

School aims to seed the world with business sense

Andrew Clark Boston

Very few people have heard of Christopher Chandler, a reclusive billionaire from New Zealand, and that is the way he likes it. But the secretive tycoon wants to leave his mark on the world by bankrolling a business school for developing nations.

Chandler, a small-town beekeeper's son who has built a fortune estimated at \$1.7bn (£866m), is a sort of antipodean version of Warren Buffett. Along with his brother Richard, he has bought and sold chunks of Hong Kong property, Brazilian telecoms, Japanese banks and Russian electricity enterprises.

Throughout his career, the 48-year-old Kiwi has nurtured the lowest of profiles – in Forbes's annual ranking of the richest, he is represented by a silhouette because no public photo of him seems to exist. But in a rare overt gesture, Chandler has committed \$50m to the creation of a unique school in the US aimed at nurturing entrepreneurs with business ideas to help poorer countries step beyond poverty.

The Legatum Centre for Development and Entrepreneurship opens its doors in Boston this year with an initial crop of 12 postgraduate students from nations including Rwanda, Nigeria and Pakistan. The centre, which is attached to the Massachusetts Institute of Technology, is intended to create a generation of business leaders in poverty-stricken parts of the globe.

The centre is headed by Iqbal Quadir, a former Wall Street banker who

Iqbal Quadir, head of the new school, argues that traditional 'top-down' aid is ineffective

created Grameenphone – a \$4bn company that popularised mobile phone use in rural Bangladesh by allowing handset owners to sell minutes of airtime to their friends and neighbours.

“We want to take people with half-baked ideas and help them to complete the baking process,” says Quadir, who came up with the idea for the school and was introduced to Chandler through mutual friends.

Among the Legatum centre's initial crop of scholars are students working on ways to harvest rainwater in eastern Africa and to incubate mobile phone technologies in Pakistan. A former NHS doctor from Nigeria wants to build a business using mobile technologies for health diagnosis in his home country. And the Sri Lankan founder of a new media laboratory in London has taken a place at the centre with hopes to commercialise south Asian art.

One of Legatum's MBA students, Craig Doescher, wants to bring handmade wooden toys from Honduras to the US market. He says the central American country has a plethora of high-quality, exotic types of wood so unknown in the west that they do not even have English names.

Sugar cane charcoal

Another student, Amy Banzaert, is an engineer working on a method of producing low-cost charcoal in Haiti using sugar cane waste instead of timber. She points out that deforestation rates are approaching 98% in Haiti.

“Charcoal is typically made out of wood and sawdust – people have been doing that since the dawn of time,” she says. “That works very well until you start facing deforestation. It's led to environmental consequences and pov-

Backstory

For many New Zealanders, the “**big OE**” is a rite of passage lasting a year or two. But overseas experience for the billionaire Chandler brothers has taken on a whole new meaning.

Christopher and Richard Chandler grew up in **Matangi** on New Zealand's north island. Their father, a **beekeeper**, became a small-time property entrepreneur and opened a department store called Chandler House.

The brothers left in 1986 to begin building **Sovereign Global** – an investment empire initially focused on Asia. Their wealth increased as they acquired valuable Hong Kong real estate before the territory's transfer to China and, in the 1990s, they invested heavily in **Latin America** and eastern Europe. In 2006, the brothers amicably split Sovereign's **\$3.5bn** holdings – Richard Chandler's investment vehicle is now called **Orient Global** while Christopher opted for **Legatum**, from the Latin meaning “bequest”.

The brothers have cultivated an air of mystery. The Legatum Centre's director, **Iqbal Quadir**, describes Christopher Chandler as a “**very global person** who cares about how the world is shaping up”.

According to Forbes, the Chandlers are the **second richest** New Zealanders in the world, behind paper and packaging entrepreneur **Graeme Hart**. But they appear to have all but forgotten the country. Bruce Holloway, of the Waikato Times, says: “They went off the radar. Even in the Matangi community, they used to keep very much to themselves.” **Andrew Clark**

erty consequences. People are choosing between eating and buying fuel.”

The centre is named after Chandler's Dubai-based Legatum investment empire. “Aid plays an important part in development but it's a very limited role,” says Alan McCormick, managing director of Legatum Global Development. “Actually funding people in poverty takes a much more creative view.”

He points out that countries from the OECD have given \$650bn to sub-Saharan Africa since 1960 – but much of the continent remains deeply impoverished.

“Huge amounts of capital have been allocated to shift growth, but there's been very little change,” he says. “We came to the conclusion that business is the key driver of development – in fact, business is development. You have to empower individuals to set up businesses and engage in enterprise.”

It is not the first time that Chandler has committed funds to enterprises in emerging markets. The tycoon last year invested \$25m in India's leading microfinance lender, Share Microfin, which specialises in providing tiny loans to people who have no access to formal banks.

The concept of microfinance – and of encouraging entrepreneurship – has been popular in development circles for many years, although opinions differ on how effective it can be in creating jobs in the medium term. But the Legatum centre is in stark contrast to MBA schools where graduates generally aim for well-paid jobs in consultancy or industry.

“We have a very successful fund here,” says McCormick. “If we wanted to just make money, we'd keep all our investments in the fund. But we're looking to invest in people, ideas, situations. We want to build the intellectual capital of developing nations.”

