



**In His Own Words. A Q&A with Vartan Gregorian
Part 3 of 5: *Propelling Continuity Through Change***

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

Susan King: What gives an institution that culture of intellectual freshness?

Vartan Gregorian: Our history. You look back at our history from 1911 on and you can see that we've been at the forefront of every major issue, without becoming self-satisfied. We established the first Russian Research Center at Harvard in 1946 when many Americans did not know about the Soviet Union and Russia and so forth. We helped to establish think tanks, Brookings being one of them, the American Law Institute another. On and on. And we've built on work Andrew Carnegie did, such as creating The Carnegie Foundation in the Netherlands to establish and administer the Peace Palace in the Hague and creating Hero Funds at the time when there was a thirst for heroes, for firemen and policemen, to be honored. In many countries, including the U.S., the Carnegie Hero funds still do this work. The Corporation itself, post-WW I, built much of its work on international peace and security around Andrew Carnegie's support for the idea of a League of Nations, which later became the UN, and so forth. We were always there, moving with the times, always trying to lead, to demonstrate solutions and also promote cooperation among people, institutions, foundations and organizations that have similar ideas about how to go forward. We're not in the ego trip business: we're in the solution business. So therefore who does the work is not as important for me as what is being done. Our goal, always, is to fulfill Andrew Carnegie's wish "to create real and permanent good in this world."

SK: Do you think we influence some of these new philanthropists?

VG: Yes, all of them, without any doubt. If you talk to Bill Gates he will cite first Andrew Carnegie's *Gospel of Wealth*. You talk to George Soros and many others, they have all read this essay by Carnegie. They may not agree with all the points, but they know that to be a capitalist is about more than money, that wealth brings with it responsibilities as a citizen. That's a very powerful idea that is now spreading around the world. Wealth is a means, it's how you use it that determines how effective you are in having an impact on a problem or promoting an idea. Andrew Carnegie's ideals, in fact, have helped make philanthropy a part of American life. I always cite the fact that out of more than \$300 billion in annual charitable giving in the U.S, the majority comes from middle class and even poor people, not from millionaires. Philanthropy has become part of the

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American ethos. So much so that during presidential campaigns presidential candidates have to reveal their giving record—to the great horror of European diplomats and politicians, for example—in order to prove that they're in harmony with Americans' philanthropic bent. That's something new: that as an elected official, you are held responsible for your philanthropy as well as your political views.

SK: It's amazing that a man like Andrew Carnegie could still have the power to influence modern-day philanthropists. I think institutionally, Carnegie Corporation also has a lot of influence in modeling how people do foundation work. An important example of that is the fact that Bill Gates came to you for advice about starting out as a philanthropist and how he could create a philanthropic institution that would have relevance. What is it about the institution that you lead—about Carnegie Corporation—that it has this kind of power?

VG: The Corporation is a guardian of a tradition, a guardian of an important mission. As I said earlier, we are not on an ego trip as an institution, we don't have to be the first or the biggest or the most celebrated: we just have to keep following Andrew Carnegie's notion about spreading the gospel of wealth, and that's what we are doing. With wealth comes responsibility. And with responsibility comes the need for a mission; with a mission comes the need for a strategy to accomplish that mission. And with all those things in place, then comes accountability. Public accountability, especially now, at a time when most foundations are tax exempt. People don't realize that, in essence, the public has given the approval for foundations to be tax exempt. So, foundations are responsible to the public. Sure, as a wealthy individual or family, you could have spent all the money on yourself, that's easy, but the second you become a foundation, that's tax exempt, you have a responsibility to the public to show whether you have been true to your vision and mission or whether you are catering to your own private good instead of the public good. That's very important, that's one of the reasons I am very proud that we were the first foundation to provide annual reports to the public. One of our early trustees said we have to have glass pockets. People should know what resources we have and how we spend and invest those resources. I am very proud of that public accountability. We have evolved with the times from the era when Andrew Carnegie, personally, did not necessarily have to account to the public because it was his own wealth he was disseminating, to now, when we are designated as a nonprofit organization and do have to be accountable and responsible not only to Andrew Carnegie's mandate but to the public, as well.

SK: To keep everything relevant, we have a very wide-ranging mission focused on the advancement and diffusion of knowledge and understanding. Each Corporation president gets to define that, in a way. Talk about how people have defined that advancement and diffusion, how you've defined it: is there continuity, is there change?

