

VLADIMIR POTANIN, PRECURSOR AND COMMITTED PHILANTHROPIST

MEMBER OF "GIVING PLEDGE" OF BILL GATES, VLADIMIR POTANIN IS ONE OF THE GREATEST PRECURSOR OF PHILANTHROPY IN RUSSIA. BEYOND HIS PRIVATE FOUNDATION, WHICH IS TODAY ONE OF THE MOST IMPORTANT OF THE COUNTRY WITH AN ANNUAL BUDGET OF 10 MILLIONS OF DOLLARS, HE HEADS SINCE 2006 THE COMMISSION OF THE PUBLIC CHAMBER OF THE RUSSIAN FEDERATION IN ITS DEVELOPMENT. ITS OPINION AND VISION ARE CRUCIAL

You started your Foundation in 1999 ! What was the reasoning behind your decision ?

I started my Foundation in order to implement projects in education and culture, as well as the initiatives on philanthropy development in Russia. I had already been involved in philanthropy for several years, but by 1999 my team and I became very aware of the process. We asked ourselves : how should philanthropy be done in terms of rules, regulations, best practices, motivation and convenience for potential grantees, etc. Professionalism and effectiveness became the key concepts for us.

Philanthropy is all about systemic change and legacy. That is why rules are very important, both for ourselves and for the recipients of our grants.

From the very beginning I stated that our main goal is to support leaders – people who can change the status quo, lead and guide others, and create an environment for change. And it doesn't really matter on what level or in what area.

That's why we select and support the best students and the best museums, and not only those who are in need. Leaders can solve systemic problems when they have the strength and competence to go further, in what we call the "post-grant life".

If we look back fourteen years ago, Russian philanthropy was probably not developed. Am I right ? Do you then consider yourself a precursor ?

It is true that our Foundation was one of the very first private philanthropic institutions in modern Russia. Since then we have been incorporating best practices in our philanthropic programs, actively shaping the environment and accumulating experience for ourselves and others.

At the same time, our legislative initiatives have become real because of our work under the umbrella of the Public Chamber Commission of the Russian Federation for the development of the legislative framework for charities and NGOs, where I have served as Chairman since 2006.

And what steps did the Commission take ?

We put forward initiatives for new legislation on endowments, different tax amendments and many others that were later adopted by Parliament.

Before our commission started the process, there was no legislation in Russia on endowments. Now the appropriate legislation exists, and the number of endowments is growing year after year. I support two endowments – The Endowment of the State Hermitage Museum and the Endowment of the MGIMO University. Also, last year we launched a new two-year program of the Foundation with the goal to support development of endowment funds in Russia. Another example is taxation. There used to be tax for volunteers if they received money to go to a certain place. If they got a train ticket, this was supposed to be taxed. Now it looks unbelievable but several years ago it was a fact.

Or it used to be that NGOs had to pay tax on social work, while state-owned organizations did not. So NGOs were not competitive in the market. We've changed the laws, and now many NGOs provide public services without having to pay tax. There are numerous other examples that show that our tax laws need improvement. Another example is the changes that we made to the law on advertising. Our focus within the Commission has been on legislative improvements, and this is an area where we will continue to work.



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The students, scholarship holder of the foundation rewarded by Vladimir Potanin

Generally speaking, how significant is philanthropy in your country? We are witnessing the real development of this sector in France. Is that also true for Russia?

I would say that in the last 15 years there has been a lot of development and improvement. But some mistrust remains strong. The main reason for that is a deep division between the rich and the poor. It is very hard for a rich person who is engaged in philanthropy to convince people that he is doing it of his own free will, rather than to please the government or pay back a fraction of his unfairly acquired wealth. We need much more time to change this attitude. The strategic issue is that giving should not be only the purview of the rich; it should become a normal practice in people's lives. That would help reduce the gap between different groups.

Together with other foundations and international organizations such as CAF Russia, our Foundation is doing a very important job of fostering public consensus around the issue of charitable donations.

AN ANNUAL BUDGET OF 10 MILLION DOLLARS

With an annual budget of 10 million dollars, your Foundation has invested heavily in education and culture. Why have you chosen these two areas?

I can not clearly define why these particular areas were selected. But I like to spend time with students and to support those who can in turn support somebody else. The same is true about museums. We give grants to small developing museums in Russia, and we hope they will have their post-grant life.

I would like to add that the Foundation's program budget is 10 million dollars, but we have been carrying out many projects in addition to the programs: construction of the Russian International Olympic University in Sochi with a budget of 150 million dollars, support for the State Hermitage Museum, where I am the Chairman of the Board of Trustees, various individual grant programs, etc.

*One of my personal goals is to bring Russian culture to the international audience. For example we sponsored *When Russia spoke French...*, an exhibition at Le Dôme des Invalides (Paris) in 2003, *RUSSIA!*, an exhibition at The Guggenheim Museum (New York) in 2005, the Russian Lounge at The Kennedy Center (Washington, D.C.) the project that started in 2011, we have long-standing ties with Cyprus on Russia-Cyprus gala charity concerts, and other cultural events... It is important to help people learn more about Russia.*

Fourteen years since the founding of the

Potantin Foundation, what is your assessment of what has been accomplished?

I will let others speak about the assessment. I would rather give some numbers. During these years the Foundation has given out more than 16,000 scholarships and more than 1,500 grants to young professors. The Foundation issued grants to dozens of student volunteer projects. We have provided support to more than 170 museums, from large to small, in 81 regions of Russia, from Vladivostok to Kaliningrad.

Frankly speaking, the best testimony to the quality of our work is that being a Potantin Foundation grantee is one of the most important lines in students' CVs and in museums' profiles.

If I were to ask you to pick two moments over the years that were the most important, which two do you remember most fondly?

All moments are important. You see, I am giving back to society, but it is also very rewarding when I, for example, meet students who are happy on their scholarship. They are all full of hopes, full of life and I feel myself becoming a bit younger. I experience similar emotions when they write to tell me about a good job they landed, their good standing in society. Or when I visit a bustling small museum, with adults and kids coming and going – this is also getting something back morally. All of these moments are special, and it's hard to choose only two.

You have joined the famous movement "The Giving Pledge." Is it a logical continuation of your efforts?

Three years ago I announced that in 10 years' time I'm going to give up almost all of my fortune for philanthropy. I don't want my children to inherit these billions. It is important to let children get out of their parents' shadow. The more successful their parents are, the more difficult it is for children to reach self-actualization. When children inherit assets, they have to run the family business and that diminishes the opportunity for them to choose their own path in life. Moreover, if you inherit some significant fortune, you will not be motivated to struggle to achieve something: what comes easy is not valued.

Some time after my announcement we met with Bill Gates, who invited me and other businessmen throughout the world to join his Giving Pledge initiative and make it international.

It was a natural thing for me to do, because I share the goals, ideas, motivation of the people who decided to pledge. And it was a good opportunity to promote the idea of philanthropy, as well as to disseminate information about Russian philanthropy worldwide.