

12 March 2008



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## Speech by the Presiding Officer George Reid: Rethinking Progressive Philanthropy

Carnegie Awards and Symposium: Opening Remarks, Tuesday 4 October 2005

[Watch the speech on Holyrood.tv](#)

### Introduction

As Presiding Officer may I bid you the warmest of welcomes to Holyrood and to the new Scottish Parliament.

*Fàilte gu Taigh an Ròid agus fàilte gu Pàrlamaid ùr na h-Alba.*

We meet this morning in a very special place, a UNESCO World Heritage Site, where the thousand years of Scots history in the Royal Mile of Edinburgh fuses with the land of Scotland in Holyrood Park.



The Presiding Officer George Reid welcomed guests to the Scottish Parliament. [Watch the speech on Holyrood.tv](#)

### Engaging in the Enlightenment

This is a special place for Americans too.

The fathers of the Scottish Enlightenment – the economists, jurists, philosophers, political theorists and scientists whose ideas gave birth to the modern world, and shaped the United States – were up and down the Royal Mile of Edinburgh long before any of us.

Adam Smith, the father of economic theory and author of *The Wealth of Nations*, is buried just across the road in the Canongate Kirkyard.

The men whose thoughts gave intellectual rigour to the American Revolution – David Hume, Francis Hutcheson, Thomas Reid – walked the pavements outside where we sit this morning.

Benjamin Franklin twice came to Edinburgh to engage in dialogue with them.

James Witherspoon – first Principal of the Presbyterian College of New Jersey, now Princeton, and the brains behind the Declaration of Independence – was here too.

And so were the bridge builders, doctors, engineers, entrepreneurs, free thinkers and wealth creators – the Scottish shock troops of American modernisation – who did so much to make the United States what it is today.

Andrew Carnegie came from that get-up-and-go tradition. He was shaped by the Scottish Enlightenment and by its principles.

By its common sense utilitarianism – the need for social conscience and commitment to the greatest happiness of the greatest possible number.

By its cosmopolitanism – the ability to be comfortable in different cultures.

And, above all, by its confidence in the future – the innate optimism that the world was not only getting better but offered extraordinary opportunities to those who set out to achieve them.

### **Carnegie and the Community**

Andrew Carnegie's first achievement was, of course, to become the richest man in the world. His second was to give the bulk of his wealth away – to stop *accumulating*, as he said, and to start *distributing*.

His money went, in a very Scottish way, not to the great and mighty, or to advance the cause of rampant capitalism, but to the community... to offer opportunity, and enrichment of life, to millions of ordinary men and women.

3000 free libraries around the world to open the minds. Public parks and swimming baths and children's health programmes to nurture the body. University endowments to push the limits of knowledge. A pension plan for teachers. Concert halls to bring excellence in the arts. A peace foundation to help end the scourge of war...

*No man can be truly rich, he said, unless he first enriches others.*

It was a radical programme deemed wildly socialist by his peers on Wall Street.

But a century on, gathered here at Holyrood, we can take pride that a son of Scotland gifted progressive philanthropy to the world.

### **The Carnegie Awards and Symposium**

No one should doubt the importance of this week's Carnegie Awards and Symposium.

The organisations represented in the Chamber this morning have given away about \$6 billion to their fellow men and women over the last decade.

Outside this Chamber, looking in, watching what is happening here, are more than 20 million philanthropic organisations in the world's 22 most developed countries. According to Johns Hopkins University, their annual spend is in the region of \$1 trillion.

Why is Holyrood important to this process?

Not because we have an Awards Ceremony, central though that is to recognising extraordinary achievement on behalf of the poor and the marginalised people of the world.

But because progressive philanthropy faces major strategic challenges in our compressed global economy... in its relationships with the state... in its partnerships with civil society... in its advocacy work... and in its key role of ensuring change for good.

These are the big issues which will be addressed in this morning's Symposium and in the Carnegie colloquy tomorrow.

### **Lessons for Scotland**

There are lessons here for Scotland, and for a Parliament which prides itself on its commitment to create a sustainable society founded on enterprise and compassion.

We have to get back the entrepreneurial, get-up-and-go spirit which we Scots exported to America. We must realise that we cannot redistribute the money until we have actually made it.

We should note that, here in the Chamber, are representatives of the Hewlett and Packard families who currently invest around \$500 million a year in civil, environmental and health programmes, but who started small, in a garage in Palo Alto, California, with \$853.

And we should recall what Tom Hunter said when he gifted recently £55 million to the Clinton Global Initiative:

*I'm a Scotsman. I don't do handouts. I've not given anything away. I've invested it in people who will maximise it in the service of their communities.*

### **Lessons for America**

There are maybe lessons for America too this morning.

Because, if we can benefit from some of the entrepreneurial spirit we took to the States, maybe Americans can benefit from some of the communitarian values which still remain valid in Scotland.

The progressive foundations in America are under challenge from the younger, neo-liberal foundations of the Right. Their trustees seek new ideas, new strategic directions.

Across the Atlantic, this little country has a vibrant voluntary sector and a strong civil society. Our ties with America are firm. But so are our links throughout the European Union and many of the countries of the developing world.

So, in the spirit of the Enlightenment, think of us as a bridge across the Atlantic, to a wider world and to different perspectives....

### **People First**

*If you want a year of prosperity, grow grain*

*If you want ten years of prosperity, grow trees*

*If you want a hundred years of prosperity, grow people.*

The old Chinese proverb contains a truth which all of us this morning in this Chamber share. That beyond the relentless flow of labour and capital across frontiers... beyond the integration of markets, nation states and technologies... people still come first.

Yes, we live in a global village. But the future is not fixed.

Ours need not be a world of ruthless competition, the market driving all – a divisive scenario in which the Rest squares up ultimately to the West.