VG: There is always continuity, and continuity is propelled by change. Each president has come at a different crucial time in our history, so there have been presidents who wanted to focus on advancing international peace, others who wanted to help Africa or who wanted to address immigration. In this current phase of American history, almost all

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these issues are with us. There is yet no clear or overarching solution to the problems they pose, but there are always ways to improve and advance how we deal with them—and when I say “we,” during my administration, my presidency, I mean both myself and the Corporation’s trustees. In that regard, an individual who was a major influence on me was Henry Salvatore, a very interesting, well-read, cultured, conservative businessman who had helped to launch Ronald Reagan’s career. Salvatore used to criticize everybody equally: capitalists, Communists, socialists, libertarians; literally, everyone. One day, I asked him what he thought was the greatest lesson of capitalism and he replied that the corporate world gathers together tremendous talent for the purpose of legitimizing their actions rather than for providing enlightenment. His words made a tremendous impact on me, and ever since, I’ve made every effort to engage trustees who can help to enlighten the work of the institutions that I have headed and who are passionately interested and concerned about the institutions’ direction, programs and activities. That doesn’t mean they should micromanage, but that they should be active participants in helping to shape the institution’s future rather than perceive themselves or be perceived as just decorative figures. So we don’t have a rubber stamp board; most of our board meetings are spent on programs rather than anything else. The business part takes half an hour or so, because it’s the mission that drives the institution and trustees are equally responsible for seeing that the mission is carried out.

That’s one important highlight of my leadership of this institution. Another highlight is that we strengthened the Corporation’s traditional involvement with Commonwealth countries, in this case Africa, which was also a concern of Andrew Carnegie’s. In past years, higher education in Africa had not been a program priority, but one of the things we decided to focus on ten or eleven years ago was that while during the colonial and post-colonial eras in Africa, many institutions of higher education had been created, but there simply wasn’t enough money to make them all excellent or, in most cases, the political will on the continent to invest in high-quality education at the postsecondary level. In fact, the political will seemed to be invested in just keeping them all mediocre. So we decided to support some of the great universities of sub-Saharan Africa until such a time that African nations can get their economies on track and not be overwhelmed by economic woes. That was one determining factor. The other, which I’m very proud of, is that we have continued to focus on the libraries of Africa, on ways to help create modern libraries in Africa, including national libraries, so that the historical memory and heritage of Africa is not housed in libraries in London or New York, Paris or elsewhere, but in the libraries of Africa itself. Another very important highlight stems from my fervent belief that women are the primary source of the transformation of societies and nations: as workers, as professionals, as mothers, as spouses, and in many other capacities. Hence, their education is equally important as that of men, so one of the things we’ve supported is women’s higher education in Africa. So far, almost 5,000 women have graduated or will be graduating from African universities thanks to Carnegie Corporation fellowships for those women. Through education, they have gained the independence and self-sufficiency to become the future leaders of Africa.

SK: Lives really changed because of Corporation support.

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VG: Yes, absolutely. And the fact is, as I said when I was in Uganda, when you educate a woman you sow the seeds of a civilization. When you educate a man you educate a gypsy who may pack up and leave. The men in the audience didn't like it but the women did!

SK: Talk a little bit about the power that Andrew Carnegie gave to the board of trustees, what that means for you.

VG: First is renewal on the board. We have a great board. Always have had. We've had former secretaries of state on our board, we have had admirals, we have had senators, we've had university presidents, we've had great investors, and others. But most important, we have engaged trustees. Carnegie Corporation's charter is broad enough that it gives authority to the board to renew the foundation and adjust direction to meet the needs of changing times. With such a broad mission, there is no allowance for avoiding responsibility. If Andrew Carnegie had specified, for example, "you have to do these two things only," then we would probably long ago have exhausted the vitality of our mission because the cause of the problems we were mandated to address may have been alleviated, and so we would have had to shut the doors. But a focus on education and international peace is broad enough to encompass modern concerns. On the other hand, that gives us a heavy burden to bear in many ways, in order to be relevant. We have an Armenian expression: "When you pick up a heavy stone it's a stone that you're not going to be able to throw at anybody." Causes have to be such that we're able to "pick up and run" where we need to. So, therefore, sometimes the mission is a heavy responsibility, but Andrew Carnegie provided the kind of flexibility we need in order for us to be able to cope with that responsibility, not as a burden but as an opportunity to translate his vision into action.

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