

# Andrew Carnegie Medal of Philanthropy and International Philanthropy Symposium 2005

## Education

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*The symposium opened at 10:05.*

**Lord Sutherland of Houndwood (Royal Society of Edinburgh):** I am privileged to have been asked to chair the session. We have three marvellous speakers. I thought that I might invite each of them to speak according to the order on the programme. After each of the shortish—I say that looking at the speakers—presentations, we will then have perhaps five minutes for questions that are specific to that presentation. That would allow us to have a more general discussion covering all the ground for about an hour, which would be good.

Delegates might ask about the outcomes of this symposium. The outcomes are the ideas that you take away and the interactions that will follow the various contributions that you and our speakers will make. They are also the ideas that will, as the Presiding Officer said, flow from this building into how philanthropy and education can work even more closely together across the globe. That will be the real outcome of this session, and I thank all of you for signing up for it.

By way of introduction I would like to make two points, the first of which is a true story about Andrew Carnegie and a Scotsman. The Scotsman in question was James McCosh, who was president of Princeton University—delegates have heard about the first president—and who came from Scotland to Princeton in the mid-19<sup>th</sup> century. He was a very distinguished philosopher, but was surprised to be invited to be president of a burgeoning new college that was growing in new directions and developments to serve its nation. McCosh went with his wife to Princeton, where he made a huge difference. He followed two principles, the first of which was that you should appoint the very best people wherever you find them in the world. He did that, and it helped to build Princeton into the great institution that it became. His second principle was that you should raise every cent that you can. That he did with great success.

Of course, at that time if you were a Scot raising money for a university in the United States of America, the name that hit you was Andrew Carnegie. The two Scots, each a giant in his own

field, had not met. However, Carnegie was invited to come to Princeton, and McCosh and his wife went to greet him as he got off the train. Carnegie stepped off the train—I have seen pictures of him looking magnificent and very rich in his astrakhan coat—and said to McCosh, “President McCosh, I am delighted to meet you; I have heard about the wonderful things that you are doing in this university. I so admire what you have achieved.” Mrs McCosh, the perfect spouse and fund-raiser, stepped forward and said, “You so admire us! Damn the sign we’ve seen of it yet.” A true story, I am told.

For my second point, just to show that we Scots are international as well, I will paraphrase Immanuel Kant, the great European philosopher who dominated what followed him for two centuries. He said that no person who is uneducated is yet fully formed as a human being. As a principle for the importance of education, that is magnificent. Education is not an add-on to humanity; it is a way of developing a fuller form of humanity. I am delighted that a philosopher said so.

Our first speaker, Frank Rhodes, is an old friend. I am delighted to see him in Edinburgh. The programme says that he is president emeritus of Cornell University. Of no-one is it more appropriate to use the word emeritus than of Frank Rhodes, considering what he has achieved at Cornell. Since then, as we are about to learn in more detail, he has become engaged, in major ways, in philanthropy and education. I invite him to make his presentation.

**Dr Frank Rhodes (Cornell University):** It is a privilege to be part of this discussion, especially as we are meeting under the gracious and generous chairmanship of Lord Sutherland.

I am a little cautious about using the title of president emeritus. I was very pleased to receive it; then a friend of mine who is a classical scholar discussed its derivation with me. He told me that it comes from two Latin words: “e-” meaning “you’re out” and “meritus” meaning “you deserve to be”. [Laughter.] Therefore, I am a former president of Cornell University—of which, I might add, Andrew Carnegie was a member of the board of trustees. I am not the author, but the co-author, of this paper. My co-author, John Healy, is sitting directly in front of me and will—I hope—participate in the discussion.

I begin with a word about Atlantic Philanthropies. Atlantic Philanthropies is one of the great untold stories of philanthropy in the closing years of the last century and the opening years of this century. It was founded in 1982 by Charles Feeney, who was one of the co-founders of Duty Free Shoppers, on the basis of anonymity: he chose to give his gifts without publicity—in fact, in secrecy.

It had an endowment that grew as he disposed of his portion of Duty Free Shoppers. To date, more than \$2 billion has been given and committed; the present endowment is \$3.7 billion, making it one of the major players. Most remarkable of all, although Atlantic Philanthropies giving is no longer anonymous, it has decided, under the leadership of Charles Feeney—an American with deep and strong Irish roots—to liquidate itself during the next 10 to 12 years and to dispose of the whole of its endowment during that period. That is a courageous decision, and it is one that, in this context, is worth some discussion.

I will refer to the slides that you have in front of you, but will not talk about them in detail, even though I have 10 minutes, as I am reminded of the adage, “The first prize is dinner; the second prize is dinner with a speech; and the third prize is dinner with a speech and a PowerPoint presentation.” [Laughter.]

I turn to the Irish higher education system. If one were looking for an experimental bed, a compact system of higher education such as that in Ireland would be a typical one in which to work. The Irish system has 137,000 full-time students divided chiefly between the university sector and the institutes and colleges of technology, and 90 per cent or so of its funding comes from the Government. At present, a higher proportion of the 25-34 age group in Ireland has experienced tertiary education than is the case in the rest of Europe.

In the early 1990s, however, that was not the case. Not only was there an even heavier dependence on public finance, but the strong emphasis was on increasing undergraduate enrolment. There was limited support for basic research—only around 11 per cent of the European Union average—and equally limited support for facilities and equipment. The infrastructure was not in a strong condition. That led to a dependence on across-the-board funding, with the level of funding reflecting the level of undergraduate enrolment, and little forward-looking planning by the institutions involved. In those years, Ireland—which is now the economic miracle of Europe—had an unemployment rate of around 16 per cent, and the higher education sector played a relatively insignificant role in the general life and economy of the nation.

Atlantic Philanthropies opened an office in Dublin in 1990. John Healy directed that office, so much of the credit for the programme is due to him and his colleagues. In the early part of its existence in Ireland, Atlantic Philanthropies behaved as a typical charitable foundation. It invested in significant educational opportunities; in fact, it invested \$69 million in direct grants to Ireland's seven universities. Those grants were for infrastructure—chiefly for new buildings, libraries,

student dormitories, laboratories of various kinds and athletic facilities—but there was also investment in appointments and positions as well as in development efforts, fundraising organisations in the universities and access schemes for underprivileged students. The scale of its investment across the board in strengthening the infrastructure of universities was \$69 million.

John Healy and his colleagues became convinced that even more could be done through the adoption of a more strategic approach to investment in research infrastructure. That could be done only in the long term and by creating a partnership with the Irish Government that would continue, far into the future, to remain the chief source of funding. It would encourage not only research in a general sense, but research of the highest international quality in Irish universities. It would also encourage the universities themselves to embark on more institutional planning and prioritisation. It would encourage emphasis on the linkage between research and teaching and learning, and it would promote co-operation between the institutions, thereby maximising their contribution to the level of support that they could provide to the Irish economy.

I have mentioned the contribution of John Healy and his colleagues, but there were other vital players in the development of the scheme. First were the presidents of the seven Irish universities. The Irish universities were proudly independent, fiercely autonomous and used to competing strongly with one another in an environment in which what went to one university would not go to another, which is why across-the-board handouts from the Government had become something of an expectation. Now, the presidents were encouraged to think strategically, to co-operate with one another and to develop plans for their own institutions that depended on the quality of the proposals. The support that they gave the scheme and the change in outlook that it represented were a second secret of the scheme's success.

A third element was the partnership with Dr Don Thornhill—the chairman of the Higher Education Authority in Ireland, and another vital player—which was critical to the scheme's success. No partnership with Government can succeed unless the Government is a willing and enthusiastic partner. In Don Thornhill, who, with his colleagues in Government, was able to give such emphasis to the scheme, there was a champion who was a worthy partner.

The programme for research in third-level institutions—or PRTLII, as it has come to be known—was based on that partnership. Its underpinning was the fact that it was proposal driven. The initiatives came from the universities and reflected the priorities of the individual institutions, but they were then subject not to Government or foundation

review, but to scrutiny by an independent panel of experts, which assessed them and allocated priorities. That, in turn, encouraged the institutions to undertake their own strategic development and fundraising. The institutions were required to establish direct linkages between research and teaching and learning and to co-operate with one another in the hope that that would capture the benefits for wider society of the research that was represented.

The independent review panels were established in partnership between Atlantic Philanthropies and the Government, and three criteria were adopted against which any proposal would be judged. The first of those was the fit of the proposal within the overall strategic plan of the institution, rather than institutions having to deal with brilliant proposals coming out of the blue to an institution that was not committed to developing the area of scholarship and research concerned. The second was the integrity and strength of the proposal itself, standing on its own feet independently of the strategic fit. The third was the linkage between teaching and learning. The other expectation—in fact, this has taken place—was that, retrospectively, the initiatives would be reviewed by another external panel, which would evaluate the results.

Three funding cycles have now taken place, the first in 1999 and the third in 2001, and the figures, in millions of euros, are given on the slide in front of you. In the right-hand column, you will notice that the share provided by Atlantic Philanthropies, as a proportion of the total, is gradually declining, but that the total investment—€605 million over three cycles—is substantial. The real test of the success of the programme depends in part on the continuing funding of the PRTL by the Government after Atlantic has withdrawn, which has now happened.

