

Carnegie Corporation of New York Oral Histories Collection

by **Karen Wang, Columbia University Libraries Intern**

[What does philanthropy have to do with business?](#)

Andrew Carnegie, magnate of the U.S. steel industry, built his empire from humble beginnings with business acumen and insider trading (commonplace and legal at the time). Carnegie is also known for his philanthropy and his philosophy “The Gospel of Wealth,” where he argues that wealth should be reinvested in the greater good, not amassed by the rich. In 1911, after becoming a billionaire, he established the Carnegie Corporation of New York as a fund whose mission is “to promote the advancement and diffusion of knowledge and understanding.” Each year, the Corporation provides grants to projects that they believe are in the spirit of Andrew Carnegie’s initial interests: international peace, democracy, and the advancement of education and knowledge. In 1966, the Corporation began recording its history through oral history interviews, many of which are browsable at the [Carnegie Corporation of New York Digital Archive](#).

[What do business and philanthropy have in common?](#)

Besides businesses being some of their largest funders, philanthropic foundations are often run according to traditional business models in terms of organizational structure and leadership, networking, and fundraising. Also similar to businesses, philanthropic funds can become political, meddlesome, and at the center of conversations about class, reputation, public accountability, ethics, and the law.

[Meddling in South Africa: Good Intentions, Bad Consequences](#)

On this page we feature one of the many stories contained in the Carnegie Corporation’s oral history collection, the story of its involvement in South Africa. The Corporation launched two inquiries into the “issue of poverty” in South Africa – the first was in 1929, and the second in 1982. These interviews about the inquiries took place in the late 1990’s and included video as well as audio (only audio is featured on this page).

Listen to **Francis Wilson**, a South African economist and leader of the second inquiry, recap the first inquiry, which infamously seeded some of the ideas that would grow into South African apartheid (1948-1994):

[\[Oral history interview with Francis Wilson 1999 \(M. M. Clark, Interviewer; Carnegie Corporation project. Part 2\); Audio Clip 1\]](#)

Transcript:

It was called the Carnegie Ondersoek na Armoede, I think was its full phrase, the Carnegie Investigation into Poverty, and had happened in the late 1920s, early 1930s, and was an examination, a scientific study, of poverty. But being South Africa and being the 1920s and thirties, it focused only on whites, which was, of course, an enormous limitation. But there was a lot of white poverty at that period. It was the time of the Great Depression, certainly by 1932 it

was, but there was also the whole problem of landlessness, of whites having been pushed off the land, coming into the cities, competing with blacks for jobs, many of them not adequately educated and so on. So there had been a whole social movement in the 1920s and thirties trying to deal with white poverty, but because of the political power that whites had, because they had the vote, this had some real power, this movement. And the churches, particularly the Dutch Reform Church, was involved, because this tended to be, not 100 percent, but tended to be Afrikaan-speaking whites who were trapped in poverty in this way.

So Carnegie had funded what became a major commission with, I think, five or six commissioners, an economist, a sociologist, a writer, who, in the end, traveled around the country in two Model-T Fords, traveled all over South Africa, taking some amazing photographs of whites living in hovels and so on, to the white South African of 1980, unbelievable photographs, actually, and had done an extremely interesting survey of poverty, given the limitation of being for whites only. That had produced five volumes and so on.

But one of the things that had happened with that, was that it had been hijacked by the National party in its rise to power. Hendrik F. Verwoerd, who became prime minister in South Africa in the 1960s — the 1950s, really — had a big conference in Stellenbosch, and said that the Carnegie Inquiry had become a very powerful instrument in the battle against poverty.

Now, this had both a good side and a bad side. The good side was the sort of rise of social welfare, a social welfare department was set up in the government, and real attempts to deal with poverty. At the same time — and this became apparent quite quickly as we analyzed it — the Carnegie study had been part of the intellectual source, if you like, of the movement towards apartheid, because what emerged was that an anti-poverty program could also take the form of excluding other poor.”

Listen to **Fikile Bam**, a South African lawyer, describe apartheid’s legal system and white supremacist philosophy:

[\[Oral history interview with Fikile C. Bam 1999 \(L. Morris, Interviewer; Carnegie Corporation project. Part 2\); Audio Clip 1\]](#)

Transcript:

What happened when the Nationalist government came into power and they devised apartheid, they actually made it into law, and they passed a law, or they passed a series of laws, which says that there will be separate developments and that people will live separately in every aspect of their lives, literally, as people say, from the cradle to the grave. There was legislation which they passed, in which that was sanctioned, that you couldn’t go into any hospital to be born; you had to go to a black hospital if you were black, to a white hospital if you were white. And you grew up, your schooling had to be different and your work opportunities were different, and your religious and other associations would have to be different. Your recreation time would have to be different and take place in different places. And ultimately, if you got sick, you went to a different hospital. When you died, you went to a different cemetery. And that was apartheid at its highest. It is what marks out apartheid from mere discrimination and from mere color bar, is that it was a system legally sanctioned for differentiation between the people on the basis of race.”

