

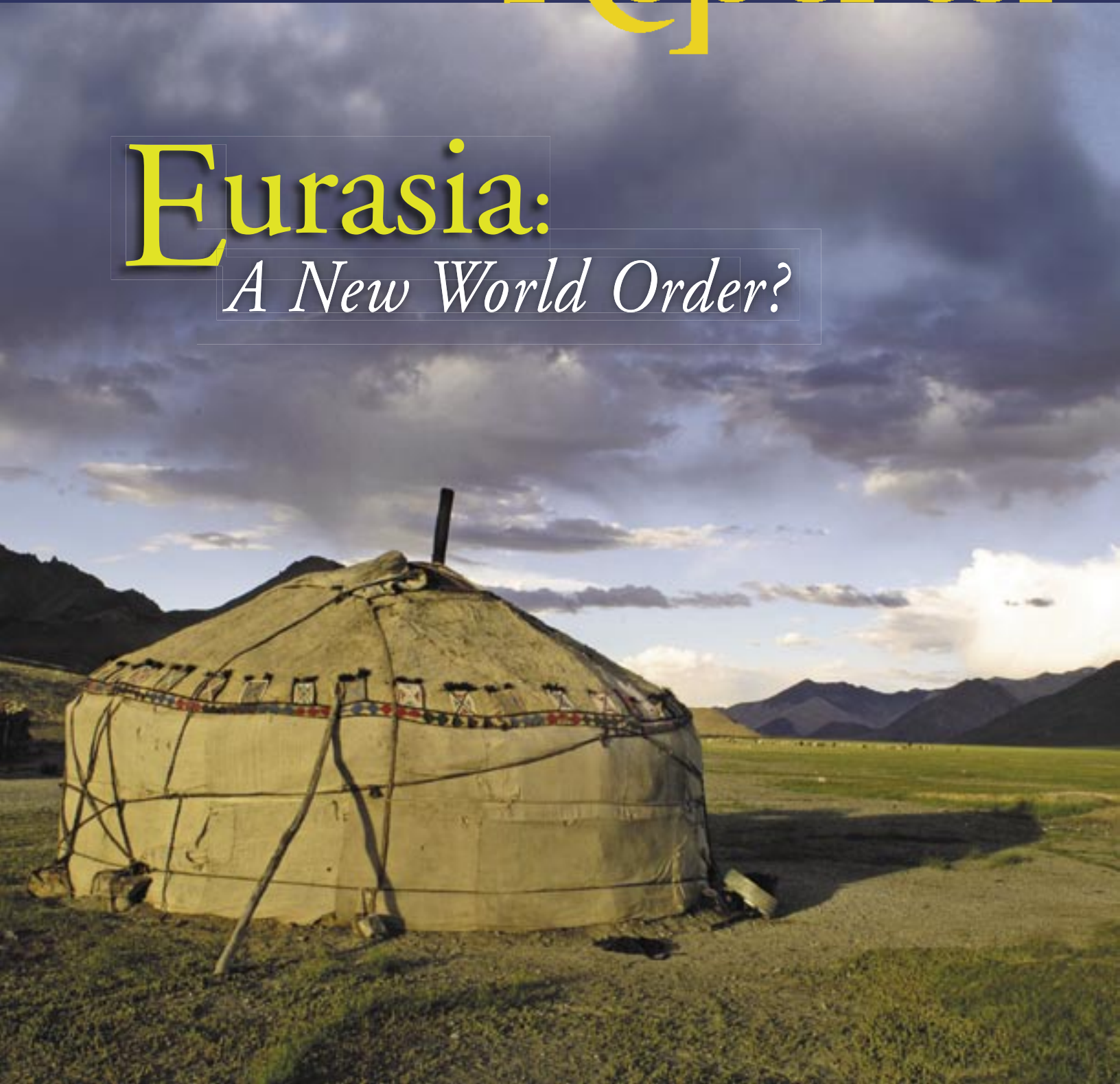
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Eurasia: *A New World Order?*



Both geography and history, as noted in the article on Eurasia in this issue of the *Carnegie Reporter*, have long been both complicating and defining factors in the region. After all, Eurasia, as currently defined, is the product of the Russian Empire that emerged between the 17th and 19th centuries. At the end of the 19th century, the Russian Empire occupied almost 1/6 of the Earth's landmass and had forged a multi-ethnic, multi-religious, multi-national and multi-racial empire that stretched from Europe to the Bering Sea on the doorstep of Alaska. But in the chaotic aftermath of the 1917 Russian revolutions and World War I, this giant among empires faced civil war and disintegration, often along regional and ethnic lines. What prevented these fissures from becoming permanent was the emergence of the Soviet Union in 1922, which, under Communist rule, eventually reconquered practically all the territories that were lost during the Great War. But this triumph also posed a dilemma: since Communism opposed colonialism and advocated a transnational workers' state free from the divisive ravages of nationalism, the Communist Party formulated a new concept of a sovereign state that was designed to preserve both unity and diversity.

Commentary

by
VARTAN GREGORIAN
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This goal was best exemplified in the “Stalin” constitution of 1936, under which, eventually, 100 different national cultures living in 16 soviet federated socialist republics,¹ including 6 territories, 123 regions, 20 autonomous republics, 8 autonomous regions and 10 autonomous districts were ostensibly granted the right to secede from the union but at the same time, pressed to recognize their obligation, in the name of proletarian solidarity, to denounce even the possibility of such a move. After all, Marxist theory, as formulated by Joseph Stalin, held that “a nation is a historically constituted, stable community of people, formed on the basis of a common language, territory, economic life, and psychological make-up manifested in a common culture,” and that those countries and peoples comprising the Soviet Union had joined it voluntarily. Sustaining this proposition was easier said than done. In reality, the same ethnic and nationalist tensions that beset the Russian Empire fermented beneath the Soviet structure even though the Communist Party hierarchy asserted that it had been able to solve the nationality question and hence, had successfully confronted the issue of nationalism. Therefore, the Soviet Union, while serving as a bridge between Europe and Asia, remained at the vanguard of the working-class revolution that soon, in the view of its leaders, would spread throughout the world.

During the eighty years of Soviet rule, at least five distinct policy trends helped to shore up the balancing act that Soviet leaders attempted in order to keep the “voluntary” amalgam of nations and peoples they had placed within the framework of the Union of Soviet Socialist Republics functioning:

1. What united the Slavic peoples—such as religion, history, language, racial makeup, ethnicity and shared suffering under the yoke of tyranny—was natural; what divided them, particularly imposed borders, was artificial.

2. Just the opposite could be said of Muslims living in the region. What united them—religion—was artificial in the view of atheistic Soviet doctrine; what divided them (many of the same factors as were seen to unite the Slavs) was natural. This view rationalized the creation of republics with unique characteristics such as Turkmenistan, Uzbekistan, and Tajikistan, with arbitrarily drawn borders crossing ethnic and tribal lines in an attempt to prevent the development of a Muslim bloc.

3. The Jews presented a particular challenge to Soviet leadership, both in practice and in theory. Stalin’s “final solution,” enacted in 1934, was to create for them an autonomous region called Birobidzhan in the southern part of the now-former Soviet Far East (bordering on China); the goal was to isolate Judaism, which ran counter to official state policy of athe-

ism; and the burgeoning notion of Zionism, which countered Soviet views of nationalism.

4. The effects of the 1939 Molotov-Ribbentrop Pact saw three Baltic states—Estonia (part of the Russian Empire until 1918 and then independent for 22 years), Latvia and Lithuania—transferred to Soviet control; these “newcomers” required the development of new Soviet policies to deal with their more European roots and outlook and their ethnic mix of peoples.

5. The issue of Armenia and Georgia, both of which had adopted Christianity in the 4th century and which, at one time or another, were independent kingdoms (the eastern Georgian kingdom of Kartl-Kakheti remained an independent entity until 1783), was addressed by grudging recognition on the part of Soviet leaders that these intransigently separate regions could not be wholly subsumed. Though part of the Russian Empire, they retained their own alphabets and languages, as well as their own national churches.

But the concept of Russia as a benign elder brother acting as a leader, and often, an umpire over a collection of common interests, proved difficult to maintain. During World War II, for example, the Soviet leaders promoted nationalistic fervor to combat the Nazis, but they could not bury the concept of nationalism with the war dead: issues of ethnic pride, historical memory and the nationalist goals of various republics and autonomous zones were never put to rest. While the Communist Party may have decided that internal borders were not important within the Soviet Union—because Soviet nationals were, to their thinking, citizens of one country rather than citizens of many distinct republics or other subnational entities; they all served in *one* army, participated in *one* planned economy, belonged to *one* trade union and were governed by *one* party and *one* constitution—there were millions of people living under the Soviet system who thought otherwise.

While the Soviet Union may have stifled open internal debate about these divisive issues, it could not prevent the West, during more than forty years of the Cold War, from appealing to nationalism and making religious and ethnic freedoms, along with the defense of national cultures, into effective anti-Soviet propaganda tools. Thus positioned as defender of the rights of Christians, Jews, Muslims and other groups, the United States and its allies stoked the fires of national identity and ethnic and religious rights that burned in the memory of those who mourned a lost nation or dreamed that a motherland, gone for decades or even centuries, could rise again.

In the 1970s, the Soviet invasion of Afghanistan and its aftermath rekindled the late 19th century Great Game that pitted the Russian Empire against Great Britain, though now the protagonists were the Soviet Union and its successor, Russia, vying with the United States for the future of the region. Afghanistan was the tipping point: throughout the war, which was fought, on the Afghan side, largely with Western arms and financing, the thousands of guerilla fighters who poured in from other Muslim nations and their political backers used Islam as a motivating factor and argued that the presence of “atheistic” Soviet troops in Afghanistan was an offense to Muslims all over the world. In an ironic twist, for the West—particularly the United States—Islam was, for a time, a useful buffer against “the red menace” of Communism, a weapon to be wielded as necessary, and sheathed when it was no longer needed. But that decision turned out not to be one that could be made without long-term consequences: once the Soviet Union collapsed, other nations such as Saudi Arabia and Pakistan saw that money and influence could be used to promote the rebirth of Islam as a potent political weapon to be used in the name of Muslim solidarity in the region but also to support their own national and regional ambitions.

Now, as competing international interests—the United States, China, and any number of Muslim states—continue jockeying for power, the newly minted Russian Federation is forced to face its own future. It may chose to be autochthonous, echoing with the Slavophile aspirations of those 19th century advocates of the supremacy of Slavic culture and historical institutions as a better model of development for Russia than the Western European one. Or it can continue the process of Westernizing begun under Peter the Great, and carried on by both the Czarist and Soviet governments, and thus continue bridging the divide between Europe and Asia. Which

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¹ The Karelo-Finnish Soviet Socialist Republic was dissolved in 1956, leaving a total of 15.

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POST-SOVIET EURASIA

The Birth of Eurasia

The fall of the Soviet Union a decade-and-a-half ago was sudden and swift. It came with little warning as Washington policymakers tried to come to terms with the realities of Europe transformed, Germany unified and the world moving at an unprecedented pace. They had to deal with ex-Soviet nuclear weapons scattered all over a country that was no more. They had to send home thousands of ex-Soviet troops stranded in newly free Eastern Europe—a home that often didn't exist. The last thing they had time to think about was what to call the new countries and regions that emerged from the fragments of the Soviet empire.

At the State Department, where diplomacy is organized by region or continent, the European bureau had had the responsibility for relations with the Soviet Union. Notwithstanding the fact that the Soviet Union had been the biggest country in Asia, it also had been the biggest power in Europe, and Europe was where U.S.-Soviet relations were focused throughout the Cold War. With

Russia still the biggest power in Europe (as well as Asia¹) even after the fall of the Soviet Union, it made sense to keep the European bureau in charge of U.S.-Russian relations.

With many important details of the Soviet divorce yet to be finalized, it made perfect sense, as well, to put the European bureau in charge of dealing with all the other former Soviet republics. Many of them are in Europe and the task of setting up relations with these new states could be coordinated more efficiently from one office at the State Department.

But not all of them are in Europe. Five—Kazakhstan, Uzbekistan, Kyrgyzstan, Turkmenistan and Tajikistan—are indisputably Asian. Three—Azerbaijan, Armenia and Georgia—claim solid European credentials, which are nonetheless disputed by some geographers who maintain that the southeastern boundary of Europe runs along the Caucasus ridge, thus relegating Azerbaijan, Armenia and Georgia to Asia. However, if Turkey can be in Europe, why not the latter three?

¹ At over 12 million km² bigger than China at over 9 million km².

Note: The views expressed in this article are the authors and do not necessarily reflect the official policy or position of the National Defense University, the Department of Defense, or the U.S. Government.



PHOTO BY EVEROD NELSON

by EUGENE RUMER

A NEW WORLD ORDER?

While new challenges to international peace and security have emerged in recent years, many of the old ones have not dissipated, including the state of U.S.-Russian relations. One area of growing tensions is post-Soviet Eurasia—a region of geostrategic significance to both Russia and the United States, and a new emphasis of concern for Carnegie Corporation of New York.

This fusion of geography and bureaucratic politics produced a new definition—Eurasia—which sidestepped the thorny issue of who does and who doesn't belong to Europe and enabled the European bureau to keep its domain intact. Of course, the word Eurasia is not new and traditionally has described the great landmass, which includes both Europe and Asia. It is still in use.

The new Eurasia has been endowed with a far less precise meaning. For the past fifteen years, it has denoted those post-Soviet countries that are located either on the periphery or outside of Europe. Linked to Europe by their shared legacy with Russia, they were “grandfathered” into the continent when the USSR broke up, and the United States recognized them as sovereign, independent and equal heirs to the old empire. Recognition accorded to Russia was formally extended to all other former Soviet states.

However, it would be unfair and misleading to treat that decision as a matter of bureaucratic inertia or political correctness. Anyone retracing the origins of Eurasia has to take into account the atmosphere of the early 1990s with its high hopes for the novel phenomenon of globalization, the historic victory of democratic values and their uni-

versality and, as a result of modern technological advances, the growing irrelevance of boundaries—geographic, political, economic and intellectual. The fall of the Iron Curtain—the “mother of all boundaries”—became the symbol of a new world without boundaries.

In that atmosphere, what did it matter that the new concept of Eurasia lacked precise geographic boundaries? And when all ex-Soviet states in Europe and Asia lined up for membership in the OSCE—the Organization for Security and Cooperation in Europe—and pledged to observe its underlying principles of respect for democratic norms and human rights, it made good sense to

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bend geographic definitions for the sake of progress in Eurasia.

History and Geography Are Back

Progress, however, proved slow and often painful, once the new states of the new Eurasia confronted the challenges of independence. They also discovered that boundaries and geography still mattered.

Borders may have seemed irrelevant to students of globalization at the outset of the new and seamless world, but to the new states of Eurasia they mattered a great deal. Overnight, when the Soviet Union fell apart, the old internal administrative boundaries that had had so little meaning inside the old empire became international borders. Many, if not all of them had been drawn with little regard for ethnic or religious factors, as a result of 19th century imperial conquests or 20th century big-power diplomacy.

For example, Azerbaijan's border with Iran is the product of the 1828 Turkmanchay treaty with Persia, which was signed after the latter's defeat by Russia in the second Russo-Persian war of 1827-28.² Ukraine's modern borders include Crimea, which until 1954 was a part of the Russian Federation, as well as Lviv, which before World War I was part of the Austro-Hungarian Empire, belonged to Poland between World Wars I and II, and became part of the USSR as a result of the Molotov-Ribbentrop Pact and Soviet victory in World War II.

Entire centuries' worth of injustice and imperial domination were incorporated in these arbitrary lines drawn with little regard for local custom and pride. Righting the wrong meant restoring just borders.

Disputes over just borders began even before the Soviet Union broke up. Some escalated into full-fledged wars as two fundamental desires of

nations—for self-determination and sovereignty—clashed. Few, if any of these newest members of the international community showed respect for the basic principles of the OSCE or democratic norms and values hailed by the international community as universal after the Cold War.

In the enclave of Nagorno-Karabakh—part of the former Soviet republic of Azerbaijan—ethnic Armenians took up arms in pursuit of their independence from Azerbaijan and unification with the neighboring ex-Soviet republic of Armenia. Azerbaijan responded with force in defense of its sovereignty and territorial integrity. The war, which began in 1988 and ended with a cease-fire in 1994, resulted in thousands of deaths, hundreds of thousands of refugees, economic devastation and is currently stalemated.

When they joined the OSCE, both Armenia and Azerbaijan pledged to obey its founding principles, including com-

Transnistrian region, in Georgia's Abkhazia and South Ossetia, as well as in Russia's Chechnya, violence erupted as nations sought to fulfill their twin, but often mutually exclusive aspirations for sovereignty and self-determination. Active conflicts have been extinguished—with the exception of occasional skirmishes across cease-fire lines—but none have been resolved and all remain in a state of suspended animation.

Despite the euphoria associated with the fall of the Soviet Union elsewhere in the world, Russia's withdrawal from Eurasia was traumatic for all involved. The glue that had held together the provinces of the old empire for so long was no more. Gone also was the sense of belonging to a greater whole—albeit discredited and often despised—a superpower that for a brief moment in history was second to none. In its place were left countries struggling with uncertain boundaries, unclear national identities, surrounded by hostile powers

Much as they sought to free themselves from independence, the states of the new Eurasia links. Russia—the region's biggest oil and gas energy to its former possessions, exercising con

mitment not to change borders by force. Since then, the Azeris have vowed to fight to the last drop of blood to restore its sovereignty and territorial integrity. The Armenians have pledged to do the same to keep Nagorno-Karabakh.

This conflict marked the first significant outbreak of hostilities in the new Eurasia, but it was certainly not the only one. In Moldova's breakaway

and lacking clear strategic orientation or ability to integrate into something new.

From Independence to Integration

Besides, who would take them? The United States and Europe were busy in the Balkans, in Somalia, in the Persian Gulf. The United States famously declared its lack of interest through

² http://en.wikipedia.org/wiki/Treaty_of_Turkmenchay



PHOTO BY CORBIS

Russia and secure their found it impossible to sever the producer—continued to supply considerable leverage over them.

Deputy Secretary of State Strobe Talbott, who rejected the atavistic “Great Game” approach to the region, suggesting that it become instead free of great powers. The “Great Game,” of course, referred to the term pioneered by Rudyard Kipling in his 1901 book *Kim* and used for generations to describe the struggle for influence in the heart of Eurasia between the British

and the Russian empires in the 19th century.³

Would Europe embrace the new Eurasia? Not knowing how to handle Turkey’s European aspirations and saddled with the prospect of new members in Eastern Europe, whose Europeaness was a matter of fact, not political correctness or bureaucratic convenience, it certainly was not interested in casting its membership nets even farther afield.

Russia, soon after the fall of the Soviet Union, began to talk about gathering its old possessions in an exclusive sphere of influence—a Russian Monroe Doctrine put forth by some Russian politicians and analysts—but was neither welcome as a big brother nor capable of playing the role of the regional hegemon. Its economy was in a free fall, its military went hungry, homeless and unpaid, its politics was chaotic and unpredictable.

For the states of Central Asia comprising the biggest slice of the new

Eurasia, there was also the challenge of defining their relations with China—the rising giant, whose intentions were unclear. Caution would be the by-word in their dealings with China.

For China, too, the emergence of five newly independent states at its doorstep was a development to be viewed with caution. Its own Xinjiang

province with its Muslim minorities bordering on ex-Soviet Central Asia was a source of headaches for Beijing as it sought to balance economic growth with political stability. Russia’s loss of control across the border in Central Asia and the prospect of instability there was therefore troubling for China’s leaders who didn’t seem to be looking for new commitments in the restive region. Anything that would preserve the status quo in the region and keep its troubles contained would serve their interests just fine for the time being.

A Difficult Divorce

The status quo in the meantime was not to be taken for granted. The new Eurasia’s economies were in a free fall. The breakup of the Soviet Union disrupted the arcane economic links created in the course of more than half a century of Soviet central planning. From raw materials to spare parts, factories all over the former Soviet states had come to rely on supplies from trading partners that were now not only thousands of miles, but also several international boundaries away. Russia—the biggest link in this chain—shared the plight of its former possessions. And, as if the trauma of economic disruption caused by the Soviet breakup was not enough, the domestic marketplace of the new Eurasia was now open to external competition rendering many goods uneconomical and noncompetitive.

Furthermore, Russia—the biggest economy and the biggest market of the old Soviet marketplace—was also the source of uncounted subsidies for its former colonies. Those subsidies paid for major industrial, infrastructure and social welfare projects in regions—now countries—that had long suffered from chronic poverty and underdevelop-

³ Strobe Talbott, “A Farewell to Flashman: American Policy in the Caucasus and Central Asia,” U.S. Department of State Dispatch 8, no. 6 (July 1997), <http://www.treemedia.com/cfrlibrary/library/policy/talbott.html>

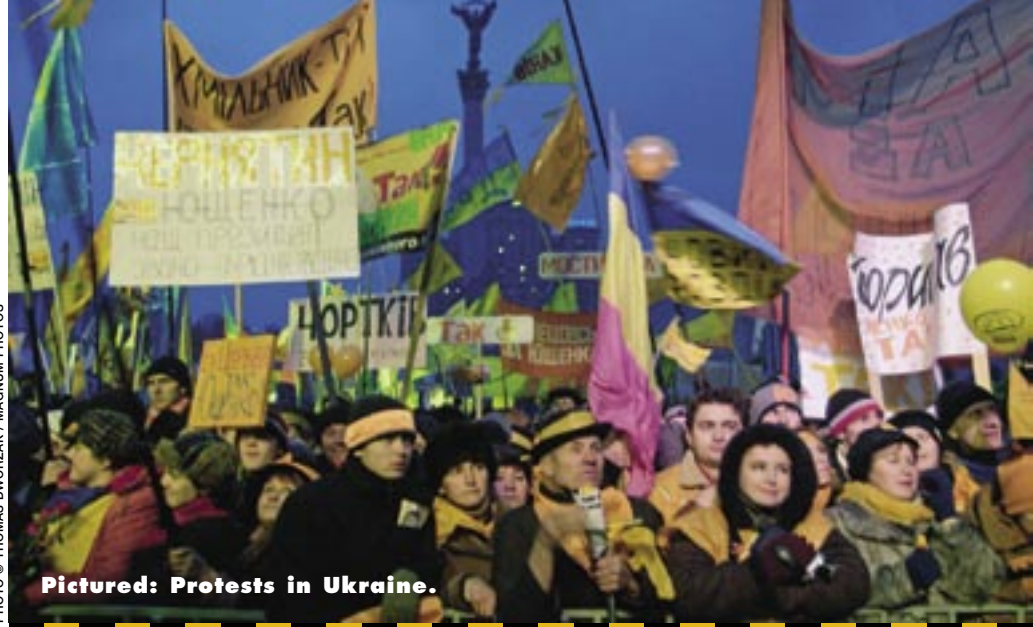
ment. Much of that money was stolen and misspent—a record of theft and mismanagement amply documented in the Soviet press during Gorbachev's campaign of *glasnost*. But with the breakup of the Soviet Union, the flow of that money ended, with little foreign aid coming in to replace it.

The financial system—or systems, rather—had to be created anew. Currencies had to be created from scratch, central banks stood up, exchanges opened—all hugely important but tasks for which none of the Eurasian states, including Russia, was prepared. Russia had inherited the Soviet Union's Central Bank and ruble currency, but its coffers were empty, the ruble was in a free fall, and for other former Soviet states, using rubles as currency meant compromising their sovereignty and their finances.

Much as they sought to free themselves from Russia and secure their independence, the states of the new Eurasia found it impossible to sever the links. The most important ones were in the area of energy and transportation. Russia—the region's biggest oil and gas producer—continued to supply its former possessions with cut-rate hydrocarbons and electricity, thus exercising considerable leverage over them.