How was the money distributed? Part of the commitment was that it should not be narrowly confined but should embrace the humanities and the social sciences as well as the hard sciences. You can see that the bulk of the money went to biomedical sciences, but there were significant amounts for physical sciences, chemistry, physics, environmental and oceanographic sciences and information and communications technology. There was also significant funding for libraries, and you will notice that funding for the humanities and the social sciences—which are not, typically, used to working in partnerships, teams and co-operative groups—is also significant.

How does one measure the impact of such a programme? There are various ways in which it can be, and has been, measured. Forty-six new institutes and programmes have been developed under the sponsorship of the organisation and many of them are multi-institutional. For example,

in Dublin there is a partnership between three universities and six hospitals, embracing basic biological and biomedical research and clinical practice. There are 97,000m<sup>2</sup> of new research space, 6,000 new research positions and 1,600 new library spaces. The investment in capital has been just as important as the human investment in an area that had been somewhat deprived over a long period, with €135 million in new capital equipment. That has brought about a reversal of the brain drain that Ireland had experienced for many years, with mature scientists returning to the Republic of Ireland, and young scientists, engineers and scholars being encouraged to stay. There has been leverage of significant research funding from external sources, and—in terms that we academics love to quote—there have been 5,000 scientific publications and 600 books or chapters, and so on. You can read more about that.

The human capital is no less significant than the programme and the scholarly content, with seven new baccalaureate programmes created, two new postgraduate diplomas, 11 new masters degrees and marked increases and improvements in institutional strategic planning and management. Research management may be an oxymoron, but there is a sense in which the creative work of research has to be developed and nurtured by the institution as a whole. There has been a remarkable increase in the degree of co-operation within and between universities, which is a refreshing experience when so many of the issues that we face lie at the boundaries between the conventional disciplines. As you can see, there is increased support for that work.

Where did the new institutes and programmes develop? The next three slides give you a taste of that. It is worth noting that co-operative programmes have also been nurtured in the humanities and social sciences.

What are the conclusions? One was touched on in the marvellous presentation given by George Reid this morning: foundations cannot do it alone. That is clearly something on which there will be little disagreement this morning. The partnership notion is one that seems increasingly ripe for employment.

It is also crucial to have foundation leadership on the ground. The programme that I am talking about could not have succeeded without John Healy being based in Dublin, and later in New York, to oversee the programme, with his colleague Colin McCrea playing an active part. They had an office in Dublin with staff who were known to and respected and trusted by people in Government as active partners in the process. I do not think that such a programme could be run from a remote office with any real possibility of success.

The players that I mentioned—the university presidents and Dr Don Thornhill, the chairman of the Higher Education Authority—performed a crucial role. Understanding and trust were developed not just with one Government agency, but with the several Government agencies that are involved with the universities and their research.

Is the programme in Ireland a one-off, or is it a model that could be replicated in other places? Replication has been attempted in Northern Ireland, to find out whether the same programme could work with the two universities there. A programme called Support Programme for University Research in Northern Ireland—the support programme for university research in Northern Ireland—which is a joint programme between the Northern Ireland Government and Atlantic Philanthropies, has achieved the same results: the Government and Atlantic Philanthropies each provide equal support totalling £94 million. Given the scale and the possibilities, the Irish programme is replicable.

One danger with any such programme is that if the amount of funding is large enough, it can overwhelm or influence the autonomy and independence of the universities. The use of external review and support was a long-sighted and important factor in retaining and safeguarding that autonomy. Support for institutional planning and prioritising has been reinforced by the programme. Before the programme, only two universities had vice-presidents or vice-provosts for research, but now they all have such posts.

Although competition has a bad name in some quarters, it is crucial to finding the best in any research area. The benefit of competitive, independently judged awards has proved to be an important part of the process. As I have already said, the real test is what happens when Atlantic Philanthropies has departed the scene—as has happened in Ireland—for the other significant areas in which it works. It is encouraging that the Government announced its intention to develop—and has now developed—a fourth round of funding in which Government alone will be the sponsor.

That is one example of a partnership that has worked and has demonstrated its benefits, and in which Andrew Carnegie would have found some satisfaction.

**Lord Sutherland:** Thank you very much. That was sharp, precise and clear, and it dealt with some of the nitty-gritty, which is crucial. We can have many fine words, but that presentation got down to the details. We have a few minutes for any specific questions. If there are no such questions, we will move smartly on to the next presentation.

**Professor Andrew Miller (Carnegie Trust for the Universities of Scotland):** I have a key

question: what is the prognosis for the Irish Government being able to make up the wonderful kick-start that has been given to the universities in Ireland? I also have a related question. Along with that boost to research, has there been any accompanying boost to enterprise and entrepreneurship—in other words, to the exploitation of that research—that might bring in resources that would help to sustain the increased level of funding?

**Dr Rhodes:** I will ask my colleague John Healy to address the first question, but the second is equally important. There are clear signs that student interest in the programme has led to the development of a degree of entrepreneurship. For example, student internships are part of the research institutes' programmes. The external assessment of the quality of the programmes paid tribute to the degree of interest in entrepreneurial activity and partnership between students. As I mentioned, there has been success in receiving external funding. Corporations have become significantly more involved and there has been a return of many expatriate Irish scientists and scholars.

With the chairman's permission, I invite John Healy to comment on the continuing role of the Government.

**John Healy (The Atlantic Philanthropies):** The answer to that question will be more precisely given in a few weeks when the Government's estimates for next year's expenditure are published in late November. Planning for the fourth cycle has started. We are informed, privately, that a substantial amount of money has been set aside. We cannot be sure about that but we are confident that there will be a fourth cycle.

Prior to this initiative, the total amount of money available for the seven universities from Government sources for annual capital expenditure was €2.5 million, and it does not take much to exceed that. We are very confident that it will be exceeded.

**Tony Breslin (Citizenship Foundation):** I am interested in the fact that the programme will have led to a step change in the numbers participating in higher education in Ireland. Indeed, I have family based in Limerick and have witnessed the expansion of that university during the period that you are talking about. I am interested in the policy position. In England, the idea of setting similar targets for higher education growth has met with some resistance because there is a sense that somehow greater participation might indicate a lowering of standards. I do not see that in the Irish example at all; I see much more of a move towards a mass higher education system than an elite system struggling to survive, although that might be an unfair reading.

Have you picked up any attitudinal issues in working with the Irish Government on expanding participation in higher education from which policy makers in England and the rest of the United Kingdom might learn?

**Dr Rhodes:** I will make two comments, but, as someone outside the Republic of Ireland, I will not presume to answer the second question; I will again invite John Healy to do so.

Ireland has had learning and respect for learning as part of its long and proud history. The initiative was embraced not with suspicion but with enthusiasm, and it has made a crucial difference to the Irish miracle. The universities have become part of that miracle.

My second comment is that Ireland has not been blessed—or cursed—with a system in which a handful of declared elite universities dominated the discussion. It has one particularly old and celebrated institution—Trinity College in Dublin—but there has not been the degree of separation that exists between Oxbridge and the rest of the world, or between the ivy league and the rest of America. That has been of benefit. However, I say that as an outsider. Only the man on the inside can answer your question.

**John Healy:** There is not much to add. The programme was concerned with building strengths in basic research, so its impact on students was at postgraduate level and the numbers are therefore not great. There has been a political consensus in Ireland in recent years about widening access to and increasing participation in higher education; that is not a matter of controversy at all.

**Lord Sutherland:** We should move on to the next presentation. We can come back to these issues during the general discussion, but we ought to move on to ensure that we have good time for each of the presentations. I thank Frank Rhodes and will thank him again later, I have no doubt.

The next speaker is, from the Scottish point of view, a natural for this particular slot. We wanted to hear from someone from Scotland who has expertise in this area. Kenneth King, who has been director of the centre of African studies at the University of Edinburgh for several years, is well versed theoretically and in terms of presence and practice on the African continent. I am delighted to welcome him and I invite him to give his presentation.

**Professor Kenneth King (Centre of African Studies, University of Edinburgh):** I do not have Frank Rhodes's audiovisual aids, but I do have—

**Adele Simmons (Global Philanthropy Partnership):** Show and tell.

**Professor King:** Show and tell. I have some books that I will show you from time to time. I do

not need visual devices. I have managed to go right through my university career without using an overhead projector or a PowerPoint presentation, which tends to make you go through all the slides, because you have sat up at night doing them all.

It is very nice to be here. It is the first time since 1997 that Stewart Sutherland and I have been on the same platform. When that last happened, the platform was very distinguished, because we were recognising two distinguished honorary degree recipients. I gave the laureation address for Wole Soyinka, who was at that time still banned from going to Nigeria. The other person on the platform with him, me and the principal, Stewart Sutherland, was Tom Farmer, who will be recognised this afternoon. We almost have the chemistry again today.

