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Realizing Russia's Potential
CHANGING ATTITUDES TOWARDS PHILANTHROPY IN RUSSIA
Round Table

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In cooperation with PwC

Moderator:

Ruben Vardanian, President, Troika Dialog

Panelists:

Valery Gergiev, Artistic Director of the Mariinsky Theatre; Founder of the Valery Gergiev Charitable Foundation

David Jones, Global Chief Executive Officer, HAVAS; Co-Founder, One Young World; author of *Who Cares Wins*

Dennis Nally, Chairman, PwC International

Natalia Vodianova, President, Naked Heart Foundation

R. Vardanian:

Good day, ladies and gentlemen. I would like to welcome everyone to a session I believe to be very important and profound at our Economic Forum, where we discuss political and economic issues.

The topic of our discussion today is fundamentally important. Notwithstanding the fact that we are discussing economic and political tasks, the topic of philanthropy and changing attitudes toward philanthropy in Russia on the part of the business community, society, and the media seems to me to be a very pressing one, all the more so because yesterday in this very hall, entrepreneurship was being discussed, and one of the questions was about why our businesspeople do not feel responsible for returning a part of what they have earned to that society which allowed them to earn it.

Soon I will yield the floor to our very respected guests: Valery Gergiev, Denis Matsuev, Stanislav Kuznetsov, Svitlana Kozlyuk, and Gleb Prozorov, all of whom represent Russia. Together, we will be able to respond to a few questions relating to Russia.

It is a very good thing that we have present here not only Russian citizens, but people who have achieved great success and obtained great experience in the implementation of these projects outside of Russia: both Kamran Elahian and David Jones. These are people who are not simply very successful in business, but who are also successful in philanthropy. I think their conversation on what is happening not only in Russia but in the world, as well as their experiences of mistakes and failures, will also be beneficial.

Kamran Elahian is the Chairman and Co-Founder of Global Catalyst Partners and one of the world's largest venture capitalists: he has founded an institution that invests in more than 36 countries.

David Jones is the founder of the One Young World youth forum and the author of the book *Who Cares Wins*.

Dennis Nally, President of PricewaterhouseCoopers International Ltd., is a person who understands both Russian and international problems very well.

Gleb Prozorov, Managing Director of Business News Media, directs *Vedomosti*, one of the best Russian media publications: the newspaper, the conference, and everything that happens around them.

Stanislav Kuznetsov is Deputy Chairman of the Board for the Sberbank Group and has a lot of experience in the implementation of charity projects, both for Sberbank and for himself personally.

Denis Matsuev is a People's Artist of Russia, a man who is famous not only as a pianist, but as a person who has done a great deal in the search for new stars and new talents in music.

Svitlana Kozlyuk is the International Director of The Naked Heart Foundation, and a person who exchanged her career as an investment banker for one as the manager of a charitable organization. This is also a very interesting trend: this kind of change of professions and move to philanthropy.

My name is Ruben Vardanian. I am also fairly deeply involved in philanthropy, and I believe that the charity industry in Russia is in need of very serious socialization and change. We have several quite important issues which I would like to discuss today. The first challenge seems to me to be a very serious one. In our country, various levels of government believe they can dictate or very strongly recommend to which charity projects corporations should send money. This has shades of an additional tax that the government imposes on corporations and on people to make them help in a given area, because a government bureaucrat has decided that it is an important one.

Currently, the fashionable area is soccer. There are fashionable themes connected with other areas, and this gives rise to a certain amount of rejection, and a reaction. There is charity and there is philanthropy: the difference is that in the first case, you give money to help people with nothing, poor people, or sick people; in the second, you create mechanisms which will allow talented people to achieve more success. Where should money simply be given, and where should mechanisms for the effective management of this money be created?

To what extent you should do that if you pay all your taxes is something that is constantly being discussed the world over. There is a government that receives taxes from you and is obligated to bear that responsibility to a larger extent than you are. What does it mean to give, or to participate in the creation of something that will mean that the mechanism is effective?

The issue of the first generation of rich people in the Russian Federation also seems to me to be an important one. We have a wave of a first generation of rich people who are now at a crossroads and are looking at the examples of Bill Gates, Warren Buffett, and others. Some of them are going that route, and others are not. How can you pass on your status, and how much money do you need to feel that you are already rich enough not to have to think about that anymore? This challenge, I think, is very serious from the point of view that we need to help everyone, but how do we choose whom to help, based on the multitude of problems in Russia? To this day, we have hundreds of thousands of orphans, a huge number of problems with healthcare and education, and a massive number of problems with the elderly; we do not have the infrastructure or capabilities to assist sick or well people (that is, people of working age).

It seems to me that we have quite a large number of challenges to which we need to respond. On the whole, the attitude towards charity here is one of massive mistrust connected with the fact that in the 1990s, some pretty unscrupulous people used charity as a mechanism to get money from the government. We have the notorious examples of the National Sports Foundation and other institutions that received money for the support of sport, children, or other things, but that, it was subsequently revealed, purchased cigarettes and alcohol and made the people behind them billionaires.

Unfortunately, this is public knowledge. The level of trust in the industry is very low, but that is changing, thank God: there are successful examples, such as Gift of Life, The Naked Heart Foundation, Life Line, and many others. Nevertheless, we still have a long road ahead. So there are many questions, and our time is unfortunately very limited, but I hope that we will be able to shed light on at least some key points.

I would like to begin with Dennis Nally, as a person who heads a very large international auditing company. I am going to switch to English so that the translation will be more precise.

What is your view about charity or philanthropy? Where are the major challenges for countries like Russia, which are just learning to do charity? What needs to be done to change attitudes toward charity, and how do we make it more efficient? Please say a few words on these issues, and also about your general attitude towards charity from the point of view of corporate responsibility and personal charity – can these two things be separated?

D. Nally:

Thanks, Ruben, and good afternoon, everybody. It is great to be here. Allow me to make a couple of comments about some statistics, just to get the right mood in the room, so we are feeling good about this topic. There is an index that is published annually; it is called the World Giving Index. To set the stage, Russia ranked 130th out of 158 countries in the World Giving Index this past year. The good news is, Russia actually improved by five or six position points over the last 12 months, and I think that is encouraging. Rather than thinking about Russia's position as a negative, I think the opportunity is pretty great here to really move up in a very significant way, and that is what Ruben referenced. That opportunity is what the government is really focused on: how do you really progress in this important area? Another interesting statistic was that people's involvement here in Russia in charitable activities is about 20%, versus over 62% in the United States. There is a real opportunity to get more of the Russian population more engaged with the charitable activities that other countries are certainly involved with. Then the really interesting statistic, to really whet your appetite, is that charitable donations are about USD 20 per person here in Russia, versus over USD 1,000 per person in the United States. Again, there is a significant opportunity to close the gap. You may be asking yourself, what is the cause? What is behind it, and what is the opportunity that we should all be focused on? In the United States itself, the whole issue of