Russia also controlled their links to the outside world. It controlled the railroads, the pipelines and even some of the ports through which these new entrants in the global marketplace would conduct their trade.

But the dependency sometimes cut both ways and does so to the present day. Russia has had to rely on its neighbors to reach key markets. The Russian-Ukrainian relationship is the most notorious in this regard, for Russia relies on pipelines through Ukraine to reach markets in Europe. In 2004, for



Pictured: Protests in Ukraine.

instance, Russia relied on Ukrainian infrastructure for the transit of 78 percent of its total natural gas exports.⁴

Central Asia, too, has come into this picture, especially of late. Ukraine has sought to wean itself from Russian gas by cultivating Central Asian suppliers. But Russia controls Central Asia's gas exports by virtue of its control of the pipelines.

Moreover, with doubts arising about Russia's ability to sustain gas production to satisfy domestic demand and maintain an ambitious export program, speculation is growing that Russia will soon need Central Asian gas more than its Gazprom gas monopoly is willing to admit.⁵ Recent reports of reduced Russian gas deliveries to Europe amid severe cold weather in Russia are certain to fuel further speculation about the reliability of Russian gas supply and the need for Central Asian gas. Winter cold is hardly a new phenomenon in Russia, yet Gazprom admitted in January 2006 that it was unable to meet the needs of its customers in Poland, Hungary and Italy because of domestic commitments.⁶

Tough Neighborhood

Economics and trade were not the only challenges facing the new Eurasia.

The U.S. was perceived supporting, but encouraging 'Orange Revolution' in

None of the new states had a lot of experience with foreign and security policy, yet they ended up in a tough neighborhood after the divorce.

Afghanistan, left to its own devices by the United States and Europe after the Soviet withdrawal in 1989; Iran, emerging from the revolution and nearly a decade-long war with Iraq; Russia, with its own rebellious North Caucasus region; as well as the civil war in Tajikistan that lasted from 1992-97, and secessionist conflicts in Georgian provinces of Abkhazia and North Ossetia—this was the security environment of the vast region that was sometimes called the "Eurasian Balkans."

Yet, none of the countries that made up the new Eurasia had the military or the diplomatic establishments necessary to survive, let alone thrive in the tough neighborhood. Here, too, ties to Russia proved difficult to sever.

⁴ United States Department of Energy, Energy Information Administration, "Ukraine Country Analysis Brief," January 2005, <http://www.eia.doe.gov/emeu/cabs/ukraine.html>.

⁵ Tatiana Yegorova, "Strane ne hvataet gaza [The country lacks gas]," *Vedomosti*, no. 7 (1534), 19 January 2006.

⁶ Jeffrey Stinson, *Russian Gas Deliveries Fall Short*, USA TODAY, January 26, 2006, http://www.usatoday.com/money/industries/energy/2006-01-24-gas-usat_x.html.

Russian military presence throughout the new Eurasia proved both unwelcome and indispensable. Absent foreign military assistance, Russia's residual military presence in Central Asia or the Caucasus helped maintain a very unsatisfactory status quo, the alternative to which would have been quite possibly even less satisfactory. In some instances—in Abkhazia, for example—Russian military involvement became part of the problem rather than solution. However, no major power except

Thus, by default, Russia remains the biggest actor in the new Eurasia despite the entry into this arena of a whole host of new actors, already mentioned in the preceding paragraphs and especially because of its diminished presence, which in turn is a product of its vastly diminished capabilities. Russia's continuing role in the region is a product of geography, history, culture and economics—all enduring, systemic factors only some of which will change with time.

domestic reconstruction. This idea was not new: Alexander Solzhenitsyn articulated it forcefully in his 1974 open letter to the Soviet leaders.⁷ But it took *perestroika*, *glasnost*, and Boris Yeltsin for it to become reality.

Ironically, the breakup of the Soviet Union and Russia's retreat from the old empire almost immediately gave rise to neo-imperial thinking among Russian political elites. As early as 1992, prominent Russian politicians—Yevgeniy Ambartsumov, Andranik Migranyan, Sergei Stankevich to name just a few—articulated a vision of Russia as “something more than the Russian Federation in its current borders.” Russian interests, wrote Ambartsumov, who served then as the chairman of the Russian parliament's foreign relations committee, know no boundaries.⁸

Russia's withdrawal from the old empire prompted fears that the vacuum left in its wake would be filled by hostile powers or remain unfilled, creating dangerous instability in Russia's “soft underbelly.” The United States, mulling over the prospects for NATO expansion to the East, Iran's fundamentalists seeking new converts or Turkey bent on restoring long-lost links to the Turkic peoples of the Caucasus and Central Asia, all made worthy rivals from whom to safeguard the new Eurasia as Russia's exclusive sphere of influence.

Russia's withdrawal from the Soviet Union also rekindled the old debate about whether it belonged in Europe. Rejecting integration with Europe—and echoing some of the 19th century Westerner vs. Slavophile debates about joining Europe or gathering all Slavic nations and going Russia's own special way—a group of Russian scholars and politicians have embraced the ideology of Eurasianism.

The Eurasian idea was articulated most prominently by Russian geogra-

throughout the new Eurasia as not merely aging the ‘Rose Revolution’ in Georgia, the Ukraine and the ‘Tulip Revolution’ in Kyrgyzstan.

for Russia took active interest in these conflicts.

All states of the new Eurasia took on the challenge of building their own militaries. To date, none has succeeded to the point of being able to secure its own borders. All are still looking for an outside partner to serve as the region's security provider and manager.

The region—long referred to by students of geopolitics as the “Eurasian heartland”—is the backyard of every major power of Europe and Asia. China, India and Russia share it along with Iran, Turkey and Pakistan. Despite its critical importance for all, it is their strategic backyard, whereas their top strategic interests are concentrated elsewhere—in the Pacific, in Europe and the Persian Gulf. None has so far generated the resources or the vision to step into the void left by the Soviet collapse and assume the role of the region's security manager and strategic partner.

Russia's Retreat

Russia's withdrawal from what became the new Eurasia in 1991 was very much a product of Russian domestic politics. Gorbachev's *glasnost* revealed fatal flaws in the Soviet system. Ethnic Russians, residing mostly, but not exclusively in the Russian Federation, which itself was a constituent republic of the Soviet Union, saw themselves as victims of Soviet rule as much as any other ethnic group of the old empire. This realization of their victimhood gave rise to a powerful political concept of “little Russia,” or Russia without its empire.

Captured by the relatively unknown politician named Boris Yeltsin, this brand of Russian nationalism motivated millions of Russians to support Russia's withdrawal from the Soviet Union. The old empire proved too costly and by withdrawing from it Russia would be able to focus its material resources and spiritual energy on the urgent task of

⁷ Aleksandr Isaevich Solzhenitsyn, *A Letter to the Soviet leaders*, Collins: Harvill Press (1974).

⁸ Yevgeniy Ambartsumov, “Interesy Rossii Ne Znayut Granits,” (“Russian Interests Know No Boundaries”) *Megapolis-Express*, May 6, 1992.

pher and philosopher Lev Gumilyov, the son of the famous 20th century Russian poet Anna Akhmatova. A man of tragic fate persecuted during Stalin's reign, Gumilyov, through his many writings, had laid the intellectual foundations for the argument that Russia's interests would be best served by forging alliances with the Turkic peoples of Eurasia, rather than with Europe, which he considered in decline.

Gumilyov died in 1992, but his ideas about the pitfalls of aligning with Europe and the need to secure alliances in Asia have gained some currency in Russian political and intellectual circles. However, more often than not they have served a rather transparent utilitarian purpose of lending intellectual credibility to irredentist movements and parties, including the Communists, advocating the return of the old empire.

Throughout the 1990s, Russia could do very little to put these ideas in practice. Its economy was collapsing, its military in retreat and its foreign policy chaotic. Despite all the talk by political scientists and politicians about reconstitution of the old empire or establishment of its exclusive sphere of influence in the new Eurasia, Russia could do little to achieve those goals.

Moreover, the internal chaos of Yeltsin's Russia in the 1990's resulted in a policy of—not always benign, but nonetheless—neglect with respect to the new Eurasia. Russia's foreign policy priorities in the 1990s were defined by its dire circumstances at home and the need to find external resources for domestic reconstruction. Thus, priority in Russian foreign policy was given to relations with the United States and other major powers, as well as international financial institutions where U.S. and European influence was needed to secure much-needed loans.

After six years of Vladimir Putin's presidency and uninterrupted economic

growth, the memory of the Yeltsin era is fading. Mr. Yeltsin's successor has struck a very different policy line in the international arena, less dependent on the West, confident of Russia's recovery and ability to chart its own course vis à vis the major powers in Europe, Asia and the United States.

One of the key aspects of President Putin's new line has been renewed attention to the former empire. Russian tensions with Ukraine and Georgia over gas supplies, opposition to their respective Orange and Rose revolutions, as well as renewed partnership with Uzbekistan and an open challenge to continuing U.S. military presence in Central Asia, have given rise to speculations about Russia's "return" to its neighborhood.

However, these speculations and Moscow's new image of confidence and prosperity ignore the many systemic factors that have put an effective limit to Russia's neo-imperial ambitions. Those factors are many and grave, and include the lack of structural reforms in its economy; underdeveloped and crumbling infrastructure; an obsolete industrial base; declining population; difficult investment climate; and last, but not least, a military institution that by all accounts lacks credible capabilities for power projection and for over a decade has not been able to restore peace in Chechnya. Moreover, the people of Russia still remember the Soviet defeat in Afghanistan. They are reminded on a daily basis of the threat of terror from Chechnya, where after two wars and thousands of casualties, peace and stability are nowhere in sight. They are unlikely to exhibit a strong appetite for new conquests in Central Asia even in the name of rebuilding the old empire.

Ties That Still Bind

Russia's newly found prosperity and assertiveness in dealings with its neighbors help conceal one other fact:

Russia's neighborhood, most of which is comprised of the new Eurasia, is the only part of the world where Russia still can act as the heavy. In Europe, Asia, the Middle East and Africa, let alone Latin America, Russia's role is marginal at best. On the one hand, it is yet another sign of the depth of its retreat. On the other hand, it is testimony to the fact that Russia still holds considerable sway over its neighborhood.

Beyond energy and transport, it retains a good deal of soft power over the new Eurasia. Although Russian has lost its mandatory place in the life of the former Soviet states, it remains the *lingua franca* and is likely to continue for a considerable period of time. For the elites and the educated classes English will serve as the language connecting them to much of the outside world. But for the common folk, Russian has yet to lose its importance.

Many of the new Eurasia's elites are still the product of the Soviet Russian-dominated education system. Many have attended universities in Russia, sent children to study there and have been deeply immersed in Russian life and culture. This connection is likely to fade with time, but only slowly, as generational change takes hold in the region's political and cultural elites.

In recent years, Russia's economic growth has created a vast market for exports from the new Eurasia, of which many would not have found a market elsewhere. For example, Georgia's agricultural commodities are unlikely to find a significant market outside of Russia, which has traditionally looked to its southern neighbors to deliver fruit and vegetable crops that are difficult to cultivate in Russia's harsh climate.

Russia's economic growth combined with its demographic decline has created an insatiable appetite for migrant labor. This, in turn, has led to a mutual dependency between Russia and the



PHOTO BY ASSOCIATED PRESS, AP

Karshi-Khanabad air base, Uzbekistan. In 2005, Uzbek authorities asked the U.S. to leave the base; American personnel were gone by the end of the year.

states of the new Eurasia. The former, lacking its own manpower, has come to rely on foreign workers. The latter sends hundreds of millions, possibly billions of dollars in remittances back home, where Russian-generated revenues represent a major building block of economic welfare and political stability. In Moldova, for example, remittances from Russia represent 30 percent of GDP, while in Georgia, this figure is approximately 25 percent of GDP.⁹ Through its regime of visa-free travel, Russia thus holds considerable sway over its former colonies, but it can cut off the flow of labor to its internal market only at its own peril.

Recently, Russia has acquired yet another cachet vis-à-vis some of its neighbors. In contrast with the U.S. policy of democracy promotion, Russia has sought to forge relationships with its former colonies regardless of their internal conditions. It has thus pursued its own form of *realpolitik*, emerging as a counterweight to the U.S. and potentially the last refuge of rulers fleeing from unrest in their own countries.

For example, Kyrgyzstan's former president Askar Akayev, swept from power by mass protests in March 2005 after a fraudulent election, found refuge in Moscow. Uzbekistan's president Islam Karimov, criticized repeatedly by

U.S. and European officials for human rights violations, sought and received political backing from Russia. His family was reported to have acquired real estate and business interests in Moscow. Banned from travel to Europe and the United States, Karimov is likely to view Moscow as his safe haven in case of a domestic emergency.

Whether or not Russia will stand up to this alleged commitment or play the ultimate *realpolitik* card and renege on it in pursuit of a more attractive bargain remains to be seen. However, for the time being Russia's nonjudgmental approach to its neighbors represents a powerful card in dealing with regimes that feel threatened by U.S. pursuit of its democracy objectives.

U.S. Policy in Eurasia— A Matter of Shifting Emphasis

Emphasis on democracy promotion is but the latest in a series of priorities of U.S. policy in the new Eurasia. The earliest and most urgent priority for U.S. policy was preventing "loose nukes" or securing the Soviet Union's nuclear patrimony, major portions of which were deployed in Kazakhstan. Securing and removing weapons, components and materials left over from the Soviet Union's vast WMD complex

scattered all over Eurasia was the task that trumped all others; some of the programs that began immediately after the breakup of the Soviet Union continue to the present day.

Beyond that, U.S. policy in the new Eurasia focused on two priorities: securing the independence of its new states, primarily from Russian encroachment, and promoting political and economic reforms. To that end, the United States had committed considerable funds. During the first decade of its independence, U.S. aid to Kazakhstan was approximately \$1 billion; Uzbekistan, \$600 million; Kyrgyzstan, \$725 million. To be sure, support for, or insistence on democratic reforms was an important element of U.S. engagement throughout the new Eurasia, but not the absolute priority.

Throughout the 1990s, no issue on the U.S. policy agenda in the new Eurasia attracted as much publicity as the issue of oil, gas and export pipelines. Important oil and gas fields in Kazakhstan, Azerbaijan and Turkmenistan became the subject of intense interest on the part of U.S. and other international energy companies. U.S. officials sought to leverage the region's hydrocarbon wealth to generate economic growth, promote economic reforms and secure the new Eurasian states' unfettered access to global markets with the help of carefully chosen export pipeline routes. These would have to bypass Russia, which already controlled the region's existing transportation links, and Iran, which was targeted by U.S. sanctions.

The American government's active involvement in issues relating to Eurasian energy production and pipelines overshadowed other aspects of U.S. policy—support for reforms throughout the region, humanitarian relief and diplomatic efforts aimed at resolving the

⁹ "12 milliardov dollarov yezbegodno vysylayut domoy gastarbeitery [Guest workers send 12 billion dollars home annually]," *Svobodnya Gruzziya*, no. 096, 13 May 2005.

so-called “frozen” conflicts in Nagorno-Karabakh, Abkhazia and South Ossetia.

However, none of these pursuits, with the exception of “loose nukes,” qualified the new Eurasia for the top tier of U.S. foreign policy concerns. This lack of major interests was reflected in the 1997 speech by then-Deputy Secretary of State Strobe Talbott, already mentioned in the preceding pages. The speech made it clear that the United States was not interested in becoming the region’s security manager. It would be content if the region remained free of great power domination.

With pipelines taking longer to build than originally expected, oil cheap—below \$20 bbl—and democratic and market reforms slow to bear fruit, Central Asia’s importance for the United States steadily declined until the fateful date of September 11, 2001. The terrorist attacks on the U.S. and the military campaign against the Taliban turned the new Eurasia and especially Central Asia into the frontline states in the new U.S. war—the war on terror.

The two bases established—with Russian acquiescence¹⁰—by the United States in Kyrgyzstan and Uzbekistan played an important role in securing access for U.S. forces during the military campaign in Afghanistan. With U.S. bases came renewed U.S. interest in the region, as well as security assistance and a further push to promote political and economic reforms.

These reforms came to be viewed in a different light than before 9/11. The reform agenda was undoubtedly a major component of U.S. policy in the new Eurasia throughout the 1990s. However, it was pursued largely as charity, an obligation that the U.S. took upon itself to help the former Soviet states overcome their legacy. As such, the reform agenda

lacked the urgency it acquired after 9/11, when failure to implement political and economic reforms triggered concerns about radicalization of local populations and even the specter of state failure in the new Eurasia, as well as comparisons with Taliban-era Afghanistan. The reform agenda thus acquired new urgency and significance for U.S. security interests; without reforms, policymakers felt, the countries the U.S. was relying on in the near term as the frontline states and partners in the war on terror would become problem states in the long run.¹¹

However, to local entrenched elites, as well as many observers in Russia, U.S. insistence on political reforms appeared dangerous and fraught with the prospect of destabilization. The U.S. was perceived throughout the new Eurasia as not merely supporting, but encouraging the “Rose Revolution” in Georgia, the “Orange Revolution” in Ukraine and the “Tulip Revolution” in Kyrgyzstan.

It was also widely noted throughout the region that in all three instances, rulers overthrown by these revolutions were hardly inimical to the United States. Georgia’s Eduard Shevardnadze had long been a welcome guest in



Armenian separatists seized the town of Lachin in Nagorno-Karabakh, (pictured), during their war for independence from Azerbaijan.

Washington; Ukraine’s Leonid Kuchma had pursued the course of integration into NATO; and Kyrgyzstan’s Askar Akayev had earned the reputation as one of the most, if not the most, tolerant ruler in Central Asia. In a region imbued with the spirit of *realpolitik*, U.S. rationale behind support for democracy was neither welcome nor well understood.

This tension between U.S. policy priorities on the one hand, and the interests of local elites on the other, led to renewed competition between the U.S. and Russia for influence throughout the new Eurasia. Having acquiesced to U.S. military deployments in Central Asia in the aftermath of 9/11, Russia

¹⁰ The very mention of Russian acquiescence begs the question of why Russian consent should be a factor in bilateral relations between the United States and Uzbekistan or Kyrgyzstan. However, Russia’s political influence in Central Asia and control of airspace and land communications made its acquiescence to U.S. presence there an important consideration.

¹¹ National Strategy for Combating Terrorism, The White House, February, 2003, http://www.whitehouse.gov/news/releases/2003/02/counter_terrorism/counter_terrorism_strategy.pdf.

grew increasingly suspicious of U.S. methods and motives with their heavy emphasis on democracy promotion.

For the entrenched rulers of the new Eurasia, Russian opposition to U.S. democracy promotion provided an opportunity to snub the United States. Beyond that, it is not clear how much Russia can do for the region. As was mentioned in the preceding pages, Moscow's ability to manage the security affairs of the new Eurasia and provide resources for long-term sustainable development is very much in doubt.

In the near term, however, Russia presents an alternative as a strategic partner for some of the new Eurasia's most entrenched and retrograde regimes. Nobody knows how long this partnership can last. Some of Moscow's off again-on again partners are already feeling used. It is a matter of public record, for example, that Russia takes advantage of Central Asia's land-locked gas producers and sells their gas to Ukraine for a fraction of what it charges clients in Europe for Russian gas.

None of this makes the task for U.S. policy in the new Eurasia any easier. The ability of the U.S. to promote reforms in these remote—and after fifteen years of independence, still poorly understood—countries is inherently limited. Uzbekistan, long the closest U.S. ally in the war on terror, as well as one of the most reform-resistant states in the new Eurasia, is a case in point. Uzbek military and security personnel put down a disturbance in the city of Andijon in May 2005. Hundreds of civilians reportedly died, though exact numbers and circumstances remain unknown because Uzbekistan's leaders refused demands for independent investigation. U.S. condemnation of the massacre was swift and resolute, leading to a rapid decline in

relations between the United States and Uzbekistan—until then its staunchest ally in the region. In July 2005, Uzbek authorities asked the United States to leave the base it had used since 2001. U.S. personnel were gone from the base before the end of 2005.

By contrast, Russia and China endorsed the actions of the Uzbek government. Uzbekistan's president Islam Karimov was accorded red carpet treatment when he visited Beijing and Moscow recently. Russia has signed a treaty of partnership with Uzbekistan and offered to expand military cooperation with it.

Few analysts inside or outside of Russia would argue that Russia has the resources and the vision to act as the pillar of stability in Uzbekistan beyond ambitious declarations and limited assistance. At the same time just as few analysts would deny that Russia has major interests and considerable influence in the new Eurasia. None of which offers a clear answer to the question facing U.S. policy in the new Eurasia: "What is to be done?" How to safeguard the region against itself?

What Next?

Current U.S. policy in the new Eurasia puts democracy promotion at the top of the list.¹² In the wake of three revolutions—Rose, Orange and Tulip—prospects for consolidation and expansion of democratic gains in the region hinge more on slow, evolutionary development of institutions of civil society, free press, independent judiciary, etc., rather than revolutionary change. Furthermore, consolidation of revolutionary gains through evolutionary change requires major resources, which throughout most of the region can only come from the outside at a time when

U.S. attention and resources are drawn elsewhere—Iraq, North Korea, Iran, the greater Middle East.

To complicate matters even more, U.S. promotion of democracy is at odds with the interests and policies of two other major powers—Russia and China. The Shanghai Cooperation Organization (SCO), the regional forum where China and Russia play the leading role and which includes four out of five Central Asian states,¹³ as well as Iran, India, Pakistan and Mongolia as observers, has appealed to the United States to clarify its timetable for withdrawing from Central Asia.

The SCO, initially established in 1996 by Russia and China, as well as Kazakhstan, Kyrgyzstan and Tajikistan to manage post-Soviet borders in Central Asia, has grown into an important regional forum where the major powers—Russia and China—sit at the same table with their junior regional partners. Its capacity for action—to provide resources for economic development or as a regional security organization—are still very limited at best. However, for the countries of Central Asia especially, long cut off from the outside world and still lacking a clear framework for integration in the international arena, the SCO is an important destination. Of all the major actors in Central Asia the United States is the only one without a seat at the SCO either as a member or as an observer. Moreover, SCO member states have made it quite clear with their appeal for U.S. withdrawal that the United States is not welcome in the organization, which has long been used by Russia, as well as China, as a counter to U.S. influence in Central Asia.

Still, the United States has important cards in its hands. Its presence

(Continued on page 47)

¹² Daniel Fried, "A Strategy for Central Asia," Statement Before the Subcommittee on the Middle East and Central Asia of the House International Relations Committee, Washington, D.C., 27 October 2005, <http://www.state.gov/p/eur/rls/rmi/55766.htm>.

¹³ Turkmenistan abstains, claiming neutrality.



A “political totem pole” at the Neshoba County Fair in Philadelphia, Mississippi, displaying campaign posters for candidates competing in the 2004 elections for state Supreme Court.

Ju

*Are money
and special interests
tipping the balance
in the process
of electing judges?*

Indicted for election law violations in 2005, then-Republican U.S. House Majority Leader Tom DeLay charged that the presiding Texas judge, a Democrat, was biased against him and had him removed from the case. The prosecutor, in turn, had the next two proposed judges, both Republicans, removed for alleged partisan bias in favor of DeLay. ⚖️ Competing for an open seat in the 2004 election for District 5 of the Illinois Supreme Court—representing the state’s 37 southernmost counties—the Republican and Democratic candidates spent a combined \$9.3 million, over \$16 per vote cast. The District includes Madison County, called by tort reform groups the nation’s “number one judicial hellhole” for its many court rulings that favor plaintiffs in nationwide class action suits. ⚖️ With several cases involving his coal companies before the West Virginia Supreme Court,

PHOTO BY ASSOCIATED PRESS, AP

Judicial Elections

STILL FAIR AND BALANCED?

by
ROBERT
RACKLEFF

Don L. Blankenship contributed \$2.45 million to defeat incumbent Justice Warren McGraw, a Democrat, in 2004 and elect Republican Brent Benjamin. Blankenship was before the court the next year to appeal the state's order to shut down a polluting waste pond owned by one of his companies. Later, Blankenship vowed in a speech to target Justice Larry Starcher for defeat in 2008, accusing him of bias against him.