I discovered this morning that I am perhaps the only speaker who has the word “philanthropy” in the title of his PhD thesis, which is: “Pan-Africanism and education: a study of race, philanthropy and education in the southern states of America and East Africa”. Of course, that is out of print, but it is not out of date. I will circulate the document if delegates want to look at it. I have also discovered that the Carnegie Corporation of New York receives much attention in the footnotes.

I will try to link the three interesting presentations. One was about a single little country—Ireland—which has been given much money. What is the impact of that? The second is about Africa, which has 50-plus countries to which not much money is being given. The third, which will be by Adele Simmons, will cover three countries in which one donor that I will talk about will be active.

I am starting at 25 minutes to 11. [*Laughter.*] The chair gave Frank Rhodes 17 minutes—I timed that carefully.

**Lord Sutherland:** Two of those minutes were yours.

**Professor King:** You can see that we have worked in the same institution before.

All three presentations concern institutional transformation in higher education, which is important. We will return to the question whether scale makes a difference. How significant was the sheer amount of what went into Ireland? People do not know that the sheer amount that went from West Germany to East Germany over 10 years was each year larger than the total overseas development assistance from all Organisation for Economic Co-operation and Development countries to the developing world. For those who are into development, scale is important. That is why the make poverty history campaign and the doubling of aid to Africa are an important context in which to have this debate about education.

Five months ago in this building, several commissioners for Africa, including Bob Geldof, presented the report "Our Common Interest: Report of the Commission for Africa". If people want to look at that, it will be passed round. At a key moment in the build-up to the G8 summit in Gleneagles just up the road, the commission reported on important commitments to change Africa. That change involved significant proposals for developing education.

Apart from universal primary education, the two key proposals for education were the revitalisation of the whole university sector in Africa at a cost of US\$5 billion over 10 years and the development and transformation of institutes of science and technology, based on the Indian institutes of technology that some of you will know well. Those are two creative ideas that were debated when the report was published.

Two months later in Gleneagles, what happens to that commitment? Much excitement was felt in universities in Africa before that and vice-chancellors had many pre-G8 meetings in Abertay, Edinburgh and elsewhere. What happens? I am not sure whether we can blame the bombs in London entirely, but the numbers are not mentioned. The final communiqué from Gleneagles does not talk the same language as the Commission for Africa; it does not use the words "revitalisation" and "institutional transformation". It talks in the weak language of encouraging networking between universities in the north and those in the south. There is no reference to numbers and no commitment.

Exciting work was done at Gleneagles—for example, the doubling of aid to Africa—but people were disappointed that the vision of doing something dramatic was not realised. The Commission for Africa made the point—the previous presentation from Frank Rhodes was similar in spirit—that there should be public-private commitments that involve joint philanthropy and Government commitments rather than only Government ones, if the situation in Africa is to be changed radically.

Two months after Gleneagles, there was the global summit on development in New York. Jeffrey Sachs' book greatly impressed and influenced the Commission for Africa. He says that Africa and the developing world need massive aid, and infrastructure and political development and not just millennium development goals. He wrote what I think is a funny report called, "Investing in Development: A Practical Plan To Achieve The Millennium Development Goals." I remind this education group that the MDGs do not mention anything beyond primary education; there is no mention of universities, for example. Jeffrey Sachs says that we cannot reach even such minimalist goals unless there is a massive, sector-wide

approach to education and health. Universal primary education cannot be reached by aiming for only that; we must also aim at secondary and university education, and skills development.

When the nations of the world came together in New York from 14 to 16 September 2005, there was another disappointment. There was a great deal of concern about security and the reform of the United Nations, and the MDGs almost got pushed off the agenda. What happened to higher education, which is this group's concern? There was little about it in the final communiqué. There were 10 mentions of primary education, but only one mention, in half a sentence, of higher education.

Again, the world community presented a narrow vision in what was supposed to be an exciting year; it has not ended, so we can retain some hope. However, it is a pity that there was no global declaration that summarised the superb content of the great reports to which I referred. That does not mean that individual G8 countries such as Britain, Canada, Japan, Germany, France and Italy cannot build on their commitment to the Commission for Africa. The UK Government has made a commitment. Those of you who were up early today will have heard—I heard it on the 3 am news—that Hilary Benn has announced \$350 million funding for the partnership for Africa, including for education. I did not have time to find out what the announcement meant by education. Is it the millennium summit idea of universal primary education? Or is it the expanded vision of education that I will go on to associate with the foundations in Africa?

The first question for us to think about in this session is the implications of the G8, the Commission for Africa and the millennium project developments, in this key year of 2005, for the education agenda in the developing world, particularly for the role that foundations might play. What is their role in responding to all that has been going on? We may hear from round the table what those of you from other G8 countries have to say on that. However, let us turn to the salient role of philanthropy, which in my case involves a focus on Africa. Those of you who know about the crucial role of internal and external philanthropy in other regions—for example, south-east Asia—may want to comment on that.

I will give a brilliant example of what a small foundation can do. Eighty years ago, a New York-based foundation called the Phelps Stokes Fund supported two commissions for Africa. When I came to the University of Edinburgh, I was looking for a thesis to write—I did not know what to do—and I came across a book on the second African education commission that was published by the Phelps Stokes Fund, which argued that what had worked well in the southern states of the US would

work in Africa. It is a fascinating book—I wrote my whole PhD on it. That small philanthropic initiative 80 years ago had enormous influence on thinking about education in Africa. Unlike many modern commissions, this one toured every single country in Africa, visited schools and talked to people, although there were not many universities. The commission led to Carnegie's first investment in Africa in 1925—support for an institution that it had supported in the southern states called Jeanes schools, which were community based and determined by the politics of what was called Negro education at the time in the states and by the politics of colonial education in Africa. The schools were at a relatively low level—they were creative, but not university level.

There was a different story at independence. The philanthropic foundations, notably the Rockefeller, Carnegie, Ford and MacArthur foundations—which we will hear about from Adele Simmons shortly—were hugely influential in institutional transformation through projects such as building agricultural research centres and the institute of development studies in the University of Nairobi, with which I have been associated. The foundations did not target the whole university sector—perhaps we should debate that—but instead selected key universities such as those of the University of the Philippines Los Baños, the University of Los Andes, the University of Nairobi, the University of Ibadan and Makerere University and helped make them true centres of excellence. Those foundations continued to do that as funds from the rest of the development constituency began to roll back from higher education.

From the late 1970s, through the 1980s and 1990s, it has been extremely difficult for African university vice-chancellors to get support from bilateral agencies, the World Bank and other multilateral donors, because the education agenda has been about the millennium development goals, which are about supporting primary education. That is a hugely difficult situation. It is to the credit of the foundations, particularly the big four in higher education—Ford, Rockefeller, Carnegie and MacArthur—that they have supported innovation in a series of universities in African countries. The measures in Ireland that Frank Rhodes talked about have been supported in Africa: research, infrastructure development, scholarships and capacity building.

The four foundations have produced a series of books on institutional transformation in Africa at the higher education level. In a small way, I regard the foundations as having exemplified the very feature that, I am afraid, has probably been lost from the Commission for Africa's aim of revitalising all African higher education and building institutes of technology. The foundations have been doing that—a model exists so that, if new money came

in, it could be associated with the type of work that those creative foundations have earmarked. Other people in the room may know more about what will happen with G8 support for that agenda, which has been discussed.

There is a change in the development assistance community again, and one of the dangers of development assistance is that the priorities are always being changed. The World Bank has finished a new paper on higher education; it has just published a new paper on secondary education; this week, it is publishing a new paper on education that is not about reaching the millennium development goals, but about supporting the whole education sector. That is, an education sector embedded in support of action on poverty, agriculture and infrastructure. Those are some of the goals in the reports by Jeffrey Sachs and by the Commission for Africa. In a way, it looks as if there is an opening for a revisiting of the agenda that I talked about.

Here are three or four challenges. First, foundations have been associated with innovative projects and programmes over the past 70 or 80 years. The new aid modalities of the past 10 years have increasingly been about budget support and support of governments' policies and not support of projects. Projects have become very unfashionable in the aid business. I do not know whether those of you in the philanthropic business have recognised that. For example, in my own agency, the Department for International Development—DFID—it is now extremely difficult to promote a project. The department likes to support the whole of the education sector, ideally with an emphasis on primary education. However, it does not like a whole series of British projects, and the Danes do not like little Danish projects; they like to support the whole policy of a government. That is called sector-wide strategies and direct budget support. How do foundations fit into that new aid modality?

My second challenge is: how can foundations play a creative role in new kinds of public-private partnerships in support of research and higher education? There is a considerable challenge here, as the goalposts are shifting. How do foundations realign and maintain their tradition of looking for excellence, whether small or large, faced with a tendency to want big solutions with single cheques going to a ministry of finance?

Thirdly, can foundations leverage—and I hope that we will discuss it in this session—local philanthropy? Can the Fords and Carnegies and our counterparts in Japan and Germany and Britain encourage the emergence in the developing world of the sort of foundations that we have had in South Africa? Nigeria had all that oil wealth, why did it not build foundations? Why did it not build the sort of infrastructure that we have

discussed? What role does external philanthropy have in encouraging internal philanthropy? People in the developing world have a great deal of money. Are they using it in the way that Andrew Carnegie said was the way to enrich oneself in the real sense?