charity and philanthropy can be broken down into two major segments. Firstly, a lot of giving gets done by private foundations, foundations that are set up by individuals who have a specific interest in a given area. They fund it, they obviously dictate how the monies get expended, and direct the funds accordingly. The other segment of giving in the United States which I think is worth noting deals with the whole issue of public transactions. This includes a lot of large charitable organizations that are set up to raise money and allocate funds to a lot of specific not-for-profits, a lot of specific areas of interest, whether this is health, child care or something else. That is actually the larger proportion of the two ways that charitable giving is directed in the United States. The second point I would make is that I think there is a lot of discussion around how different tax systems influence this whole question of philanthropy or charitable giving. Our work around the world would suggest that the tax side of things is a factor, but it is not the dominant factor in terms of why different countries or different individuals think about the whole issue of philanthropy or charitable giving. It is about much more than the economics – it is about returning to society, making a difference, “giving back” if you will. That is probably more of the driver than anything else. I think that is why there is such a tremendous opportunity here in Russia as you start to think about how you try to close the gap. I thought I would mention a couple of interesting trends, Ruben, if I could, and then I will hand back to you. Without question, when you think about philanthropy, and particularly philanthropy around institutional giving, it is clearly being used as a way to deal with various social issues. It is a way to deal with other challenges that exist in society today, and we see that as a real trend in many of the activities that are going on around the world. There is also a move towards governments partnering with businesses and businesses partnering with various NGOs to pool resources, in order to get better leverage for really attacking some of these interesting challenges and issues. We see that as a real trend around the world. I would also say, and this may be pertinent here, that there is also a trend towards much more transparency, much more disclosure and much more accountability for these various institutions as to how funds are raised and how funds are dispersed. I think that is a big part of

it as well. As an individual donor, and even as an individual who is in charge of foundations or such organizations, you want to have much more visibility as to how your monies are really being used. Are they going to be used for their intended purpose? The more transparency different organizations have around this, the more we will begin to build trust and credibility for getting more involvement by a wider set of the population in this activity.

R. Vardanian:

Thank you. Before asking questions of the people who deal with philanthropy on a daily basis, I would like to ask a question of Gleb Prozorov, who is responsible for a very interesting project: *Vedomosti*, in conjunction with PricewaterhouseCoopers, is trying to create a rating. As a person who has been doing business since the age of 20, I have always been surprised by several things. The capitalist system measures success in money. Therefore, all the ratings talk about how much a company has earned, which company is the largest in terms of capitalization, and who has the greatest financial status. So *Forbes* and *Fortune* concern people most, and the method by which the money was earned is secondary.

Donald Trump is the most famous businessman in America, and I think if you ask any average Russian citizen about Donald Trump, it will turn out that a much larger portion of the population have heard of him than of many dozens of very respected businesspeople, even though those people have created fantastically successful companies and conduct themselves in a socially responsible manner and are those examples, those role models, who should be popularized in the public mind. But unfortunately, I am certain that the average Russian citizen knows more about Donald Trump than about the people we would like to talk about. Why is that? We understand that there is a demand from society; we understand that there is a system of capitalism in place that is measured by money, and in which money is the key criterion. But we also understand that even so, we need to change this in the collective consciousness, so that criteria including social responsibility become dominant, and so that people are valued not only according to how scandalously

famous they are and how much money they have, but according to what they have done for society. Or is that impossible in your view, Gleb?

G. Prozorov:

Thank you, Ruben. Good evening.

I'd like to propose that it is possible, if only because in our rating, we measure not only, and not as extensively, how much money has been spent, as on how it has been spent and on what. The method we use, and which PricewaterhouseCoopers developed, is very weighted and balanced. It allows us to evaluate both quantitative and qualitative factors. We, as a media source, are interested in the qualitative aspect of this. We are not concerned about how much has been spent; we are interested in the quality of those expenditures. And this is the most interesting thing. As part of the rating, we have a lot of nominations. For example, one of them is For Best Progress. Individual projects are nominated. Some of them are very small monetarily speaking, but very significant from the point of view of the result for society.

R. Vardanian:

I would like to ask a question, if I may. What needs to happen to make your rating more important than the *Fortune* or *Forbes* ratings? What is needed to make this rating more important than the World's Richest People rating?

G. Prozorov:

In my opinion, only time, because it is a question of acceptance. If business accepts the *Vedomosti*, PwC, and Donor Forum corporate giving rating as more significant than the *Forbes* rating, then it will surpass it, as you say. I believe it is a question of business–societal relations.

R. Vardanian:

I understand; thank you. I would like to go now to Kamran Elahian, who has both successful and unsuccessful experience in philanthropy.

I will ask Mr. Elahian a question in English. There are three points I want you to discuss. Firstly, why are there so many very successful entrepreneurs, making money very successfully, and very unsuccessfully investing their money in charity, sometimes very unprofessionally losing money and not getting the results that they want to achieve? The second thing is, you have invested in 36 countries, and I am sure you have seen a lot of success and failure. It would be great if you could share some of your experience about the key lessons learned. The third is about giving back money; this is a big question. Do you use charity to give back money, or is it to learn and teach people how to get the fish? What is the right mechanism to get the best results from your point of view?

K. Elahian:

Thank you Ruben, and good afternoon everyone. Regarding the lessons learned, I did not have any experience in philanthropy when I started this work in 1996, about 16 years ago. I had a few very successful companies that had very nice assets, big IPOs, and my wife and I were looking at what to do with our money. We thought we should do something which is meaningful, because if you put the element of greed aside, you think differently. You buy a nice home, maybe you buy a second nice home, maybe you buy one or two nice cars, but all of that does not require a lot of money. You do that, and then after that, you say, "What should I do?" If you put the greed aside, if you are not competing to be in the rat race for who is number one billionaire in the world – to be richer than Mr. Gates, or to be richer than Carlos Slim, or to be in the rating of Forbes magazine – and if you look at what is really important, you think about doing something that is meaningful. You do not need to make billions of dollars to think that way. I went from technology and business into philanthropy. We had an idea that we wanted to help with youth education, and we also wanted to be involved in empowerment of women, because those are the two key driving factors that can solve many problems of the world. Women have so

much ability that is not appreciated in many countries, and if you want to galvanize a country and help it grow very fast, you should give power to women. There is so much they can contribute, and unfortunately, many developing countries do not utilize that. With that in mind, we thought that if we set up computer labs and access to internet in schools for youth, and also in community centres for women, we could provide distance learning on a lot of topics. Later on, using available educational videos, that could be achieved. Unfortunately, between 1996 and 2000 in the United States, less than 30% of schools had access to the internet, and globally, the number was less than 1%. We started to work in 6,400 schools in 36 countries to set up computer labs, provide training for the teachers and provide access to the internet. What we learned was, first and foremost, not to give anything away for free. If you do that, you create problems. These issues are what Mr. Vardanian was talking about a few minutes ago. If you give something for free, many people do not appreciate it. You create corruption; people take it and sell it to someone else. What we learned from that very quickly was that it is necessary to make sure every school or every community centre has to participate and provide some funding, even if it is a small amount. You give them USD 20,000 worth of computers, and make sure the local community at least provides USD 100 or 200 that are used to go and buy some desks and some chairs; they provide a small amount of money to the project. When people have to go through the process of raising even a small amount of money as a community or as a school, they have a sense of ownership in that equipment. It raises awareness that this is not a computer belonging to the principal or school official, who could steal it or resell it. Even if they just put USD 100 into it, they look at the whole thing as theirs, because they put something into it. That was the first big lesson we learned. The second lesson came in our early days of effort. We used to think that because we were in Silicon Valley we knew a lot of high technology, that we knew everything. We found out that when we went to different countries around the world – whether it was in the Middle East, in Africa or in Asia – every culture and every situation had different requirements, and somebody from Silicon Valley was not the best person to go and talk about how to revolutionize

