

“If we want to change our country, first we have to change our minds”



Larissa Zelkova, Director General, The Vladimir Potanin Charity Fund, describes how a community of donors has emerged in Russia and how the Fund aims to help young people make the most of new opportunities and become self-confident

What is the general approach of the Fund?

To begin with just a few words about our Fund. The Vladimir Potanin Charity Fund was established in 1999 to implement long-term programmes in support of Russian education and culture. The Fund's activities and programmes are sponsored by its founders: the Interros Company and Mr Vladimir Potanin, President of the Interros Company. Each year the Fund awards about 400 grants and 2000 scholarships within five scholarship and seven grant programmes. The annual budget of the Fund is \$10m.

Our principal approach is based on the idea that in a way the most difficult problems are in our minds. Hence, a change of mindset is essential. If we want to change our country, first we have to change our minds. That is why we draw so much attention to the psychological training of the students who participate in our Fund's scholarship programmes.

We also believe that the whole idea of charity is not about giving money but primarily about offering opportunities. Within the framework of our programmes, which are all contest-based, we look for the most gifted and talented young individuals and give them the opportunities to further develop and implement the best of their abilities.

Is it working? Do you have talented young people who are starting to emerge?

Yes, it works pretty well. For example, altogether 67 universities and other higher educational establishments from all over Russia take part in our biggest programme – the federal scholarship programme. Our selection contests are open to all students. The only 'entry ticket' is excellent academic achievement for two successive terms.

Annually the best 20 students from each of the universities which participate in the programme receive a year-long 'unbound' scholarship. We are proud to say that today we have rather impressive results: 95% of those who have received The Vladimir Potanin Fund's scholarship have successfully graduated and found interesting jobs. These are very good figures for Russia, since the job market is rather tough and even well-educated young people often still lack skills in self-promotion.

In the West, it is usual for businesses to make donations, but not to actually get involved in the running of philanthropic projects. Are you taking this a further step forward?

Today, we can state on the record that a working community of donors has

emerged in Russia in recent years. Many big Russian companies run their own social programmes. The total annual budget of all domestic philanthropic programmes amounts to \$1.5b.

Certainly, we have problems as well. I would mention for instance, the level of operational transparency. Many donors still lack the proper experience to work 'in the field' and sometimes they opt for non-transparent ways, which they feel to be more appropriate under the current conditions.

Another issue is the lack of an explicit official policy towards charity. Honeslty speaking, though many of our fellow donor organisations have been working for some years already, we don't see whether it is useful for the state to support and promote charity. As you may know, in the former Soviet Union everything was concentrated in the state's hands. The 'paternalistic model' was rooted deep in our mentality. Therefore, many Russians still prefer sitting and waiting rather than acting.

As I pointed out, it is really difficult to change mindsets. The fact that the state today facilitates big companies in establishing charities explicitly reflects this complicated situation. Whatever the reason, however, there has been a significant growth in the sector in the last



Vladimir Potanin and students of the Moscow State Institute of International Relations, April, 2003



Defence Minister Sergey Ivanov, Vladimir Potanin and military cadets during the awards ceremony, September, 2005

few years. Many new charities have been established by big business, even if this process was probably not as quick as we would have wished.

What are the historical precedents of philanthropic activity in Russia?

In Russia, we have a formidable legacy in the domain of charity. There were many charitable funds in the country prior to 1917. For example the Tretyakov Gallery was founded by a rich merchant, who then donated the art collection to the City of Moscow. In the past rich people realised the responsibility of taking care of those who were less socially protected. Today, we have to make use of the best of the charity practices which we had before, and combine it with new innovative approaches to tackle such problems.

What is the company's self-interest? Are you helping to create entrepreneurs, whom you can use or are you trying to create an image of a 'softer' capitalism?

Naturally, we cannot ignore the environment we operate in. Many people in Russia still do not feel themselves secure under the new conditions of the market economy. That is why we deem it important to demonstrate to the people that despite the 'downsides' there are also new opportunities, the 'upsides'.

Then, as I put it in my first answer: it is important to change mindsets because only our children will be able to change this country. I am confident, that we can create new conditions in Russia and for this purpose we need to support a younger generation.

Shouldn't the state be creating better schools rather than relying on the efforts of companies?

We are working together with the state. However, there is a sort of 'labour break

down' between the state and the private business.

For instance, in today's Russia one can find a number of private-run schools and universities, though traditionally we have had a well-established system of the state education. We see the state's role as 'general maintenance' and rule-setting, while business may focus on innovative approaches and 'breakthrough' solutions.

What our Fund is doing in the educational sphere is the further improvement of the domestic educational system. Besides students' scholarships we also provide special grants for young tutors in the leading state universities. We aim at a sort of 'revolution, well, not exactly a revolution because we are tired of revolutions in Russia, but a 'turnaround' to get the Russian educational system met the best world standards.

The Duma is considering legislation, which will potentially limit the operations of foreign-funded NGOs in Russia. Does this mean that it will increasingly be Russian companies that will be active?

Ten years ago, when foreign NGOs first came to Russia, we needed them. They showed us the best practices and we learned a lot from them.

However, sometimes their activities were not quite appropriate for Russian realities and actual needs. To put it in a straightforward way: many foreign-funded NGOs tried to do what they thought it was necessary to do.

In a way, five years ago, when our government decided to prioritise Russian non-government organisations, it marked the beginning of the end of foreign activities in the field. As one may expect, the new upcoming bill will make it more difficult for foreign organisations

to operate in Russia.

The problem is not of purely Russian origin, however. Many countries around the world experience it the same problem, including the emerging democracies as well.

Of course we, Russian donors, are interested in keeping the foreign NGOs here. We think we can effectively cooperate, especially in such areas as the fostering of civic society and the development of local communities.

Your Fund focuses on changing minds, but when does that cross over into politics?

Good question. I'd like to clarify the issue. First of all, we do not offer any sort of new ideology for our country and for the youngsters. Our approach is the following: if you want to be successful in your life you have to make use of the most of your abilities and opportunities provided by life.

We want to give younger people new opportunities. We want them to become self-confident, to be capable of supporting themselves and the future families. They are young, they are talented, and they must stay positive and proactive. This is our ideology, if you like the word.

Do you think that we are beginning to see the beginning of an entrepreneurial society?

Yes, I hope so. The Soviet people did not carry responsibility for themselves. In the USSR the way of one's life was relatively fixed and predetermined. The problem of today is that many people still wait and do not look around.

We try to teach participants of our programmes to be proactive. We want to show them "new options" and to inspire them to create a bright future of their own. 