Lastly, in the Scottish Parliament we have—and I do not know how we got away with it—managed to get an aid budget. It must be known to DFID, although it is not legal; however, we have an aid budget of several million pounds, and the Scottish Executive is extremely interested in Malawi. Will this be the conference that puts on the agenda for the first time that our approach is not just the Scottish Executive and the public sector giving to Africa? What about the Tom Farmers and Ann Gloags of this world? What about the scope for thinking about the University of Malawi in a public-private Scottish role? Let us not think just state-wide.

Do not forget the importance of scale. Do not forget the message from Frank Rhodes: the sheer scale of what Atlantic Philanthropies brought to Ireland. The four foundations involved in the Partnership for Higher Education in Africa have put \$100 million into six African universities in the past five years. That is a big difference from the \$8 billion that the Commission for Africa was talking about.

Thank you very much.

**Lord Sutherland:** No one has indicated that they have any questions specific to Professor King's presentation, so we will deal with the issues that he raised in the general discussion.

Thank you for an extremely helpful presentation, which directed us to a broader vision of a whole continent. We now move to the third presentation. We have already had a trailer from Kenneth King about what it may cover. Adele Simmons is president of the Global Philanthropy Partnership and senior adviser to the World Economic Forum, so she wears two of the hats that Kenneth King suggested ought to be brought together in one way or another.

**Adele Simmons (Global Philanthropy Partnership):** Thank you. I am also speaking as president emerita of the MacArthur Foundation, from which I have received certain perks that I really like. That is very much the source of my talk today.

I thank the Carnegie legacy for my regular visits to Edinburgh. I was last here in 1985, celebrating Andrew Carnegie's 150<sup>th</sup> birthday. I look forward to the next Carnegie event here—hopefully in less than 20 years' time.

I want to pursue one point in Kenneth King's presentation that I have interwoven into mine. The Partnership for Higher Education in Africa has

committed itself to providing \$350 million over a 10-year period and has expanded the university partnerships. That is an extraordinary commitment. It will be worth following up in questions how the partnership has worked and how the money and the territory have been divided up.

Philanthropists have a long history of supporting higher education. Andrew Carnegie and Leland Stanford's universities bear their name. John D. Rockefeller founded the University of Chicago, Rockefeller University, and Spelman College in Atlanta to serve African-American women. Hampshire College in Amherst, Massachusetts, of which I was president, was launched with Ford Foundation funds. In the last century, thousands of scholars and numerous academic centers have been helped by foundations.

A small group of foundations have made the commitment to support higher education initiatives in closed societies, in countries that want to make the difficult transition to an open society, and in countries that may be democratic but where democracy is fragile and that lack resources to build, or in many cases rebuild, universities.

These foundations believe that an effective democracy is more than elections. Democracy requires a fair and functioning legal system (including rules for banks and businesses), a vibrant civil society, transparency, and a strong university system that will promote critical thinking and the free exchange of ideas. For this reason, foundations have invested hundreds of millions of dollars in both the physical infrastructure and the intellectual capacity of universities in transition countries. The leading US foundations that have made such investments include MacArthur, the Open Society Institute, Ford, Carnegie, Mellon, and Hewlett. In important cases, most recently through the Partnership for Higher Education in Africa, foundations have collaborated to ensure that their investments are strategic and systemic (six foundations have committed at least \$350 million over ten years) (Chicago Tribune, September 15, 2005, p.2). My comments today will focus on the work of MacArthur and Carnegie in Russia.

Investing in higher education in societies whose laws prohibit free inquiry is a challenge, but it can make a difference. The Carnegie Corporation and the Ford Foundation made significant investments in higher education during the apartheid era in South Africa, supporting academics, conferences, and programs in South Africa to strengthen independent voices. Much of the data that informed the movement against apartheid came from research centers supported by foundations. Foundation support provided protection as well as funds. Bishop Tutu told me on many occasions that it was foundation funding that protected scholars and research centers from government

interference.

In the 1980's and 1990's the MacArthur Foundation was one of a few foundations supporting Cuban academics. We provided research support and covered travel costs for Cuban academics to attend conferences and speak at US universities. We thought that travel restrictions would gradually loosen, and these relationships could provide the basis for deeper collaborations. I share this just to assure you that foundations do take risks.

In China, MacArthur strengthened areas of study that were simply not priorities for the government, such as environmental studies in the 1990's, and supported research teams that needed independence from the government to do credible work, as in arms control.

## RUSSIA

But the country that absorbed most of our time and thought was the Soviet Union and now Russia. Before the fall of the Berlin Wall, MacArthur, Carnegie, and Ford supported research and conversations among scholars on both sides to explore what is now called "soft power." Academics and former policy makers from both sides met to consider alternative negotiating strategies that could reduce tensions relating to nuclear weapons and strengthen arms control systems. Foundations also supported discussions among academics on both sides of the Iron Curtain about how to take advantage of the opportunities that would come from the end of the Cold War.

At the end of the Cold War, foundations faced a new challenge. We wanted to support those who were committed to change and to encourage new ways of thinking. Clearly one way to do this was to support higher education. To this end, OSI pretty much on its own, Ford, and Carnegie and MacArthur eventually through an extensive collaboration with the Ministry of Higher Education, engaged in a large-scale effort to support reform of higher education. But I am getting ahead of myself.

MacArthur set up an office in Moscow in 1992, and in choosing its director, the foundation made a statement about new ways of working. We selected a young woman scholar, not a senior male, to direct the program.

### Competitive Grants

The Foundation began with a competitive research program. Our purpose was to provide a model of peer reviewed research free from political influence, bringing fairness and transparency to the funding of research. While the model has taken

hold, it was quite a shock in the beginning. Several well-connected academics sent in one-paragraph proposals. Several younger scholars prepared thoughtful and sophisticated research proposals. When the latter got the grants, there was quite a furore, but the point was made. Strengthening democracy in Russia meant changing the models for the academy.

Specifically a competitive peer review process enables ideas to come from the bottom of the system. Younger scholars and scholars from outside the Moscow establishment all had access. Since candidates applied directly and did not need to be nominated by their institutions, they could circumvent local academic bureaucracies.

We modelled a process that is now taking hold. Russia is setting up an equivalent to the National Science Foundation, dozens of journals (of a range of quality), some peer reviewed by senior scholars, are now published. Some of the best are under the aegis of the Moscow Carnegie Center run by Lilia Shevtsova who is giving a paper on another panel. To date MacArthur has funded 2000 individuals through its competitive research program.

### Science and Social Science Research

The Foundations next project in higher education, the Basic Research Program and Higher Education (BRHE) was the creation of MacArthur's vice-president, Victor Rabinowitch, whose father Eugene was a Russian émigré and a distinguished physicist instrumental in starting the Pugwash conference and the Bulletin of Atomic Scientists. Victor knew Russia, and had friends in the ranks of the Russian Ministry of Education. The project was a collaboration with the Carnegie Corporation, whose work in this area was led by Deana Arsenian, who was born in Armenia. MacArthur and Carnegie are both supporting work in the sciences and social sciences, but MacArthur has taken the lead in the sciences, and Carnegie has provided the leadership in the social sciences.

The intention was to strengthen Russian Universities, particularly regional universities who were receiving few resources in the free-for-all post communist era, and who prior to that were always second-class cousins. Real research was located in the prestigious academies based in Moscow.

A central strategy was to bring research and teaching together at the universities, breaking the monopoly of the prestigious academies on research, but by no means replacing them. Unless research and teaching were combined at the

universities, the universities would always be stepchildren, and good people would leave. MacArthur and Carnegie have done this through supporting the scholarly infrastructure, “the promotion of scholarship, publications, academic mobility, international networking and access to resources.” (“Centers of Education in Russia, The Case for CASEs”, Carnegie Reporter, Vol.2, No.4, Spring 2004.) By identifying and supporting a new generation of scholars and supporting ways for these scholars to share their work, the Centers are helping to transform the universities where they are based. All of these institutions have bureaucratic layers, and changing a system that has been in place for decades is not an easy task.

Carnegie and MacArthur believed that unless the Russians participated in the financial commitment, the changes would not become institutionalized. After over three years of negotiation, MacArthur and Carnegie forged a partnership with the Russian Ministry of Education and Science to create research and education centers in the natural and physical sciences at state universities. Shortly thereafter, Carnegie took the lead in establishing the Centers for Advanced Study and Education (CASE), again with Ministry involvement to support work in the Social Sciences.

As Deana Arsenian has pointed out, the Ministry can open doors for foundations, but they can also do more. She and Victor Rabinowitch found that the Ministry genuinely wanted universities to shift to a new model, and the foundations’ prestige, US base, and independence could help them. The foundations were supplying more than money. Moreover, Arsenian argues that “The Ministry’s involvement is critical because it means that the (Centers) are not perceived as just a Western program but a joint US-Russian private-public partnership. The universities don’t see us as a charity, but as a collaborator.” (“Centers of Education in Russia, The Case for CASEs”, Carnegie Reporter, Vol.2, No.4, Spring 2004.)