everything. We therefore changed our efforts, and instead of having a big group of people from Silicon Valley who would travel to that country, we would send one person who would locally find some capable people and hire them. We would have the local people tell us what the needs of that school in that country were, or what the needs of the women in that country were, and define and operate a programme that made sense for them. We have all heard about the microfinance programme that started in Bangladesh. This is such a great idea, but many countries had difficulty implementing that. We learned that if we go and understand the requirements of each country, we can apply the concept. When you know that some country is Islamic, and the people do not like to pay interest, you do not define it as a microfinance programme. You define it as a joint working relationship, with a fee that is provided to pay back the loan as a cooperative rather than something that they feel is interest. Those were the key things, and we were able to reduce our cost significantly. We can talk about many of these issues later.

R. Vardanian:

Thank you, Kamran. I am sorry to stop you now, I know it is a very interesting experience and I want to know as much as possible, but we need to move on.

I would like to yield the floor to Stanislav Kuznetsov, the person in the Sberbank Group who is responsible for a huge number of projects being implemented by Sberbank. He has a huge amount of experience and has at his disposal a multitude of successful and unsuccessful examples. Where are the key challenges facing Russia? Infrastructural, institutional, cultural: any which you believe to be fundamental to the change in the attitude toward philanthropy in Russia.

S. Kuznetsov:

Good afternoon, ladies and gentlemen. Sberbank does indeed have several charity programmes and a rather large amount of experience in philanthropic activity, but it seems to me that that is not the most important thing in this discussion today. Today

it is not that important to talk about whom, how much, when, and why Sberbank does charity work.

Today we have a unique discussion, because in Russia, they very rarely allow themselves to have a systemic conversation about charity, because there is no culture of charity in Russia today. We have a certain experience of philanthropy, some historical roots. If we look at pre-revolutionary Russia, we will see there a true wealth of attractive projects and ideas which were aimed at the development of new Russian competencies and institutions. But in the Soviet period, essentially all the systemic approaches to charity were destroyed, because no-one needed help with anything; everyone had everything they needed.

In the 1990s, we ran into the problem that the concept of charity or philanthropy was destroyed when, under the aegis of charitable assistance, a huge number of crimes were committed as people made money out of these foundations. And only now, in the beginning of the 21st century, are we beginning to restore the concept of charity as a system, and here we are seeing both good and bad experiences in the new Russia already.

We are very concerned that there is a continuation in the trend that if you know how to make money – if you are not rich, but if you know how to make money – then you should do it, and no one will pay any attention to the where and why. And here is where the concept of responsibility comes in: responsibility on the part of the party that makes the decision to set aside funds for charity, that decides where, why, and whom this money is going to help. We are talking here about the responsibility of the party that accepts money.

Unfortunately, we have a big problem with both sides: we have to admit that. It seems to me that today in Russia, we could do with 'encoding' the charitable and philanthropic system a bit: we could achieve that while helping people who need it and who simply wouldn't be reached without such encoding. We need to create conditions to level out these processes and, conversely, to create conditions to develop different kinds of projects.

There are three areas which as of today have the right to systemic existence. Of course, Sberbank has accumulated a good deal of experience, and naturally, we study worldwide experience as well. We liked the experience of the construction of the first SOS Children's Village in Austria. That was in 1949. And Russia already has 15 of these villages; we helped build one of those villages in Pskov. It was a very interesting experience.

It was a very interesting experience for Sberbank in assisting orphanages. Today we support 240 orphanages around the country. Is that a large number? It probably is.

And there are projects that unite the entire country. Sberbank's experience in issuing a special card called Gift of Life was an attempt to unite the whole country and teach the country to help people. When you make a purchase with the Sberbank card, you know that a small part of that money (three roubles from Sberbank, three roubles from your payment from every thousand roubles) goes directly to children who are suffering from severe diseases. I believe that these kinds of projects by Sberbank and other companies are deserving of a good deal of attention from society.

The conclusions that will be made today at the end of our panel should aim to create a kind of summary on the creation of a system. That kind of system should be created in Russia. Thank you.

R. Vardanian:

Thank you very much, Stanislav.

I would like to yield the floor to Denis Matsuev, who heads the New Names Foundation and helps discover talented people. Denis, in your opinion, to what extent is the situation in Russia changing? To what extent does the situation allow us to make philanthropic projects more systemic, what Stanislav calls 'institutional rather than personal'? To what extent does your experience allow you to hope that we are experiencing changes for the better?

D. Matsuev:

Thank you, Ruben. I am extremely pleased to be at this discussion, as the issue of philanthropy is very close to my heart. The New Names Foundation, which has already been in existence for 20 years is, as they say these days, a brand. It is our family trademark. I have also ended up as a part of that family thanks to this unique Foundation. More than 11,000 unique, talented musicians who are now bringing worldwide acclaim to our excellent performing arts school the world over came through this Foundation.

Ruben, I believe you were right in saying that in the 1990s, the word 'philanthropy' was fashionable and simultaneously very dangerous, because there was a huge number of funds, organizations, and various projects of dubious quality producing suspicious results. Of course, we are all waiting for the Law on Patronage, which, as far as I know, has been maturing for a good many years now.

You all know, if we are talking about culture, that it is by default unprofitable, not only in Russia but the world over. In America during the crisis, a huge number of theatres and orchestras were practically on the edge of bankruptcy, including great groups like, for example, the Philadelphia Orchestra. But there are people who understand that even in hard times, these groups should be preserved. We can say that the Cincinnati Symphony Orchestra, one of America's great orchestras, was saved outright by the granddaughter or great-granddaughter of the founder of Procter & Gamble: an elderly woman who goes to all the concerts and simply adores that group of musicians. She saved it; she gave about USD 100 million. And, very importantly, she wrote out in detail what every dollar of it should go toward over the next ten years.

This is quite indicative. You see, Russia has always been famous for its patrons. Happily, they still exist: not just the ones who act in accordance with the orders handed down from on high, but the ones who do it from the goodness of their hearts and understand that our great culture cannot exist without assistance.

Today my great friend, Valery Gergiev, is here. He also has a good deal to say about this matter, because he supports one of the greatest theatres in the world: the

Mariinsky Theatre. If you remember the times he started in, then you know how truly precious this is: over that period of time, that theatre has really turned into a Russian brand and a unique team.

