

# EYES ON THE PRIZE

*Philanthropists are increasingly turning to cash prizes to drive change and solve the world's greatest problems, write Madeleine Ross and Marianna Cerini*

On the cusp of the Roaring Twenties, a New York hotelier named Raymond Orteig promised a US\$25,000 reward for the first pilot to fly between New York and Paris non-stop. Orteig's trans-Atlantic challenge resulted in numerous attempts by businesses and individuals to achieve the quest, a flurry of developments in the burgeoning aviation industry, and ultimately Charles Lindbergh's pivotal flight between the two cities in 1927.

One of the earliest documented awards designed to encourage social or humanitarian benefit, the Orteig Prize had a lasting impact on the evolution of philanthropy in the 20th century. A proactive alternative to charitable donations, the cash-prize model gave wealthy individuals a stronger sense of ownership over their goodwill and enabled them to incentivise innovation in the fields about which they were most passionate, be they humanitarian, community development, the arts, knowledge or infrastructure, to name a few. The Orteig Prize proved also that such awards could be highly effective in stimulating change.

Since the turn of the millennium, philanthropy prizes have soared dramatically in number, value and variety. A recent McKinsey study of prizes worth more than US\$100,000 suggests that the aggregate value of such awards more than tripled in the decade until 2009, reaching US\$375 million. More than 60 major prizes have been created since 2000, representing at least US\$250 million in new prize money.

There are multiple possible reasons for the spike. First, the tech boom of the late '90s and early 2000s created a new pool of billionaires, whose wealth is now funnelled into a variety of prizes. Sergey Brin (Google), Elon Musk (Paypal, Tesla, SpaceX) and Amir Ansari (Prodea Systems), for example, are all benefactors of the X Prize Foundation,

which administers 17 prizes across the domains of space, robotics, education, energy, safety and the environment.

The X Prize Foundation itself might also be responsible, at least in part, for igniting this renaissance in prizes over the past two decades. The US\$10 million Ansari X Prize, a competition set up by the foundation in 1996, kick-started the first private space race and boosted interest and investment in an industry that had stalled. The technology developed by the winning team also found multiple commercial applications following the competition.

According to McKinsey, crowdsourcing solutions to the world's greatest challenges have most impact when three conditions are met: a prize must have a clear, measurable objective, achievable within a realistic time frame; it must be able to draw on a large population of potential problem solvers; and there must be a willingness on the part of participants to bear some of the costs and risks. The 26 teams that competed for the Ansari X Prize, for example, spent more than US\$100 million on doing so.

The goal of prizes is evolving, too. Nearly 80 per cent of those announced since 1991 have been designed to provide incentives for specific innovations rather than to reward excellence. In addition, prizes for innovation in areas such as science, engineering, aviation, space and the environment have grown dramatically, while prizes related to the arts and humanities, which represented one-third of total major prizes in the 1990s, make up less than 10 per cent today. This is not particularly surprising; tech billionaires are more likely to be interested in science than the arts.

Here we identify some of the key philanthropic prizes today, their objectives, their successes and the personalities behind them.

## THE ONE

HONG KONG

**WHO:** David Harilela, CEO of Harilela (George) and HPZ International; director of Harilela Hotels

**WHAT:** Conceptualised and founded by businessman David Harilela in 2011 and 2012, The One International Humanitarian Award is an annual award that aims to "draw attention to the goodness of mankind that exists in the world." The winning unsung heroes receive prizes of US\$100,000, while two runners-up are given US\$50,000. All past winners and finalists are also eligible to seek help from The One's Emergency Aid Fund, which can grant up to US\$100,000 in the event of a dire emergency.

The prize's sponsors have included Hong Kong philanthropic personalities such as Padma Harilela, Richard Elman, Peter Bennett, Balu Chainrai and Purviz Shroff, and its ambassador is international movie star Donnie Yen. Previous winners include Valerie Browning for her work with Afar nomads in Ethiopia; Barbara Hofman for transforming the lives of children affected by war in Mozambique; and Enid Hendershot for caring for the impoverished in India. The One has three different iterations: The One Hong Kong, The One Philippines and The One International.



**IN THE SPOTLIGHT**  
From left:  
László Szombatfalvy  
with this year's  
winners;  
David Harilela



# Modern-Day Heroes

## THE ONE AWARDS DINNER

More than HK\$3 million was raised at the seventh edition of the annual gala dinner for The One Hong Kong and The One International Humanitarian awards. Jeff Rotmeyer was the recipient of the former, and Enid Hendershot the latter. Jeff, an English teacher, founded Impact HK, which provides services to the city's homeless. Enid works with Ramana's Garden, a children's home and school on the banks of the Ganges in Rishikesh, India, which provides shelter to orphans and free education to children.