Money and Partisanship

Republican judges? Democratic judges? Multimillion-dollar state Supreme Court justice campaigns? Corporations with cases before a court spending millions to oust judges who have ruled against them? Questions like these puzzle many Americans accustomed to a judicial system touted worldwide for its independence and fairness.

There are more than 30,000 judges in the 50 states, including over 1,300 appellate judges, 11,000 trial judges, and nearly 18,000 limited-jurisdiction judges, such as family court or municipal court judges, according to the American Judicature Society.

Some form of popular elections for judges takes place in 28 states and 87 percent of all state and local judges must face voters at regular intervals in some type of election. It is a decades-old system that the public believes gives them a voice in who presides over the state and local courts that can directly affect their lives. It is also uniquely American; almost no other nation has popular elections to choose judges.

For a long time, this seemed fine, as long as judicial elections were mostly tame, with many judges elected or re-elected with little or no opposition or

rancor. Contested elections required only relatively modest campaign budgets. The campaign rhetoric was usually low-key. In fact, until 2002, judicial candidates in many states could be subjected to disciplinary action if they announced positions about issues coming before the courts, criticized their

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opponents or even exaggerated their own qualifications.

That has changed dramatically in recent years in ways that alarm many observers of America's legal system.

The 2004 elections marked a "tipping point" for state Supreme Court campaigns, the nonprofit Justice at Stake Campaign—which has received support for its work from Carnegie Corporation of New York—stated in its report, *The New Politics of Judicial Elections 2004*. Total spending soared to an estimated \$123 million in the past three elections cycles, nearly twice the \$73 million spent in the previous three cycles, according to the report.

"A perfect storm of hardball TV ads, millions in campaign contributions and bare-knuckled special interest politics is descending on a growing number of Supreme Court campaigns," the report stated. "The stakes involve nothing less than the fairness, impartiality and independence of courts in the 38 states that elect their high court judges."

As a result, America's state and local courts are facing a new challenge of credibility and public trust as campaign spending and contributions to judicial candidates have seemingly spun out of control across the nation.

A look to the future is not encouraging. According to the report, 17 states will have contested Supreme Court elections in 2006—and more than one seat on the ballot in 14 of them—creating "an irresistible temptation for interest groups seeking to pack the court." In Kentucky alone, 261 of the state's 266 elected judges will be on that ballot.

The situation has prompted reformers in state legislatures and legal organizations to rethink the current system and to propose changes to reduce the role of money and political parties in the politics of selecting state and local judges. "Clearly there's a trend toward more money and more acrimony in judicial

racess, and more judges taking sides on hot-button issues," said Charles Geyh, law professor at Indiana University.

Electing Judges: The Intention Was Reform

The revolving judges in the Tom DeLay case directed a spotlight on the problem of partisan involvement in judicial elections. The first Texas judge selected to try his case, Judge Bob Perkins, had a documented record of partisan involvement. He had made 30 reported contributions in recent years totaling \$5,255 to Democratic candidates and organizations, including \$200 to MoveOn.org. The senior judge decided that was enough to remove Perkins from the case.

Despite the recent notoriety, there is little new about judicial elections. In fact, they were considered reforms in pre-Civil War America. The first 29 states to enter the union adopted the federal model of appointed judges, following English law and the belief of the framers of the Constitution that this would ensure an impartial and independent judiciary. In the *Federalist Papers*, Alexander Hamilton, James Madison and John Jay argued that elected judges would succumb to popular whims and not follow the requirements of the law.

However, the movement to democratize politics and society that propelled Andrew Jackson into the presidency in 1828 helped to spread the idea of elected judges to the states, beginning

*America's courts are facing a new challenge
of **public trust** as
campaign spending has spun out of control.*

Next chosen, Republican Judge B. B. Schraub, also had a record of contributions totaling \$5,600 to several Republican candidates, and he removed himself. His successor, Texas Supreme Court Chief Justice Wallace Jefferson, removed himself too. Jefferson had the same campaign treasurer and fundraiser as DeLay's Texans for a Republican Majority Political Action Committee and had accepted large donations from organizations named in the indictment.

This "judicial carousel," as the *Austin American-Statesman* called it, ended when both sides settled for a semi-retired San Antonio district judge, who seemed reasonably unbiased. He is a Democrat who had contributed only \$150 each to three Democrats in recent years. "That's it, I'm a tightwad," Judge Pat Priest stated.

with New York's adoption of partisan elected judges in 1846. It received broad support, based on the concern that appointed judges were unaccountable to the wishes of the public, in keeping with the growing popular dislike of elites of all sorts. By 1860, most states—and every new state admitted to the union by then—had adopted such a system.

Neither is there much new about criticism of this system. "Putting courts into politics and compelling judges to become politicians, in many jurisdictions has almost destroyed the traditional respect for the Bench," Roscoe Pound told the American Bar Association (ABA) in 1906 when he was a Nebraska law professor.

Reforms advocated by the ABA since then moved many states toward



Above: Judge Bob Perkins
Inset: Congressman Tom Delay (R-TX)

PHOTO BY GETTY IMAGES; INSET BY ASSOCIATED PRESS, AP

some form of appointment of judges, or merit selection, combined with elections, particularly retention elections after initial appointment. This resulted in a patchwork of systems that combine appointment, usually by governors, and popular election.

As summarized by the American Bar Association, six states have partisan elections for Supreme Court justices, and two more have nonpartisan elections but parties are involved in nominating and endorsing candidates. Another thirteen have nonpartisan elections, but parties often support candidates directly; seventeen have uncontested retention elections, and twelve grant life tenure or reappointment.

The selection system varies even more for lower state court judges.

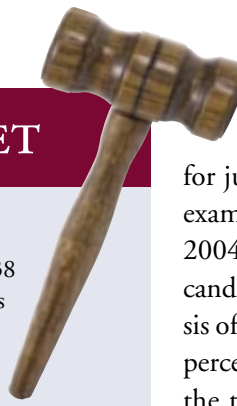
Of the thirty-nine states with intermediate appellate courts, five have partisan elections, twelve have nonpartisan elections, fourteen have uncontested retention elections after initial appointment and eight grant life tenure or use reappointment of some type for their intermediate appellate courts. The breakdown is similar for selection systems for trial courts of general jurisdiction (see sidebar).

Even all this does not accurately describe how judges get selected. For example, “It has become common in many states for judges to retire before the end of a term, which provides the governor with an opportunity to make an interim appointment,” the American Judicature Society (AJS) reported. Its recent survey in 11 states with elected

judges found that more than half of them first took office by appointment because of this common practice. “The selection of judges in states requiring election is thus not simply a pure electoral process, just as merit selection systems are not a purely appointive process,” the AJS concluded.

Perhaps the greatest irony about public support for electing judges—hovering around 80 percent by many surveys—is that the public knows little about the judicial candidates they insist on electing. Only 13 percent of Americans reported in 2001 that they knew enough to vote in a judicial election, according to a national survey conducted for the Justice at Stake Campaign.

JUDICIAL SELECTION FACT SHEET



State High Courts:

For state high courts (which are called supreme courts in 48 states) a total of 38 states have some type of judicial elections. The breakdown of selection systems for state high courts is as follows:

- **Six (6) states have partisan elections** (AL, IL, LA, PA, TX, WV; All judges in both Illinois and Pennsylvania run in uncontested retention elections for additional terms after winning a first term through a contested partisan election)
- **Fifteen (15) states have nonpartisan elections** (AR, GA, ID, KY, MI, MN, MS, MT, NV, NC, ND, OH, OR, WA, WI; Ohio and Michigan have nonpartisan general elections, but political parties are involved with the nomination of candidates, who frequently run with party endorsements)
- **Seventeen (17) states have uncontested retention elections after initial appointment** (AK, AZ, CA, CO, FL, IN, IA, KS, MD, MO, NE, NM, OK, SD, TN, UT, WY; All judges in New Mexico are initially appointed, face a contested partisan election for a full term, and then run in uncontested retention elections for additional terms)
- **The remaining 12 states grant life tenure or use reappointment of some type for their highest courts** (CT, DE, HI, MA, ME, NH, NJ, NY, RI, VT, VA, SC)

Intermediate Appellate Courts:

Thirty-nine (39) states have intermediate appellate courts. The breakdown of selection systems for intermediate appellate courts is as follows:

- **Five (5) states have partisan elections** (AL, IL, LA, PA, TX; see note above on IL and PA)
- **Twelve (12) states have nonpartisan elections** (AR, GA, ID, KY, MI, MN, MS, NC, OH, OR, WA, WI)
- **Fourteen (14) states have uncontested retention elections after initial appointment** (AK, AZ, CA, CO, FL, IN, IA, KS, MO, NE, NM, OK, TN, UT; see note above on NM)
- **Eight (8) states grant life tenure or use reappointment of some type for their intermediate appellate courts** (CT, HI, MD, MA, NJ, NY, SC, VA)
- **Eleven (11) states do not have intermediate appellate courts** (DE, ME, MT, NV, NH, ND, RI, SD, VT, WV, WY)

Trial Courts:

A total of 39 states hold elections—whether partisan, nonpartisan, or uncontested retention elections—for trial courts of general jurisdiction. The breakdown of selection systems for trial courts of general jurisdiction is as follows:

- **Eight (8) states have partisan elections for all general jurisdiction trial court judges** (AL, IL, LA, NY, PA, TN, TX, WV; see note above on IL and PA)
- **Twenty (20) states have nonpartisan elections for all general jurisdiction trial court judges** (AR, CA, FL, GA, ID, KY, MD, MI, MN, MS, MT, NV, NC, ND, OH, OK, OR, SD, WA, WI)
- **Seven (7) states have uncontested retention elections for all general jurisdiction trial courts** (AK, CO, IA, NE, NM, UT, WY; see note above on NM)
- **Four (4) states use different types of elections—partisan, nonpartisan, or retention—for general jurisdiction trial courts in different counties or judicial districts** (AZ, IN, KS, MO)
- **Eleven (11) states grant life tenure or use reappointment of some type for all general jurisdiction trial courts** (CT, DE, HI, ME, MA, NH, NJ, RI, SC, VT, VA)

"Fact Sheet" published in Justice in Jeopardy, a Report of the American Bar Association Commission on the 21st Century Judiciary, available online at <http://www.abanet.org/judindl/jeopardy/fact.html>. ©2003 by the American Bar Association. Reprinted with permission.

Partly to blame are long ballots with numerous contests for judicial seats in many elections. For example, in Cook County, Illinois, the 2004 ballot featured 84 trial court judge candidates. On such ballots, one analysis of judicial retention races showed, 30 percent of those who voted at the top of the ticket failed to vote at the bottom for judges up for retention, a phenomenon called "roll off."

As one Texas newspaper columnist put it, "In most large urban counties, and most appellate courts, most voters wouldn't know their judges if they came up and bit them." Judicial candidates with "nice" names such as Johnson tend to do well, another observer pointed out. Conversely, candidates on the wrong side of popular resentment over unrelated issues can fare poorly.

For example, Pennsylvania Supreme Court Justice Russell Nigro in 2004 became the first high court judge to lose a retention election ever in that state, apparently because of public anger over a questionable pay raise that state legislators had voted for themselves. Nigro and Justice Sandra Schultz Newman were the only statewide officials on that November ballot—and thus took the brunt of that anger. Newman won retention, but only with 54 percent of the vote.

The paradox of public insistence on electing judges but lack of awareness of judicial candidates is the result of what law professor Charles Gardner Geyh of Indiana University calls the political reality of the "Axiom of 80." He asserts that some 80 percent of the public support electing judges, that some 80 percent do not vote in judicial elections, that some 80 percent cannot identify the candidates for judge, and that some 80 percent believe that elected judges are influenced by campaign contributions. (Professor Geyh emphasizes that his percentages are approximate.)

The Influence of Special Interests

Political parties in many states have long been involved in selecting judges, either appointed or elected. “When I started practicing law in Chicago [in 1952],” recalled Abner Mikva, long-time Congressman and federal appellate judge, “it was a patronage operation. [Y]ou became a judge by kowtowing to the powers that be. It was not at all unusual for police captains to call a judge and tell him how to rule in a case.”

Even though most judicial elections are nonpartisan, parties are often involved in providing contributions, organizational resources, and public visibility. For example, when the U.S. Supreme Court in 2002 overturned state laws that forbade candidates from voicing their positions on issues that could come before them, it was a party that filed the challenge (*Republican Party of Minnesota v. White*).

By freeing candidates and supporters to comment on issues and to criticize their rivals, the *White* decision helped open the floodgates to increasing amounts of special interest money from such sources as trial lawyers, labor unions and businesses.

As a result of eased restrictions on rhetoric and growing special interest involvement, political parties no longer have to limit their activities or rhetoric. In the 2002 Illinois Supreme Court election, both Democratic and Republican parties spent about \$4.2 million combined on campaign ads. In 2004, Georgia Democrats paid for campaign ads promoting the incumbent Supreme Court Justice Leah Sears for the first time in that state’s nonpartisan election.

An even more dramatic change is the rising tide of interest groups’ direct involvement, such as abortion rights opponents or supporters, business groups seeking more sympathetic court rulings or civil rights advocates.

For example, in the 2004 Illinois Supreme Court election, trial lawyers and labor groups formed the Justice for All Political Action Committee to attack Republican judge Lloyd Karmeier as soft on crime for granting probation to a defendant who later kidnapped and nearly beat to death a 92-year-old grandmother. In Mississippi, incumbent Justice James Graves won a runoff against a challenger supported by over \$300,000 in advertising, mostly television, paid for by the Improve Mississippi Political Action Committee, a pro-business, tort reform organization.

In another example, the U.S. Chamber of Commerce has spent an estimated \$50 million on judicial races since 1998, according to *Business Week* to limit tort judgments against businesses in state courts. Having learned that open support of pro-business candidates could backfire, the U.S. Chamber provides support through other organizations. It paid over \$2 million to the state Republican Party—and another \$250,000 to a tort-reform political committee—in 2004 to win a sympathetic Illinois Supreme Court seat.

As *Business Week* noted in 2004, “Increasingly, [special interest groups] have come to view the judiciary as something to be gamed and captured—just like Congress or the State House.” Home Depot co-founder Bernard Marcus, who is active in the U.S. Chamber of Commerce, stated in that year, “We’ve declared war on judges who aren’t doing their duty,” driving home his point that he wanted to unseat judges who he did not consider to be pro-business.

For both interest groups and candidates, the chief means of campaigning for state Supreme Court seats has become television advertising—little used as recently as the 1990s. The contraction of reporting staffs by newspapers beset by circulation declines in recent years has limited print coverage of judicial elections.

Television news coverage is even more limited. As the Alliance for Better Campaigns found, “there is a near black-out of local public affairs” on the forty-five broadcast stations it studied in 2003. One study of the 2002 elections found that fifty-six percent of the local news broadcast on the top 122 stations nationwide had no campaign stories at all in the six weeks leading up to that year’s mid-term elections—yet eighty-two percent had at least one campaign ad.

Ironically, courtroom shows such as *Judge Judy* and *Texas Justice* logged 20 times as many hours on these stations as local public affairs stories. (Note that “local public affairs” encompasses much more than judicial elections, or even local elections.)

Because there are so few other sources of any information about judicial candidates—and voting rates in judicial races are usually lower than in others like the state legislature—television advertising is the chief way that the public can learn about judicial candidates.

Campaign managers and candidates now appreciate this new reality. Television ads were used extensively in four-out-of-five states with contested elections in 2004, up from only one-in-four in 2000. Moreover, in the thirty-four races that featured such ads in 2004, the candidates who spent the most on television won twenty-nine of them.

Increasingly, these ads are hard-hitting and negative: one-in-five of all ads that ran in 2004, twice the rate of the previous election cycle, according to the Justice at Stake Campaign. West Virginia Supreme Court Justice Warren McGraw lost his re-election bid after a barrage of television ads accusing him of being soft on child molesters.

Ads in other states also featured candidates and their supporters implying how they would vote on issues that could come before their courts, a practice once considered unethical by many

state judicial codes of conduct. A television ad supporting one Mississippi Supreme Court candidate praised him as a man “who believes the words ‘In God We Trust’ belong on the walls in every classroom,” and who “will protect the sanctity of marriage between man and woman.”

Interest group ads can also feature state judicial candidate responses to the issues questionnaires they increasingly demand that candidates answer. For example, a corporate-backed group in Illinois asked all judicial candidates in the state about their positions on issues from class action suit rules to the constitutionality of punitive damages.

The Christian Coalition of Georgia asked Supreme Court candidates there about such issues as abortion, parental choice in education and “equal access for theology majors to a state-funded college scholarship program.” It blasted candidates who refused to commit to how they would decide many future cases. Idaho’s Christian Coalition pressed candidates to agree with the statement that “the United States Constitution is Christian-based” and to agree to display the Ten Commandments in their courtroom.

“Until a few years ago, judicial candidates could safely throw such nosy and coercive queries right into the round file” because of pre-*White* restrictions, wrote Burt Brandenburg, executive director of the Justice at Stake Campaign. “It hardly bears mentioning here that ‘Refused to Respond’ is the kiss of death from an interest group,” he added.

“More and more, judicial candidates find themselves pressured to play by a new set of rules: take sides on controversial issues that may come before the courts, advertise your political commitments, lower your ethical standards—or an interest group will measure a black robe for someone else who will play that game,” the Justice at Stake Campaign has concluded.

The pressure on high-stakes judicial candidates to fund television ad campaigns has vastly increased the need for contributions from special interests. “In a growing number of states, judicial races are evidencing an ‘arms race mentality’ of rising expenditures, heightened competition, and growing interest group activity,” the Committee for Economic Development stated in 2002.

For example, the nine candidates for three Nevada Supreme Court seats in 2004 raised and spent a total of over \$4 million, more than half of which was spent by the winners, according to the Progressive Leadership Alliance of Nevada. The average amount spent by those winners was up 73 percent from only two years earlier.

Candidates must tap traditional sources like lawyers and businesses—as well as non-traditional interest groups—as never before. The top three sources for candidates’ campaigns in 2004 were business, lawyers, and political parties, according to the Institute on Money in State Politics. The Institute has not been able to compile similar data on contributions and spending by independent campaign organizations, but anecdotal evidence is that the sums contributed were high.

Noteworthy for 2004 was the doubling of contributions by business from two years earlier. “For the first time since the Institute’s record keeping began in 1989, contributions from business donors outstripped contributions from lawyers,” the Justice at Stake Campaign stated. This change reflects the aggressive new efforts by businesses and their organizations to revise tort liability laws and procedures, largely the province of state courts. Business contributions can also reflect unique state or local issues.

For example, tort reform is the focus of the Illinois Civil Justice League, which began preparing for the 2006 elections over a year earlier. “The most important elections in Illinois in 2006 have nothing to do with the White House or the State House. They’re all about the Court House,” read one of its publications in 2005. In Nevada the gambling industry has accounted for a large share of contributions in judicial races there. The coal industry and the state regulations in West Virginia that govern its operations is another example.

It’s a troubling trend. According to a poll of elected state judges in 2001 and

*Ironically, courtroom shows
logged 20 times as
as public affairs stories, including*

2002, forty-eight percent felt a “great deal” of pressure to raise money for elections. Asked how much influence contributions had on their decisions, four percent of the judges said “a great deal of influence,” twenty-two percent said “some influence,” and twenty percent said “just a little influence.”

“Those statistics should scare anybody who has a case pending before these judges because the right answer is supposed to be ‘no influence at all,’ which garnered a mere 36 percent,” *Business Week* opined, adding, “The moral in these states is clear: It pays to hire a lawyer who has donated to your judge’s campaign.” The heavy campaign spending of recent court elections creates “a perception that justice is for sale,” stated Gorman Houston, a retired Alabama Supreme Court Justice.

Even the winner of the nation’s most expensive court election, Illinois Supreme Court Justice Lloyd A.



Court Justice Ruth Bader Ginsburg in her dissent in the *White* ruling.

A wide spectrum of the public has expressed concerns, as well. Nearly 71 percent of Americans—and over 90 percent of African Americans—polled by Zogby International believe that campaign contributions from interest groups have at least some influence on judges' decisions. Of note is that the poll was conducted nearly eight months before Election Day 2004.

Reformers from bar associations to Corporation grantees such as the Brennan Center for Justice at New York University and the Committee for Economic Development—an independent, nonpartisan organization of business and education leaders dedicated to policy research on the major economic and social issues of our time, including campaign finance reform—are advocating significant reforms in the selection of judges.

Major reforms include:

■ Public Disclosure

Interest group “issue” ads used to support or defeat judicial candidates have been exempt from campaign finance disclosure rules in most states, but interest in changing that is growing. Disclosure would include who gave and how much and how the money was spent.

In 2003, Illinois adopted requirements for full disclosure and electronic submissions that enabled the public and media to read and understand who gave how much to both candidates and campaign committees. The electronic disclosure had an immediate benefit in the 2004 Supreme Court election by documenting timely data about the millions of dollars being spent for the open seat finally won by Justice Karmeier.

In 2004, Ohio adopted broad disclosure requirements to end the use of television ad campaigns funded anonymously. Although the system is yet untested in an election, according to the

*such as **Judge Judy**
many hours on local television stations
coverage of judicial campaigns.*

Karmeier, objected to how much his campaign cost, saying it was “obscene for a judicial race,” and adding, “How can people have faith in the system?”

A year later, Justice Karmeier cast the decisive vote in a 4-2 majority to overturn a \$10.1 billion judgment against the Phillip Morris tobacco company—after benefiting in 2004 from contributions of more than \$1 million from the Illinois Civil Justice League, which filed a brief in support of the Phillip Morris appeal. Without Karmeier’s vote, the appeal would have failed. His 2004 Democratic opponent received millions from plaintiff’s attorneys opposed to the appeal.

“This is a good example of why both sides were so interested in this race,” Cindy Canary of the Illinois Campaign for Political Reform told the *St. Louis Post-Dispatch*. Justice League spokesman Ed Murnane called it “terribly insulting” to imply that campaign con-

tributions could sway a specific court decision, adding that “we supported him because he’s a conservative.”

With the “political battle zone” expanding into judicial elections, *Business Week* stated in 2004, “The political patronage that once existed in Mayor Richard J. Daley’s Chicago is being replaced by a new form of interest-group patronage...One by one, many of the special unwritten traditions of civility and nonpartisanship that give the judiciary its moral authority is starting to erode.”

Perhaps of even more fundamental concern is the increasing demand from special interest group for judicial candidates to declare their positions before they hear cases, which can jeopardize the right of litigants to a fair hearing. “When a judicial candidate promises to rule a certain way on an issue that may later reach the courts, the potential for due process violations is grave,” wrote U.S. Supreme

Justice at Stake Campaign, “The days of expensive court campaigns in Ohio are not banished to history, but voters will get much better information about who is bankrolling judicial candidates when they need it—during the heat of election campaigns.”

■ Merit Selection and Retention Elections

Long favored by the American Bar Association, the American Judicature Society and others, this process would replace direct election of state judges, but also not rely solely on appointment by a governor and confirmation by the legislature. Although only several states use merit selection for all of their judges, about two-thirds of states use variations of this system, albeit limited to only a few judgeships. Called the “Missouri Plan,” because that state adopted this system in 1940, it is a hybrid of both appointment and elections.

Such a system was proposed in 2005 to replace Pennsylvania’s system of partisan elections for state judges. Backed by the Pennsylvanians for Modern Courts, allied with the Justice at Stake Campaign and other legal organizations, it would establish a bi-partisan, citizen-based nominating commission appointed by the governor and legislative leaders. The commission would screen candidates and compile a list of the most qualified, from which list the governor would fill a judicial vacancy. The judges would face voters every six or ten years, depending on the level of their court, in unopposed retention elections.