I would like to say a few more words about the children being born now in the regions. I am not talking about my generation, but about the younger generation, as I am currently helping that foundation search for talents, of which there is a huge quantity in Russia. You know, no matter what region I go to, there are always these sparks, as I call them. ('Little stars' is a dangerous phrase). These sparks appear who need to be helped along. We absolutely have to keep an eye on them. That is what we do. We buy them instruments. We have a unique creative summer school in Suzdal taught by the best pedagogues from Moscow and St. Petersburg. We organize apprenticeships and concerts the world over. The most important thing is the living environment. I also came here from the Siberian city of Irkutsk in 1990 thanks to that same New Names programme. That is why we continue to work, and I hope that in Russia, the word 'philanthropy' has already gained a different meaning from the one it had in the 90s.

R. Vardanian:

Thank you, Denis.

Mr. Jones, if I may, I want to ask you, from a slightly different angle, about the new young generation. As well as helping the young generation, this new generation is becoming rich. You are one of the youngest CEOs worldwide to become the head of a public company. Mark Zuckerberg, head of Facebook, is another example: people are becoming rich much younger. How does this change charity? Do you think the new generation of rich people, the new generation of people becoming successful, will introduce different attitudes to charity? You are one of the founders of a very interesting initiative, the One Young World initiative, so perhaps you could also say a word about this.

D. Jones:

I think I would actually alter the perspective a little bit, before I talk about young people. I think a lot of the debate this morning has been almost about a sort of obligation to give back and to engage in charity and philanthropy. For me, the number one reason for getting interested in this is not actually about charity or philanthropy; it is about competitive advantage in business. 86% of people in a major study we did of 40,000 people around the world believe that business needs to stand for more than just profit. They want to know what the purpose behind the profit is. When a massive global company like Unilever, one of the biggest businesses in the world, have gone out and said they want to double their revenue but halve their carbon footprint, they are not doing that just so they can be a nice, charitable organization. They are doing it because they believe they will be more successful because of it. I wrote a book called *Who Cares Wins: Why Good Business is Better Business*, and the key point is that if you do not behave in the right way, if you do not do the right thing, you will no longer be able to succeed. The new price of doing well is doing good. That has been driven by two things. The first one is technology. People today are completely empowered to find out everything about a business and a leader, and not only that, but they are empowered to create a global movement against them. People can use Facebook to take down a leader in the Arab Spring in Egypt and to actually take down businesses, and this has really been a big wake-up call as we enter into what we call the 'Age of Damage'. The second thing is the young generation or the young people. We have created a charity called One Young World, which brings together 1,300 brilliant young people. The counsellors are people like Desmond Tutu, Mohammed Yunus, Bob Geldof and Jamie Oliver, but also business leaders, such as the global CEOs of L'Oreal, Unilever and Barclays. What we see with this generation – and I think this is probably the single most important point – is that they, more than anybody, care about what a business stands for. They are going to give their money and spend and support those businesses that they believe have, to use Kamran's words, something that is meaningful. We understand that business needs to make money. Look at some of the issues in the world economy today. But it can make money in

the right way. If you look at the new young leaders, and take Zuckerberg as an example: I am on the Facebook Client Council, which is sort of the advisory board, and Zuckerberg is absolutely obsessive about his belief that a world that is more open, that shares more, that is more transparent, is a better world. If you read the letter behind the IPO, that is the whole focus. Actually, the making money bit, for him, is an aside. This demonstrates a very different generational attitude. If you look at Gates or Buffett, for example, they made billions, and they gave it away, but it was at the end of highly successful careers. For this new generation of entrepreneurs, their start point is not to make money. Their start point is to change the world, to do good and effect positive change. Not only that, but if you want the best young talent in the world to work for you, they are choosing more and more to go to businesses that will actually pay them less, but stand for something and are doing something. I think we are seeing a mass movement in business, and my overall point would be not to view this as something to do after we have done really well – this sort of siloed CSR activity or a nice bit of charity. Social media has taken corporate social responsibility out of a silo and put it in the P&L statement. If you do not do this, you will not be able to do well. I just launched my book in China three weeks ago, and what is interesting that you see there is that China is a number one investor in the world now in cleantech and greentech, and it is the first major market in the world to ban free plastic bags in supermarkets. They set out to be the number one in the world in electric cars and electric batteries. They are doing that because they view it as a competitive advantage, and I think we could get people in Russia to look at this in the same way: this is not about an obligation to be nice and give back, this is about how Russia will be more competitive and can out-behave the rest of the economies in the world.

R. Vardanian:

Thank you.

Mr. Gergiev, you are one of the most respected persons, not only amongst the musical elite, but in society in general in Russia and the world over. You have truly

created a unique team, and you have raised trust in and respect for Russia many times over through your actions. The authorities respect you; you are well enough received in those circles and have the opportunity to talk with our top leaders.

One of the challenges I have already named is in the fact that a strange situation is being created. On the one hand, the Russian Government is sometimes a little heavy handed in obliging various organizations give money to certain projects, believing that that is the right thing to do. On the other hand, no tax environment or anything else is being created to assist patrons and philanthropy. The Law on Patronage has not been ratified; philanthropy is not part of the mechanism that usually exists in a government. The main example in relation to this is America, where all of this is systemically stimulated.

In your view, what needs to be addressed by the government? Or is that not the most important problem, and are there more serious issues? I would like to hear the opinions of other participants, and their view on the attitude to philanthropy in Russia, including on the role of the government in this process as the key player in our country in everything.

V. Gergiev:

In the first place, the Russian Government remains the main sponsor, patron, and philanthropist in Russian culture. This is simultaneously a good thing and a worrying one. Today, stopping the huge flow of government support would mean instantaneously killing the most vaunted symbols of Russian cultural power. There is no talk of that, thank God. But we are all responsible for thinking about how to expand that platform to focus all the efforts that everyone wants to put in and gather together into a single channel.

These efforts need to go in the right direction: first and foremost, in the direction of the younger generation, of children. I agree with Denis Matsuev: today, almost the most important thing we can do is to help and support gifted young people. We, the Government and the people who are in certain positions, must influence this process to the best of our abilities.

Let us take Russia and compare it with the United States of America; I am fairly familiar with the processes in America, where a constant flow of support of great orchestras, theatres, and museums has not been interrupted. A lot happened to us during the 20th century. Everyone knows about the events that started rolling in 1905: 1917, the Stalin era, World War II, the fall of the USSR, and the rise of the new Russia. And with that kind of recent history, it is impossible to even imagine having as even-keeled and organized a process as that in the US. But Russia is a large country, and the first thing I would like to say is that just like Americans, you can instantly recognize Russians from their sweeping gestures. If something is supported in Russia, then as a rule, that support is very generous and energetic. In that, Americans and Russians are quite similar.

In Europe, state support of culture, especially in France and Germany, and not long ago in Italy, was strong, but now a very fast and forced re-examination is going on of those rules and positions, because Europe has recently run into problems it has not encountered perhaps since the World War II era. The economy is not as stable or as strong as it was for all those decades past, which is being reflected in cultural institutions, even those as exalted as La Scala, a symbol of Italy.