At the end of the discussions, the Russians agreed to provide 25% percent of the funding. In the case of the science program they have increased this amount to 50%.

The BHRE program is jointly administered by the US Civilian Research and Development Foundation and the Ministry of Education and Science of the Russian Federation. A bilateral governing council carries out the program. Centers are selected through a competitive peer review process, and 16 universities were chosen from 200 applications to host science centers. Grants cover research and networking (in both meanings of the word, technology/bandwidth and face to face meetings). The science grants include funding for equipment and five hundred postdoctoral

fellowships.

Each science center promotes a program of teaching, research and external linkages based on a specific cross disciplinary theme, and each engages over 100 faculty, post doctoral fellows, graduate students, and undergraduates at each university. The actual funding involved is relatively modest. Carnegie provides approximately \$2m per year to support nine CASEs. MacArthur provides about \$1.5 million to each of the BHRE centers over five years, funds that are matched by the Russian Ministry.

Once a year MacArthur brings together the directors, faculty, and students of the BHRE Centers to meet and to share research.

The nine social science centers focus on political science, law, international relations, philosophy, and psychology. These centers are producing research that in turn can inform regional policy makers on everything from an analysis of migration patterns or socio-economic trends to plans for revitalizing declining corporate towns. Carnegie is providing \$20m over 6-9 years that is supplemented by some funds from MacArthur and OSI. (“Centers of Education in Russia, The Case for CASEs”, Carnegie Reporter, Vol.2, No.4, Spring 2004.)

One only needs to meet the faculty and students at the centers to know that their professional lives have been changed. Carnegie and MacArthur remain optimistic that the institutions themselves will be transformed. But long-term questions remain. MacArthur, Carnegie, and the Russian leaders, including Andre Kortunov, the director of the CASE program, know that it will be a while before one knows whether the Carnegie and MacArthur partnership with the Russian Higher Education Ministry can promote the transformation in Russian higher education in the long run. Will the universities supported by Carnegie and MacArthur in the future become the new flagship research universities? (“Centers of Education in Russia, The Case for CASEs”, Carnegie Reporter, Vol.2, No.4, Spring 2004.)

#### Private Universities

In addition to collaborating with the government on science centers, the MacArthur Foundation, along with the Ford Foundation and the Open Society Institute, have supported three private universities: the European University of St. Petersburg, the Moscow School of Social and Economic Sciences, and the New Economic School in Moscow. These private universities already have 2000 graduates. In all three cases, the focus has been on economics, political science, and public policy, areas that are most susceptible to government influence, and therefore

areas where the freedom of a private institution can be particularly important. The foundations are, among other things, helping these private universities to build fund-raising programs so that they can become self-sustaining.

Carnegie and MacArthur staff that have just returned from Russia find that there is more to Russia than the increasingly oppressive state that we read about so often. At the universities there is an energy, an engagement in scholarship, and an openness to new ideas that is encouraging. As Loren Graham, a scholar who has advised all of the foundations for many years and is instrumental in the BRHE program, said, "There is a standard view of Russian that under Putin things are going backward, but underneath there is a lot of ferment and excitement." (*Interview. September 18, 2005*)

## BELARUS

While foundations working in Russia can support a research and education agenda that promotes reform, such is not the case in Belarus, where the line was crossed, and the institutions supported by the foundations could no longer function. The European Humanities University was established in Minsk in 1992, and was known for its strong programs in philosophy, law, politics, languages, and European studies. It enrolled 1000 students. As Jonathan Fanton, the current president of the MacArthur Foundation, said, "In a closed society, the EHU was an island of free inquiry...But its very existence posed a threat to Europe's last dictator, Alexander Lukashenko, who rules Belarus through fear and coercion." (*International Herald Tribune, June 28, 2005*)

In July 2004 Lukashenko shut down the university. In July 2005 the university was formally reopened in Vilnius, thanks again to significant foundation support. The EHU in Vilnius will serve 750 students in Belarus through distance learning. Another 250 students will take classes in Vilnius, and scholarly links with universities in 18 countries remain active. The University hopes to return to Minsk before too long!

## Conclusions:

So what have we learned? And is anything that we learned of any use?

I am presuming a general acceptance of the premise that strong and independent universities matter.

First, it is clear that foundations can provide leadership in bringing the best of western models to countries in transition: transparency, fairness, and standards. These strategies are key opening opportunities to those outside the traditional elites, including the next generation of scholars and

scholars from outside the elite academies. Process is important.

Second, while modest amounts of funding can make a difference in strengthening the intellectual infrastructure, for the most part foundations have to make significant commitments of funds over a significant period of time. Change is not cheap, and it does not come quickly.

Third, one needs to invest in all the infrastructure parts: people and institutions, equipment, networks, libraries, journals, conferences, and fellowships. Building only one component does not lead to systemic change.

Fourth, persuading the Ministry of Education to be a partner has increased the chances for success over the long term.

Fifth, successful large-scale intervention is strengthened through well-coordinated collaborative partnerships on the part of foundations. In Russia, MacArthur and Carnegie use similar strategies to support different fields. The common strategies make the work of the foundations easier to understand from the point of view of the Russian universities and also from the Ministry.

The foundations that support the Partnership for Higher Education in Africa have set aside 10 percent of the funds for analytic and strategic studies, regional networking, and central coordination. Each of the foundations has different areas of emphasis, but to a large extent, the foundations have chosen different countries to focus on, so again, the countries experience a common strategy, and have only one foundation to apply to for a larger amount of money.

Sixth, provide intellectual leadership. Emerging fields from environmental studies to gender studies are not likely to get supported in countries steeped in hierarchies and traditional thinking.

Finally, foundations can help bring other parties to the table, and particularly, they can stimulate additional funds, whether from corporations or diaspora populations.

The achievements of foundations in transition countries are encouraging. We have some early outcomes – a new generation of published scholars in Russia for example – but only time will enable us to see the full impact of the grant making. One needs only to look back on the history of the great universities in Africa – Ibadan and Makerere to name two – to know that keeping a university strong and vibrant is not easy, and as the European Humanities University reminds us, the government needs to be willing to tolerate the university at the least and support it at best. A strong university system is not a guarantee of a

vibrant democracy, but it is an important component of one. There is no question that a thoughtful and strategic foundation grantmaking program can help to build these universities.

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**Lord Sutherland:** We have a couple of minutes for questions about that presentation.

**Professor David Brannan (Open University):** For about 10 years—before and after 1992—I dealt with mathematicians in the Russian Academy of Sciences. I found that academia in eastern Europe and particularly in Russia comprised a central power base that was surrounded by many smaller power bases. The trick to dealing successfully with them was to find the right contacts who had the same objectives and would not rile other power bases, which could make everything run into the sand. Being non-governmental was important locally. Was that your experience, too?

**Adele Simmons:** Yes, very much so. I talked about the work to strengthen regional universities as a complement to the vibrant academic system that has several centres, moreover there was good work going on outside Moscow and St.Petersburg. We also worked with academies, and did not want them to oppose or undermine the regional effort. We identified leading scholars in academies and engaged them in the process.

**Lord Sutherland:** I will offer a question that might lead into a more general topic. You stressed an interesting point in your superb presentation. Many foundations are interested in the culture of the society in question—in the democracy, in openness and in whether a civil society is developing. That is part of the culture from which

foundations come. Is that incidental or is it reasonably or appropriately an aim of a foundation to say, "We're giving education so that you can be this kind of state and society"? I see the point of doing that in many societies, but in some—particularly those that are religion based—a problem might be encountered that is comparable to those that were faced in Russia.

**Adele Simmons:** Many foundations that are involved in higher education are also involved in strengthening civil society. In countries that have restrictions, wherever they come from, foundations must be enormously careful and do what they can. They must be very careful not to get their grantees in trouble with the law—George Soros talks about that in his autobiography. They must also push boundaries.

Because South Africans cared just a little bit about what the rest of the world thought, foundations had influence in South Africa during the apartheid years. This is why they could play the protective role that Archbishop Tutu talked about. In religious societies, there is often room for movement, sometimes through religious organisations, by strengthening the more moderate voices. Each country is different. We must avoid the cookie-cutter approach.

**Lord Sutherland:** The moment has come to spread the discussion and to raise some of the general issues about the role of foundations that we have been enjoined to talk and think about. We have had marvellous presentations that covered a wide range of examples. Our outlook has been international and local.

Now you have the opportunity to make contributions—the shorter comments are, the more people will speak. If you want the three speakers to debate particular questions, I will give them each two minutes towards the end of the session to respond to points that arise. What central issues that we have or have not touched on would you like to raise? I have a bag from which I am willing to pull questions, but I would rather hear from you.

**Professor Charles Pirie Skene (Skene Enterprise Trust):** I am a businessman in Aberdeen who has been involved in the promotion of enterprise in primary and secondary schools for 20-odd years. Our speakers have spoken about higher education, but I wonder whether we should not be speaking about education and lifelong learning across the spectrum, from primary to tertiary education. In Scotland, between 40 per cent and 50 per cent of people go into higher education but, in Africa, the percentage of people who do so must be remarkably small. If that is the case, the percentage of the population who are being helped by contributions from foundations must also be remarkably small.