Voter approval has been an obstacle to amending state constitutions to establish or expand merit selection systems. Utah, in 1984, was the last state to approve such a system, which has failed to win approval in several state referenda since then. For example, in 1998, Florida’s Constitution Revision Commission won approval for a local option to extend the system of merit

selection and retention currently in place for state appeals court judges and Supreme Court justices to also apply to trial judges in local circuit and country courts but voters in every one of sixty-seven counties rejected it in separate referenda in 2000 and continue to select trial judges in nonpartisan elections; the average vote for the change was only thirty-two percent. State minority and women’s bar associations campaigned against merit selection worried that the change would reverse the progress they recently made in gaining judgeships.

■ Public Financing of Judicial Elections

Bowing to public reluctance to give up their right to vote for judges, many reformers instead propose public financing of judicial elections, eliminating the need for candidates to raise money from self-interested donors. In the 1970s, Wisconsin was the first state to adopt public financing, albeit limited to Supreme Court justices.

North Carolina adopted such a system in 2002 for its two highest courts, with candidates eligible for public funds if they limited their private fundraising and showed broad support by collecting small contributions from at least 350 registered voters. The reform law also included a change to nonpartisan elections, a voter’s guide and lower maximum contribution limits for candidates who forgo public funds.

In its first test, in 2004, the North Carolina system won praise for providing two-thirds of all funds spent by candidates and cutting by half the money collected from special interests. Other states, such as Illinois and Georgia, are considering public financing systems.

■ Voter Guides

Low voting rates in judicial elections reflect the lack of information (and long lists of candidates, offices, and ballot initiatives) in state elections. One analysis of retention elections nationwide from 1976 to 1996 found that 30 percent of

those who voted at the top of a ballot did not cast votes in retention elections farther down the ballot.

Several states have begun to publish nonpartisan voter guides with background information on judicial candidates distributed either online or by mail, encouraged by at least one poll in which two-thirds of respondents stated that receiving a voter guide would make them more likely to vote in those races. In fact, voter guides mailed to every registered voter in North Carolina in 2004 did help reduce voter roll-off in judicial races.

Distribution can be a problem, as Washington state reformers found in learning that most voters did not find the guides published in the state’s newspapers and rarely used the online guides, suggesting that a comprehensive mailing of guides to all voters is more workable.

■ Campaign Conduct Committees

The U.S. Supreme Court ruling in 2002 against certain restrictions on judicial campaign speech (the aforementioned *Republican Party of Minnesota v. White*, in which the Court ruled that a provision of Minnesota’s Code of Judicial Conduct prohibiting a candidate for judicial office from discussing his or her views on a political issue violated the First Amendment protection of free speech), helped unleash the overheated rhetoric and negative ads of the 2004 election. At least 10 states have established either official or unofficial committees to act as impartial referees to counter or deter inappropriate campaign appeals in judicial elections.

For example, the Alabama Supreme Court expanded its committee to include twenty-six members with the authority to investigate disputes and to hold candidate forums in the 2000 election. Several state committees were active in 2004, most notably in Florida, Georgia, Illinois and Ohio.

In Conclusion: It's Up to the Public

Heightened awareness of the new power of special interest influence in selecting America's judges has many researchers and reformers working to understand this problem better, and each new election cycle provides new evidence that meaningful changes are necessary.

Considerable resistance to change will continue. But, as the long history of Carnegie Corporation support for organizations working for equal rights and equal treatment under the law certainly indicates, we believe that the American public has a special regard for a court system that is open and fair to

all who seek justice. And undoubtedly, increasing public recognition of the fact that judicial elections should not be up for grabs by the highest bidders or most strident candidates will make the prospects for reform in the years ahead grow stronger. ■

ORGANIZATIONS SUPPORTING JUDICIAL REFORM

Carnegie Corporation of New York supports or works with several nonpartisan organizations that provide valuable information and research to the public about campaign finance and judicial elections and advocate for needed reforms. Following is a list of six of them, what they do, and how to reach them:

The Institute on Money in State Politics

The Institute on Money in State Politics maintains a comprehensive database on state government campaign finances, searchable by industry and occupation of contributors, as well as across state lines to determine multi-state and national trends. Since 2000, it has compiled contributions and spending data on judicial candidates in every state where judges are elected. Its data have enabled the Brennan Center for Justice and the Justice at Stake Campaign to produce national overviews in each of the election cycles since that year.

The Institute on Money in State Politics
648 North Jackson, Suite 1
Helena, MT 59601
Telephone 406-449-2480
www.followthemoney.org

Brennan Center for Justice at New York University

Named after the late Supreme Court Justice William J. Brennan, Jr., the Brennan Center for Justice at New York University School of Law carries out an innovative agenda of scholarship, public education and litigation to promote equality and human dignity in the areas of criminal justice, poverty and democracy. To reach its major goal of fairer, more impartial courts, the center's Fair Courts Project focuses attention on the problem of judicial elections and advocates for improved systems for selection of state court judges.

Brennan Center for Justice
161 Avenue of the Americas, 12th Floor
New York, NY 10013
Telephone 212-998-6730
www.brennancenter.org

Justice at Stake Campaign

Begun in 2002, this partnership of more than 30 judicial, legal and citizen organizations advocates for reforms and defends an impartial and fair judicial system from the growing influence of money and special interests. It promotes such measures as public financing, nonpartisan judicial elections, voter education, and responses to attacks on the independence of judges. Its report, *The New Politics of Judicial Elections 2004*, documented in detail the rise in campaign contributions in elections of that year.

Justice at Stake Campaign
717 D Street, NW – Suite 203
Washington, DC 20004
Telephone 202-588-9700
www.justiceatstake.org

Committee for Economic Development

This nonprofit, nonpartisan organization of more than 220 business leaders and university presidents since 1942 has addressed many of the nation's most pressing economic and social issues, including education reform, workforce competitiveness, campaign finance, health care, and global trade and finance. It has had a special focus on campaign finance reforms, including those for election of state judges.

Committee for Economic Development
2000 L Street NW, Suite 700
Washington, DC 20036
Telephone 1-800-676-7353 or 202-296-5860
www.ced.org

Democracy North Carolina

Formerly the North Carolina Project of Democracy South, this organization's programs emphasize reducing the power of special-interest money and increasing the power of citizens in all aspects of the political process. It was instrumental in gaining passage of a public financing program for election of state supreme court and appellate judges that was first implemented in 2004.

Democracy North Carolina
105 West Main Street
Carrboro, NC 27510
Telephone 919-967-9942
www.democracy-nc.org

The Illinois Campaign for Political Reform

Founded in 1997 by former U.S. Senator Paul Simon and Lieutenant Governor Bob Kustra, this organization advocates for reforms to reduce the influence of special interest money on public institutions and to restore voters to their rightful place at the center of state government. Having helped document the record campaign spending for state supreme court elections in 2004, it promotes changes that include public financing for candidates in those elections.

Illinois Campaign for Political Reform
325 W. Huron, Suite 304
Chicago, IL 60610
Telephone 312-335-1767
www.ilcampaign.org



A by ROBERTO SURO Developing Identity HISPANICS IN THE UNITED

Immigrant civic integration is an integral part of the Corporation's focus on strengthening U.S. democracy. In this essay, Roberto Suro, director of the Pew Hispanic Center, addresses how Hispanics—both those newly arrived in the U.S. and those who have been citizens for generations—are both impacting and being influenced by American society.



**Roberto Suro, Director,
Pew Hispanic Center**

PHOTO BY EVERETT NELSON

The U.S. Census Bureau tells us that in 2004 there were 40,459,196 people in the United States who identified themselves as “Hispanic or Latino.” Which is it, then, “Hispanic” or “Latino,” or both? The *Los Angeles Times* sticks to “Latino.” The U.S. Office of Management and Budget (OMB), the arbiter of such things for the federal government, debated the matter and decided not to pick one or the other so as not to offend anyone. The confusion, and occasional controversy, over the name is just symbolic of a much larger question to which there is no simple answer: who are these people? Indeed, you have to ask: are they, in fact, a single people with a common identity, a common bond or common goals? This is important to know because that population number reported by the U.S. Census Bureau is big already, and growing fast. Forty mil-

lion folks is enough that if they started pulling in the same direction all at once, they could probably change the nation's course—socially, culturally, perhaps even politically one day.

What direction would that be? It is certainly not linguistic. Hispanics are not going to make the United States into a Spanish-speaking country because nearly a quarter of this population speaks little or no Spanish at all, according to the Census, and more than a third say they speak English very well. So, it's not language. Moreover, Hispanics do not share a common race, ethnicity or ancestry, which are the usual ways to identify a population group. They can be black or white, of indigenous origins or not, and their cultural heritages are quite diverse.

The official definition from the OMB relies on national origins, saying the term “Hispanic or Latino” refers to



PHOTO BY CORBIS

STATES

people who trace their descent from Mexico, Puerto Rico, Cuba, Central and South America and other Spanish cultures. That's a pretty broad description because it encompasses immigrants who have just arrived in the United States from those regions as well as those who trace their ancestry in America back many generations. More significantly, the idea of a Hispanic or Latino people comprising many nationalities is not a very strong concept in those regions; not as strong, certainly, as individual national identities. The notion that people from all these places are bound together by an overarching group identity exists more powerfully now in the United States than in Latin America. So, whether the label is Hispanic or Latino, the "label on the label" says *Made in the USA*. In other words, we are dealing with a uniquely American

phenomenon: even if it is based on national origins rooted elsewhere, the group identity for many Hispanics is created in the United States. To understand where this population change may be taking us as a nation, we have to look close to home, not abroad.

Whatever the meaning of "Hispanic" or "Latino"—and I am going to use these terms interchangeably in this essay—it is not one that is artificial or imposed. If you ask people a question like, "Are you of Hispanic or Latino origin?" a good many respond affirmatively. That is how the U.S. Census gets a population count. You can ask the question in several different ways with many different kinds of surveys, and the size of the group and its basic characteristics turn out to be more or less the same. At the most basic level, then, the Latino/Hispanic "yes" is a matter of

self-identification. And if more than 40 million people self-identify as Latino or Hispanic, then this sense of group membership is something large and significant on the nation's landscape.

Roberto Suro is director of the Pew Hispanic Center, a Washington, D.C.-based research organization. The Center was founded in July 2001 with support from the Pew Charitable Trusts. A former journalist, Suro has 30 years of experience writing on Hispanic issues and immigration. He is author of Strangers Among Us: Latino Lives in a Changing America, (Vintage) as well as numerous reports, articles and other publications about the growth of the Latino population. During his career in journalism Suro worked for TIME Magazine, The New York Times, The Washington Post and other publications.

I could argue on the basis of sound evidence that the growth of the Hispanic population is as important a demographic development today as the inception of the Baby Boom was sixty years ago. But if you press me on what makes someone a Hispanic or a Latino, my responses start getting fuzzy after self-identification, and I am not being coy in saying that. I have been watching and writing about Hispanics for thirty years, and I answer “yes” for myself when asked, but the more I learn, the less I know for certain about identity. What are the boundaries of this group? What binds us together? What are we saying to each other and to everyone else when we assert this self-identification?

Models of Identity

The search for answers, as best I can tell, has to start with two admissions: first, when it comes to Hispanics, let’s acknowledge that we are watching a work in progress. Second, let’s accept that we need new ways of talking about group identity because the old ones don’t work very well with this population.

On the first point, the population statistics leave no doubt: the number of Hispanics doubled between 1970 and 1990 and has nearly doubled again since 1990. No population can grow that fast without changing, particularly when immigration is driving much of the growth. About four-of-every-ten Hispanics are foreign born, and among those newcomers, well more than half have arrived in the U.S. since 1990. Those numbers represent a lot of people who are still very much in the process of adjusting to new lives in a new place. And the transition will last beyond their lifetimes. High fertility rates among immigrants is the other propellant of population growth. Another three-in-ten Hispanics are the native-born children of foreign-born parents. This is the second

generation, and these young people—whose median age is less than thirteen—are adapting what they inherit from their parents and what they learn outside their homes to fit their own needs. Altogether, then, about 70 percent of the Hispanic population is involved in a process of fundamental cultural transition at some stage or another. Some trajectories are becoming evident, but the final results are still very much in doubt. Hispanics are a people in motion, so we must accept the uncertainty they bring with them

and be patient. Understanding their impact on American society could take a while. It could take decades.

The next step—the second admission I am suggesting—involves our historical models of group identity. There are two—minority group and ethnic group—and neither works very well with Hispanics. The first is based on the African American experience: the majority—the mainstream of society—identifies a minority group on the basis of race or by other markers that have served as grounds for unjust exclusion. The excluded group, in turn, asserts collective bonds as it seeks redress of grievances. And in the case of African Americans, even after fifty years of political and economic gains, the group is still often defined, and often defines itself, as being outsiders whose status in American society is still uncertain. The ethnic group model is based on the experience of the Irish, the Italians and other European immigrants. They began as outsiders, even outcasts, with

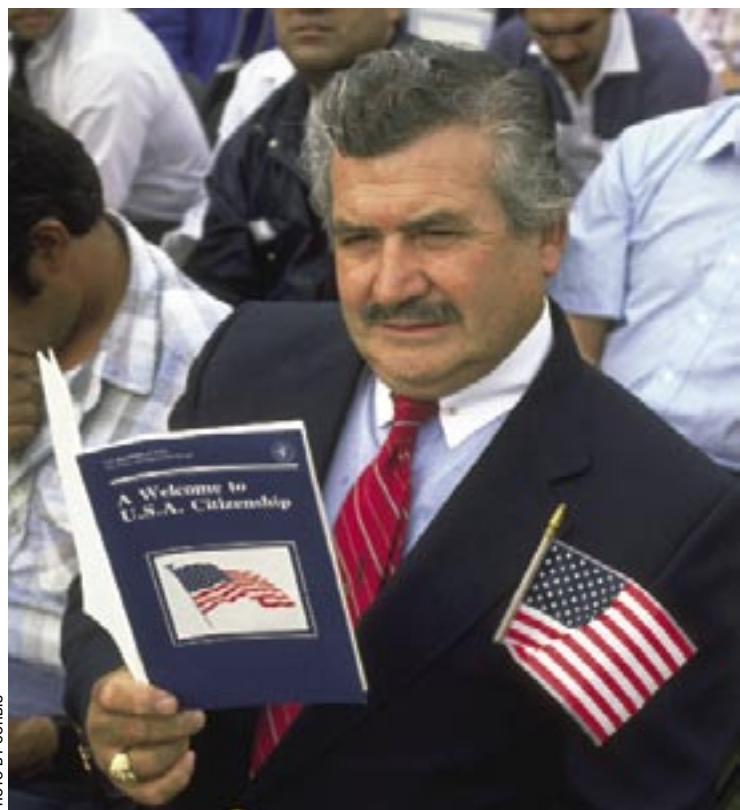


PHOTO BY CORBIS

a distinct identity based on national origins. Over time, however, through a process of assimilation and absorption, they gained acceptance to the mainstream and their group identities faded. In effect, they became white.

Even if you believe that history likes repetition, there is no good reason to assume that Latinos will march down either of these roads. Hispanics do not share an obvious common marker like skin color that sets them apart, and they have not begun their journey through American society from a common and tragic starting point, such as slavery. Perhaps this helps to explain why society has not imposed an identity on Latinos as rigidly or as pejoratively as it did on blacks, and why Latino identity does not derive from a collective experience such as resistance to persecution. Indeed, many Latinos are immigrants who have come to this country seeing it as a land of opportunity and have succeeded in realizing their aspirations. On the other hand, Latinos are also not entirely an immigrant

population that has been invited into the mainstream. Important segments of the Hispanic population have lived aspects of the minority-group experience. These Latinos have a history as victims of discrimination, and they have created institutions as well as a political identity that developed out of a civil rights struggle. Moreover, about half of the Latino for-

surveys of the Hispanic population, and this research tells us that Latino identities are fairly fluid and that their view of the United States is expansive. This means, for example, that most Hispanics see no conflict between learning English and continuing to speak Spanish, between learning American ways and retaining a Latin culture. They see the United States

“Mexican,” “Cuban” or “Dominican.” That is not surprising; after all, they were referring to the countries where they were born and raised. Only a small share of the immigrants (6 percent) called themselves “American.” Meanwhile, about half of native-born Latinos preferred “American,” while a substantial number (29 percent) also

T*he notion that Hispanics from different countries are bound together by an overarching group identity exists more powerfully now in the United States than in Latin America. So, whether the label is Hispanic or Latino, the ‘label on the label’ says Made in the USA.*

eign-born population is in the United States without legal authorization and most have no avenue for becoming fully incorporated into the country’s national life no matter how much they assimilate. So the Hispanic experience intertwines enough aspects of both the minority and ethnic group models that neither model alone suffices.

The Latino experience in the U.S. is not going to be exactly like that of blacks or Italians or other minorities: it is going to be something else. Whatever Hispanic identity ends up being, to understand it, we’re going to have to open up our thinking about race and ethnicity and about the ways that group identities take shape. We are seeing something new unfolding before our eyes, but the phenomenon is far enough along that we can look back and see where it started and how certain trajectories have begun to take shape.

Many Different Perceptions

Over the course of several years I have worked on a variety of public opinion

as desirable, and admirable in many ways in comparison to their countries of origin except on one point: they believe that moral values and family ties are stronger in Latin America than here. But most importantly, they see the United States as a nation that embraces many cultures and not as a place that tries to impose a single national type.

The same fluidity is apparent in the ways that Latinos see themselves. In a 2002 survey, the Pew Hispanic Center asked a large national sample of Hispanics about the terms they use to identify themselves so we could determine which terms they favored most. We gave them three choices: American, Hispanic or Latino, or their country of origin and asked which term they used first or if there was only one term they preferred. The responses varied sharply between immigrants and those born in the United States. More than two-thirds of the immigrants favored their country of origin, saying they were most likely to identify themselves with terms like,

primarily identified themselves by their country of origin.

The most curious finding involved the terms “Hispanic” and “Latino” because they were not very popular. The group label was preferred by no more than one-quarter of either the immigrants or the native born. It’s not that they are hostile to the idea of an overarching Latino identity encompassing the whole of the Hispanic population, but that identity is not at the forefront of their thoughts. “Hispanic” and “Latino” are not the first terms they reach for when they want to tell you who they are, at least when they have other choices that reflect national identities.

This sense of fragmentation along national lines was evident elsewhere in the same poll, the 2002 National Survey of Latinos, which my organization conducted in partnership with the Kaiser Family Foundation. An overwhelming 85 percent of respondents said that Latinos from different countries have separate and distinct cultures rather

than sharing one Hispanic or Latino culture. In a similar vein, respondents were about evenly divided over whether or not Hispanics from different countries were working together to achieve common political aims. But it would be a mistake to dismiss all tendencies toward group identity just because that notion seems to lose out in competition with individual national identities.

When Hispanics are asked about how others perceive them, you find a different story. In that 2002 survey and others, Latinos by large majorities—as high as eight-out-of-ten—say Hispanics as a whole are the victims of discrimination. Near majorities—four-out-of-ten—say that discrimination is a major problem preventing Latinos from succeeding in this country. Three-out-of-ten say that they, personally, have experienced discrimination or that someone close to them has been discriminated against in the last five years. From within the

tion is itself a complex intermingling of people whose families have been here for generations, who have come here from Latin America and who are the children of immigrants. As I noted before, about 70 percent of this population is made up of immigrants and their children—the people who to some degree are involved in a process of assimilation. This reality is reflected in Latinos' views on many different matters, not just the nature of group identity. Perhaps the best way to track this process of assimilation is to look at the languages that Hispanics speak: English, Spanish and the mix of both. Many different kinds of public opinion surveys on different subjects have shown broad and consistent differences between Latinos who speak only Spanish, most often recently arrived immigrants, and those who speak only English, most typically those with long family histories in the United States. And there is often a range of views among

by about 75 percent. Among those who speak and read only English, a bit more than half find abortion morally unacceptable, which is close to the split you find in the non-Hispanic population. Consider something that is less of a hot-button issue, and you get the same result: in the 2002 survey, for instance, we asked whether it is better for children to live in their parents' home until they get married. Among the Spanish dominant, 95 percent agreed. Among the bilinguals, 75 percent said yes. And with the English speakers, 52 percent agreed, which was just a bit higher than what we found with non-Latinos.

On a great variety of matters, therefore, it seems that immigrant Spanish-speaking Latinos hold distinctive views, while the native-born English speakers hold views that are roughly similar to the American population as a whole. And this result is reflected in attitudes about more than just social issues. In

L*atino leaders and institutions have used the tools developed by African Americans and benefited from the same types of legislation and court decisions in seeking redress of grievances.*

group, the Hispanic/Latino identity may seem weak, but members of the group clearly feel that the rest of society sees that identity forcefully. Ethnic or racial identities can often arise from two sources: what members of a group feel that they share in common and the roles imposed on them or projected on them by the majority. Given the nature of American society today and the characteristics of the Latino population, this is a particularly fluid mix.

Then again, the Latino popula-

bilinguals. In surveys conducted by the Pew Hispanic Center, this pattern has emerged on subjects ranging from the acceptability of divorce, to the chances of success in the Iraq war, to the quality of education in U.S. public schools.

Take the issue of abortion, for example, which we have asked about in several surveys. Large numbers of Latinos who speak and read only Spanish find abortion unacceptable—nearly 90 percent in some polls. Bilingual Hispanics are also disapproving but less overwhelmingly,

that same 2002 survey, we asked about fatalism—a sense very common among the poor in Latin America that they are not in control of their own destinies. Among Latinos who speak only Spanish, 59 percent agreed with the statement, “It doesn’t do any good to plan for the future because you don’t have any control over it.” Among Latinos who speak only English, a scant 24 percent agreed with that statement. Bilingual Hispanics were in-between, at 31 percent. Only 17 percent of non-Latinos agreed that



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they have no control over their futures. On this very simple but very basic measure of how individuals see their fates, as on a great many other issues, the shift to English produces a remarkably clear shift in attitudes.

What I've concluded from looking at a variety of surveys is that exposure to American ways through the acquisition of English produces absorption of those ways. Certainly, not every aspect of the American experience gets adopted, but enough does to show that a significant

process of assimilation is taking place: people change when they come to the United States and the change accelerates when a great big doorway into their hearts and minds is opened by language.

An Ongoing Process of Change

Language is something we know a lot about because it is a very tangible, testable marker and because there is a great deal of data on it from the Census, from big government household surveys that are carried out regularly, as well as

the kinds of public opinion polls that we conduct at the Pew Hispanic Center. The data from all these sources is very consistent. For example, about three-quarters of foreign-born Latinos, the first generation, speaks only Spanish and the rest of the immigrants are bilingual to some extent. The second generation—the children of immigrants—are about evenly divided between English speakers and bilinguals, with almost none reaching adulthood speaking only Spanish. And, among Hispanics of longer tenure in the U.S.—those born here, of American-born parents—more than three-quarters speak only English and the rest are bilingual to some extent, though often their Spanish is weak. So we know for certain that a transition to English is taking place across generations with a lot of bilingualism along the way.

In addition to linguistic adaptations, the survey data I referenced before indicates that a process of change is underway in the Latino population as immigrants and their offspring adopt a variety of values typical of the American public at large. The language data tell us that this process moves along gradually, but steadily. The demographic data show that Latino population growth is constantly being fed by people coming in at the beginning of the process—recent immigrants and their children. Thus, even though a great deal of assimilation is taking place, it can seem that nothing is happening, that Latinos are not changing or even that they are resistant to change, because the Spanish-speaking population is constantly being refreshed by new arrivals. Indeed, for the past decade or so, immigrants early in the assimilation process have accounted for a majority of Hispanic adults, and so it will be for the foreseeable future. In my view, then, these realities reinforce the notion that Latinos are a people in transition, a people in the process of becoming something new.