I have personal experience of this. For a dozen years of my life, I worked as a director of the International Red Cross, in wars and disasters around the world, in developing and developed countries alike.

I therefore pay tribute to all of you in our Chamber this morning whose motto encapsulates the Red Cross truth – *Tutti fratelli*, all are brothers – and that great hymn to humanity of our national poet, Robert Burns: *That man to man the worl' ower shall brithers be...*

I pay tribute to your work for human rights everywhere, particularly the rights of women.

For the provision of microcredit, an old sewing machine turning a land mine victim into a tailor and a person of substance.

For the investment of hundreds of millions of dollars in the most deprived communities of the world.

For bringing respite to those caught in the crossfire of conflict.

For education of excellence, open to all.

For the arts, challenging ideas and driving economies.

For bringing compassion and tolerance to angry societies.

And for knowing that community is all.

The philosophies of the founding fathers of "Charity" were rooted in another, older world. When the Red Cross was founded, armies lined up and fired off at each other. Ladies came out in carriages to picnic and watch the action.

Today wars happen inside countries, not between countries. Nine out of ten of the casualties are civilians.

Red Cross workers, as Mary Robinson knows well, have themselves become targets.

And the old rules and regulations are no longer enough.

### Challenges to Charity

Where stands philanthropy in this constantly changing world?

Andrew Carnegie recognised the problem in 1889 when he wrote: *It is more difficult to give money away intelligently than it is to earn it in the first place.*

How do Foundations invest money away intelligently in the 21st century? How do they achieve what Carnegie called *scientific philanthropy*?

Only, I would suggest, by constantly addressing and re-addressing the challenges of today and seeing them from the perspective of tomorrow.

- **Innovation:** Traditionally, progressive Foundations led on social change... governments followed... and the Foundations moved on to new challenges. But today many of their resources are deployed as service delivery agents for governments, impeding innovation. I ask you, is that right?
- **Advocacy:** Traditionally, progressive foundations spoke out against injustice. But so much match-funding depends these days on government, that voices are often stilled in case the cash-flow dries up. Should advocacy and service-delivery be split?
- **Leverage:** Once a foundation has donated the seed-corn money, should it move on? The Esmée Fairbairn Foundation recently provided £2-million of core-costs to ten community organisations founded in Britain and challenged them to raise £20-million over three years. They raised £19.5-million. A model for sustainable development in future?
- **The Regulatory Framework:** Is it going to empower charitable giving, or shackle it?
- **The Tax Regime:** Is it going to provide incentives, or penalties? Can tax-deductible donations be used to lobby against government policy?
- **Duplication and Donor Fatigue:** Operation Katrina, in the States, has pulled in well over \$1-billion dollars. But the bulk goes to one organisation, the Red Cross, and is used for emergency relief only. What about longer term rehabilitation and reconstruction? And what about the small communities ravaged by Rita, who look like getting precious little? Time and time again in my own operational years, we had far too much money in one high profile disaster and virtually nothing in areas where the need was significantly greater. How do we resolve that?
- **Corporate Giving:** How do we release the humanitarian potential of the commercial sector, concentrating as much on stakeholders as shareholders? Advocating a triple bottom line that measures financial, social and environmental performance — of benefit to customers, employees and investors alike?
- And finally, **Women.** If you give food to a man in a disaster, he will eat it. If you give it to a woman, she will share it — and keep some of the seeds for next year's harvest. How do we liberate women and unleash the world's greatest potential for sustainable development?

### Climbing Up the Stairs

These are some of the challenges to be addressed over the next two days, here in Scotland at Holyrood.

Vartan Gregorian, the President of the Carnegie Foundation of New York — who would never have left his Iranian community but for a philanthropic helping hand and the constant support of his grandmother — has put it succinctly:

*Foundations need to be in the ideas business, not the needs business.*

The daughter of Andrew Carnegie, Margaret Carnegie Miller, put it even more bluntly:

*I am sick, she said, of all this Santa Claus stuff.*

A new report by the Carnegie United Kingdom Trust, *Stepping Up the Stairs*, is based on extended interviews with all the main players in British philanthropy. It concludes that trustees have a *hunger for intellectual rigour in progressive philanthropy* if they are to talk the talk, walk the walk, and live the legacy.

There are two proposals, some potentially important to Scotland.

First, to establish a Summer School for trustees like those of you in the Chamber today where, at the highest level, they can dialogue about where we are going with the world's leading academics, economists, entrepreneurs, philosophers and politicians.

And secondly, the establishment of a philanthropic research unit within a leading university to identify key trends and produce a new generation of philanthropic thinkers.

No decisions have been taken about location, nor will they be in the next few days.

But, in a bit of time travel, the authors of the report quote the Financial Times in ten years' time.

The lead story is on the Prime Minister doing a BBC extended interview on the views of a Scottish professor on the centrality of progressive philanthropy in addressing the issues of tomorrow, today. The sort of story which is published in Washington now.

The FT of the future traces the process of change back to Edinburgh in 2005 when, it reports, there were *blank looks and buckpassing* elsewhere - but comprehension in Scotland.

Enterprise and Compassion. Surplus wealth for public good. A renewed commitment by the progressive foundations to empowering people and to righting wrongs.

Verily, verily, in the words of Andrew Carnegie.

*No man is truly rich, until he enriches others.*

Ends.

#### **More about the Carnegie ceremony**

For further information, the media contact is :

Richard Holligan: 0131 348 5605

email: [richard.holligan@scottish.parliament.uk](mailto:richard.holligan@scottish.parliament.uk)

**For general enquiries**, contact Public Information on: 0131 348 5000 or 0845 278 1999 (local call rate)

Text phone: 0845 270 0152 RNID Typetalk calls welcome

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