

Capital, Collective Sharing, and Philanthropy in the Twenty-First Century

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In the fall of 2012 I delivered a presentation on *Philanthropy and Collective Sharing*. Four years later, this topic was adopted as the theme of the China Charity Fair. The public has begun to acknowledge the importance of collective sharing. Philanthropy requires not only compassion and mission, but also funding. Thus, one of the key elements of philanthropy is the capital and collective sharing.

During the 2016 G20 Hangzhou summit, state leaders found common ground on many global development issues, and across these issues *capital* and *collective sharing* were two core concepts. This reflects my fundamental understanding of the world today: it is an era to manage capital through collective sharing. I will elaborate in four areas.

I. Energy of Capital

The history of social development demonstrates that capital, overall, is beneficial yet complicated. Capital has potential energy that may positively impact development or negatively inflict damage. With increasing capital the economy strengthens, society progresses, and wealth accumulates. In other words, capital makes human beings better off. This shows capital's positive energy—an essential drive toward human development. We should not overlook its negative energy, however. Capital, particularly financial capital, has dominated the economy, technology, politics, and society. It profoundly changes the world through industrial capital, social capital, and human capital. Capital continues to push globalization forward, but at the same time generates the risk of divergence.

II. Three Modern Perspectives of Capital

There have been two modern perspectives on capital in the 21st century. First, there was Bill Gates's vision of *creative capitalism*, or *philanthrocapitalism*. Capitalism draws on individuals' self-interest, and has facilitated vital markets and booming economies. But it has also intensified income inequality. This latter problem calls for altruistic interventions, or creative applications of capitalism, that can utilize the positive energy of capital to reduce social inequalities. Key approaches include philanthropy, social entrepreneurship, and social impact investment.

The second perspective is that of Thomas Piketty. His studies show that the returns on investment have exceeded the growth rates of GDP: that is, the value of capital has replaced the value of labor. The intergenerational transition of resources, especially financial assets, distorts resource distribution and intensifies income gaps. Thus, Piketty suggests that we restrain the

negative energy of capital through a global wealth tax. His proposal aims to systematically restrain capital's negative energy, and while bold and earnest, would be difficult to achieve.

My theoretical exploration over the last few years has led me to develop a new perspective on capital: collectively shared capital. Historically, capital has developed in three phases. Before the early 20th century, capital substantially increased. Then, through the mid-20th century, capital was constrained by state institutions—an example of what led to the emergence of welfare states. Today we are in a phase where capital should be managed. We need to find ways to suppress capital's negative energy and expand its positive energy, or transform its negative energy into positive. This would require a comprehensive governance of capital, which would first require identifying the goal of capital development. I believe this goal should be collective sharing. There are physical and spiritual means to achieving collective sharing. Physical governance includes designing laws and policies to institutionally govern capital. Spiritual governance involves cultivating a healthy, positive culture of capital, or the Spirit of Capital. Capital can be managed domestically, with an emphasis on collaborative sharing, and internationally, where global governance facilitates the balance of power.

III. Forms and Stages of Collective Sharing

Collective sharing is the sustainable and joint development of individuals, society, and nature. Over the long term, human engagement has given rise to an *energy*, and a *space*, for collective sharing. This energy, which includes both *kinetic* and *potential energy*, is stable and sustainable. The space, which houses this energy, draws forth the desires and pursuits of collective sharing. Endowed with this energy and space, the environment has become a *collective sharing society*. This form of society features five types of sharing: political, economic, social, cultural, and ecological. In China, all five forms are nascent and require further guidance. Democracy, law and order, and collaboration guide political sharing; the internet and new technologies lead economic sharing; community governance and philanthropy drive social sharing; common social values embody cultural sharing; and environmentally sound, sustainable development promotes ecological sharing.

Human beings have long explored the ideologies and approaches of collective sharing. In my view there have been three stages of this modern exploration in China. The first featured collective property and collective sharing. During this stage, collective sharing was society's main goal. Property was shared, but there was not enough to share. This stage gave rise to the Chinese Economic Reform. In the second stage individuals were encouraged to accumulate wealth, and subsequently the wealthy were encouraged to help others. In reality, however, those who gained wealth did not act generously, but rather widened income inequality. Today we have moved into a new stage, in which property and sharing should be separated to a certain extent. In other words, we should achieve collective sharing with private wealth. History reveals that when the wealthy do not actively share with others, their wealth is likely to be lost. The Chinese

government has adopted collective sharing as part of its national strategic plan, which means that China is on its way to achieving this important goal.