Suppose then, that by some act of magic—because that’s what it would take—not one more Latino immigrant entered the United States. How would the American Hispanic population evolve as a segment of U.S. society if no more newcomers arrived?

One possibility is that differences would wash away and Latinos would become fluent in English, improve their economic status and simply become a lot like everyone else in a couple of generations. In this regard, some commentators have already heralded the glorious return of the melting pot. Give it time, they advise, and Latinos will simply be melded into the white mainstream just as the European immigrants were a century ago. Embracing this view wholeheartedly, however, requires believing two things: that today’s newcomers are basically the same as those of the past and that the United States has not changed in a hundred years. Both are debatable propositions. I would argue, as I indicated earlier, that the contemporary context offers much better clues as to the direction of Hispanic trajectories than the historical models.

Think back again to the 1970s, the time when the current wave of Latino immigration and population growth got underway. In retrospect, it is evident that the United States was then in the middle of an era of profound change. The old industrial manufacturing base of the American economy was withering away, to be replaced by the new service sector. A fundamental element of the nation’s social structure was being transformed as women gained new status in the home, at work and in the public arena. Finally, the growth of the Hispanic population also coincided with the maturing of the civil rights era.

All of these changes had their start before the Latino population began to grow, and Latinos were, at most, minor players in the initial phases of these



PHOTO BY ASSOCIATED PRESS/AP

Mexican day laborers in Farmingville, New York.

transformations. They certainly did not play causal roles. But now, as we move through the first decades of the 21st century, the effects of those transformations are still being absorbed by the nation even as Hispanics become much more numerous. Latinos, then, are like the character who appears peripheral in the first act of a play and then takes center stage midway through the second. By virtue of their population size, however, the Latino population will be a protagonist with a major role to play in the third act, now unfolding.

Consider, for example, the changes wrought by the civil rights era. The main expansion of the Latino population occurred after the United States, in the middle of the 20th century, fundamentally reassessed the way it perceives people who are not part of the white majority and how it manages relations between those groups and the majority. That upheaval, and the new social structures it created, now condition the way in which newly arrived Latino immigrants and their children see themselves and are seen by others. In this

regard, their experience is fundamentally different than that of the European immigrants who arrived in the U.S. and underwent an assimilation process prior to the civil rights era.

A key to understanding this difference is recalling that there was, in fact, a Hispanic population in the U.S. when the civil rights era began and that it took part in the upheaval. Led primarily by native-born Mexican Americans, Latino organizations fought against discrimination that had been imposed on them both by law and custom, especially in Texas. An entire generation of Latino leaders and institutions used the tools developed by African Americans and benefited from the same types of legislation and court decisions in seeking redress of grievances. Those leaders and institutions were well established in Hispanic communities when the population began to grow through immigration in the 1970s. And, perhaps more significantly, Hispanics had been recognized in both judicial decisions and legal statutes as members of what many would describe as part of the newly rec-

ognized post-1960s social structure: the minority group.

So, everyone added to the Hispanic population automatically becomes part of a group that is formally defined as a people apart, a people with a shared identity, a people who had suffered

hundred years ago, and the mechanisms for asserting group identities are different, as well. Immigrants from Latin America still often organize themselves as national groups, but the host society offers them an alternative in the form of an Hispanic identity, which overarches

Hispanic or Latino. Assimilation has never been simple or direct, but today, the avenues by which old identities fade and new ones are developed seem particularly complex, fluid and varied.

It may be tempting at times to expect, or hope, that Latinos at the

By law, the undocumented are prohibited from working, from receiving most public services and from ever seeking citizenship, yet they readily find employment, albeit in the lower reaches of the labor force, and are essentially free to live here as long as they like.

inferior status and still might need protection from prejudice. Regardless of whether they are rich or poor, regardless of whether they come from a Caribbean capital or an Andean village, all of these people are categorized together under the label “Hispanic or Latino.” This inevitably means that the process of assimilation for today’s immigrants and their offspring will be very different than it was during the late 19th and early 20th century era of trans-Atlantic migration.

Prejudice in many forms certainly existed a hundred years ago, and many immigrants certainly suffered from it. One important response to this experience was to organize socially, politically and religiously, as national groups; that is as Italians, Irish, or Jews for example. Out of necessity, many of the European immigrant groups actually strengthened their ethnic bonds and identities in the first stages of the assimilation process because organizing as national groups was often the most effective way of getting established in this country.

The United States is, arguably, a more tolerant place today than it was a

national differences. Indeed, U.S. institutions and legal regulations formally recognize and favor group identity far more than national origins. For example, there are about 700,000 people of Guatemalan origin living in the U.S., according to the Census. That is a pretty small group, and one that does not enjoy any particular recognition. As a Hispanic or Latino, however, each of those individuals becomes part of a formally recognized minority group—and the nation’s largest minority group, at that. Assertion of this identity, which does not exist in Guatemala, actually brings with it some stature and protection. The family of a recently arrived immigrant from Guatemala will have no connection to the experience of a Mexican-American who lived in South Texas in the 1950s, but their process of assimilation to this country will be highly conditioned by the great social changes put in place because of those Latinos who played a small part in the civil rights era. As a result, the trajectory from Guatemala to America now leads through this peculiar condition that we, as a society, label as

beginning of the 21st century will follow the same pathways as European immigrants did at the beginning of the 20th. But the circumstances surrounding the two groups are hugely different and, as time goes on, those differences are only likely to grow.

During most of the last great era of immigration, the United States operated something very close to an open-door policy for those who came across the Atlantic. Asians were systematically excluded on racial grounds, but the only Europeans denied entry were those judged to be carrying disease or likely to become public charges. Although many thousands were quarantined and sent home from Ellis Island, those allowed to land were, in time—though sometimes after much turmoil—enfolded into the nation’s civic life. All had the right to seek citizenship, eventually. Today, the United States, however unintentionally, operates a two-tier immigration system. Some are allowed into the country legally, with a well-defined set of rights and obligations and most are granted the right to remain permanently and

become citizens after a number of years. Many others, however, enter the country illegally. Despite laws and enforcement efforts to the contrary, their presence is tolerated, at least tacitly. Evidence of this fact is that best estimates suggest the population of unauthorized immigrants has grown to more than 11 million people, and that once beyond the border region, they face little risk of apprehension. By law, the undocumented are prohibited from working, from receiving most public services and from ever seeking citizenship, yet they readily find employment, albeit in the lower reaches of the labor force, and are essentially free to live here as long as they like.

By any measure, this is a sizeable population and arguably, the only one that is now systematically excluded from full participation in society. There are now more illegal migrants living in the United States than there were blacks living under Jim Crow in the states of the old Confederacy at the time of the

characteristics of the Latino population.

Though drastically different than the kind of discrimination suffered by African Americans or Mexican Americans prior to the civil rights era, because it is a status that is chosen rather than imposed, being undocumented is a marker of exclusion and marginalization. It is the basis for an identity as a people apart. No matter to what extent an illegal immigrant learns English and adopts American ways, he or she faces an insuperable barrier to full inclusion and participation in American society. And then again—though it may seem an unlikely prospect—a single act of Congress could simply erase that barrier.

The New Dividing Lines

Immigration status is a new boundary line, one that confronts Latinos like no other group and that is likely, over time, to condition the ways that newcomers are incorporated into American society, or not. But at the same time, the

and male. Now, women, blacks, Jews and all kinds of other folks are involved in defining American norms, there are several different kinds of dividing lines and they are blurry in places and sometimes even zigzag. Immigrants today, like immigrants before, are busy absorbing American ways; the difference is that nowadays there are many more ways to be an American, many more accepted flavors and variations. The Latino immigrant influx arrived as the United States was in the process of establishing a more diverse vision of itself. The process seems irreversible but is not finished, nor is it fully codified or digested. Latino immigrants and their offspring are adapting to a United States that is already immersed in a process of transformation that may be further impacted by the Latino immigrants themselves. This is a demographic coincidence that may well be of profound historical impact.

For example, in the 1970s, as the Baby Boomers became adults, they put

W*hile it would be easy to overstate the potential leverage represented by the size of the Latino population, their numbers—and standing as America's largest minority group—are already too big to ignore.*

Brown v. Board of Education decision in 1954—and this cohort represents a sizeable portion of the Hispanic population. About one-out-of-every-five Latinos is undocumented, including about one-half of all foreign-born Hispanics. Nearly one-out-of-every-three Latinos lives in a family with at least one undocumented relative. And, for the past several years, the number of unauthorized immigrants has exceeded the legal flow. Thus, illegality has become one of the defining

“old” boundary lines of race and ethnicity are also undergoing change because the United States is a fundamentally different place than when either African Americans or the immigrants of the trans-Atlantic era were forming group identities. In both those cases, there was a dividing line drawn sharply through American society. On one side sat a white majority that set societal, political and cultural norms, and those norms were overwhelmingly Anglo-Saxon, Christian

off having children; many never did and many had just one or two. In the same decade, as noted earlier, the influx of immigrants from Latin America, especially Mexico, began to grow. These two trends, entirely unrelated in their origins, gathered momentum across decades and produced effects that continue to reverberate throughout American society: the first created a dearth of people while the second resulted in an abundance. Without this confluence—meaning,

absent Hispanic immigration and high fertility rates—the United States might well begin to resemble nations such as Italy or Japan, which have quickly aging populations that are also shrinking in size. When the Boomers retire, Hispanics will be there to fill out the workforce. Thus, the significance of Latino population growth has to be measured not just by the sheer size of their numbers but against what is happening with the rest of the population.

While Latinos make up 14 percent of the total population, they account for 21 percent of all children under the age of 10. Look at another key segment of the population: young adults. Between 2000 and 2005, the number of non-Hispanic whites between the ages of 20 and 35 declined by nearly 800,000. Meanwhile, the number of Latinos in that age range increased by more than 1.7 million. The Latino population is not only growing fast, it is accelerating while the rest of the population is getting older and hardly growing at all. That context enormously leverages the significance of the Hispanic numbers. The fact that Latinos are the only population in the United States that can be cited as fast growing not only defines their size but also helps to highlight their place in American society, bestowing a particular degree of status, as well.

While it would be easy to overstate the potential leverage represented by the size of the Latino population, their numbers—and standing as America's largest minority group—are already too big to ignore. Employers, marketers and politicians increasingly seek out Latinos as workers, consumers and voters. This attention may be self-serving, but it is attention nonetheless, and probably ripe for future spin. Latinos are the rare group whose position in society is defined less by who they have been than by who they will become.

In the public policy arena, the size

and projected growth of the Hispanic population has already had a notable impact. The banking industry, for example, was so concerned about keeping immigrant Latinos as a potential source of new consumers that it successfully lobbied the Bush Administration to block Congressional efforts to keep undocumented immigrants from opening bank accounts. Indeed, concerns over the future political clout of the Hispanic population have acted as a brake on a variety of efforts to adopt restrictive immigration policies. And, when the Supreme Court decided in 2004 to preserve affirmative action in university admissions, one of the rationales was the growing size of the minority population in the coming years. This perception of demographic significance is not going to resolve all of the hardships or remove all of the barriers faced by Latinos but it is widespread enough in the majority society that the position of Latinos today is more positive than that of blacks in the 1970s or Italians, for example, in the 1920s. Group identities are powerfully shaped by the majority, and in this case, demography is a critical factor. Moreover, Latinos themselves absorb some of this sentiment, generating a feeling of demographic pride, even demographic triumphalism, at times.

The picture I've tried to paint in this essay is not one of a racial minority group cordoned off from the rest of society. Nor is it the picture of an immigrant ethnic group at the gates waiting for admission into a society that will absorb it and wash away its differences. As I noted earlier, this phenomenon is something different than we have seen before. Latino/Hispanics comprise a group with an identity that sets them apart, but not permanently. The boundaries that define the group are shifting and they are permeable, which is characteristic of a society that values homogeneity of purpose but also embraces

cultural, religious and ethnic diversity. Still, the societal contradictions faced by Latinos abound: for example, they intermarry with a freedom unimaginable for blacks fifty years ago, one signal of the ongoing assimilation process, and yet, at the same time, a large Latino cohort—the undocumented—live in the shadow of the law. It is unlikely that this range of experiences will narrow any time soon.

So what conclusions can we reach after considering the many factors impacting the lives that Latinos/Hispanics live in the U.S. today? Surely at least one thing is clear: the Latino/Hispanic identity is one that allows for multiple and varied expressions. Latinos have arrived on the scene as American notions of identity continue to evolve and they have brought with them the kind of identities that may be well suited to the moment. The result, the combination of the two—a nation with less rigid boundaries and a people with a more fluid identity—will undoubtedly change both the host society and the newcomers. In the past, the United States has tended to either reinforce group differences or negate them, but now it seems headed into a future where it will do neither. Instead, the prospects are for a society that sometimes embraces, even celebrates, some aspects of group identities while at the same time fuses people of different sorts together in pursuit of common purposes and goals. It is an uncertain and potentially confusing prospect—but promising, as well—and one that has only just begun to unfold.

Now, which is it, “Latino” or “Hispanic?” The answer is that “Hispanic” is the preferred choice of about a third of the group and is most popular in Texas and Florida. “Latino” is preferred by a bit more than a tenth, mostly in California and New York. But the majority has no preference and will use both. How could it be otherwise in 21st century America? ■

by KAREN THEROUX

Linking African U

State-of-the-art experiments at Massachusetts Institute of Technology (MIT) are a click away from students in Africa—thanks to an engineering A-Team with truly global vision.

“This is the Stata Center—what do you think of it?” The question comes from Jesus del Alamo, electrical engineering and computer science professor, as he leads the way through MIT’s rambling new Frank Gehry-designed building. Full of twisting stairways, towers, odd angles and unfinished surfaces, the vast structure is fitted with labs, lofts, open work areas and casual meeting spaces, most of which can be reconfigured any way the students and researchers headquartered there decide. It’s an ingenious design, surprising yet entirely in sync with the academic culture of MIT. Here, experimentation and ad hoc collaboration are the norm, and the overarching mission of advancing knowledge to benefit the world is practiced openly, in inventive and pragmatic ways.

A visitor comes to MIT, known for 140 years of world-changing discoveries and 61 Nobel Prize

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MIT’s new landmark structure, the Stata Center for Computer, Information and Intelligence Sciences in Cambridge, Massachusetts.



PHOTO BY PIOTR MITROS

Oduduwa Hall, the centerpiece of Obafemi Awolowo University in Ile-Ife Nigeria.

niversities with MIT iLabs

winners, expecting to be impressed. While its accomplishments are awesome, even more impressive is the institution's philosophy of applying science and technology to meet human needs, a viewpoint that informs the everyday work of innovators like Jesus del Alamo. In an effort to address today's global challenges, del Alamo and his team of MIT technology aces are focusing on Africa, in a groundbreaking effort linking state-of-the-art facilities in the United States with students in Nigeria, Tanzania and Uganda. As a result of their efforts, African students can conduct complex experiments in the same Web-based labs used by students at MIT. Because of MIT's iLab program, which has received support from Carnegie Corporation of New York, all the African students need is a computer and access to the Internet.

High Tech Takes a Human Touch

"If you can't come to the lab, the lab will come to you," says del Alamo, who, together with several graduate and undergraduate students in his

lab, developed the Web-based experiments. "Many people are surprised to learn that even the most advanced universities cannot afford to offer their students all the lab experiences they would like to have. But with a lab setting that's accessible via the Internet, you have access anytime, from anywhere in the world. Instead of all institutions having all labs, sharing allows costs to be pooled. The result is better labs with better equipment and better pedagogical experiences."

Online laboratories, known as iLabs, are real labs, not virtual labs or canned experiments. The iLab designed by del Alamo and his students is used to measure the electrical characteristics of transistors and other microelectronic devices. The lab itself consists of instruments for taking current-voltage measurements plus computer hardware and software components that bring the laboratory experience onto the Web. Students log onto the lab and set up their experiments by entering the desired specifications, or test vectors, executing them and, in a matter of seconds, view-

ing the obtained data, which is downloaded onto their computer. They can then compare measured characteristics (actual results) with theoretical predictions and reflect on discrepancies, limitations and design criteria.

By making it possible to perform real-time experiments via the Internet, these labs allow students to study the characteristics of real and state-of-the-

(Olu) Akinwunmi, graduate engineering students from Obafemi Awolowo University (OAU) in Ile-Ife, Nigeria, to MIT in June 2005. Ayodele, with a master's degree in electronics, and Akinwunmi, a Ph.D. student, are part of a dedicated team that runs OAU's growing computer network. Described by del Alamo as "energetic and entrepreneurial," the Nigerian students left their

MIT team has opened new horizons and I've learned how to get a lot done with a lot less stress," he says. "There's a very friendly, open approach to research and sharing that we'll take back and hope it will catch on." Akinwunmi is just as enthusiastic, acknowledging that the MIT experience "changed our point

Engineering graduate student Kayode (Peter) Ayodele.



Jesus del Alamo, Ph.D., MIT Professor of Electrical Engineering, demonstrates the iLab to students at OAU.



art devices regardless of how restricted their school's resources may be. The information covered in the microelectronics iLab is essential preparation for working in the semiconductor or telecommunications industry, for example. For hundreds of African students, these online lab activities could instantly open up a new world of scientific discovery and provide an opportunity to see the true power of the computer as an engineering tool. "African nations have eager students and eager faculty," says del Alamo, "but they do not have resources. So we start with what they do have: people. In engineering, when you work with people you need a close rapport. Different cultures and infrastructures make it critical to spend a lot of time together learning to understand. That's why human exchange is the key."

That "human exchange" brought Kayode (Peter) Ayodele and Olumide

sprawling university, with its 25,000-plus students on a tropical campus about the size of Manhattan, to spend quality time in Cambridge, Massachusetts, absorbing MIT's collaborative culture while learning the nuts and bolts of iLabs. If all goes according to plan, not only these labs, but new ones designed to meet uniquely African needs, will be accessible online in Nigeria in the very near future.

"Peter and Olu have learned how research is done here," del Alamo explains. "We've shared all our technology and our know-how. We've helped them scope out the labs they will eventually want to develop and provided the entire software architecture they can bring back home to do it." Ayodele rates the project "very exciting...and very useful to Nigeria. It will be the first time we could actually conduct this type of experiment. Working with the

of view and improved our educational standards. Back home, we'll be looking for things to improve. Now we can keep up with anybody, anywhere in the world."

Two weeks after they'd arrived, the visitors had left for Ile-Ife to "take back home" the lessons learned in Cambridge. Ayodele, with a particular interest in iLab design, aimed to help create several new online electrical engineering labs at OAU. Akinwunmi, who focused on pedagogical applications of the MIT lab, planned to support its integration into various OAU classes. He has also been involved in producing a comprehensive package of documentation for teachers and lab users.

More recently, two MIT graduate students, 26-year-old Piotr Mitros, from Poland, and 23-year-old Samuel Gikandi, from Kenya, took off for Nigeria in the second phase of the student exchange. Mitros, who previously worked on Internet technology projects

in China, is fascinated by the possibility of helping Africa modernize in “a different way than the U.S. We’ll be starting with a clean slate,” he says, “and I’d like to see if we can do things better.” One improvement he is taking along to OAU is the “Mini,” a scaled-down version of a microelectronics iLab (which costs upward of \$100,000 to build) that, remarkably, can be assembled for



Olumide Akinwunmi, Ph.D.
student in engineering at OAU.

PHOTOS BY PIOTR MITROS.

\$40. “The Mini is much less sensitive, but the theory is the same,” he says, “and because it’s so cheap, many more students would be able to get access to the experiment.” Gikandi has traveled to Ghana to help run a programming course for high school and college students, and he considers the iLab exchange a good way to “stay in touch with Africa.” The students’ to-do list is a long one, and includes a number of complex and critical tasks: assessing the capacity of the Internet at OAU; determining the skill level and training needs of the engineering students; building relationships with the OAU Information and Communications Technology (ICT) team; determining how well the MIT iLabs meet the needs of African institutions—and looking for ways to change what isn’t working.

In Nigeria, the MIT students are overseen by del Alamo’s opposite num-

ber, electronic engineering professor Kunle Kehinde, who, in addition to coordinating the launch of the African iLabs, heads OAU’s Information Technology and Communications Unit (INTECU). Kehinde welcomes the opportunity for his students to access new experimentation techniques and learn about new hardware and software. He sees OAU as an ideal start-up location because “the university prides itself in being the best...and has a history of trying to stay on top in many fields. For example, the Nigerian Universities Commission last year judged OAU the number-one research university in Nigeria. OAU is also generally accepted as number one in ICT, and has staff and students who are highly motivated to achieve. OAU has more than the critical mass of staff with good knowledge of instrumentation, software and computation, having undergone training within and outside the country.”

Kehinde, like del Alamo, believes student exchange is key: “Rubbing minds together brings out better results,” he believes, and “the cross-cultural aspect is also of great value.” An international mindset is a must for anyone in the tech sector, del Alamo feels, or, for that matter, any educated person in the 21st century. “Engineering has become a global endeavor,” he stresses. “MIT is working hard to provide international internship opportunities for our students around the world. MISTI [the MIT International Science and Technology Initiative] routinely sends students to Japan, China, Mexico and Western Europe. Before the iLab-Africa project was launched, the opportunities for MIT students to work and do research in Africa were very limited. Our project in some way represents a beachhead in Africa. We hope that as we establish contacts and build relationships, we will be able to broaden the range of opportunities there. We also

hope to expand the opportunities for African students and teaching staff to work on projects at MIT.”

As products of cross-cultural exchange themselves, both Kehinde and del Alamo make a strong case for its payoffs. Born in Spain, del Alamo attended college in Madrid, did his doctoral work in California at Stanford University, then worked in the telecommunications industry in Japan for several years. He came to MIT as a junior professor in 1988 and has been there ever since. Kehinde enrolled in OAU as a student in 1968 and several years later was employed as a graduate assistant. Through the years, he took leaves to do further graduate work in various engineering fields in other countries, attending the University of Sussex, in Brighton, England, to study control engineering and completing his postdoctoral work in nuclear instrumentation at the University of California, Berkeley.

These two globally aware engineers know well the level of technology required for countries to compete in today’s marketplace, and they believe iLab’s potential to boost Africa’s tech sector can’t be overstated. Asked what the project might mean for OAU, Kehinde quickly ticked off the following benefits: “A new lease on life for performing relevant experiments on state-of-the-art instrumentation over the Internet; getting access to real-life experimental setups online, where cost would otherwise have prohibited availability; creating an avenue for training of African staff in technical, software, hardware and curriculum development; and, importantly, creating an atmosphere for collaboration among staff of MIT and African universities in the first instance, and among staff in African universities in the second instance.”

Del Alamo confirms that iLabs’ are “an avenue for a deeper collaboration between the participating institutions

that can go beyond its formal scope.” Yet although he’s optimistic, he sees some weak spots, too. “The greatest risk we face,” he warns, “is that the project might not be a good fit, meaning it might not actually enrich progress in Africa. Building and maintaining new labs, as our Nigerian partners plan to do, could prove too hard or too costly. The local culture could simply override the requirements of the project. At the end of the day,” he points out, “transforming education in Africa is not about us, it’s about them.” This observation sums up what’s really at stake for iLabs and other ambitious projects aimed at improving the developing world and clearly illustrates the promise, and the pitfalls, of international technology transfer—the movement of critical knowledge between countries.

Spreading the Wealth

It’s accepted wisdom that the developing world, sub-Saharan Africa in particular, desperately needs to bridge the digital divide in order to stimulate economic growth, eradicate poverty and boost living standards. In a knowledge-based global economy, international development experts stress, the wealth of a nation is directly linked to its capacity for innovation, which, in turn, depends on the strength of its science and technology sector. But despite willingness to transfer Western technology to Africa, countries there have had a hard time absorbing and adapting that technology, and most have not managed to set up sufficient capacity-building institutions to create a critical mass of researchers, engineers and other essential human resources.