[\[Oral history interview with Fikile C. Bam 1999 \(L. Morris, Interviewer; Carnegie Corporation project. Part 2\); Audio Clip 2\]](#)

Transcript:

Here the understanding was that you could not be the same, that you were not the same, you were not created the same, you were not created equal, and that there were innate differences between whites and blacks, and these innate difference also translated into that white people were innately superior to black people, and that really was the bottom line of apartheid philosophy. And as I say, nobody ever made apologies about it.

A Second Chance – “50 years later, but not too late”

Acknowledging the limitations and harms of the first inquiry, leaders of the second one attempted more inclusive research methods and building more trust with local communities.

Listen to South African physician **Mamphela Ramphele** talk about the second inquiry being a “chance to clean up [the Carnegie Corporation’s] mess.”

[\[Oral history interview with Mamphela Ramphele 1999 \(M. M. Clark, Interviewer; Carnegie Corporation project. Part 2\); Audio Clip 1\]](#)

Transcript:

One could argue that Carnegie’s Inquiry into White Poverty exacerbated black poverty, because the strategies that were adopted, including public works programs for the white poor, promotion of job reservations, segregated educational programs, all focused on promoting the welfare of white poor people at the expense of black poor people. I said Francis, about time they came back and cleaned up their mess.”

Listen to **Francis Wilson** describe the voices included in the second inquiry:

[\[Oral history interview with Francis Wilson 1999 \(M. M. Clark, Interviewer; Carnegie Corporation project. Part 2\); Audio Clip 2\]](#)

Transcript:

It was very important that this was not just going to be a study by whites of blacks. I mean, that would have been outrageous. It needed to be a study in which those who were themselves enduring poverty or those who had some real existential understanding of what that was all about were as involved as much as possible. So that meant that this whole study, if it took place, would have to have what one can think of as a black center of gravity. So that was always an attempt, although this is 1980s and it was difficult to bring that about, but one needed to make sure quite sure that black South Africa felt this was a good thing.

[\[Oral history interview with Francis Wilson 1999 \(M. M. Clark, Interviewer; Carnegie Corporation project. Part 2\); Audio Clip 3\]](#)

Transcript:

I’m simplifying, obviously, but by and large, white South Africans whom I talked to would to say to me, “A study into poverty, that’s a very good idea, Francis, yes. We really need

that, and if you can get some dollars from the Americans, great, go for it. We need all the information we can get about poverty, black poverty, in this country.”

Black South Africans, on the other hand, when I talked to them, would sort of look politely interested and then quite pained and they would say, “Are you saying that you want to spend money, real money, American dollars, discovering that there’s poverty in South Africa? We’ll tell you right now, free, for nothing, there’s lots and lots of poverty. What we have to have is action against poverty.”

That was an incredibly important statement or reality, and truth, that we had to think about, because here we were, little white academics who came to the University of Cape Town thinking, “Let’s do a study on poverty.” Then you had to suddenly stop and say — stop in one’s tracks and say, “Well, actually what are we on about? Is this just an exercise to massage a few academic egos, collect a couple of Ph.D.s and publish a book or two and everybody feels good and fuzzy and warm? Is that what it’s about?”

So we had to do some hard, hard thinking as to what this was all about and if it was going to be worth doing, that people who were poor might, themselves, think that actually this was a worthwhile study.

[\[Oral history interview with Francis Wilson 1999 \(M. M. Clark, Interviewer; Carnegie Corporation project. Part 2\); Audio Clip 4\]](#)

Transcript:

We also took a strategic decision to try and find ways of involving people beyond the university community, because South Africa at that stage was — Southern Africa, even — as the kind of place where within the universities you found largely, not exclusively, but largely white males operating, because this is a very sexist society and it was an incredibly racist society. So that it was white males who sort of percolated into the universities. They might all have wonderful ideas, but they were still white males with the limitations of that experience. They hadn’t had the experience of being black. They hadn’t had the experience of being women. And we needed to be sure that all of that came in.