Yes, I am also the director of an opera theatre in St. Petersburg. We also have a great theatre, but it is difficult for me to even imagine a situation in which I would be told that the Russian Government had decided to review and reduce its support for the Mariinsky Theatre. That would be a very hard moment, because we would have to cut everything, including educational programmes and the efforts we make to appear within the walls of Moscow State or St. Petersburg State Universities annually (even many times a year). We traditionally perform without contracts, without (and I would like to draw your attention to this) any kind of written agreements, just on demand. Because I understand very well that our best audience is the audience that will be coming to the Mariinsky Theatre tomorrow or the day after.

Every time, you think that for someone in this generation growing up now, everything is still ahead. That is a great feeling – a pleasure, a discovery – to see

The Nutcracker or *The Sleeping Beauty* or hear Tchaikovsky's Fifth Symphony for the first time. Right now I am talking about Tchaikovsky, but that list is huge. That is why these things happen here, and Russian citizens can be praised for that. We can be praised as well: if you ask any student or professor at Lomonosov Moscow State University (which is a massive university), you will find that everyone knows that the Mariinsky Theatre is coming again. For 15–16 years now, our whole orchestra goes once, twice, three times a year: we go, give a concert, and leave. I believe they respect and esteem us for that, because everyone understands that it is not a mercenary activity, and that it is a required part of our annual programme.

The situation in the United States of America is very close to my heart, because I perform a lot in America; I probably have had not hundreds but thousands of performances in the States over the past 20 years. Denis Matsuev was right on in recalling that gift received by the Cincinnati Symphony Orchestra, which I directed once, and of which my friend Paavo Yarvi was the conductor for a long time.

It seems to me that that is a very American situation, when a good fairy like that appears and saves an organization that everyone has known about for a century. The organization is almost dying (or at least, there is that risk), and, like in a fairytale, a saviour arrives.

I venture to assure you that the same thing is possible in Russia. We have large corporations. For example, here today we have Stanislav Kuznetsov, who represents Sberbank, and who stayed very modestly silent about a lot of things. You see, not only does Sberbank help fabulous initiatives in Pskov, not only do three roubles out of every thousand go to someone who needs that assistance, but Sberbank also has a huge number of programmes directed toward people. And I believe that that is not the only example of that kind of thing in Russia; today, there are dozens of these instances, or even hundreds.

Like everyone, I also hope that in this sense we will be moving toward a more or less American type of situation, in which the government rewards big business through legislation, and business pays attention to the needs of medicine, healthcare, human well-being, sport, and education. Education includes musical

education. Education is basically enlightenment: the opportunity to learn, the opportunity to see the world, the opportunity to already know when you are 12–15 years old what Pushkin, Tolstoy, or Tchaikovsky found out.

We are, first and foremost, a country of great musicians, great writers, and great poets. Everyone knows that. Russia has gone through the most unbelievable trials, and the only thing Russia has never lost is the love of Pushkin and Tchaikovsky. That has never happened: not under the Communists, not under the tsars, not in the new Russia. And I do not think it will ever happen, especially if philanthropy gets the ‘green corridor’ we are talking about. That corridor needs to be built today, and built intelligently.

Dennis Nally, who has been my friend for many years, is sitting here, and I know that PwC, that massive company, is currently helping our Foundation, among others, direct funds as precisely as possible to the places they need to go.

For example, the Mariinsky Theatre long ago named touring in the Russian regions one of its priorities. Do you think it is necessary to take a world-class troupe to Yakutsk or Irkutsk? Denis has already answered that. I also think it is necessary, because we have already been to many of Russia’s regions so many times. But neither in the Ministry of Culture of Russia, nor in the decrees of the Government, nor in municipal acts is there the foundation that says that in a region’s budget there needs to be, say, a billion roubles that needs to go toward ensuring that all schoolchildren in the region are familiarized with Pushkin, Tchaikovsky, Tolstoy, Dostoevsky, and so on through a huge list of illustrious names I will not waste your time by repeating. There is no such thing right now.

Back when President Vladimir Putin was Prime Minister, I offered him a solution for helping a huge number of Russian cities find resources and set aside up to a billion roubles so that good auditoriums could be built in major Russian regional centres. That conversation in December was followed, I think, by half of the citizenry of Russia, because that was a ‘Direct Line’ with Vladimir Putin.

Very often, we perform in the ‘depths’ of the country: that is, in the regions. The first issue is that venues with good acoustics are a huge problem. The second problem

is instruments: truly sonorous, valuable instruments. The third is the organization of musical, philharmonic, and theatrical life. There is great variation here: there are excellent leading regions. Kazan and Ekaterinburg today are no different from Cincinnati. Among other things, there are philanthropists there who, while they may not be able to come up with USD 100 million immediately (not everyone can be the grandchild of the founder of Procter & Gamble), do understand their social responsibility.

I would like to draw your attention to the fact that China, Russia, and America are very large countries, and traditionally these countries make big mistakes, win big, and move forward suddenly (sometimes at absolutely incredible speeds: just look at China). I see what is going on today in China. I am watching it as the person who opened, for example, the National Centre for the Performing Arts of China four years ago right on Tiananmen Square. I would like to draw your attention to this: where is China building a new opera theatre? Near Mao Tse Dong's mausoleum! In the Great Hall of the People, the Central Committee of the Chinese Communist Party will hold its congresses and sessions, and right near it, a new cultural symbol of China is rising. In December 2007, I opened that truly huge theatre with the Mariinsky Theatre troupe performing *Prince Igor*. It seems to me that the Americans, the Chinese, and the Russians have been to some extent marked by God as just very large countries, and their gestures are also very large.

I feel alright about the reconstruction of the Bolshoi Theatre and the building of the new Mariinsky Theatre. In those countries, people are always going to think big, and culture, in the end, will find government support. But can we, the Russians, accomplish the kind of thing that took place during the Andrew Carnegie era? That is today's question and challenge. I hope we can.

R. Vardanian:

Thank you.

Kamran, do you want to comment about the government and the role of the government, or do you want to say anything else?

K. Elahian:

Actually, since I come from a capitalistic country, I would like to follow on the wonderful things that David Jones was just talking about. There is definitely a new generation of companies and entrepreneurs, and a new form of capitalism. In the old style of capitalism, a corporation has only one beneficiary: the shareholder. Many times you hear older CEOs stand up and say, “I did this, I destroyed the confidence of my customers, I fired many employees, and I destroyed the environment, because I wanted to make a profit.” The new style of capitalism talks about the environment, about the employees, about the customers, and also shareholders. It is a structure that benefits all of these. If you look at the best Silicon Valley companies – companies like Google, Apple and Cisco – employees love these companies. The customers love the products from Apple, from Google. They are actually committed to giving a certain percentage of their company’s profits to benefit society or the environment, and yet at the same time, if you look at the profits of Apple, Google, Facebook or eBay, all of them have very nice profits. That is what I really believe that we can create: that kind of mindset. Google allows every employee to take 20% of their time per month, go and do projects that benefit society. Salesforce.com gives 1% of their profit to help society, not because, as David said, they feel that this is what they have to do out of obligation or feeling guilty, but because they think it is very good business to do that kind of thing. I hope that kind of culture, of the new generation of capitalism, is what Russia and China, the two big countries that are becoming capitalist, follow, rather than the old style of capitalism that many people follow only to the benefit of shareholders – typically the owner is the major shareholder – and do what they do to make a lot of money that benefits only one or two people, which is driven by greed.

