrepreneurs who can invest in sometimes risky social ventures designed to solve problems as much as to earn profits, and who embody a brand of entrepreneurship that is energetic, imaginative and civic-minded.
- The philanthropic sector in China requires more ways of acquiring and keeping current with world-class, cutting-edge techniques and skills for managing philanthropy. Increasing international, state-of-the-art philanthropy training inside China is an important way to address this need.
- The philanthropic sectors in both the US and China need a constant stream of qualified professionals. Sharing innovative program strategies and increasing opportunities for developing management skills will improve the philanthropic sectors in both countries.
- It is important for philanthropic leaders in China and the US to meet and work together regularly. The East-West Philanthropy Forum can provide on-going opportunities to do this.

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***This forum is what I consider to be strategic philanthropy. I believe one outcome will be increased resources for philanthropy globally, and as a professional philanthropist, I think that's what we're doing right here.***

Richard Rockefeller, Advisory Trustee, Rockefeller Brothers Fund

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## **OUTCOMES AND NEXT STEPS**

### **Collaborative Projects**

The following joint initiatives were discussed at the Summit. With help from CPRI and the EWC, Chinese and American participants are actively working on follow-up:

- In February, the Lao Niu Foundation and Paulson Institute launched a joint initiative for coastal wetland protection in China. This initiative includes three separate projects. The Lao Niu Foundation has pledged \$1 million in support for the first year.
- The Dalio Family Foundation is developing plans to work with Chinese and American philanthropists on sponsoring more philanthropy education in China. Their collaborative project aims to fill the gap between research and the practice of philanthropy in China, and to accelerate the development of philanthropy in China.
- The Milken Family Foundation plans to join the Lao Niu Foundation in its efforts to build state-of-the-art children's science and discovery museums in China.
- The Heren Charity Foundation is developing a public-private partnership for a collaborative Watershed Protection Project in Fujian Province centered on the Min River, from the Wuyi Mountains to the sea, based around a World Heritage Site recognized for both culture and nature.

### **The East-West Philanthropy Forum**

- The January 2-5 Summit at the East-West Center was the first time so many leading philanthropists from the US and China were able to spend two full days together, and this resulted in meaningful conversations and exciting new collaborations.
- Participants agreed that philanthropists from China and the US should share support for on-going gatherings such as this on a regular basis. The Forum will be based at the East-West Center in Honolulu, Hawaii. (Hawaii is the US state closest to China.) Depending on timing, the topic of the Forum or other factors, the Forum could also be held in the mainland US or China.
- The Forum will promote the exchange of ideas, best practices, advocacy and collaboration between the philanthropic sectors of China and the US.
- The Forum will have a clear mission, goal, strategies and action plan. It will also have a governing body and a small secretariat to be managed and operated jointly by CPRI and the EWC.
- The Forum will occur annually or bi-annually, and be sponsored by both Chinese and American philanthropists.

## CHINA PARTICIPANTS LIST

(Alphabetical Order)

### PHILANTHROPISTS

**CAO Dewang** Founder, Heren Charity Foundation  
**DUAN Weihong** Chair, Kaifeng Foundation  
**LU Dezhi** Chairman, Huamin Charity Foundation  
**NIU Gensheng** Founder & Honorary Chairman, Lao Niu Foundation  
**ZHANG Bin** Chairman, China Cultural Industry Development Association

### DISTINGUISHED PARTICIPANTS

**LI Jiang** Member, National People's Congress of China  
**SHI Yanhua** Senior Advisor, China Institute for Innovation and Development Strategies  
**WANG Jianxi** Chairman, Beijing Dalio Foundation  
**WU Jianmin** Vice President, China Institute for Innovation and Development Strategies

### PHILANTHROPY EXPERT

**WANG Zhenyao** President, CPRI; East-West Philanthropy Forum (EWPF) Secretary-General

### FOUNDATION EXECUTIVES

**GAN Dongyu** Secretary-General, Kaifeng Foundation  
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### CHINA PHILANTHROPY RESEARCH INSTITUTE (CPRI)

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# US PARTICIPANTS LIST

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**DALIO Matthew** Founder & Chairman, China Care Foundation  
**DALIO Ray** Founder, Chairman, Chief Investment Officer, Bridgewater Associates; Co-Founder, Dalio Family Foundation  
**FORS Lance** President, Silicon Valley Social Venture Fund (SV2)  
**FREEMAN Graeme** President, Freeman Foundation  
**HEINTZ Stephen** President, Rockefeller Brothers Fund  
**KIM Spencer** Founder, Pacific Century Institute  
**KOSASA Paul** President & CEO, ABC Stores  
**MILKEN Lori** Philanthropist  
**MILKEN Michael** Chairman, Milken Institute  
**MORGAN Becky** Co-Founder & President, Morgan Family Foundation  
**MORGAN James “Jim”** Chairman Emeritus, Applied Materials  
**MORGRIDGE John** Chairman Emeritus, Cisco Systems  
**MORGRIDGE Tashia** Co-Founder, TOSA Foundation  
**NATHANSON Marc** Chairman, Mapleton Investments; Founder, Jane & Marc Nathanson Family Foundation; EWC Board of Governors  
**PAULSON Henry “Hank”** Chairman, The Paulson Institute  
**PAULSON Wendy** Chair Emerita of Rare Conservation  
**ROCKEFELLER Richard** Advisory Trustee, Rockefeller Brothers Fund  
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## PHILANTHROPY EXPERTS

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**CARTY Winthrop** Executive Director, Melton Foundation  
**KNUP Elizabeth** China Representative, Ford Foundation  
**MOHR Mike** Board Member, Omidyar Network  
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**TAKETA Kelvin** President & CEO, Hawaii Community Foundation  
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## EAST-WEST CENTER (EWC)

**FOX Carol** Director for Special Projects, EWC; EWPF Executive Director  
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## INTERPRETERS

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