What’s behind these disappointing results? Typically, the problem is poor planning and unrealistic expectations on the part of the developed world. Simply providing African countries with access to unfamiliar technologies will

not guarantee reaping the desired social and economic rewards. Unless strategies uniquely suited to each targeted region are hammered out well in advance—taking into account infrastructure, costs of acquiring and mastering new technology, degree of difficulty involved and the training required—projects often end up creating more problems than they solve.

One way to improve the odds is to choose the strongest prospect on the receiving end. In this case, OAU stands out for its flagship technology resources. The pilot educational and research network, OAUnet, was established to promote science and technology at the university and to fan out to other institutions across Nigeria. Most importantly, OAU has acted on its own initiative and set priorities for building technological capacity—a step that can make all the difference in getting the right technology, at the right time, to the right people. Mohamet H.A. Hassan, president of the African Academy of Sciences, puts it this way, “If sub-Saharan Africa is to join other developing nations and regions that have learned to harness science for development, it must set its own agenda and be willing to see it through. Others can help, but sub-Saharan Africa’s science and technology renaissance must ultimately begin—and end—at home.”

While it’s vital for Western donors to support African institutions, “we can’t push the development process faster than the universities are pushing it themselves,” cautions Andrea Johnson, Carnegie Corporation International Development Program Officer. “Otherwise, we risk mismatched priorities. Few universities in Africa will turn down offers of assistance, but would they always select that particular activ-

ity if they had a complete list of options from which to choose, or if they had their own resources to invest? The iLabs project is a case in point. Vice chancellors of the universities the Corporation works with have been exposed to many ideas, but rarely have I seen a reaction as enthusiastic as when the iLabs project was presented to them. We opted to act on their enthusiasm, and I think the



MIT graduate student Piotr Mitros in the workshop where the “Mini” was born.

project has been relatively successful to date because of it.”

Even when recipients seem ready, willing and able to deal with new technology, establishing close ties between the giving and receiving teams helps pave the way for success. According to Kehinde, collaboration among staff, in the form of conferences, training sessions and personnel exchanges, is one of the iLab project’s biggest pluses, along with “exceptional cooperation of the MIT team with African universities whenever there is a need for assistance.” That works both ways, in del Alamo’s view. “Some of the most critical feedback that we have received from users of our lab was that the documentation was inadequate,” he recalls. “This summer, we launched an effort to overhaul all our documentation. As a newcomer, Olu’s fresh look at our lab as been invaluable for us to understand the challenges that

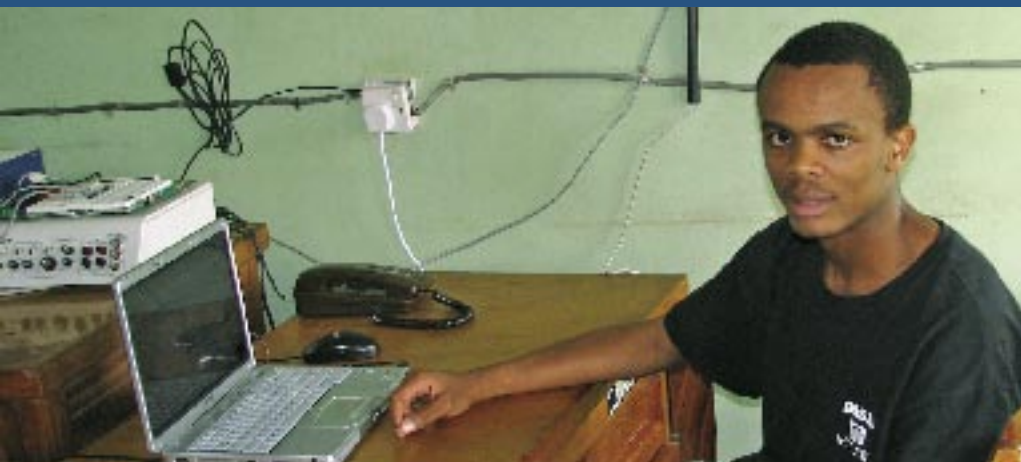
new users face as they attempt to operate the lab for the first time.”

“I have great hopes for this program,” del Alamo says, having seen it through the kick-off phase in Africa early in the summer of 2005, then two rounds of student exchanges and the first stages of setting up the initial African

time we are done,” del Alamo predicts, “there will be several iLabs in place, dozens of African students will have participated in the design and construction of iLabs, and hundreds of physics and engineering students will be routinely exposed to laboratory experiments through the Internet.” It’s a scenario he

challenged him to build a prototype of a semiconductor test lab that could be operated through the Internet—something del Alamo wasn’t sure was even possible. And the student simply did it! Within a few months, he had devised a system for testing and probing various microelectronic devices online—which could be utilized 24 hours a day from any location with Internet access. The

MIT graduate student Samuel Gikandi in OAU’s iLab.



iLabs. “Commitment and determination on the part of the staff involved is the vital ingredient that can make or break this project,” says Kehinde. “Combining iLab research with their regular job schedule has been very tough for our staff,” he explains, adding, however, “the excellent team taking leadership roles in the project means work is progressing very well. Students will be performing new experiments on the Internet and our initial attempt at setting up our own experiments should be concluded soon.”

Signs are good that this project will integrate successfully into OAU’s overall development strategy, as well as the other African partner universities in Tanzania and Uganda and, someday, throughout the continent. Also important is the fact that “a good number of MIT students will have had the privilege of working in Africa and being engaged in a worthwhile technical project that chips at the digital divide from the other side. By the

could hardly have imagined almost eight years ago when the notion of an Internet accessible lab at MIT first entered his mind.

Anywhere Anytime iLabs

It all began because of frustration. “I was teaching my students using books and charts, just as I had been taught microelectronics,” del Alamo recalls. “But I was frustrated because I felt they should be working with actual transistors in an experimental setting.” Hands-on characterization of transistors and other devices substantially enhances the educational experience, he believes, but courses usually do not include a laboratory component because of equipment, space, user training, safety and staffing constraints.

It occurred to del Alamo that the Internet might hold the answer. He then made what he calls “one of the decisions I am most proud of in my technical career.” He hired an MIT sophomore majoring in electrical engineering and

lab functioned beautifully, students loved its ease of use and del Alamo knew they had a winner.

“Once the lab is set up, you can lock it up and go,” he explains. “No one needs to tinker with the complex equipment, which can get in the way of learning and detract from higher-level goals. There are no logistical issues, such as bringing people to the labs, so it can serve far more students. They may spend quite a bit of time online setting up the experiment or analyzing the data, but because the measurements go so quickly, users are burning very little instrument time. And there are open-ended opportunities for trial and error, which creates an ideal environment for learning.” For all these reasons, del Alamo’s initial online lab was so successful it caused the spread of Internet-based labs to other disciplines. iLabs then became a key part of MIT’s ambi-



OAU engineering professor Kunle Kehinde.

PHOTOS BY PIOTR MITROS

tious iCampus program, sponsored by Microsoft Research, which redefines the institution's philosophy of "hands-on learning." iCampus fosters innovation that aims at revolutionizing higher education through information technology. The program supports new projects from the MIT community that make significant, sustainable improvements in how students learn, and in how they apply that learning.

The invention of iLabs is one of the most exciting and promising educational developments made possible by the Internet, in del Alamo's view. "Instead of conventional laboratories in which every institution must own every single lab, iLabs can be shared, giving students access to many more laboratory experiences than they have today," he explains. "We envision a future in which students will be able to perform experiments that simply aren't possible today, such as taking measurements inside the core of a nuclear reactor or making weather observations at the North Pole," he predicts.

Although global outreach wasn't part of their original plan, del Alamo's team soon realized that, because this was an Internet-based process, spare lab time could be used beyond MIT. "As we started doing international experiments with our microelectronics online lab, we learned very quickly that distance from MIT did not seem to make a significant difference. The lab was very responsive from anywhere in the world where there was a broadband Internet connection." The labs were soon in use from Sweden to Singapore and then all around the world. "iLabs transcend time and space," del Alamo says.

Another innovation to grow out of the project was the iLab Shared Architecture, a suite of software protocols and tools to boost the efficiency of creating new online labs. A shared architecture promotes iLab dissemina-



PHOTO BY PIOTR MITROS

OAU students attend an iLab workshop.

tion by eliminating the need to reinvent each lab from the ground up. Instead, it provides a turnkey operation for new labs that, in turn, can scale to large numbers of users worldwide, and also allows multiple universities with diverse network infrastructure to share remote labs. According to del Alamo, this aspect of the project has "the biggest potential payoff—a software development kit and a set of standard modules that will allow iLabs to mushroom around the world." The resulting ability to construct labs that address local needs will make the iLab technology that much more accessible for developing countries, such as MIT's partners in sub-Saharan Africa.

The African Connection

The link between Africa and MIT was forged in 2003, when the vice chancellors of several sub-Saharan universities receiving Carnegie Corporation support visited MIT and toured a number of educational initiatives, including iLabs. They immediately saw how this new concept could help bridge the gap in their universities' science and engineering departments and, with encouragement from iLab's developers, asked the Corporation to consider sponsoring an African iLab initiative. The project got the go-ahead in 2004 after a feasi-

bility study confirmed its potential to enrich education in developing countries. Well aware that the study also revealed significant challenges these countries face, del Alamo's team nevertheless enthusiastically followed the feasibility study with a proposal for a joint program "to find ways to mitigate or altogether eliminate these barriers."

For Africa's technology leaders, MIT's involvement is a welcome move forward. Kehinde praises their "concern for the plight of developing countries with grossly inadequate experimental capabilities. It is notable," he says, "that a renowned university like MIT is interested in conducting research that takes into consideration the effect of the divide between the more advanced universities with state-of-the-art equipment, and the problems of the developing countries with respect to inadequate human, material and infrastructure resources for teaching and research." Together, the teams have organized a three-prong program for leveraging the iLab platform: 1) curriculum enrichment incorporating existing and upcoming experiments; 2) contribution to iLab architecture development, resulting in new labs compatible with the African learning process; 3) promoting the iLab architecture, with

modifications as needed, as an industry standard. Kehinde has set an ambitious timetable for making contributions to the architecture, and looks forward to the time when “collaboration and cooperation between the continent’s higher institutions may offer the easiest path to mutual development.”

One realization on the technology front was that iLabs, which were developed in an environment del Alamo describes as “awash with bandwidth,” are not necessarily suitable for “bandwidth-starved situations” that exist in many developing countries. In particular, the MIT team found that their clients (software programs that run a lab user’s computer) were too “fat” or “verbose” for Africa, and they have since developed a new “thin” client for the microelectronics lab, specifically designed for environments where the bandwidth is very restricted. On the bright side, the connectivity situation should soon improve. As a member of the Bandwidth Consortium (a coalition of African universities and education organizations formed for bulk purchasing of bandwidth) OAU, with annual costs for less-than-adequate bandwidth currently running up to \$125,000, has recently obtained access to vastly expanded Internet capacity at approximately one-third the cost. This improvement resulted from the Bandwidth Initiative, a collaborative project of the Partnership for Higher Education in Africa, which involves the Ford, MacArthur, Rockefeller, Hewlett and Mellon foundations and Carnegie Corporation of New York.

Besides Internet capacity, sub-Saharan Africa has a dire need for increased human capacity. At OAU, Kehinde has struggled to find the right students not only to utilize the iLabs, but to help handle development and maintenance as well. Kehinde believes in preparing technology students for a

future of multitasking as “a reality that everyone who works in an electronics or ICT-related field has to face.” His own responsibilities include overseeing the staff and the experiments, contributing to curriculum development and coordinating workshops as well as the all-important exchange program.

Kehinde is also a key player in creating new experiments, and his earlier work on operational amplifiers (electrical circuit building blocks), or op-amps, published years ago in the United Kingdom, is the basis of a project encompassing thirteen separate experiments that came online early in 2006. Eventually, he aims to have his team create an extensive portfolio of such labs incorporating the MIT iLab Shared Architecture.

It’s this act of engineering and refining “uniquely African” projects Kehinde clearly finds most rewarding. “In the process of creating iLabs experiments we are trying to employ alternative methods that will achieve the same results,” he explains. “For example, we started out by replacing the costlier manufactured matrix switch with simpler switches. We also added some locally available integrated circuits for better performance.”

As of mid-January 2006, MIT graduate students Mitros and Gikandi had spent their first week sizing up OAU’s iLab and, as they put it, “working on the same things as in the U.S., only in Nigeria. ... Impressions are generally positive,” they report. Their immediate plans are to talk more extensively with the African team about how to increase collaboration, as well as to observe classes at all levels: primary, secondary and tertiary—an opportunity they are “very excited about.”

Mitros made note of the shortage in both electronics equipment and teaching staff (two oscilloscopes and five faculty for several hundred students) and the relative inflexibility of coursework compared to higher education in the

United States. “Free electives are discouraged, for example, and the workload is designed with the intention of people not taking any classes outside of their program,” he found. However, Mitros is gratified that his scaled-down lab, the Mini, “has, thus far, had a positive reception.” Plans are already in the works for two undergraduates to develop their own iLab projects around it.

In Kehinde’s view, virtual labs in general, and the iLabs in particular, hold the greatest promise for developing nations. “We are grateful to MIT for sharing this new idea with Africa,” he says. “Now we need to work together to best complement MIT’s efforts. The idea is not to deviate from MIT’s aims,” he stresses, but to work together to evolve a notable MIT standard. The African partners need to forge a common front to investigate how this platform can be used to correct deficiencies plaguing the academic system. Ultimately, our vision for this collaboration is a truly distributed virtual lab where OAU develops N experiments, Makerere, in Uganda, develops X experiments and Dar es Salaam, in Tanzania, develops Y. All experiments will then be pooled. Students of all universities needn’t even know exactly where the experiments they are doing are housed.”

Nothing could make del Alamo happier than to see iLabs roll out across the continent. Whatever the outcome, he’s already been surprised to find that “the African project is satisfying in ways that exceed any expectation. When it began, it was just a relatively small part of my total career. Now it is the major part. And I love it,” he says. “This is what tenure can do: give you the freedom to take a risk and pursue an idea because you believe in it, without the fear of failure.” What’s his definition of success? “It’s simple,” he says, “that the African partners feel the iLab concept is sound, accept it and enhance it.” ■

Serving the Legacy of **Andrew Carnegie**

INVESTING FOR THE LONG TERM



The Carnegie Corporation Investment Team. L-R: Li Tan, Investment Associate; Ariane Leung, Executive Assistant; Alexis A. Palmer, Investment Associate; K. Niles Bryant, Investment Associate; D. Ellen Shuman, Vice President and Chief Investment Officer (seated); Meredith Bradley Jenkins, Director of Private Equity

Since its founding in 1911, Carnegie Corporation of New York has dedicated itself to ongoing introspection and public discourse about what it means to be an effective, accountable and transparent steward of the public trust. This article about the foundation's investment practices, and how they contribute to sustaining our grantmaking, continues that tradition.

The scene in Carnegie Corporation of New York's conference room would have astonished the organization's earliest financial stewards. Here were a pair of learned money managers explaining to the individuals responsible for the Corporation's irreplaceable endowment that Africa—yes, Africa—was just the place to invest some of it.

Even more astonishingly, the presentation didn't raise an eyebrow. Carnegie Corporation already invests in Africa—and India, and other parts of the developing world—in its never-ending search for the investment returns necessary not just to sustain its grantmaking, but to increase it—all the while paying for its overhead and increasing its principal enough to keep pace with inflation.

How far Carnegie Corporation money managers must go nowadays in

search of these returns is a reflection of how far the Corporation has come since the days before World War I, when its initial funding of \$135 million from Andrew Carnegie was invested overwhelmingly in the bonds of United States Steel Corp., once the primary source of Carnegie's personal wealth. Investing in those days was a simple matter of "clipping the coupons"—collecting the interest in the era of paper bonds that came with actual coupons to be clipped.

In the early days of the Corporation, the foundation had no chief investment officer, and in fact this position did not exist until a 1998 pro bono study by McKinsey and Co.—commissioned by the Corporation's Board of Trustees and its newly appointed President, Vartan Gregorian, in order to strengthen the

organization—recommended that it be created. In 1999, D. Ellen Shuman was appointed Vice President and Chief Investment Officer, and assembled a four-person investment team. Their job is, first, to make sure that the corpus of Carnegie Corporation's endowment does not run out, and second, to increase it in real terms. This tension between safety and growth—between risk and reward—is the central challenge facing private foundations that hope to continue doing good long after their founders are gone.

There is always plenty of interest in how foundations spend their money, but not much is written about why the financial well never seems to run dry. It is common knowledge, of course, that rich benefactors like Andrew Carnegie donated a bundle at some point, but for-

ever is a long time, and no matter how large the initial sum, a finite amount of money cannot fund worthy causes on into infinity. Consider that since its inception Carnegie Corporation has spent roughly \$2 billion in nominal terms, or fully 16 times its original endowment—much of this in the past decade. The vast bulk of that spending was for grants. As a private foundation (and not a university endowment), the Corporation engages in no fundraising and hasn't received any significant gifts since those of Andrew Carnegie himself. Yet it is required by its founder to do good in perpetuity—and required by the United States Congress to spend 5 percent of its money every year or face a stiff tax penalty.

Earning 5 percent sounds straightforward enough; in good years, a simple certificate of deposit will do the job. The problem is that earning 5 percent year after year and spending the same amount would doom the Corporation to extinction. Merely earning 5 percent and giving the same amount would leave the Corporation with less money in “real”—or inflation-adjusted—terms every single year, until eventually there would be no money for funding grants at all. “The key question,” says Shuman, “is are we maintaining our purchasing power net of spending?”

Happily, the numbers show that the answer thus far for Carnegie Corporation has been a resounding yes. For the decade ended September 30, 2005, the Corporation's endowment grew at an annualized rate of 11.6 percent, net of all fees and expenses. During this period, net of spending, the Corporation's investment portfolio very nearly doubled. At the close of the latest fiscal year, the portfolio stood at roughly

\$2.2 billion. Since the Corporation's policy is to spend every year 5.5 percent of the endowment's average value over the preceding 12 quarters, a rising endowment has meant ever-more grant-making. Geoffrey T. Boisi, who heads the Corporation's trustee investment committee, makes no bones about his ambitions on this front. “We would not find it acceptable to be close to the line on what it would take just to cover 5 percent plus inflation. We also want to grow the endowment.”

Carnegie Corporation has managed to do just that thanks to the enterprise of its investment staff, the oversight of the Corporation's financially savvy investment committee, and dozens of outside money managers who make investment choices within the sectors chosen by Shuman's team. But Shuman herself, an energetic former art history major who cut her investment teeth at Yale University, is blunt about the odds of such returns continuing: “The Corporation is unlikely to ever experience a quarter-century as favorable as the period from 1980 to 2005, with a nominal annualized return of 13.4 percent net of spending.

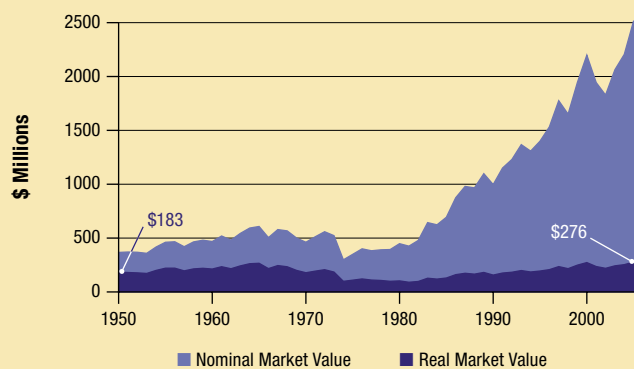
But over the last 55 years, from 1950 through the present, the Corporation has achieved its objective as well, growing \$183 million in 1950 into \$2.2 billion in nominal terms and \$276 million after adjusting for inflation. See Chart 1.

The most recent five fiscal years, in fact, have

been tougher. Nevertheless, the Corporation's annualized return of 8.3 percent during this difficult span for the financial markets significantly outpaced its policy benchmark¹ of 6.5% and ranked the Corporation in the top quartile of endowments and foundations valued over \$1.0 billion, as measured by Cambridge Associates, a consulting firm that focuses on tax-exempt investors. This strong performance allowed the Corporation to keep up with inflation after spending, through a challenging five-year investment period when, for example, the S&P 500 Index delivered a -1.5% annualized return.

At the core of Shuman's efforts to achieve this return is effective asset allocation—deciding how much of the Corporation's money to put into public equities, fixed income, private equity, absolute return and private real estate—and of course where in the world that investing should occur, whether as far away as Africa or as close to home as New York. Many people think successful investing is about picking hot stocks or frequent trading, but academic studies show clearly that the asset allocation decision is responsible for most of the results any investor is likely to achieve. So while

Chart 1: Carnegie Corporation Endowment Growth 1950–2005



¹ The target policy benchmark provides a way to compare the performance of the Corporation's portfolio with appropriate market indices. Each of the portfolio's asset classes (equities, fixed income, real estate, etc.) has a benchmark; the policy benchmark is calculated by multiplying the actual return of an appropriate market index (such as the S & P 500) for each class of assets by the percentage of the Corporation's portfolio that is allocated to that class. The total policy benchmark, the sum of these benchmark calculations, provides an overall measure of actual performance relative to market indices.

Shuman and her team leave it to their managers to choose specific securities, the Corporation's overall asset allocation is determined in-house, with approval from the investment committee.

How is asset allocation decided? It starts with modern portfolio theory, which suggests that in the long run returns on various asset classes are related to risk. Thus, stocks should produce higher returns than a federally insured bank deposit, but with greater variability. The legendary banker J.P. Morgan, asked his opinion of the market, famously replied: "It will fluctuate." Experience also shows that some types of assets do not move in tandem with others. This lack of correlation allows investment managers like Shuman and her team to construct a portfolio that, at least theoretically, can maximize returns at any given level of volatility, or risk.

Allocating assets is as much art as science, and Shuman describes the various computer modeling she and her colleagues perform as helpful but limited intellectual exercises. "If you unconstrain the model," Shuman observes, "we end up with a portfolio dominated by emerging markets, venture capital and real estate with no global equities," a course that would be far too risky even if, in the long run, it is likely to outperform other portfolio allocations. Similarly, while the Corporation has a greater emphasis on asset classes such as emerging markets and real estate than many of its peers, a portfolio wildly out of kilter with comparable foundations might create institutional discomfort, especially if things went sour.

That said, the Corporation team has had a tendency to go its own way compared with other large foundations. One of Shuman's main initiatives at Carnegie Corporation has been to broaden the

range of asset classes included in the portfolio and to make the Corporation's investments more global in nature. Bonds have been declining as a proportion of the Corporation's investments for years, and Shuman has continued this move away from fixed income securities, positioning the portfolio more heavily in real estate, absolute return strategies² and private equity vehicles—investments that are at once less liquid but, traditionally at least, significantly more remunerative. These nontraditional investments, or "alternatives" as they are known in asset management circles, accounted for 45 percent of the Corporation's portfolio as of September 30, 2005. See Chart 2.

In making these changes, Shuman has built on her experience at the Yale University Investments Office, where she served as Director of Investments for the university's real estate investments, and where she worked with the legendary David Swensen as part of a team that produced stellar results year after year. Swensen emphasized the rewards of nontraditional—and relatively illiquid—investments for institutions like Yale or Carnegie Corporation. "Rewarding investments," he has observed, "tend to reside in dark corners, not in the glare of floodlights." A big advantage for the Corporation is the manageable size of its endowment: \$2.2 billion is big enough to support a nucleus of investment professionals and get the attention of outside money managers, but not too large to deploy effectively into attractive strategies that exploit often fleeting market opportunities.