R. Vardanian:

Thank you, Kamran.

Stanislav, what do you think about the role of the state?

S. Kuznetsov:

It seems to me that Mr. Gergiev diverged from the topic a bit, because Ruben asked all of us, and first and foremost you, Mr. Gergiev, to call the Government's attention to these problems. Because you, as the heads of the largest charitable foundations, and we, as the largest companies, are two sides which cannot exist without each other in this process. We need to draw the Government's attention to the fact that there are big problems, and that is exactly what our foreign colleagues are calling upon us to do. Today, it is not profitable for business to invest in philanthropy. We do not have any tax incentives in that area. And we need to talk not only about tax write-offs, but about the fact that giving needs to be profitable: that is, if businesses do charity work, that needs to be more profitable to them than paying taxes is. It seems to me that no one is going to reach the Government's level of giving. Who is going to do that? Let us think about that and combine our efforts.

R. Vardanian:

Dennis, I think it would be good to ask your opinion about being of the older generation and a tax advisor of many companies. What is your view about how charity and industry need to be developed, especially in Russia, where the government is playing an important role but not supporting well?

D. Nally:

I think we are onto an interesting issue, because as you think about the evolution of this, governments historically have played a very significant part in the financial funding and encouragement of organizations, whether it is here in Russia or in other parts of the world. But when you step back and think about what is going on with governments today, the ability of these governments to continue to sustain that level of financial support is going to be called into question. Therefore, the way we would look at it, the role of governments, would be to encourage the right kind of policies, the right kind of behaviours, the right kind of support by a much broader contingent

of individuals, corporations, NGOs, etc., that can actually support the philanthropic or the charitable aspect of what is going on. This is probably more important today than the financial side of it, as many governments around the world experience significant financial difficulties, whether in Europe or other parts of the world, such as the United States. Therefore, the policy side of the issue is much more important than the financial side of it, which historically has played a very big role.

R. Vardanian:

Gleb, in your opinion, what is the media's role in this issue? Stanislav has named foundations that receive money and donors that give it. Could the media help to make all this a more practical model?

G. Prozorov:

Yes, absolutely. However, in order to make that happen, we have to remember how the media functions and understand the specifics of non-profit organizations' operations. I would like to just say a couple of words about what has already been said. It seems to me that business already has sufficient instruments to enable it to lobby the government for its interests. In the second place, it does seem to me that business needs to look at corporate social responsibility (here I am in complete agreement with David) more as a synonym for sustainable development, as is done the world over. Without it, it is impossible to create a civilized business.

As an example of lobbying, I can tell you what the corresponding committee of the Chamber of Commerce under Elena Topoleva has succeeded in doing. Thanks to the activities of that committee, amendments were made not long ago to the Tax Code that have made life a good deal easier for non-profit organizations.

As far as the role of the media is concerned, there is a somewhat artificial problem that exists in connection with the fact that we are just forgetting about how the media functions: that the media is absolutely open to informational input. Informational openness from the opposite side is important. This, in its turn, is a product, first and foremost, of the financial openness of NPOs.

Here I need to say that Dennis was absolutely correct in noting that the financial openness of NPOs is a key, necessary condition that needs to be present in order for the media to pay attention to their activities.

Moreover, it is wonderful when NPOs are aided by famous people like Chulpan Khamatova or Ingeborga Dapkūnaitė, but the presence of a professionally functioning public relations agency for seriously operating foundations and non-profits, in my opinion, is no less important, because without it, bridges cannot be built.

R. Vardanian:

David, if I may, I want to ask you to comment on one of the topics we have been talking about, which is the organization of charity. Are there problems to do with trust and transparency also? How professionally is it to be run? How will your institution run professionally? Will it always be voluntary? Is it the case that people commit themselves and are emotionally in touch, but the professionalism is becoming less crucial in charity institutions, so people do not care about public relations or having the right financial accounting system? What is your view?

D. Jones:

I think I would like to pick up on the government point as well, because I worked for David Cameron for three and a half years, during his election campaign. He is one of the most socially responsible leaders in the world. The problem is, when people actually get into government, the government model is broken. The world has gone global, consumers have gone global, business is global, the financial systems are global, and they are trapped in this local model. That is why they are finding it impossible to sort Europe out, because everybody is acting in their own interest. My view is that there is a massive opportunity for business. At a simplistic level, in the last century NGOs had brilliant intentions and poor execution, and business had brilliant execution and, certainly towards the latter part of the last century, poor intentions. The massive opportunity for business is to have both brilliant intentions

and brilliant execution. I think we are starting to see this happen, and I think we will see it happen more and more. I will quickly say something on that point: we are living in a world of radical transparency today. People can find out anything about you and share it with the world in about two minutes, and we see time and time again, week after week, somebody else coming a cropper at the hands of this. If you are running a charitable organization today, you need to tell people how the money is being used, where it is going, where you are getting it from and how much you are paying people. If you do not, you will find it harder and harder to be competitive and successful as a charity.

R. Vardanian:

Thank you. We do not have much time left, and I would like for the audience to also have the opportunity to ask questions, although I still have a huge number of interesting topics I would like to discuss with my colleagues. But I believe it would be unfair not to give the audience the chance to ask questions. Please pass the microphone to that young man there.

From the audience:

Good afternoon. Thank you, Ruben.

I have a question that continues the topic of the state's role in the regulation of philanthropy. Mr. Gergiev, it is well known that the Mariinsky Theatre has been supported by the tobacco company JTI for many years now. The Ministry of Health has developed a legislative proposal that would prohibit charitable and sponsorship activities by tobacco companies. In your view, to what extent is that justified, and what is your opinion on that in general? Thank you.

V. Gergiev:

It seems to me that smoking is bad for you, but it also seems to me that people are going to keep smoking. Therefore, prohibiting tobacco companies from doing anything for culture, sport, healthcare, or education today does not seem like the

wisest idea to me. We have already been through the anti-alcohol regulations, and no one started drinking any less because of them. I am afraid that no one will smoke any less just because the Mariinsky Theatre and the Hermitage Museum are losing one of their large sponsors. I repeat: that is my point of view. I was the one who forbade smoking in the Mariinsky Theatre outright, to the point where it cost a few of my colleagues, comrades, and employees their friendships with me, because I realized that they were smoking in secret somewhere. I think it is very dangerous to smoke in a theatre like the Mariinsky; it is a historical building. In America, for example, they have very strict laws about that. If we are talking about regulations in general, it seems to me that we need to do everything we can to keep teens from smoking; we need to do everything possible to teach everyone how badly smoking can potentially harm your health. We need to do more of that. But it does not seem to me that the most important thing to do is to prohibit companies from supporting someone.

R. Vardanian:

Please go ahead, Miss.