[\[Oral history interview with Francis Wilson 1999 \(M. M. Clark, Interviewer; Carnegie Corporation project. Part 2\); Audio Clip 5\]](#)

Transcript:

What we were trying to do was, both through the working groups and through inviting individual papers, to bring in people who were not academics. I can remember talking to a wonderful woman in what was then Northern Transvaal, who was the wife of a missionary, who said, “But I don’t know anything.” But she knew an enormous amount about life in that rural part of the world, and we persuaded her to write a paper.

Listen to **Omar Badsha**, a South African photographer who led the second inquiry’s photography unit, describe the representation of poor South Africans in his team’s work:

[\[Oral history interview with Omar Badsha 1999 \(M. M. Clark, Interviewer; Carnegie Corporation project. Part 2\); Audio Clip 1\]](#)

Transcript:

I said to Francis, “You know, Francis, we don’t want to look at poverty. We don’t want to show one — we don’t want pictures of starving children. We want to show apartheid as poverty, as the system, and not the stereotype of starving black children as apartheid.” And this was the idea, the concept. We wanted to show that the system itself was wrong and rotten, and poverty was one of its — how would you put it — consequences. One of the reasons for the poverty was apartheid. And we wanted to break this stereotype of this country that a lot of people were projecting.”

[\[Oral history interview with Omar Badsha 1999 \(M. M. Clark, Interviewer; Carnegie Corporation project. Part 2\); Audio Clip 2\]](#)

Transcript:

People were now beginning to go out and looking at the other, but in a new way, looking at the poor and the black people in a new way. Or black photographers looking at white South Africans in a new way. So that meant that people worked in projects and in communities for a long time and won the trust of those communities.

Fikile Bam explains how the Carnegie name helped South African researchers evade the apartheid government’s interference:

[\[Oral history interview with Fikile C. Bam 1999 \(L. Morris, Interviewer; Carnegie Corporation project. Part 2\); Audio Clip 3\]](#)

Transcript:

Q: Do you feel that the Carnegie name helped in some way to protect this enterprise politically and the Carnegie history of studying whites might have helped depoliticize the study of blacks to a certain degree in the second Inquiry?

Bam: Oh, yes, absolutely. I believe that the name of Carnegie did have the effect of protecting this investigation and this research. It was obviously a well-known name, even among Afrikaners, because, as I’ve said, they had conducted a study earlier on poverty among white Afrikaners. So the fact that they were now conducting a second study into poverty is one which certainly had the effect of protecting the study itself and not making it suspect, in that it was not part and parcel of the activities, political activities of which some of the individual participants might have been suspected of if they didn’t have this protection of Carnegie.”

To Meddle or Not Meddle?

Sending American dollars abroad can have significant geopolitical ramifications, especially during a time when much of the world was boycotting South Africa because of apartheid.

Listen to **Fikile Bam** discuss the motives and stakes that the Carnegie Corporation (then led by Alan Pifer) had in investing in South Africa:

[\[Oral history interview with Fikile C. Bam 1999 \(L. Morris, Interviewer; Carnegie Corporation project. Part 2\); Audio Clip 4\]](#)

Transcript:

Well, first of all, let me agree with you that there were people who were critical of the involvement of the Carnegie Corporation in making funds available to South Africa both from a business point of view and as well as from a philanthropical point of view. There was — it was a time when a number of institutes in the United States in particular had been operating sanctions against South Africa, very successfully so, and a number of American businesses had been under pressure to withdraw from South Africa altogether.

And so there was some substance to the concern that the money shouldn't be released, but Alan Pifer, I think, did take the correct decision in allowing this money to be released and for the work to be done, because it was obviously something which was not going to be of short-term benefit to anyone; it was really looking at the long term. And at the end of the day, whatever we might be saying about slogans about liberation, slogans about freedom and democracy, at the end of the day I think what we are talking about is what can be done and what can governments do to alleviate poverty of people throughout the world and throughout South Africa.

And that sort of investment is an investment which I think is worthwhile, irrespective of what government is in power in a given country at a given time, because you are giving money to people who are not ideologically motivated one way or the other to a government or against a government, but whose concerns are really for the poorest of the poor in any given community, and how, what steps can be taken by any government at any time to alleviate their plight.

Q: Did you feel clear in your own mind then, in your dealings with Carnegie, that these were, in fact, their motives, that this is what they were about in their work, in their philanthropy?

Bam: Well, yes, I did. We then went and we spoke to the board, and they conveyed to us what their own feelings were. I was quite — absolutely satisfied and happy that their motives for allowing the money to come through were the correct ones. Also I just felt that it was important for them to correct a misconception which may have been created by the first study, which concentrated merely on white Afrikaner poor, that it was necessary for them to correct that misconception that whereas they were able and prepared to allow money to be utilized for that first Inquiry, that they were not now prepared to allow money when the Inquiry was going to be focused on blacks.