The Corporation's investment and spending policies are designed to work together, dampening fluctuations in spending so that funding for grants is reasonably steady, even during periods

of market volatility. Investment policy which supports the diversification within the portfolio, particularly into alternative assets, has lowered overall volatility because the behavior of these asset classes have low correlations with each other and with the broad public market. In addition, using a 12-quarter average market value to determine spending smoothes results. Thus, during the 2001 and 2002 fiscal years when the bursting of the tech bubble, the aftermath of 9/11, and the Enron and WorldCom scandals devastated many institutional portfolios, the Corporation's total spending remained essentially flat. Diversification and strong manager performance protected the portfolio on the investment side while the spending formula created additional smoothing of the payout.

Ironically, as a 1999 Council on Foundations study demonstrated, the more a foundation spends as a percentage of its endowment, the less in total grants it can distribute over long periods of time. Higher spending erodes underlying endowment value, given those dollars go out the door instead of being reinvested and therefore compounded. Shuman and her team recently ran a similar exercise, analyzing the Corporation's actual spending (which fluctuated, but averaged out to 5.0%) and market values from 1950 through 2005 and comparing them to what would have happened if the Corporation had spent an average of 4%, 5% and 6% each year. As Chart 3 illustrates, their simulation confirmed the conclusions of the Council's study—namely, the counterintuitive, but very real, inverse relationship between rates of spending and actual total spending and endowment value.

The results are striking. Had the Corporation spent 6% of its assets ver-

² "Absolute return" investing seeks to achieve returns that are not correlated with wider market moves. Hedge funds are a common absolute return vehicle, and despite their reputation, they often dampen volatility in the context of the overall investment portfolio.

Chart 2: Carnegie Corporation Actual Asset Allocation
September 30, 2005

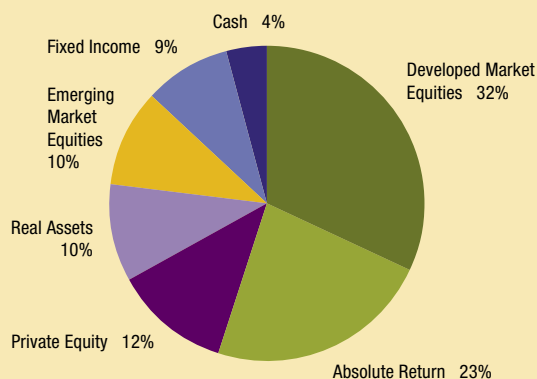
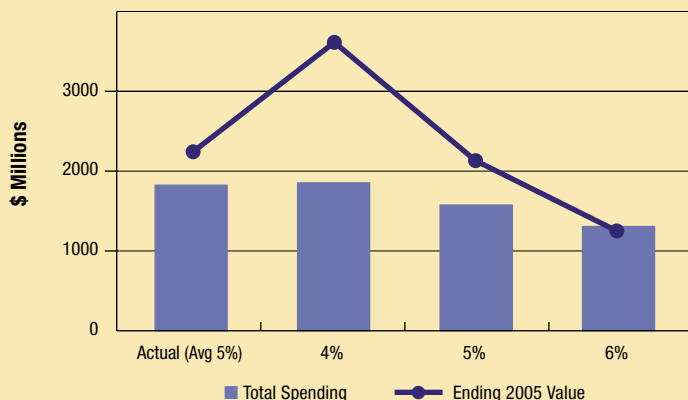


Chart 3: Carnegie Corporation Spending Simulation 1950–2005



sus its actual average of 5%, the nominal amount of grants made from 1950-2005 would have dropped by over \$400 million over this period, from \$1.55 billion to \$1.12 billion (a 28% reduction), and the ending 2005 value of the endowment would have dramatically fallen by roughly \$1 billion from \$2.24 billion to \$1.25 billion (a whopping 44% reduction), reflecting a serious impairment of the Corporation's purchasing power and future grantmaking. The bottom line is that by striking the right balance between spending for today and spending for tomorrow, an institution can end up spending many more total dollars over its lifetime, generating a greater benefit to its grantees.

Under all these circumstances, doing good in perpetuity and giving away 5 percent annually may seem mutually incompatible aims, and the miracle of compounding by itself won't do the job. There simply are no riskless investments that will generate the returns necessary to meet the 5 percent rule, cover expenses and make up for the inflation that eats away at the seed corn every year. "Most of us would say today that 5% is not an easy number," says Richard Flannery, chief executive of The Investment Fund for Foundations (TIFF), which provides investment services to smaller nonprofits.

Still, Carnegie Corporation has some decided advantages in its quest for the investment returns it needs.

The Corporation's reputation is often a plus in winning access to the most promising investments. Boisi says the Corporation's prominence and the respect accorded its investment team are important for access, given that "you're competing for investable space with the Harvards and Yales, which have several times the capital and which professionalized their investment function decades earlier."

Unlike Harvard and Yale which have been investing their endowments for several hundred years, Carnegie Corporation of New York was founded in 1911. Within two years of its establishment, Andrew Carnegie supplied the Corporation with an endowment of \$125 million. Of this, \$100 million was in the form of 50-year U.S. Steel bonds paying 5 percent interest, and the rest in various other high-grade bonds. A decade later, in sorting out his estate, Carnegie's executor delivered an additional \$10.3 million.

Carnegie himself was very clear about his wish to see the money with which he endowed the foundation reinvested, in perpetuity, to serve the public. In the November 10, 1911 letter of gift to Carnegie Corporation of New

York—using the abbreviated spelling he sometimes favored—he wrote, "My desire is that the work which I [hav] been carrying on, or similar beneficial work, shall continue during this and future generations."

But by 1920 the Corporation had lost half its purchasing power to post-World War I inflation, which was almost 100 percent from 1914-1920. Then as now, inflation is anathema to bondholders. "For the first fifteen years of the Corporation's existence," writes C. Herbert Lee, who in the 1940s was Treasurer and Investment Officer, "the investment problem was quite simple. Income ran around \$5.5 million annually until the legacy was received in 1923 and 1924, and around \$6 million thereafter. The securities held—largely United States Steel and other long-term, high-grade bonds—required few changes, and income was received regularly."

The Corporation's Finance Committee, Lee observed, did not hold its first meeting until 1923: "While its concern was largely with routine transactions in these early years, it is worth noting that in 1926 and again in 1928 it recorded a decision not to buy common stocks." In 1928 and 1929 the Trustees sold the Corporation's steel bonds and invested the proceeds "in a diversified list of high-grade bonds and

preferred stocks,” the latter a bond-like type of stock that pays fixed dividends and has a higher claim on a company’s assets than conventional shares.

After the crash of 1929, the Trustees’ reticence about common stocks looked prescient. In fiscal 1933, for the first time, the Trustees authorized the purchase of common stocks, and by the end of fiscal 1936 the Corporation’s stock holdings reached \$25 million. Around the same time, the Corporation unloaded its railroad and utility bonds and preferred shares in favor of Treasury bonds.

The Corporation managed to avoid the massive losses suffered by many other investors in the stock market crash of 1929 and the subsequent Depression, but was less fortunate during the early 1970s. During fiscal 1974, a period that spanned the dramatic bust of the Nifty Fifty stocks during the end of 1973 and the first three quarters of 1974, the Corporation lost a whopping 40 percent of its assets, and while the portfolio bounced back to gain 86 percent in the decade ending September 1983 (including the 1974 loss), inflation during this period was 132 percent, which seriously impinged the Corporation’s purchasing power. Fortunately, the bull market that has more or less prevailed since 1979—and the Corporation’s embrace of equities as an appropriate investment vehicle—turned these losses around.

The Corporation’s gains as well as its earlier losses are largely the result of its embrace of riskier investments, in this case equities, as its primary investment vehicle. Indeed, the history of the Corporation’s investing has been one of increasing comfort with risk balanced by increasing diversification. Looking at the portfolio decade by decade, fixed income investments fell as a proportion of the total in every decade right up until 1980. By 1990 bonds were up again, but in recent years the allocation

has stabilized to approximately 10 percent of the total. See Chart 4.

Today Carnegie Corporation has an investment staff of five headed by Shuman, who obtained a management degree from Yale before going to work helping manage the university’s money. Working with her to ride herd over the Corporation’s funds are:

- Meredith Jenkins, Deputy Chief Investment Officer and director of private equity. She oversees both venture capital and leveraged buyouts.

- Niles Bryant, who is responsible for real estate and other real assets such as energy and commodities.

- Alexis Palmer, who handles global and emerging markets equities.

- Li Tan, who manages absolute return and fixed income strategies.

- In addition, Executive Assistant Ariane Leung keeps the team running smoothly.

Shuman and her staff do not make direct investments. Instead they work through roughly 70 money managers, most of whom specialize in different investment sectors. In keeping with the goal of achieving market-beating returns, the Corporation looks for managers who may not be household names, limit assets under management to be consistent with their opportunity set, and own their firms. Before Shuman’s team hires any of them, it seeks the approval of the trustees’ investment committee, which is headed by Boisi, a veteran of Goldman Sachs and JPMorgan Chase, who is now chairman of Roundtable Investment Partners.

The Corporation has been fortunate to attract Wall Street luminaries to serve on its investment committee. Boisi is its third chairman, succeeding Martin Leibowitz, formerly the Vice Chairman and Chief Investment Officer of TIAA-CREF (the world’s largest pension fund which itself incidentally was established by a \$1 million

1917 Carnegie Corporation grant) and widely considered the leading authority on fixed income analysis. Vincent Mai, Chairman and CEO of private equity pioneer AEA Investors, was the committee’s first chairman, bringing to bear his investment banking and private equity experience as the portfolio was built out and diversified.

Although Carnegie Corporation’s early executives might have been surprised by the organization’s emerging markets investments, a lot has happened between then and now, including jet travel, the development of sophisticated global financial markets and the success of once impoverished countries such as South Korea.

The committee doesn't micromanage—Boisi has nothing but praise for the Corporation's investment team—but it does discuss and debate appropriate asset allocation, the choice of fund managers and investments and other issues that come up. Says Boisi: "We view our role as oversight."

The story of Carnegie Corporation's emerging markets investments illustrates the challenges—and opportunities—that confront investment managers in this day of global trade and communications and capital that washes relatively unimpeded across borders.

"Emerging markets" is a fairly broad category that mainly encompasses markets outside the traditional developed world. The MSCI Emerging Markets Index, a widely followed benchmark in this sector, includes stocks from more than 20 countries such as South Korea, South Africa, Israel, Poland, Mexico and China. These are not the world's poorest countries; in fact, South Korea and Israel are relatively affluent. On the other hand, money invested in stocks in Nigeria, Bangladesh or other off-the-beaten-path nations outside the index is unmistakably invested in emerging markets nonetheless.

The Corporation started investing in emerging markets in a small way dur-

ing the early 1990s. In 1994, its total investment in this arena was \$26 million, which amounted to 2 percent of an endowment that at the time was \$1.1 billion. By the end of fiscal 2005 emerging markets investments had risen to some \$230 million, or about 10 percent of the overall portfolio. This is partly because earlier emerging markets investments appreciated, but it is also the result of a conscious decision by the Corporation to invest more heavily in this sector. "We think emerging markets offer compelling value," says Shuman.

Of course, investing in Africa, Asia and Latin America is not without its risks. In 1998 the Corporation's emerging markets investments (5 percent of the portfolio at the time) lost value after the collapse of the Russian ruble and the Long-Term Capital Management crisis. As a result, by 1999 the emerging markets allocation had fallen to 3 percent. Steeling themselves, Shuman and her staff responded by increasing their emerging markets allocation back to 5 percent through an exercise known as portfolio "rebalancing"—and were rewarded by a 78 percent gain on this portion of the portfolio in calendar 1999.

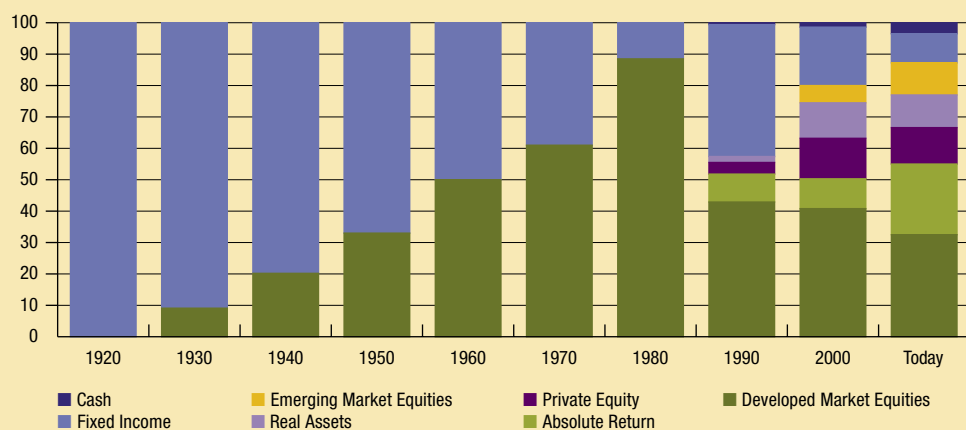
Although Carnegie Corporation's early executives might have been surprised by the organization's emerging

markets investments, a lot has happened between then and now, including jet travel, the development of sophisticated global financial markets and the success of once impoverished countries such as South Korea. Many developing world countries, moreover, have growing domestic markets and increasingly diversified economies. Decades of Corporation involvement in studying and grantmaking in Africa and other far-flung regions of the globe also play a role. The foundation's activities in this arena may have made it more receptive to the idea of investing in these markets. In some ways, then, it isn't surprising that today, the Corporation is a leader among foundations in emerging markets investing.

Aside from the need to look further afield to achieve the returns necessary to support grantmaking, the reasons for investing in places like Africa were made plain in that conference room, when Carnegie Corporation's investment committee and staff heard from Miles Morland and Obi Ogbunude of Blakeney Management. Based in London, Blakeney's specialty is sub-Saharan Africa and the Middle East. Morland is the company's English CEO. Ogbunude, a physician by training who later obtained an MBA from the London Business School, is Nigerian. Their presentation was an eye-opener.

With passion, humor and deep personal knowledge, they told the group that what most people think about Africa is wrong. Gross domestic product figures, for example, wildly understate economic activity on the continent, where bad government has driven so much commerce underground and off the books. This in turn implies much greater

Chart 4: Carnegie Corporation Asset Allocation Evolution





Geoffrey T. Boisi; Chairman and Senior Partner, Roundtable Investment Partners LLC; Chairman, Carnegie Corporation of New York Investment Management Committee.

African purchasing power than is widely assumed. As a result, there is money to be made providing basic goods and services—such as banking, telecommunications and beer—to a growing African middle class. Many of the leading firms in these industries enjoy overwhelming market dominance, which makes them enormously profitable. Indeed, since the Corporation first invested with Blakeney in April of 2001, the firm's average annual return has exceeded 30 percent.

"Nigeria is Africa writ large," Ogbunude said, focusing on the continent's biggest nation for a few minutes. It has Africa's largest population, largest middle class and biggest oil production. It has also been arguably the continent's most mismanaged country. From the mid 1960s to 1998,

says Ogbunude, "it was a basket case."

But since then Nigeria has made a transition to democratic rule, and in 2000 it embarked on economic liberalization as well, starting with telecommunications. At the outset, there were less than 600,000 phones in the country, and less than half of them worked. The assumption at the time, based on the nation's low per capita GDP, was that the entire potential market was 10 million customers. But Nigerian consumers quickly proved these numbers wrong; one company started signing up 300,000 users a month. By now the country has 18 million telephone subscribers, and the most recent projection is for a market exceeding 40 million subscribers, representing almost a third of the population. Better and more extensive phone service

has had a ripple effect on the Nigerian economy. Traffic in Lagos, for example, improved dramatically, Ogbunude reported, because all the new phones obviated so many car trips. Businesses have reported reduced costs and better supply chain coordination because of improved communications.

Investing in Africa isn't easy, but the pickings can be rich. By emphasizing businesses that cater to growing domestic consumer demand, Morland and Ogbunude have been able to find booming markets often dominated by a few well-run companies, meaning Blakeney can buy shares in highly profitable businesses that do not face the kind of murderous competition that has driven down the price of so many goods in the developed world.

"Blakeney's focus on companies

that benefit from bottom-up local consumer demand is consistent with the Corporation's emerging markets investment thesis," says Shuman. India is another country with a similar consumer growth story, experiencing real GDP growth of over 6% per annum over the last fifteen years, making it the second fastest growing major economy over that period. Arshad Zakaria, a former president of the Merrill Lynch Global Markets and Investment Banking Group, is now chief executive of the New Vernon India Fund, which he founded in 2004, and which invests in India for Carnegie Corporation and other investors.

The growth in consumer demand in India is enormous, he reported, and much of it is primary demand, meaning the purchase of a first cell phone, car or house. Indeed, the country has seen automobile sales grow at 25 percent annually for four years. Much of the demand is driven by social change as well as economic growth; younger Indians want to live on their own, separately from their families, just as younger people in Western societies do. And for investors, these changes mean opportunities. Zakaria noted that Indian savers tend to prefer deposits over equities, and that foreign reserves are heavily invested in U.S. Treasury securities, leaving the door open to foreign equity investors. Indian corporate governance, meanwhile, is good, a useful legacy (like the English language) of the country's former British colonial overseers. "You can buy growth much cheaper there," Zakaria declares. "Companies growing 20% to 25% per year can be purchased for 10 to 12 time earnings, an opportunity that is extremely difficult to find in developed markets. Despite the potential for short-term volatility, we think this a fantastic risk/reward proposition." So does the Corporation, which invests for the long run. ■

Continued from page 11

in Afghanistan is not lost on China, Russia, Iran or any other country whose security interests would be badly damaged by premature U.S. withdrawal from Afghanistan or failure to complete the mission there. Neither Russia nor China is up to the task of stabilizing that country.

Moreover, Russia and China, united in their opposition to U.S. policy in the new Eurasia, are hardly each other's natural allies. Russian-Chinese relations, normalized and much improved in the 1990s after a protracted period of tensions in the 1960s, 1970s and much of the 1980s, harbor the seeds of future tensions that are coming to the surface. In the simplest terms, Russia is a declining power. Its population is shrinking and its eastern provinces are becoming depopulated. The topic of Chinese expansion has become routine on the pages of Russian newspapers and academic publications. How to manage its relations with China—the rising giant of Eurasia—is Russia's biggest foreign policy headache.¹⁴ Increasingly, Russian foreign policy experts view this challenge as exceeding Russia's capacity to handle it alone.¹⁵ The prospect of junior partnership with China, be it in Central Asia, or in Russia's own Far East, is hardly an attractive one for them.

But what are the alternatives? The United States is the only other power with the resources needed to play a major role in the fortunes of the new Eurasia. The question that has yet to be answered definitively is whether it has the will and the interest to do so.

Russia's staying power in the new Eurasia is a pale ghost of what it once was, but due to a combination of geography, history, economics and politics,

its decline as a regional power is likely to be protracted, while there will remain significant pockets of Russian influence. It will therefore remain a presence to be reckoned with in the new Eurasia for a long time.

Unlike Russia's, whose interests in the region are strategic and long-term, U.S. interests appear to be cyclical and global in nature. It appears that reconciling U.S. global interests with Russia's regional interests is the major stumbling block for both nations. Their ability to do so is the key to future security, stability and progress in the new Eurasia.

The outlook, however is not encouraging at least in the near term. The major fault line dividing the United States from virtually every other country in or near the new Eurasia is U.S. commitment to democracy promotion as the major organizing principle of U.S. policy in the region. The United States, Russia and China agree that stability in Central Asia is an important interest they all share. The United States sees the path to stability in political, as well as economic, reform. China and Russia view political reforms as destabilizing and prefer to maintain the status quo for as long as they can.

The record of the three revolutions in Georgia, Ukraine and Kyrgyzstan offers plenty of arguments for both sides of this debate to make their points. Kyrgyzstan is a country teetering on the brink of being ungovernable, as competing factions maneuver to consolidate their control on key government institutions and the country's meager resources. Georgia, despite areas of progress, is facing an uphill struggle to consolidate its independence, sovereignty and launch itself on the path to prosperity, while increasingly concerns are being raised

about the quality of its democracy. Ukraine, despite its size, proximity to Europe and resource wealth has stumbled from one crisis to another since the Orange Revolution, occasionally raising questions whether anyone can govern it in the aftermath of that dramatic event.

U.S. policymakers view these three countries as representing hopeful, albeit difficult progress toward democracy and stability. Russian and Chinese foreign policy experts take the opposite view; they see nothing there but the threat of chaos, which holds the danger of cross-border spillover.

A very recent innovation in U.S. policy entails breaking up the new Eurasia into two separate parts. The five former Soviet Central Asian countries¹⁶ have been moved out of the European and Eurasian bureau at the Department of State into the Bureau for South Asian Affairs, renamed as the Bureau for South and Central Asian Affairs. While this change is likely to de-emphasize the Russian aspect of U.S. policy in Central Asia, it is unlikely to diminish the role that Russia continues to play in the region. This change is equally unlikely to bridge the gap between U.S. policy, driven by a strong commitment to democratic change and the region's ruling elites who fear its destabilizing consequences.

Given Russia's limited reach and systemic constraints on its foreign policy, it is likely to continue in its role of a reactive, rather than proactive force in the region, whose actions are driven by opportunities that present themselves rather than a clear strategic vision. For the United States then the main challenge is not Russia, but a clear sense of its own priorities and interests in the new Eurasia. ■

¹⁴ See discussions of the Nikitskiy club in Moscow "The Chinese Factor in the New Structure of International Relations and Russia's Strategy," <http://www.nikitskiyclub.ru/article.php?idpublication=4&idissue=32>

¹⁵ *Ibid.*

¹⁶ Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan and Turkmenistan.

RecentBooks

Since "diffusion of knowledge" is part of Carnegie Corporation's mission, we would like to pass on news about five books that have been published recently, with Corporation support.

Women, Development, and the UN: A Sixty-Year Quest for Equality and Justice



BY DEVAKI JAIN
Indiana University Press

"The constructive impact of women's ideas and leadership can be seen in nearly every

field in which the UN has made significant contributions....This is an evolving history of which the reader gets a finely inclusive view under Devaki Jain's extensive narrative." —*From the Foreword by Amartya Sen, winner of the 1998 Nobel Prize for Economics*

Without the sustained contributions of women who have shared their strength and experience and refused to accept inequality, the United Nation's approach to development would be far different from what it is today. In *Women, Development, and the UN*, respected economist and activist Devaki Jain traces the many ways women have enriched the work of the international body since its founding in 1945. Synthesizing insights from the extensive literature on the subject with her own expertise and southern hemisphere perspective, the author shows how programs aimed at benefiting women of developing nations have evolved over six decades, deftly connecting the dots between women's ideas about rights, equality and social justice and present-day UN policies.

While Jain includes a great many pioneering and influential

women in her account, she is more concerned with women and social movements than she is with individuals. She makes clear how the contributions of the four global women's conferences in Mexico City, Copenhagen, Nairobi, and Beijing fundamentally altered the situation for women in country after country by raising awareness, spreading ideas and creating alliances. The history she chronicles reveals both the achievements of committed networks of women in partnership with the UN and the urgent work remaining to bring equality and justice to all. "The world body has much work to do before women assume their proper place there," Jain writes, and "sixty years is a long time to wait....The experience of the past six decades has shown that much can be accomplished when the synergy flows between the UN and the women's movement."

This volume is the latest in a series of books focusing on the intellectual history of the United Nations. Carnegie Corporation provides support for this project, which focuses on the UN as the creator and nurturer of ideas and concepts that have permeated international public policy.

Beyond the Gateway



EDITED BY
ELŻBIETA M.
GOŹDZIAK AND
SUSAN F.
MARTIN
Lexington Books

Patterns of
immigration
in the United

States have changed significantly over the past 20 years. While large numbers of newcomers still flock to the same major cities as in centuries past, a growing percentage of immigrants are following a less traveled path, arriving in destinations such as Salt Lake City, Utah;

Greensboro, North Carolina; or Faribault, Minnesota. With scant experience encountering immigrants, these communities lack a tradition of tolerance toward "foreigners," and the web of local relationships that fosters integration is in the formative stages at best. Typically, rapid growth in population, bringing increased demands on schools, housing, law enforcement and social services, has stressed these historically homogeneous communities, making the process of acceptance as trying for them as for the new arrivals. Myriad solutions have been conceived to meet these escalating needs; the results are mixed, and the reasons why are worth exploring.