From the audience:

Good afternoon. I am from the Under the Flag of Kindness charity fund. I am the Head of Charitable Programmes, and a member of the Russian Ministry of Health and Social Development's Public Council for Protection of Patients' Rights.

I have a question for Gleb Prozorov. We have been in charity since 2005; we give targeted help to very ill children in all different regions, in all different cases. How will specialists in government agencies – for example, in healthcare agencies – cooperate with charity foundations? It seems to us that the charity policy should be formed by authoritative charity foundations, supported by the opinion of the territories as much as this help is needed in this situation. The question is how it can be done on a permanent basis.

My second question is: what might be the main attitude towards those organizations (I mean businesses) which are prepared to participate in the operations of orphanage guardian boards and which assist in development, including training programmes like volunteer programmes to help orphaned children? How do you see this being, on a permanent basis?

R. Vardanian:

Thank you. Gleb, we have very little time, so I would like to ask for the questions and answers to be brief.

G. Prozorov:

You know, I am probably not the best person to answer your question, because I represent not just the media, but media business. Therefore, the cooperation between state agencies and charitable foundations and organizations or the formation of some kind of correct form of communication between them does not quite correlate with what we do.

R. Vardanian:

Yes, it is better not to ask Gleb that question. Let us try the next question.

From the audience:

I am the editor of the almanac *Russian Patron* in St. Petersburg. Unfortunately, our media does not publish the names of companies that engage in philanthropy, as it considers that to be advertising. And it is true: the Law on Advertising is written in such a way that any information except an obituary can be considered to be advertising. Apparently, business has reason to be irritated with that, not because it wants to blow its own horn, but because it wants an objective picture of its activities to be seen. Someone should get to the lawmakers, to change the position of the Law on Advertising, and someone should get to the public, because the media is part of public life.

R. Vardanian:

I see. As I understand it, you have not a question, but a pronouncement.

From the audience:

I would like to ask Dennis Nally what the status of this problem is in America.

R. Vardanian:

Doing charity is treated like advertisement in Russia, and people have rights to put their name on things. How is it in America? Could you say something about this very quickly?

D. Nally:

I will say something very quickly, but it is a very complex subject. As I said earlier, I think you are seeing more and more transparency around the whole area of foundations and charitable giving, and I really pick up on what David just said, which is that in today's world, where there is so much information available through a lot of different means, it is really key to build the trust and the credibility of organizations in terms of how they solicit monies, how they solicit funds, and how they disburse those funds. I think that has got to be the way of the future going forward.

D. Jones:

Probably the point at which America and many parts of Europe are, is people using this in the wrong way. We do something 'green' or 'good' and make a massive thing out of a really small piece of good we are doing. I think there is more cynicism in the Western world about whether a company is really genuine about this. I think what businesses in the Western world are going through now is having to prove that actually this is something serious, and it is something they are doing throughout the whole business. I think the second quick point on media is that when Warren Buffett, Bill Gates and all of those people ended up on the front cover of Fortune

and Time, what happened was that everyone in America thought “If I want to get on the front page of Fortune or Time, I have to start giving lots of money away.” It really created a whole mass movement towards billionaires looking at giving back. Even if you cannot publish tables of what people are doing, you can start sticking the people giving the most back on the front covers of the main Russian press.

R. Vardanian:

Unfortunately, that is a very dangerous topic. I do not like it very much when people say they will give something later, in the future, and do not give now. Two final questions, if you please.

From the audience:

I am Leonid Shub, from the Proline-film cinema company. You know our company from Alexander Sokurov’s films. For a long time, we have been dealing with the issue of tax exemption; we are trying to talk with various economists. You are discussing the Law on Patronage. Has anyone brought in economists? Have any of you dealt with this at all? Because in America, where I worked for fifteen years, when they make tax exemptions, they get extra jobs, and the government does not pay for that. I would like to combine our efforts with someone else’s. Is there, perhaps, someone else here who has already dealt with this and would like to say something about it?

R. Vardanian:

My colleagues want to say something from the audience. Please give them the microphone.

From the audience:

I have been a Youth Cultural Advisor for two weeks. When Pavel Pozhigailo, who is sitting beside me, and who was then the State Secretary for the Ministry of Culture and Mass Communications, went to the Ministry of Finance and said, “Here is my

draft of the Law on Patronage”, they said to him, “Goodbye! We do not have practice; we do not have a tax use monitoring system, so let us wait five, six, ten years.” And we are still waiting.

I would like to end with some optimism. The thing is that before the end of this year, we need to bring the Culture of Russia programme to the Government. This is a state programme that stipulates government financing on a federal, regional, and municipal level and funds from private foundations, business people’s funds, and so on. The topic of charity in this document, which will be of a strategic nature for the industry, will be not only examined, but described with perspectives, with mechanisms, and with some kind of stages of promotion, including with respect to changes to the law. Thank you very much.

P. Pozhigailo:

As a former State Secretary and the Chair of the Cultural Commission of the Chamber of Commerce, I will be talking not about the Law on Patronage, but about something a bit different. We have conducted many measures along these lines, but it seems to me that the question of philanthropy is a question about people. This is not a question about a company; it is not part of corporate culture; it is not part of government tax spending: it is a question about people. And the question is asked in the following manner: a person has received his five-thousand-dollar-a-month salary. He needs two thousand to live on. Will he spend the other three on a vacation or give it to his neighbour, to whom something has happened? When a real, human motivation to give away one’s own money arises – not Sberbank’s money (which is not personal money) and not the government’s money (which is not personal money); not government-related money – but when you have charity when you cannot live without giving of your life-blood to someone else, now that is the issue. I believe that this is simply a question of upbringing.

I would like to address a response to Mr. Gergiev in the form of a question. Upbringing is school. They have taken music lessons out of schools. They have taken away literature lessons. Yes, they took literature lessons out of our school

today; there is not one subject in the school about people. That is, children are raised rationally, as logically constructed, cold machines built to earn money, you see? It seems to me that today we need to pay specific attention to that point, and then maybe the lessons that instil humanity and compassion in a person will return. Incidentally, not long ago we held a big meeting for music teachers. If a child becomes familiar with and understands music in the first through third grades, he will become a much kinder person. There has been scientific research to bear this out.

I would like to ask you also to connect and talk with the authorities, but not about money. The important thing is something else: we must make a loud noise about the fact that in our schools today, we are not raising people who will become these kinds of philanthropists in the future.

R. Vardanian:

Thank you.

V. Gergiev:

I can respond briefly. I know that ten years ago, my outstanding colleagues were talking with great alarm about the fact that in Italy, they were eliminating music classes from the schools. Leading directors, some of whom were world-famous, were ringing the alarm bells. If Russia is going down the same path, we are going to go through the same problems on a state level that Italy and Spain are going through today. I am no prophet, but I think that one is connected with the other. Italy is the country of Verdi; Russia is the country of Tchaikovsky and many other great people. If they forget about that, if they cut out the memory... For example, I am friends with Minister Fursenko, and up until recently, we talked often. If it was he who made these huge efforts to weed music out of schools, then I admit that I have a huge desire to ask him what he did that for. But I am not that familiar with the situation. And you are absolutely correct: if we are going down that road, we are wrong. That is the road to ruin. That is my response.