IV. Philanthropy and Collective Sharing

Philanthropy is the oldest, most fundamental form of collective sharing. There are two types of collective sharing: mandatory and voluntary. Mandatory sharing entails laws and policies, including taxation of inheritance and consumption, and the social welfare system, that guide collective sharing. Voluntary sharing is mainly represented by philanthropy, which should also be guided by rules and policies. To transform China's traditional modes of charity into modern philanthropy, Chinese philanthropists must advocate for related policy reforms, relate the mission and goals of philanthropy with the development of human well-being in the 21st century, and use collective sharing as an important tool of social development.

I have reiterated three concepts in recent speeches on modern philanthropy: *the rich man's dilemma*, *the myth of wealth*, and *the principle of philanthropy*. The *rich man's dilemma* demonstrates that, without the *Spirit of Capital*, the wealthy cannot achieve happiness or peace. Instead, they worry about how to spend their money before dying. They have accumulated tremendous wealth, yet do not have enough time to use it; they worry about their successors ruining their legacy; they fear excessive family wealth will cause conflicts relating to inheritance. Second, the myth of wealth refers to a Chinese proverb stating that wealth never lasts more than three generations. The first generation makes money, the second spends money, and the third is left with nothing. In the west, wealthy philanthropic families have debunked this myth. Now it is the turn of China's wealthy families. The last concept is what I call the principle of philanthropy: the more that individuals engage in philanthropy, the more at ease they will feel about their own wealth; the more they help the vulnerable, the stronger they become personally; the more they spread love, the happier their experience, and the more harmonious society becomes.

Lately I have also considered another concept, *the sword of philanthropy*. Philanthropy is both tough and flexible. In addition to helping the vulnerable through flexible approaches, philanthropy can address global issues in a resolute way. The Rockefeller Brothers Fund, for instance, used peacebuilding programs to help resolve the Iran nuclear crisis. The programs are philanthropic, yet prevented regional conflicts. I have learned that the Rockefeller Brothers Fund relates philanthropy to acupuncture, a medical practice that treats the entire body by pricking skin tissue at a single acupoint. Many U.S. entrepreneurs and philanthropists laid down a path to modern philanthropy in the 20th century. In the 21st century, philanthropy is synthesizing western and eastern cultures, aiming at global governance and global sharing, and promoting social progress in new ways. Eastern cultures and approaches will likely lead this trend in global philanthropy and collective sharing.

As a means of collective sharing, philanthropy is a process in which everyone participates and everyone benefits. It is a process that integrates four "senses": participation, achievement,

dignity, and happiness. Everyone who participates in philanthropy has these senses, despite differences in socioeconomic status. Although the degrees of experiencing each sense may vary, everyone will eventually achieve a common sense of happiness.

In the early 19th century, idealist Georg Hegel suggested that the history of humanity was driven by values, or community spirit. Later that century, materialist Karl Marx argued that the history of humanity was based on civil society and economic development. In my opinion, the history of humanity resembles the trajectory of capital–wealth–sharing, and integrates idealism and materialism. Carrying forward the social development of our last century, modern society is founded on two interdependent, indispensable bases: materials and ideals. Therefore, modern society highlights both the economy and values. The progress of humanity today relies on capital and collective sharing.

Before the 21th century, human beings fought each other, and battled nature, to attain resources. Today, human beings increasingly recognize the importance of sustainable development. Human beings will move beyond their previous conflicts with nature, and beyond conflicts among societies, nations, and regions. Society will involve more communication, collaboration, and collective sharing.

In conclusion, human development is driven by capital (the material basis) and the Spirit of Capital (the ideal basis). Collective sharing of capital, an integration of materialism and idealism, has become a major trend in human development. Collective sharing can be achieved through philanthropy, but requires the unity of philanthropists worldwide. Anyone working for the public good, regardless of socioeconomic status, can be a “philanthropist.” When the wealthy unite, social inequalities intensify; when the poor unite, social conflicts and revolutions emerge. Only when the “good” unite across classes and countries, will the world become better. My best wishes to every philanthropist, and to our society.