I do not know whether our distinguished guests

from overseas are aware of just how fantastic the Scottish Executive has been in the past two or three years, to the extent that the “Determined to Succeed” report has changed the way in which young people are educated. Recommendation 1 in that report states:

“Every pupil from P1 through to S6 must have an entitlement to enterprise activities on an annual basis and, in addition, pupils in S5 and S6 should have an entitlement to case studies based on local or Scottish businesses.”

Given the Jesuits’ theory that if they are given a child who is under seven, they can change the world—or words to that effect—do the distinguished people from the various Carnegie foundations not consider that, by investing more money in primary and secondary education, they could improve the lives of many and help the economies of the countries in question?

**Lord Sutherland:** We will pick that one up.

**Michael Gellert (Carnegie Institution of Washington):** The juxtaposition of talks, which started with the Irish example, has been most interesting and has made us focus on the multitudinous reasons why the Irish programme seems to have worked.

In light of the relatively large amounts of money that are to be poured into countries in Africa and the sums that the MacArthur Foundation, in particular, has invested in Russia, is there some way of monitoring what happens in subsequent years? Given the corruption that we all know is rampant in those countries, one worries that a momentary splash will be made but, after that, the money will be dissipated. Is there any way of following up over the years to check that the money is not only spent but invested?

**Lord Sutherland:** Those are two excellent topics to lead on. Does anyone want to pick up on the role that foundations can play in relation to the whole of education?

A few years back, I visited the University of Zululand. We had interesting discussions about this, that and the next thing, including what we could do. I was told, “You think that we have problems, but you are interested in schools, so come with us.” A local primary school that was doing well had a pupil to teacher ratio of 80:1 in each class. That set the issues in context. As Charles Skene implies, for small children in that position, having any education at all has a dramatic impact. There is a spread. It was mentioned earlier that a great deal of Government money is going into primary education, but not into higher education. The balance is important, as is monitoring, because the foundations are independent. Does that independence include responsibility for asking whether the cash is being spent well? Does anyone want to pick up on either

of those issues? Perhaps I will turn to our speakers.

**Adele Simmons:** Those were two good questions.

We have talked about huge numbers, but when it comes to the needs of primary education, foundations’ resources can barely scratch the surface.. If foundations are to engage in issues of primary education, they need to be highly strategic, perhaps by focusing on teacher training, modelling or working with ministries to get policies and programmes right. Foundations cannot—and, in my view, should not—end up supporting national primary education systems. Other overseas development agencies and groups should do that.

Monitoring is a huge issue, especially in Russia. I think that it will be another decade or so before we know whether the transformation that seems to be taking place in the regional universities will last. I mentioned Makerere University and the University of Ibadan specifically, because they were great universities that ceased to be great.

We can identify and evaluate the work of individual scholars to whom we have provided research funding. We believe that the kind of research that they have done, is different than the work they were doing, and we think it is, important for a democratic society. However, it will be another couple of decades before we will know for certain.

**Professor King:** The reports to which I referred are absolutely clear that, unless you get good governance right—which is a nice way of saying get rid of corruption—the other reforms and investments will have a limited impact. The Commission for Africa sent that message very clearly and I suspect that the same message holds true for Russia. That is quite an awkward point to raise because it is hard to make good governance into a project. How does a foundation deal with that? This takes us back to Stewart Sutherland’s point about culture, context and society. When an international commission says that good governance is the precondition for all the other reforms, including sector-wide approaches to education and work, it can get into quite complicated territory.

**Adele Simmons:** But it is all interrelated..

**Lord Sutherland:** Would anyone else like to ask a question or make a point?

**Tony Breslin:** I take the point that was made about foundations supporting statutory systems and the need to be strategic in relation to the primary and secondary phases. Prompting those statutory phases towards innovation is particularly important. I have a vested interest in that, as I am engaged in citizenship education, which is an innovation in England, if not in these parts. In

terms of leveraging the state's commitment to a new area and innovative approaches to learning, the need to be strategic in relation to the primary and secondary phases has been important.

I wonder whether we need to think in terms other than those of primary, secondary and higher education. Perhaps we need to think about lifewide as well as lifelong learning. In that sense, I have been thinking about the informal sector. Some of our biggest successes have involved working with young people through the informal youth sector, addressing their educational needs and, in so doing—I am thinking about our youth act! programme in particular—engaging groups of young people in activity in a way that simply does not happen when you try to reach them through the formal sector. That raises difficulties because, in the informal sector, it is harder to do things such as governance, tracking and auditing with the precision that we might want, because we are working in a sector that is untidy. However, it is one that can bring a broader set of rewards and can engage groups that would not normally be reached.

The backdrop to all of that is the fact that one of the biggest challenges that we face when dealing with any aspect of education is the tension between achievement and inclusion. We are finding that we are focusing more on achievement at a policy level in the system and the more successful we are with the top 60 per cent, 70 per cent or 80 per cent of learners, the more excluded the other 40 per cent, 30 per cent or 20 per cent become. If we are going to address the achievement of that group, which is, first of all, an inclusion task, we need to think beyond formal education. Some of the higher education work that has been done has been quite successful in that respect.

**Lord Sutherland:** Clearly, one of the issues raised by what you say is that Governments are not good at getting into the informal context. Can foundations help in that regard? Have they any experience of doing so in a way that produces greater results?

On another, related, issue, how far is a foundation leading towards certain forms of achievement with the idea that informal changes in the shape of society will follow that, rather than being the objective that the foundation focuses on? In other words, if people cannot read and write, there cannot be the basics of democracy, and there are many other things that an inability to read and write prevents people from doing, so enabling people in that regard is a worthy aim that is, in one sense, not directly political. On the other hand, if the intention is to create an educated population, all sorts of consequences follow from that. What is the foundation's aim? Is it to provide the skills and the detailed achievement or is it to change the

culture?

**Professor Rhodes:** Your comment links closely to what George Reid said this morning in his wonderful and thought-provoking speech. Apart from a shortage of funds—there will never be enough funds—the big weakness of foundations is that we are weak in identifying and analysing the problems. We are weak and do not do enough collectively. Adele Simmons described a wonderful example, but that kind of model is the exception rather than the rule. We do not have the capacity—or, sometimes, the will—seriously to monitor the results of what we are doing, both in narrow terms and in broader, cultural terms.

I wonder whether there is any interest in this discussion group in thinking about these issues from the operational point of view. Do we, as a group of foundations, have an obligation to be much more comprehensive in our analytical approach to the problems or can we assume that all that work is being done by academics and others who are impartial and trustworthy? Secondly, how responsible are we for monitoring the investments that we make? It seems to me, as a member of the governing boards of several foundations, that we have some room for improvement in that regard.

**Lord Sutherland:** Well, there is an invitation.

**Adele Simmons:** I would not like this conversation to end up in an either/or position or one in which we place higher education in opposition to the informal sector.

What Tony Breslin and the Citizenship Foundation are doing is enormously important and foundations often fund groups that support the informal sector as well as the primary education sector. We need it all and, somehow, we need to find ways in which we can get it all. There is a division of labour in foundations.

Monitoring is enormously important, but we have to be careful about it. Einstein had it right when he said

“Not everything that can be counted counts, and not everything that counts can be counted.”

In the United States of America, at least, we are in love with metrics; we have to be able to count everything in order to show that something is a good thing to do. We have probably gone overboard.

We often used anthropologists to evaluate our work at MacArthur. It is necessary to find a way to do the monitoring that is appropriate for what is being monitored, but we often get that match wrong.

**Claire Valentin (International Association for Community Development):** All three speakers have mentioned the importance of education in

terms of the development of critical thinking. There has been a positivist trend in a lot of research that has focused on enterprise and skills training. Although those areas are important, I welcome the wider role for education in looking at the wider issues of developing democracy and the MacArthur work in supporting disciplines such as philosophy and the humanities. We do not have all the answers to everything in the world and we need education to support the development of new ideas. I am heartened by what has been said and I think that there is a challenge to the other philanthropic organisations to support thinking and research that broaden ideas and try to come up with questions rather than simply looking for answers.

**Lord Sutherland:** I would like to tie that to the question that Professor Rhodes posed about the role of foundations in thinking through issues analytically. I will give an example that is not meant to be parochial, but it is what I know about. Here in Scotland all sorts of people are wondering what to do about deprived areas. Those areas have educational needs and we wonder how to get people on to the educational ladder; they have health needs, because the worst health is to be found in exactly the same areas; and they have employment needs, because unemployment is highest in those areas. We move down what is called the multiple deprivation index. Deprivation is not spread across the country so that one bit has poor employment, and another has bad health; the problems are concentrated in certain areas.

