



**In His Own Words. A Q&A with Vartan Gregorian
Part 4 of 5: *The Empowering Business***

**Vartan Gregorian, President of Carnegie Corporation of New York is interviewed
by Susan King, Carnegie Corporation Vice President, External Affairs.**

Susan King: People talk about strategic philanthropy all the time. Matthew Bishop, for example, just made predictions for the next decade. He said a lot of these new philanthropists are becoming activists because they're trying to change education, or change health policy, and they're going to kick up dust and have some enemies, because people are going to disagree with them. Is that a trend?

Vartan Gregorian: Philanthropy is a big tent. There are all kinds of players. It's not an exclusive domain. One of the great philanthropists, and a friend of mine, the former head of IBM and of Nabisco, Lou Gerstner, was an activist. He thought, My God, school reform should be such a simple thing: we bring modern business acumen to bear and just get it done. Twenty-five years later, he found it's very difficult to bring about changes in education. The guru of businessmen, Peter Drucker, said that universities are far more complex organizations than any big corporation, which makes it clear how complex a job it is to be a university president and hence, how difficult it is to bring about changes at universities and in higher education. The same thing is true of foundations. Making change, bringing about reform involves great responsibility, so I welcome any adventurers, any venture capitalists, any visionaries who come to the field. The more the better. What we should watch out for, however, is that there's no duplication of effort, no reinvention of the wheel, because I still find it very, very scary that relying on common sense in these areas has somehow become revolutionary. Some of the reforms that have been proposed are very simple. Are they needed? Yes. They can be challenged, and that's fine. Are good ideas and models of change going to make other ideas and other efforts irrelevant? No way. Because as long as foundations are judged by their successes, not by their failures alone—and are open about not hiding their failures or being cavalier about their work, the contribution of foundations to reform in education and other areas will be important.

Now, maybe there are some philanthropists or philanthropies who give a friend or relative a grant—well, that's not what the public expects of them. It's not what attorney generals authorize the charter of those foundations for. Perhaps there will always be

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some like that, but they're a minority. Most philanthropies try to put their resources where they'll do the most good, such as helping to create something like Jeff Canada's remarkably successful Harlem Children's Zone—a great school system that received early support from Carnegie Corporation—and then work on seeing how you can scale it up nationally. How many people can afford to do what someone like investor Stan Druckenmiller did, giving tens of millions of dollars to the Harlem Children's Zone? He's not administering his gift on a daily basis; instead, he's found an exceptional leader in Jeffrey Canada and invested in that leader. That's one future model of philanthropy, because successful businessmen, unless they retire, don't have the time to dedicate exclusively to philanthropy, but they are still part of philanthropy. Therefore you always need leaders and you always need collaborators, so at the Corporation, we have advised many of these individuals and organizations, we're partnering with many, because, as I've mentioned, to us what needs to be done is more important than who is doing it. So I welcome any venture capitalist who we can create a dialogue with. Dialogue is certainly necessary, so they don't work in an isolated environment and not know that some of the things they are thinking of doing have maybe been done by others and have either proven to work or not to work.

In that connection, it's important to bear in mind that we have a dynamic society where issues change, traditions change. When I was at Brown University, I thought Providence, R.I. with 24,000 students in the school system would be ideal to transform—but I was wrong, it's very complex. At the time, for example, there were 30 or 40 translators in the school system because there were so many diverse groups of students, including Hmong children, a group that I wasn't even personally aware of. So clearly, ours is nothing like a closed society when you can sort of freeze a situation and deal with the issues as if they might remain static. Ours is a society in constant change. In America, people come and go, generations come and go. You can see this dynamic through the prism of our public library systems where the types of collections they have mirror the influx of immigrants down the generations. There used to be Germans, for example; then came the Italians, Eastern Europeans. Irish, Vietnamese. Each generation brings their traditions because this is a nation in a constant state of becoming. So, in terms of school systems, while you're trying to fix them, you're also, always, dealing with newly arriving generations of needy and needing-to-learn children.

SK: How would you describe us to someone who doesn't know us? What is the story of Carnegie Corporation?