Beyond the Gateway seeks to identify and share best practices in integration by bridging the gap in communication not only between immigrants and the institutions with which they interact, but also among widely diverse communities across the country. Edited by experts from the Institute for the Study of International Migration (ISIM) at Georgetown University—a Carnegie Corporation grantee—the book includes case studies, policy discussions and in-depth analyses from a multidisciplinary team of researchers whose work focuses on changes in the rural, suburban and urban landscapes of new immigration destinations. Investigations of ideas that have succeeded, and others that haven't, aim to equip scholars and community leaders with tools for implementing effective social and economic integration strategies. Recognizing that "the United States is among the few post-industrial democracies in the world where immigration is at once history and destiny," this collection can be a valuable aid to policymaking for future generations.

The Global Class War: How America's Bipartisan Elite Lost Our Future—and What It Will Take to Win It Back



BY JEFF FAUX
Economic Policy Institute

In the view of many, our country's governing class is indifferent to the fate of most

other Americans. In *The Global Class War*, economist and Carnegie Scholar Jeff Faux explains the reasons behind what he sees as the rich and powerful elite's abandonment of the social contract that had, until recently, united the economic interests of all Americans. Simply put, thanks to globalization, they can find workers and investment opportunities elsewhere.

According to Faux, the nation's once-indispensable workforce has little or no clout in today's transnational marketplace. Democratic and Republican interests aside, America's bipartisan governing class protects its privileged members while consigning ordinary citizens to an unregulated and merciless global market. Today, trade agreements like NAFTA and international arbiters such as the World Trade Organization function as a global constitution—one that protects only the corporate investor. Huge numbers of American workers have been displaced, sending the country's living standards on a downward slide sure to have dramatic political consequences.

There is a way to recover, Faux argues, and it requires nothing less than a new democratic political system that recognizes the common interests of ordinary citizens across Canada, Mexico and the United States. He proposes an

(Continued on page 49)

Foundation Round up

THE WILLIAM AND FLORA
HEWLETT
FOUNDATION



Portal to Provide Open Educational Materials Online

On November 16th 2005, the Open Educational Resources portal was launched at the World Summit on the Information Society in Tunisia. The new web initiative between Development Gateway, a public foundation putting the Internet to work for developing countries, and the William and Flora Hewlett Foundation, which concentrates its resources on activities in education, the environment and global development and population, connects anyone with Internet access and a desire to learn to free, high-quality educational materials.

The portal, which is hosted on the Development Gateway's global web site for knowledge sharing and collaboration, features free course materials from the Massachusetts Institute

of Technology, Johns Hopkins University and many other institutions from around the world and will act as a forum for any educator, student or self-learner in need of educational resources. These institutions, plus specialists from SchoolNet Africa and UNSECO, among others, also guide the portal's online forum for educators, students and self-learners in need of educational resources.

According to Mike Pereira, manager of the Development Gateway's online communities, the goal of this new portal "is to encourage more citizens and universities in the developing world to tap into the wealth of free educational resources available online. It also establishes a virtual meeting space where interested people can collaborate and advance the open educational resources movements."

In conjunction with the Open Educational Resources portal, the Hewlett Foundation has also awarded a grant of \$900,000 for the Teacher Education in Sub-Saharan Africa (TESSA) initiative. The TESSA Project is a consortium comprising The Open University of the UK, The Commonwealth of Learning, The Open

University of Tanzania, Fort Hare University in South Africa, and the BBC World Services Trust Fund. One goal of the project is to promote research and development of all aspects of teacher education and development in sub-Saharan Africa.

The African Virtual University (AVU) has been selected by TESSA to be its hub for materials production and distribution for the project. The Nairobi, Kenya-based AVU also acts as the center for a network of African universities working to support open, distance and eLearning initiatives via 54 learning centers in some 27 African countries.

For more information on the Development Gateway, the William and Flora Hewlett Foundation or The African Virtual University please follow these links: www.development-gateway.org, www.hewlett.org, www.avu.org.

ROBIN HOOD

Robin Hood Foundation Revitalizes Public School Libraries

The L!brary Initiative is a unique collaborative project of

the Robin Hood Foundation and the New York City Department of Education, which aims to re-imagine and rebuild public elementary school libraries. The fundamental goal of the initiative is combating poverty by improving literacy and achievement in underserved public schools.

With support from the mayor, the Department of Education, corporate donors and a team of volunteer architects, Robin Hood is developing a blueprint to turn elementary school libraries into vibrant centers of teaching and learning equipped with the latest technology, a carefully selected and extensive collection of books and flexible, multi-purpose space. To staff the new facilities, Robin Hood is providing scholarships for librarians to receive their masters degrees in Library Education in collaboration with Syracuse University.

The L!brary Initiative created ten elementary school libraries in 2002. Twenty-one libraries were designed and built in 2004. For the third round, Robin Hood is undertaking more library renovations to be ready in late 2006. Low-per-

(Continued on page 50)

Recent Books... *Continued from page 48*

original strategy for creating a model cross-border social contract that gets beyond the narrow "free-trade vs. protectionism" debate and brings democracy to the global economy, combined with a continental competitive strategy that has, as a first priority, to

promote and protect a decent life for the ordinary citizens of North America. For better or worse, all the continent's people now share an economic future. Only by uniting can they hope to build a world that works for all, and not just for the transnational elites.



◀ To read about these other Corporation-supported books, visit our web site: <http://www.carnegie.org/reporter/12/reviews/index.html>

Foundation **Round up**... *Continued from page 49*

forming schools in high-poverty neighborhoods are given first priority for inclusion in the Library Initiative, which has already met with great success. "You can't fathom how much this library has done for this community and the 650 students served by the school," says principal Robert Flores of P.S. 106 in Brooklyn.

The Robin Hood Foundation targets poverty in New York City unlike any other nonprofit. It finds and funds exemplary programs and initiatives, gives them expert management assistance to maximize results and, through independent evaluations, holds them accountable. Robin Hood's board of directors underwrites 100 percent of all administrative and fundraising costs so that every single dollar donated flows directly to more than 200 programs that help New York City's poor build better lives for themselves and their families.

Robin Hood's executive director David Saltzman says, "The library initiative is a model of what public/private partnerships can and should be. Generations of poor children in New York City will benefit."

For more information, go to www.robinhood.org.



Public/Private Partnership Helps Promote Local Sustainability and Natural and Cultural Heritage

A promising joint venture dedicated to sustainable tourism and awareness of World Heritage sites is bringing

together what some may say are two unlikely partners: Expedia, Inc., the world's leading online travel company, and the United Nations Foundation, a public charity started by media mogul Ted Turner to bolster support for the United Nations and its efforts in health, humanitarian, environmental and socioeconomic issues. The two groups have officially launched the World Heritage Alliance—a joint venture designed to help protect and preserve World Heritage sites around the globe.

"True charitable partnerships are not just about writing checks. They are about sharing a passion and a vision as we do, and working together for positive change," says UN Foundation president Tim Wirth.

The 812 unique sites around the world are protected by the 1972 World Heritage Convention, which was signed by 180 countries and is administered by the United Nations Educational, Scientific, and Cultural Organization (UNESCO). World Heritage sites, which are designated for their outstanding value as natural, cultural and historical treasures, include Stonehenge, Yellowstone National Park and the Historic Centre of Prague. This public/private partnership brings together two organizations with a passion for conserving World Heritage sites that not only benefits those with a penchant for travel, but also supports sustainable tourism efforts, safeguarding important natural and cultural sites around the world for generations to come. In November, Expedia launched specially created trips to World Heritage destinations

that are available through their network of travel sites, with net proceeds from these trips being donated to the UN Foundation for investment in local community projects at World Heritage sites in need. Expedia Inc., in addition to funds donated as a result of the specialty travel package, will match their customers' donations to support the development of locally owned tourism enterprises at Heritage sites.

Expedia Inc.'s commitment to this program goes beyond financial assistance to these communities. The company also seeks to lay the necessary groundwork to promote local business and raise awareness of heritage preservation through destination education, encouraging matching donations by Expedia customers to the UN Foundation and donating employee time and talent to local tourism business development. Dara Khosrowshahi, CEO of Expedia Inc., says of the endeavor, "Expedia is in the business of inspiring and empowering our customers in their travel choices, and UNESCO and the UN Foundation are actively working to preserve some of the most interesting travel destinations around the world." For more information on the World Heritage Alliance, please visit www.worldheritagealliance.org.



Knight Foundation Helps Immigrant Families Gain a Foothold in American Society

The John S. and James L. Knight Foundation's American Dream Fund will provide

\$1.4 million in support to 29 grassroots organizations serving Latino, Asian, African and other immigrant communities in 14 U.S. cities. In 2005, the Knight Foundation created the American Dream Fund as the local component of its \$13.5 million Immigrant Integration Initiative, which focuses on welcoming newcomers into American life by encouraging civic participation, naturalization, voting and education.

In many communities, the foreign born are much more likely to live in poverty than the native born. "Our goal is to help hard-working, tax-paying immigrant families achieve the American dream of economic self-sufficiency and individual liberty," says Alberto Ibargüen, Knight president. "The purpose of the American Dream Fund is to provide grassroots groups with direct funding for general support of their work and to link them to national resources."

The \$6 million American Dream Fund is administered by Public Interest Projects, a New York-based philanthropic organization with expertise in the area of immigration. Knight's local advisory committees have recommended potential grantees for the fund. Applications to the fund are by invitations only.

While Knight is the sole contributor to the American Dream Fund, the foundation's larger immigrant integration strategy is carried out in coordination with several other funding partners, including Carnegie Corporation, the Ford Foundation, the Open Society Institute and the Joyce Foundation. Other Knight Foundation grantees

working on immigrant-related issues include the National Immigration Forum, the Center for Community Change, the National Council of La Raza and Hispanics in Philanthropy.

For further information go to www.knightfdn.org.



NLGJA Launches Online Educators' Toolbox

The National Lesbian and Gay Journalists Association (NLGJA) has announced the launch of an online resource for journalism professionals and educators to help them cover the lesbian, gay, bisexual and transgender community. The Educators' Toolbox is a comprehensive resource compiled by professors of journalism and mass communication for developing teaching curricula about sexual orientation issues and news coverage. It features sample syllabi, reading lists for 20 subjects and a speakers bureau. The toolbox is a tribute to NLGJA founder Leroy Aarons. Aarons, a highly regarded and awarded journalist in his own right, held positions as the executive editor at the *Oakland Tribune*, as a national correspondent for the *Washington Post* and at his death as the director of a program on gays in the media at the Annenberg School for Communication in Los Angeles.

The NLGJA is an organization of journalists, media professionals, educators and students who work within the news industry to foster fair and

accurate coverage of issues concerning sexual orientation. The association provides professional training and development for its members. Through members' unique positions inside the nation's newsrooms and journalism schools, NLGJA aims to help ensure that journalism workplaces and classrooms are welcoming to all employees and students. Currently, more than 1,300 people in 24 local chapters nationwide belong to NLGJA.

For more information, go to www.nlgja.org.

1,000 Grants Made to Education and Health Professionals for Spanish Class

The Marion Park Deaver and Harry Gilbert Deaver Foundation has provided grants to enable 1,000 school personnel and health care providers in the U.S. and Canada to learn Spanish.

With Latino communities comprising some of the largest portions of the immigrant population, language is increasingly becoming a barrier to receiving adequate education and health care. The Deaver Foundation offered grants to pay half the cost of a complete, six-month Spanish course taught by SpanishNet College in an effort to ease the interactions between educators, health care workers, and those students and patients whose primary language is Spanish.

SpanishNet College is an Internet language school teaching people how to speak, read and write Spanish in a short time frame, using the most advanced technology in text and live audio virtual classrooms.

The course has been specially enhanced for the specific needs of the health and education professions and offers a fast, common-sense approach to daily communication. Classes began in February 2006 and will end in August 2006. There will be two more course offerings throughout the year. Students from anywhere in the U.S. attend two online class meetings each week, or work independently under the supervision of a designated Spanish teacher.

The Deaver Foundation, established in 1991 by Marion Park Deaver, strives to promote education in the states of Florida, Wisconsin and Minnesota. In addition to funding education, the foundation also makes grants in the areas of religion, science, health, environment and literacy.

For more information, go to www.deaverfoundation.org.



The AARP Foundation to Assist Older Victims of Hurricanes in the Gulf Coast Region

In December 2005, the AARP Foundation announced a pledge of \$1.3 million in disaster relief and recovery grants specifically earmarked for older persons in areas affected by hurricanes Katrina and Rita. The foundation intends these grants to assist older victims who have been displaced and are dealing with health and legal concerns.

The grants, supporting health, housing and legal efforts, will be disbursed to 17 organizations assisting those

living in Alabama, Louisiana, Mississippi and Texas. State and local organizations such as Rebuilding Together, Boat People SOS and the National Housing Law Project were chosen after a competitive grant process in which 65 agencies vied for grant approval. Right after hurricanes Katrina and Rita ripped through the area, the AARP Foundation, which is the charity arm of AARP, awarded nearly \$300,000 in grant money to deal with urgent problems. This new allocation will provide grants to meet both medium- and longer-term needs. The Foundation is steadfast in its desire to help older individuals get their lives back to normal. "While the hurricanes and their devastation are no longer the top story on the evening news, there are still many unmet human needs," says the foundation's executive director, Robin Talbert.

The Foundation and AARP members have worked tirelessly on the ground in the devastated areas, not only giving their time, energy and passion, but also their money. Grants of up to \$100,000 have been made from the foundation's Disaster Relief and Recovery fund, which has received contributions from its members, volunteers, and employees. Exhibitors and sponsors of the cancelled "Life at 50" event, which was scheduled to be held on September 29th in New Orleans, have also contributed their refunds to the foundation's disaster relief fund, while AARP has agreed to match the foundation's \$1 million pledge.

For more information and a complete list of grantees please visit www.aarp.org/katrina.

THE BackPage

George Reid MSP is the Presiding Officer of the Scottish Parliament. This article is adapted from remarks he delivered on October 4, 2005 at the Scottish Parliament, which hosted the third biennial Carnegie Medal of Philanthropy ceremony. The Carnegie Medal award was created in 2001 at the centennial observance of Andrew Carnegie's official career as a philanthropist and is given to those who, like Carnegie, have dedicated their private wealth to public good and sustained an impressive career in philanthropy.



The men whose thoughts gave intellectual rigor to the American Revolution—David Hume, Francis Hutcheson, Thomas Reid—walked the pavements outside where we sit. Benjamin Franklin twice came to Edinburgh to engage in dialogue with them. James Witherspoon—first Principal of the Presbyterian College of New Jersey, now Princeton, and the brains behind the Declaration of Independence—was here too. And so were the bridge-builders, doctors, engineers, entrepreneurs, free thinkers and wealth creators—the Scottish shock troops of American modernization—who did so much to make the U.S. what it is.

Andrew Carnegie came from that get-up-and-go tradition. He was

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

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

No man can be truly rich, he said, unless he first enriches others. It was a

Why is Holyrood important to this process?

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

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

Lessons for Scotland

There are lessons here for Scotland—and for a Parliament, which prides itself on its commitment to

Rethinking Progressive Philanthropy

by
GEORGE REID

Introduction

Welcome to Holyrood. Welcome to the new Scottish Parliament.

Failte gu taigh an Roid. Failte gu Parlamaid ur na h'Alba.

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

Engaging in the Enlightenment

This is a special place for America too. The fathers of the Scottish Enlightenment—the economists, jurists, philosophers, political theorists and scientists whose ideas gave birth to the modern world, and shaped the United States—were up and down the Mile long before any of us.

shaped by the Scottish Enlightenment and its principles. By its common sense utilitarianism: the need for social conscience and commitment to the greatest happiness of the greatest possible number. By its cosmopolitanism: the ability to be comfortable in different cultures. And, above all else, by its confidence in the future: the innate optimism that the world was not only getting better but offered extraordinary opportunities to those who set out to achieve them.

Carnegie and the Community

Carnegie's first achievement was to become the richest man in the world. His second was to give the bulk of his wealth away—to stop accumulating, as he put it, and to start distributing.

radical programme deemed wildly socialist by his peers on Wall Street. But a century on, gathered here at Holyrood, we can take pride that a son of Scotland gifted progressive philanthropy to the world.

The Carnegie Awards and Symposium

No one should doubt the global importance of this week's Carnegie Awards and Symposium. The organizations represented in this Chamber have given away over \$6 billion to their fellow men and women over the last decade. Outside this Chamber, watching what is happening here, are over 20 million philanthropic organizations in the world's 22 most developed countries. According to Johns Hopkins University, their annual spending is in the region of \$1 trillion.

create a sustainable society founded on enterprise and compassion.

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

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

And we should recall what Tom Hunter said when he gifted £55 million to the Clinton Global Initiative: "I'm a Scotsman. I don't do handouts. I've not given anything away. I've invested it—in people who will maximise it in the service of their communities."

Lessons for America

There are maybe lessons for America too. If we can benefit from some of the entrepreneurial spirit we took to the States, maybe they can benefit from some of the communitarian values that remain valid in Scotland.

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

Across the Atlantic, this little country has a vibrant voluntary sector and a strong civic society. Our ties with America are firm. But so are our links throughout the European Union and many of the countries in the developing world. So, in the spirit of the Enlightenment, think of us as a bridge across the Atlantic, to a wider world and to different perspectives....

People First

If you want a year of prosperity, grow grain. If you want ten years of prosperity, grow trees. If you want a hundred years of prosperity, grow people.

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

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

I have personal experience of this. For a dozen years of my life, I worked as a director of the International Red

Cross and Red Crescent in wars and disasters around the world, in developing and developed countries alike. I therefore pay tribute to all of you in our Chamber this morning whose motives encapsulate both the Red Cross motto—*Tutti fratelli*, all are brothers—and that great hymn to humanity of our national poet, Robert Burns: *That man to man the world o'er shall brithers be...*

I pay tribute to your work for human rights everywhere, particularly the rights of women. For the provision of microcredit, an old sewing machine turning a land-mine victim into a tailor and a person of substance. For the investment of hundreds of millions of dollars in the most deprived communities of the world. For bringing respite to those caught in the crossfire of conflict. For education of excellence, open to all. And for bringing compassion and tolerance to angry societies.

But times change. The philosophies of the founding fathers of “charity” were rooted in another, older world. When the Red Cross was founded, armies lined up and fired off at each other. Ladies came out in carriages to picnic and watch the action. Today, wars happen inside countries, not between countries. Nine out of ten casualties are civilians. Red Cross workers have become targets. And the old rules and regulations are no longer enough.

Challenges to Charity

Where stands philanthropy in this constantly changing world?

Andrew Carnegie recognized the problem in 1889 when he wrote: *It*

is more difficult to give money away intelligently than it is to earn it in the first place.

How do foundations invest money intelligently in the 21st century? How do they achieve Carnegie’s goal of scientific philanthropy? Only by constantly addressing and re-addressing the challenges of today.

■ **Innovation:** traditionally, progressive foundations led on social change...governments followed...and the foundations moved on to new challenges. Today many of their resources are deployed as service delivery agents for governments, impeding innovation. Is that right?

■ **Advocacy:** traditionally, progressive foundations spoke out against injustice. But so much match-funding now depends on government, that voices are often stilled in case the cash flow dries up. Should advocacy and service-delivery be split?

■ **Leverage:** once a foundation has donated the seed money, should it move on? The Esmée Fairbairn Foundation recently provided £2 million to ten community organizations and challenged them to raise £20 million over three years. They raised £19.5 million. A model for sustainable development in future?

■ **The Regulatory Framework:** is it going to empower charitable giving, or shackle it?

■ **The Tax Regime:** is it going to provide incentives, or penalties? Can tax-deductible donations be used to lobby against government policy?

■ **Duplication and Donor Fatigue:** Operation Katrina has pulled in over \$1 billion. But the bulk goes to one organization, the Red Cross, and

is used for emergency relief. What about longer-term rehabilitation and reconstruction? Time and time again in my own operational years, we had far too much money in one “sexy” disaster and virtually nothing in areas where the need was far greater. How do we resolve that?

■ **Corporate Giving:** How do we release the humanitarian potential of the commercial sector, concentrating as much on stakeholders as shareholders?

■ **And finally, Women.** If you give food to a man in a disaster, he will eat it. If you give it to a woman, she will share it—and keep some of the seeds for next year’s harvest. How do we liberate women and unleash the world’s greatest potential for sustainable development?

Perhaps Vartan Gregorian, President of Carnegie Corporation of New York, has put it best: Foundations need to be in the ideas business, not the needs business.

In other words, what’s needed now is enterprise and compassion. Surplus wealth for public good. A renewed commitment by the progressive foundations to empowering people and righting wrongs.

Verily, verily, in the words of Andrew Carnegie: No man is truly rich, until he enriches others. ■

For more information about the Carnegie Medal of Philanthropy, visit www.carnegie.org/sub/awardees/index.html. For more information about the 2005 Carnegie Medal of Philanthropy, visit www.scottish.parliament.uk/carnegie.

Commentary *Continued from inside front cover*

path Russia will follow is critical for the future of democracy in the region. Perhaps, defying hegemonies of all sorts, the new Eurasia will seek to find a way to embark upon new forms of regional cooperation suited to its common economic needs, including outreach to global markets, while at the same time leaving breathing room for discordant national, ethnic and religious interests to coexist. But even if this type of collaborative effort is a possibility, one thing is clear: throughout the region, Russian culture, language and Soviet models of governance and development still remain influ-

ential. (Let us remember, for example, that many of the newly independent states were or are still run by former KGB leaders or other strongmen.) For all these non-Russian republics—some of them multi-ethnic, including a major Russian population—the challenge is to transition from authoritarian rule to a rule of law and begin to build a future based on democratic principles that include not only free elections, free speech and freedom of assembly, but the creation of the institutions that make democracy possible. In capitals around the world, the impact of the choices made in post-Soviet Eurasia are waiting to be measured.

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A FOOTNOTE TO History

In Dunfermline, the ancient capital of Scotland and the birthplace of Andrew Carnegie, a modern building will soon go up where plans for the future of education, social welfare and the importance of community in the United Kingdom will be shaped and funded. Ground has been broken for The Carnegie Foundations Centre, which will house four of the nonprofit organizations started by Mr. Carnegie at the beginning of the 20th century, and which have served the citizens of Scotland and England since that time.

Linda Thorell Hills of the United States, the great-granddaughter of Andrew Carnegie, along with Charlie Thomson and Emma Thomson Mills of Scotland, the great-great-grandchildren of Andrew Carnegie, unveiled the cornerstone for the new building at a ceremony on October 3, 2005 during the Scottish celebration of the Andrew Carnegie Medals of Philanthropy.

The building will house the Carnegie Trust for the Universities of Scotland, the Carnegie Dunfermline and Hero Fund trusts and the Carnegie United Kingdom Trust, all of which had separate offices around the city of Dunfermline. Besides offering an economy of resources and an efficiency of scale, the four institutions believe the strategic and personal benefits of collaboration will propel their individual institutional missions forward. It was during the joint planning of the third Carnegie Medal awards that the four institutions began talks to join forces and to make their collaboration permanent.

The new centre's site is on the edge of Pittencrieff Park in Dunfermline. This park and its many acres of green were unavailable to the young Andrew Carnegie but for one day a year when it was opened to the public. In 1903, Carnegie bought the estate and gave it as a gift to the townspeople of Dunfermline for recreation and, as he put it, "more sweetness and light."



Linda Thorell Hills, great-granddaughter of Andrew Carnegie, along with Charlie Thomson and Emma Thomson Mills, at the groundbreaking ceremony for The Carnegie Foundations Centre.

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