The initiatives that people rightly and willingly want to take focus on one of the indicators—the key will be primary or secondary education or whatever else—but the situation is more complex. If one pulls one strand, out comes the thread, but the tapestry does not look much different because one thread has been picked out. I would have thought that that would have created difficulties for Governments, comprised as they are of politicians each of whom has a department and a budget and each of whom represents the spend of one segment of government on one aspect of deprivation. The independence of the foundations might be shown in providing greater analysis of the interaction between the various strands in their different ways of working in the community rather than simply concentrating on one problem in isolation.

**Professor King:** I find myself reacting in a strongly positive way to that. The reports that I have been analysing very rapidly this morning say exactly the same thing about the deprived areas of the developing world. They say that we cannot successfully invest only in primary education or only in AIDS—that will not work. The challenge in the reports, including a challenge for the foundations, is that we need a development project

for a deprived area in Scotland, say. That means intersectorality, which takes us into a very different ball game from Ford doing a little project in Ibadan. Let us face that.

The other message of the reports is that there are more African scientists and engineers in New York State than there are in Africa. The scholarships that are given by the foundations are a straightforward passport out. The same discussion is taking place in relation to Turkey and Europe. One of the big challenges for our discussion in education is how we deal with the fact that a salary in primary education or secondary education or in a university in Kenya is not sufficient to live on. People there must get into what Tony Breslin called the informal sector and take a second job. If a foundation offers what looks like a really supportive research strategy, how do we prevent that from being a passport to leave a deprived society? There must be intersectoral development in the infrastructure of that society.

**Dr Chris van der Kuyl (Young Enterprise Scotland):** I am a local entrepreneur and chairman of Young Enterprise Scotland. A big strand of Frank Rhodes's paper is the sustainability argument and the fact that a strategy of foundations is intervention and then gradual retrenchment from that. That relates to Kenneth King's point. If a foundation wants to create a sustainable project, where do things begin and end? In a developing economy specifically, the only real way to create such a project is to see educational initiatives help to develop wealth. That will sustain itself not only at a governmental level but at a local level in business and enterprise. Does that mean that there is a place for venture philanthropy in encouraging such economic development? Is there a boundary between education philanthropy and venture philanthropy?

**Lord Sutherland:** I am sure that that will be picked up either now or in a few minutes' time. Is there another related point?

**Ed Weepie (Carnegie Trust for the Universities of Scotland):** The theme that is common to all the speakers, which they have eloquently expressed, is that of investing in people and infrastructure in situ in various countries. However, another way of developing intellectual leadership in such countries is through Governments and foundations supporting individuals to go universities in the UK, for example. The British Council plays a major role in that area and Government scholarships and other scholarships support the practice. The philosophy is to invest in the person and their intellectual leadership so that they can act as change makers when they return to their countries. I am sure that the foundations have debated that issue and that they may have devoted resources to it. What are the arguments around both investing in situ and

attracting potential leaders to developed countries through scholarships and other forms of support?

**Lord Sutherland:** Does anyone else want to pick up on that?

**Adele Simmons:** We chose to ensure that the scholars whom we support can interact with colleagues from countries in the west and elsewhere and perhaps spend short periods there. However, we have invested in equipment and resources in universities in scholars' own countries to help strengthen the universities and make it attractive for students and scholars to stay. We are trying to address the emigration problem. If someone studies abroad for three or four years, it reduces their chances of going back home.

Our emphasis has been on providing and strengthening local facilities and resources, and encouraging intellectual collegiality in universities in their own countries. The internet is enormously helpful in that. Once scholars have met their colleagues, they can do a lot through good internet connections.

**Lord Sutherland:** Are there any further reactions to this point or Chris van der Kuyl's point about entrepreneurship?

**Professor King:** I have a point on Adele Simmons' question about how we hold people in their own countries when they have tasted the fruits of Organisation for Economic Co-operation and Development countries in the developed world. The Commission for Africa has been realistic enough—others may think that it is unrealistic—to say that, as part of the revitalisation of universities and health services in the developing world, aid and technical assistance must be changed into salary incentives. For example, instead of 20 Dutch doctors being sent to rural areas in Zambia, their salary would be put into salary incentives for Zambian doctors. That is a big challenge, which hits the sustainability issue that we discussed. Such proposals show how aid people think now. They want to explore the role of aid and philanthropy in helping to hold people in their own countries.

**Baroness Veronica Linklater (Esmée Fairbairn Foundation):** I am a trustee of the Esmée Fairbairn Foundation and I chair its education programme. It seems to me that there are two interrelated challenges for anybody in the foundation world. We have heard and spoken a fair amount about sustainability, which requires monitoring and evaluation. Whether a funded project is a major one, such as the example in Ireland of which we heard, or a local project in this country, we must be reassured that it is sustainable.

However, the other side of that is what I would call replicability. If we want to get more bang for

our buck from a project and to make an investment rather than just spending money, we must consider what elements of the project can be replicated elsewhere. Often, projects cannot just be lifted and replicated somewhere else, as there are a lot of interesting variables and dynamics. Perhaps that takes us right back to where we started in the first presentation: the issue is not just to do with cash or project structures but, crucially, to do with individuals. If we want to make a difference, we must consider how we roll out, replicate and extend the lessons and practice of good programmes and projects on the wider scene.

**Norman Drummond (Lloyds TSB Foundation for Scotland):** I was not surprised to hear Veronica Linklater speak about the individual. It seems to me that many of our discussions relate to the human element; for example, the discussion on primary schools and Professor King's question about how famous and great foundations can begin to interact with people on the ground. To pick up on Charles Skene's comment, we have dealings with the Goenka Foundation in Mumbai, where four primary schools have four sittings each day, so there are 16 schools in four buildings in different parts of Mumbai—a hugely overpopulated area—all through the philanthropy of one family.

The human element is also relevant to the interconnection of various departments. When we work in "tough reality areas", as we describe them, it is often a question of who is responsible for what and who gets the credit. A modern Scottish philosopher said recently that there is no limit to what we can achieve together, as long as we do not mind who gets the credit. We have to play that back to ourselves, as foundations and as individuals.

Finally, I have a question for Dr Rhodes on the human element. How on earth did you bring together the seven principals, given the highly competitive nature of those individuals and universities? Looking ahead, how will you enable that atmosphere to continue for later generations, now that Atlantic Philanthropies have joined? My comments and questions are based on the human element. I endorse Veronica Linklater's comments on that.

**Lord Sutherland:** Very soon, we will ask the speakers to respond to the points that have been made. Do people have any additional points to put or comments that they will kick themselves for not making in 20 minutes?

**Roger McClure (Scottish Funding Councils for Further and Higher Education):** I am from the Scottish funding council. I say that advisedly, because we had two councils on Sunday but, from yesterday, we have one for both further and higher education.

I want to return to the question that Stewart

Sutherland left hanging in the air about the consequences of significant interventions. I am not talking about the so-called underdeveloped world, but about what we think of as the developed world. I spend a fair amount of time worrying about the competitiveness of Scottish higher education and in research. Therefore, I must admit that I am a little discomfited to find that one of our competitors, Ireland, is the beneficiary of such a substantial injection. To put the matter bluntly, that is clearly good for Ireland—we cannot object to that—but it is not necessarily good for Scotland or anywhere else in the United Kingdom. I do not really understand where the money has come from for Atlantic Philanthropies—perhaps it is all Irish money and therefore we cannot complain—but the question is how we decide where interventions on such a scale are appropriate.

**Lord Sutherland:** That is better than the great unanswered question which is, “Frank, when are you coming to Scotland?” However, there is an issue about how we decide such policies, because they have a huge impact. The Wellcome Foundation in this country has directed research dramatically throughout the UK down clear avenues because of its financial power. There is no doubt that that happens.

**Dr Ian Johnston (Glasgow Caledonian University):** I am Ian Johnston of Glasgow Caledonian University and the Carnegie Trust for the Universities of Scotland.

Chair—no one has picked up your challenge about pulling a thread from the tapestry and the tapestry remaining, or your point about risks. I agree about the tapestry. An holistic approach to all the problems of deprivation is required, particularly in our post-industrial societies. That poses risks for trusts, which have limited resources, so if they choose to pour them into one pilot area, they risk offending other areas that have not benefited. They might offend Governments. The Irish Government is clearly enlightened and was prepared to provide matched funding, but if trusts are setting the pace, they could be seen to be interfering in the spending round of public expenditure. I was interested to hear that we cannot be told what the fourth round will be, because it has become such a big issue in Irish public expenditure.

I add to those risks the risk in respect of innovation. Carnegie himself would have been keen to see everybody innovating like mad and taking risks with innovation, but I have not heard that mentioned. I would be interested to hear the panel address any of those problems.

**Lord Sutherland:** We have heard quite a range of comments. I will give each panel member two minutes, or three at most. I am serious about that this time, because we are supposed to finish at 12.

I ask Adele Simmons to kick off.

**Adele Simmons:** I will pick up where Ian Johnston left off with what I call the silver bullet problem, which is a particular problem with new donors in the United States and with corporations that sit on the 75th<sup>th</sup> floor of some building saying, “I know the solution to the problem in that inner-city neighbourhood.” These people often do not understand how the neighborhood works or that you can’t provide computers without technicians or trainers. The Ford Foundation did a good job of working in neighbourhoods. Ford and other large foundations believed that if they could demonstrate what could work, it would be easier to channel Government money into similar activities for other neighbourhoods. It is better to focus than to spread 5 cents around every neighbourhood, because that has no impact. If choice is available, we should focus on and create one really good example.