VG: A great visionary created an institution to do lasting good in the world. Whether it was in regard to advancing international peace, or democracy, or education, Andrew

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Carnegie put his own money to use, so we're following his vision, with his money, still doing good. And as long as we do that cautiously, strategically, and thoroughly study the matters we're dealing with, I'm confident that we're doing the right thing.

SK: Would Andrew Carnegie be surprised that we're still here?

VG: Absolutely. He never thought about inflation, he never thought about taxes, and he'd be surprised to find out that we pay taxes, too, excise taxes and other taxes. Nevertheless, we have survived, and the fact is that through our grantmaking we have given out many times over the amount of his initial capital than we would have if this institution has not been intended to exist in perpetuity, as a foundation. We would have closed up shop a long time ago.

SK: He made a heck of an investment, didn't he?

VG: Yes.

SK: What are you most proud of in the Corporation's history?

VG: I am proud that we're not parochial. Parochial ideologically, internationally, ethnically—that we are a reflection of American democracy, and its institutions. And with this openness, we have to appreciate the unity of our nation and the strength of our democracy and its constituents. I'm proud that we recognize diversity of opinion and diversity of our nation's ethnic makeup. That diversity is a strength rather than a weakness provided we keep the ideals that tie all of us together, so we're not simply an aggregation of people but part of a nation of citizens, living under one Constitution, reliving the values of our democracy, and updating this evolving democracy of ours, even with its faults. As wonderful as our nation is, it still needs constant improvement because peoples' ideals and needs change and we have to adapt.

SK: You always say you're not afraid of failure. Why is it important that philanthropy, and the Corporation, admit to failures?

VG: One day James Watson of DNA fame came to see me. He was almost ninety, but he was very excited because of a particular experiment that had failed. He thought it was great that it had failed because he said, now we know that all this time we've been doing the wrong thing! He was excited to learn from error. Because he knew that now, he would not repeat the mistake. Unlike Watson, foundations, universities, all organizations are afraid to admit failure, they're afraid they'll be tarnished. They don't understand that anything done under the mantle of being scientific is, by definition, making a good-faith effort and therefore failure as part of such effort is nothing to be ashamed of. In that regard, I always remind my wonderful Catholic friends that we're afflicted through original sin, that we cannot always be right, so a certain humility has to

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emerge. As long as you do your utmost in order to do the right thing, you're on a good path. So it's very important to acknowledge where we have failed and what we have learned from our failures in order not to repeat our mistakes. We should not hide our mistakes. There is nothing wrong with having failed, as long as you have made your best effort not to fail again and redouble your efforts to be successful. But once you are successful, you have a duty and an obligation to share with others. So that's one thing I believe, in regard to success and failure. Another is that I believe you should recognize the success of others. For example, when we started our magazine, the *Carnegie Reporter*, we decided to include a few pages highlighting the work of other foundations. At first, there was some mistrust about our motivations for doing this, but we said to other foundations, We're bragging about you because you're doing a good job. Because we're all in the business of philanthropy, we're not isolated islands. We wanted to use the magazine, in part, to build a bridge between foundations in terms of trust and respect because that's important. Mutual trust and respect, for instance, is one of the reasons why our ten-year, seven-foundation Partnership for Higher Education in Africa succeeded in bringing about the kind of collaboration that most foundations don't have. And one last point is that I'm proud of Carnegie Corporation because we've never bragged about the size of our endowment, but the quality of our programs, and the quality of our grantees—those are the important things. And also, we have never been in the identity theft business. Many foundations claim the successes of others as theirs. In our case we're empowering individuals and institutions to become successful. We're in the empowering business since we don't actually *do* the work we support—our grantees do the work. A good example is, if we fund Shakespeare in the Park, we neither wrote the play nor claim the success of the actors; we only provided the rent and electricity and so forth. That makes us an enabler—in a good sense of the word—rather than an actor or writer. We should give to all our grantees the glory and the credit that they deserve. If they succeed, we've succeeded, because we invested wisely. It does not mean we engineered their success. It means we chose them well.

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