

# Good example of patient capitalism by jaqueline novogratz essay

[Parts of the World](#), [Africa](#)



In her speech Jacqueline Novogratz, the founder of Acumen Funds, describes her vision of the poverty problem and how it can be solved. She talks about patient capitalism and how it was successfully implemented in Africa. First of all, she reminds on her first unfruitful and successful experiences on the continent. Further, Novogratz summarizes the outcomes of her life in Africa in three lessons she learnt there. According to her, dignity is valued more than wealth to humans. Higher income only creates choices and provides opportunities. Secondly, charity donations are not able to solve the problem of poverty. The last lesson states that markets alone will not solve the problem as well. The business in Africa requires training, support and access to new markets and contacts.

The understanding of the fact that the business could be run only with the combination of investment and charity resulted in the idea of the patient capitalism. According to the author, “patient capital” means below-market investments into the local enterprises with high potential under the management support and assistance (Novogratz). The Acumen Funds help entrepreneurs to raise funds and to invest them into the perspective business product or service, which would be affordable to low-income people. Novogratz sees such people as real and potential customers. She wants to provide them with dignity of choice. According to her, low-income people should not be treated as recipient of charity.

The Novogratz’s speech is illustrated with several successful examples of the potential capitalism implementation. One of them shows how listening to the market at the very beginning can improve the situation. Sumitomo has developed anti-malaria nets in Japan. However, it was decided to relocate

the production to Africa, where many people suffer and die from this disease. UNICEF agreed to buy all the nets and to distribute them for free. However, with the help of the Acumen Funds it became possible to sell the nets at the affordable price. This business could become self-sustained in the future. This example shows how the donations turned into income and how this decision was beneficial for the African society.

## **Work Cited**

Novogratz, Jacqueline. Patient capitalism. TED. TEDGlobal . 2007. Web. 21 July 2015