The other problem that we have not talked about—it is less of a problem in higher education—is how the foundation structure encourages competition rather than collaboration among non-profit organisations, with the result that many organisations in the same neighbourhood used to walk into my office to say, “This is why you should fund me and not them.” It is up to foundations to provide leadership and to think of ways to promote collaboration when it is appropriate among non-profit organisations, that are all working in the same space to try to solve the same problem.

**Professor King:** I will make three and a half points. An issue that has run through, and which lies behind, the debate is standardisation. The Americanisation that Adele Simmons mentioned is a serious issue. In Europe, we could consider the Bologna process whereby universities are being pushed into a similar kind of structure. That affects traditions, such as that in Russia which Adele Simmons talked about. Throughout eastern Europe there is a huge tradition of the academy doing research and the university doing teaching. What is so wrong with that? Is it on the way out because it is not western? That is an important question, but we cannot discuss it now.

Behind some of the interventions that we have talked about is—unfortunately and inevitably—the creation of elite structures for the moment. Comments are inevitably made about private universities and little centres that have access to western money, but such facilities may be necessary to hold people in Russia, Nairobi or Ibadan—certainly in Zimbabwe—for the time being. We might have to confront words that have not been mentioned, such as “inequality” and “elitism”. If we are to retain people, high quality and elitism may have to go together for a bit.

Why do we not have a real Carnegie move in

this group and say what is so bad about having Carnegie libraries for Africa? There are Carnegie libraries in parts of Africa, but the absolute disaster for the University of Malawi library, which I visited four weeks ago, is that it has had no budget for the past three years. What does that do to all our plans for university development? Why do we not just say that there should be Carnegie libraries for Africa?

**Dr Rhodes:** I have four points; they will take 30 seconds each. The source of Atlantic Philanthropies' funds is one individual, Charles Feeney, who is American by birth and Irish by heritage, which is why Ireland is a favoured recipient. However, Atlantic operates substantially in South Africa and Vietnam as well as in Ireland and the United States. It is a global operation.

The second thing that we have not talked about is represented by Chuck Feeney himself—he is truly the Andrew Carnegie of this generation—which is the cultivation and inspiration of new donors. We have talked about dispensing support, but we should also be conscious that we have an obligation to generate and inspire new support.

Thirdly, I am frustrated that we have not had time to address the question of selecting our investments. There is a need for analytical capability in the foundation world—George Reid mentioned it this morning—and we have a long-term obligation to pick up on it. Atlantic Philanthropies has now pulled out of several areas in which it had invested large sums, higher education being an example. Chuck Feeney is a graduate of Cornell University and he was an entrepreneur who made sandwiches and sold them to pay his way through college. Atlantic is now out of that field and it invests in youth at risk, in human rights and reconciliation, in the elderly and in health in developing countries. The selection of targets represents a continuing challenge for us.

Finally, there is a question around the concentration of the people in this room on education. George Reid told us about the old Chinese proverb about investing for one year in corn and 10 years in trees and about investing in human capital for the future. That is why this discussion on education is really the primary discussion of all those that are taking place in this building this morning. Alfred North Whitehead once said that

“a University's task is the creation of the future”.

I would also include schools in that. It is in classrooms and labs that the future is being created. Knowledge is created in the elite universities—for which I am unapologetic—shared and then applied. That is really the role of the

foundations and surely it is one of the secrets of our responsible role in the future.

**Lord Sutherland:** Thank you. I will just mention five words that have come to me through the discussion that might focus your thinking and further discussion during the rest of the day and a half.

The first is independence; foundations have independence. There is so little independence in educational practice and thinking in this country, but it is a marvellous prize and we should not let it go. Independence is the right of foundations because the money that they spend is their money. On the other hand, rights and responsibilities follow independence. Frank Rhodes has been pointing us to questions on those. If we have independence, we have a responsibility to make sure that it is as well used for the human community as it can be.

Secondly, the word strategy kept coming up. We have not discussed it, but it kept coming up in the presentations. Foundations need strategies and they expect participating partners to have strategies. Foundations encourage the development of strategy because it means that money might be well spent, which is critical. I would ask foundations whether their opportunities for strategy include collaboration with other foundations, because foundations can be just as watertight as politicians, universities and schools.

Thirdly, I will mention partnerships, and I will just leave that with you. Partnerships are critical because, as we have heard illustrated throughout the past two hours, they are the way to get more bang for the buck.

Leverage is the fourth word. How can foundations get money from other sources? There is a very good example in Ireland and I mentioned the Wellcome Trust, which persuaded the British Government to put large sums into research by saying that it would put £400 million on the table and then asking what the Government was going to do about it. That worked. In the same way, leverage can be used with local communities; banks have been very good at that by saying that they will match pound-for-pound what a community raises.

The final point is about the impact of what foundations do. What are the consequences and how many of them are unintended or intended? Is it good that the intended consequences were the ones that worked? Sometimes the unintended consequences are of real benefit. We do not know what will be around in 100 years' time, but that is what we are providing for through education.

It is 12 o'clock and we are supposed to stop now. I thank the three speakers and ask delegates to accord the usual appreciation. [*Applause.*]

*The symposium closed at 12:00.*

## **Education**

### **Alphabetical List of Delegates**

- B** Robbee Baker Kosak (Carnegie Mellon University)  
Keir Bloomer (Clackmannanshire Council)  
Professor David Brannan (Open University)  
Tony Breslin (Citizenship Foundation)  
Robert Brown III (Carnegie Mellon University)  
Professor Stewart Brymer (Thorntons Law LLP)
- C** David Caldwell (Universities Scotland)  
Nasim Christie (Global Concerns India)  
Peter Cummings (Bank of Scotland)
- D** Euan Davidson (The Prince's Trust - Scotland)  
Graham Donaldson (HM Inspectorate of Education)  
Norman Drummond (Lloyds TSB Foundation for Scotland)
- G** Michael Gellert (Carnegie Institution of Washington)  
Claire Gemmell (Carnegie Dunfermline & Hero Fund Trusts)  
Juliette Gimon (Hewlett Family)  
Christopher Gorman  
Dr Vartan Gregorian (Carnegie Corporation of New York)  
Guo Guifang (PR of China in Edinburgh)
- H** David Hancock (BT)  
Cheryl Hays (Carnegie Mellon University)  
John Healy (The Atlantic Philanthropies)  
Flora Hewlett (Hewlett Family)  
Louise Hills (Carnegie Family)  
Linda Hills (Carnegie Family)
- J** Larry Jennings (Carnegie Mellon University)  
Dr Ian Johnston (Glasgow Caledonian University)
- K** Professor Kenneth King (Centre of African Studies, University of Edinburgh)
- L** Dr Brian Lang (University of St Andrews)  
Baroness Veronica Linklater (Esmee Fairbairn Foundation)
- M** Murdock MacKenzie (The Gannochy Trust)  
Roger McClure (Scottish Funding Councils for Further & Higher Education)  
Jim McColl (Clyde Lowers Ltd)  
Maureen McGinn (Laidlaw Youth Project)  
Professor Bill McIntosh (Lauder College)  
Professor Andrew Miller (Carnegie Trust for the Universities of Scotland)  
Lydia Mumbi Muchira (Canopen Research Services)  
Professor Pamela Munn (The University of Edinburgh)
- N** Professor David Nasaw (City University New York Graduate Center)
- O** Dermot O'Brien (TIAA-CREF)
- P** Professor Robert Michael Pittilo (The Robert Gordon University)
- R** Jurgen Christian Regge (Fritz Thyssen Stiftung)  
Janice Reilly (Napier University)  
Dr Frank Rhodes (Cornell University)  
Fionnuala Richardson (Foras Eireann)  
Mike Rutterford (The Scotland Funds)

- S** Douglas Scott (Carnegie UK Trust & Carnegie Dunfermline & Hero Fund Trusts)  
Adele Simmons (Global Philanthropy Partnership)  
Professor Charles Pirie Skene (Skene Enterprise Trust)  
Dr David Smith (Carnegie Dunfermline Trust, Carnegie UK Trust & Carnegie Trust for the Universities of Scotland)  
Iain Smith MSP  
Lord Sutherland of Houndwood (Royal Society of Edinburgh)
- T** Dr William Trueheart (The Pittsburgh Foundation)
- U** Dr Wali Tasar Uddin (Consulate of Bangladesh of Scotland)
- V** Claire Valentin (International Association for Community Development)  
Dr Chris van der Kuyl (Young Enterprise Scotland)
- W** Betsy Watkins (Carnegie Museums/Library of Pittsburgh)  
Ed Weepie (Carnegie Trust for the Universities of Scotland)  
Iola Wilson (The John Watson's Trust)
- Y** Iwona Yaworska (The Leopold Kronenberg Foundation)