Q: Fifty years later, but not too late.

Bam: Right. Absolutely. Fifty years later, but not too late, because the problem is still with us now.”

Listen to Carnegie Corporation president **Alan Pifer** describe the role that **Ernie Malherbe** (one of the leaders of the infamous first inquiry) and his “qualms of conscience” had in propelling the second inquiry:

[\[Oral history interview with Alan J. Pifer 1997-1998 \(B. Hearing, Interviewer: Carnegie Corporation project. Part 2\); Audio Clip\]](#)

Transcript:

Anyway Ernie Malherbe, Mal-air-ba as it really should be pronounced, always had qualms of conscience about this, and every time I would go out to South Africa, and I have been to South

Africa twenty seven times over the years, but every time I would go, I would go see Ernie in Natal, Durban, and he would say, 'Alan, when are you going to do that study of black poverty?' because he had this qualm of conscience, he wrote in the final report, I think it's the last paragraph, he says, 'Some day Carnegie will make a study of black poverty.' And then so he kept jogging me over that, and so finally when I was beginning to think about retiring I suddenly realized that if I didn't do this probably nobody would."

Listen to **Francis Wilson** speak about **David Hamburg**, the president of the Carnegie Corporation after Alan Pifer:

[\[Oral history interview with Francis Wilson 1999 \(M. M. Clark, Interviewer; Carnegie Corporation project. Part 2\); Audio Clip 6\]](#)

Transcript:

David Hamburg, whatever doubts he had, I think were stilled, and he came to see the value, not under all circumstances, but that the particular way in which Carnegie was involved in South Africa through the Legal Resources Centre, through the CALS, Centre for Applied Legal Studies, and through the Inquiry, that these all, on balance were, it was better to be involved than not to be involved."

The Impact of the Second Inquiry

The second inquiry was widely viewed as a successful propagation of research and a starting point for fighting poverty in South Africa. Listen to **Francis Wilson** and **Mamphela Ramphele**, co-authors of *Uprooting Poverty*, a comprehensive report on all of the research done during the second inquiry, discuss the inquiry's impact:

[\[Oral history interview with Francis Wilson 1999 \(M. M. Clark, Interviewer; Carnegie Corporation project. Part 2\); Audio Clip 7\]](#)

Transcript:

The interaction between the Carnegie Foundation, the Carnegie Corporation, and those of us working in South Africa, whether in poverty research or legal resources, whatever it may be, that interaction has been very important because it's helped aerate our ideas. It challenged us. It made us think of new things."

[\[Oral history interview with Francis Wilson 1999 \(M. M. Clark, Interviewer; Carnegie Corporation project. Part 2\); Audio Clip 8\]](#)

Transcript:

And therefore I would argue that there really does need to be an ongoing involved concern by American foundations, American corporations, outside the United States, because I think it's important for those of us outside, because it benefits us a great deal if it's done sensitively and the best of those ideas in the United States and elsewhere are shared with Us. But equally I think that it's important for the sake of the United States, that as we move into the what is going to be seen as the global century, it would seem to me, there is a real danger of America thinking that the world is just either irrelevant or is just like the United States. And, of course, it isn't. It's got many important differences and legitimate differences. So Americans need to become engaged in

a very humble way, not just as missionaries coming to bring good things, but as people to learn from Africa and from elsewhere what are the insights that come from Africa in terms of culture, so many things.

So I see this, the need to move to a two-way process, an interactive process, in which the gifts and strengths of different sides, if I can put it that way, are brought to bear so that we can enrich each other.

[\[Oral history interview with Mamphela Ramphele 1999 \(M. M. Clark, Interviewer; Carnegie Corporation project. Part 2\); Audio Clip 2\]](#)

Transcript:

And the beauty of the way the Inquiry was conducted, using people on the ground who were working with rural, urban, periurban, and farming communities, is that you could not deny the reality of what was being communicated, because there were narratives of the people who were on the receiving end of this poverty. But there were also narratives of hope from so many people who were able to take whatever little opportunities there were to make things better.

*And so I believe that what ended up being the published study in *Uprooting Poverty* came out of a process which itself was empowering, enabling, and gave voice to many, many people who were working quietly in little corners of South Africa without being noticed.*

Listen to and watch the full oral histories with these five interviewees, and learn more about the Carnegie Corporation's philanthropic activities in South Africa and around the world at the [Carnegie Corporation of New York Digital Archive](#).