R. Vardanian:

Unfortunately, our time has come to an end, but before I close, I want to let each person say a few words about what they believe to be the main challenge of philanthropy.

Kamran, very briefly, what is the main challenge for the charity industry in future?

K. Elahian:

What I would like to say is about education and about teaching people how charity might be thought of. I learned a very simple thing when I was visiting a refugee camp in Palestine near Gaza. When I visited a family, they were living in a small room with about 25 people in one room. They were in very horrible conditions. I was amazed that they invited me in, and that they were very happy to share their food, which was very little, with a foreigner who was just visiting. That taught me a lesson: these people were so generous. In their minds, they thought they were so rich that they were giving something away. On the contrary, I have many multi-billionaire friends whose goal is to add another billion. That person is very poor in their mind. Wealth is not about what is in your pocket; it is about what is in your head. If media talks about this issue more, that your wealth is what is in your head, a billionaire could be a very poor person. I feel sorry for the person that needs one more billion, two more billions. I love that refugee who was so rich, who was willing to give me some of his food.

R. Vardanian:

Thank you, Kamran.

Gleb, the main challenge to the charity industry in the world or Russia. Please be very brief.

G. Prozorov:

Very briefly, it seems to me that it is the unintelligible rules of the game. They should be established very precisely: each entity should do its job and understand which rules we are playing by. Business should have sustainable development and concern itself with corporate and social responsibility; non-profit organizations should organize and conduct civilized charity activities. We have talked about this.

R. Vardanian:

Thank you, Gleb. Denis, please.

D. Matsuev:

I am certain that there are many rich people in Russia who happily have not lost their marbles yet, and it seems to me that those people, when they give, receive something more than just financial elements in return. I am certain that philanthropy in Russia is going to expand, and that it is already expanding. Our task is to work constantly from various platforms and bring this information to the very top echelons of the Government. Thank you.

R. Vardanian:

Thank you.

V. Gergiev:

To my right sits a Siberian miracle: Denis Matsuev. He grew up and learned to play the piano not in Moscow, but in Irkutsk. I have been thinking about the fact that the stunning phenomenon that is Lake Baikal is a gift from God to Russia, like many other gifts. In saving Lake Baikal, people and Russia as a whole are saving themselves. It will be the same way with charity. Sure, we can go to Vladimir Putin and tell him about one more problem. (By the way, I voted for him). He would hear us out; he would find time and give the order and even keep an eye on it, if he had time. But he has a huge number of other important issues to deal with. Both Lake

Baikal and philanthropy in Russia, it would seem, should have perished long ago. But they didn't. So I think that I am an optimist in that sense.

R. Vardanian:

Thank you. Stanislav, the key challenge?

S. Kuznetsov:

It seems to me that today we have had a very important and, unfortunately, very rare discussion. I would be in favour of having discussions like this more often in our society. I believe the key challenge is the creation of the necessary conditions under which philanthropy should arise, develop, and blossom in our country, so that excellent charitable projects like the Golden Mask Russian Festival of Performing Arts, for example, could exist in as great a number as possible.

R. Vardanian:

Thank you, Stanislav. Mr. Nally, what is the main challenge?

D. Nally:

Thanks, Ruben. I too felt this was a really great conversation. I think what we are really talking about is how to effectuate change in a very positive way. Historically at least, the way we would look at it is that one of the biggest motivators for change is dealing with more and more transparency, more and more candour. The more you can do that, the more that really would encourage the kind of mindset, the kind of shift in behaviour, and the kind of support that we are talking about here in a very positive way.

R. Vardanian:

David, please go ahead.

D. Jones:

From my perspective it would be to stop viewing this as an obligation and to start viewing it as an opportunity; to stop viewing it as something we should do once we have done well, and actually understand that this is going to be the future of competitive advantage in business. The first line of my book says, "Imagine a world where the people who made the most money are the ones who have done the most good." I think we genuinely can get to that world.

R. Vardanian:

Thank you very much. I would also like to say just a few words personally, as a human being who thinks about this a huge amount and tries to do something about it. I think we have had an interesting, important discussion. Of course, we have not found answers to many of the questions raised while we talked, but the major dilemmas and challenges are clear. The first is precise, intelligible rules of the game; it is the institutionalization of our industry to make it professional, so that it is managed, and so that each entity does business in a professional, competent, precise, and transparent manner. This will establish trust in the industry. It is truly the parcelling out of corporate social responsibility and a personal desire to participate in the projects you consider to be important. It is the creation of mechanisms that will allow people who are not very wealthy, but rather in the middle class, to participate in charitable projects and to understand that their small contributions will make it to the ones who need it. And we need variety, so that a person who wants to donate money to talented children or sick elderly persons has a choice.

All of that needs to be organized, institutionalized. It is very important for that to become a culture and a part of daily life, a natural state rather than an obligation and a source of pressure from the state or society. I believe it is very important that the new generation that is coming into business looks at its success in a different way: success is determined not only by work for money, but by how active you are socially. Are you a person who is really changing the society and country around you? This is a very important element for changing the attitude toward business,

which we discussed today, as well as an important aspect of the negative background that exists in Russia.

I believe that others' experiences and mistakes are very important: we do not need to be afraid; we need to learn. It seems to me that we need to share the understanding of what giving means: is it giving from what you have earned, or is it giving all you have earned?

I know many people, my fairly wealthy colleagues, who are trying to fix it so that their children inherit everything. Some do not intend to leave anything; some are planning to spend and earn money themselves and do that during their lifetimes; some are intending to leave a fund after their lives are over. I believe that it is necessary to create all these mechanisms so that there is a choice, so that people can decide what to do with the wealth they earned themselves. This is also a very important point, because today, that mechanism has not been created and many institutes are not operational.

It seems to me that it is very important for all of us to realize that this is a global world and we are a part of not only the world economy, not only of finances, but of philanthropy as well. We have experience, and knowledge, and support in this sphere. Participation in projects – not only for Russia, but in worldwide programmes – is a very important element of our placement in the world elite and of turning us into part of this big, global space where we ought to play a worthy role.

I agree that historically, we were very strong in that sense. We need to return to those positions, both internally and externally. I hope very much that our discussion today is a small step in that direction. I have no doubt that we will walk that path, because we have not only Lake Baikal, but also fantastic people who did that in the terribly difficult 1990s. Maybe not many people know about them; none of them blew their own trumpets. Many people have done things and are doing things, and they are doing more and more now. More and more very honourable people are leaving business or government service and going into charity work, because they understand that that is very important to the stability of our society, and that it is an essential part of our society becoming more morally healthy. This is becoming a part

of their internal desires, and they go there not for money, not for fame, but because they believe that that is the right thing to do for their children's future.

I hope that in going through all this, we get a completely different country, specifically because we have always had that healthy beginning – that Lake Baikal – which pulled us, every time, out of the worst misfortunes we fell into in the 20th century. Thank you very much.