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## Responding to Social Needs Using an Investment Approach [interview with Herta von Stiegel]

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## INTERVIEW WITH HERTA VON STIEGEL

# RESPONDING TO SOCIAL NEEDS USING AN INVESTMENT APPROACH

*Herta von Stiegel is the founder and CEO of Ariya Capital Group Limited, a fund manager located in London, Gaborone (Botswana) and the Channel Islands that invests in organizations that provide clean energy, financial institutions and telecommunications for the people of Africa. She has worked in senior positions at Citibank, J.P. Morgan and AIG Financial Products. She is the founder of the Prince's Trust Women's Leadership Group and a board member of the Committee of 200. She is the co-producer of the award-winning film, "The Mountain Within," based on von Stiegel's book, The Mountain Within: Leadership Lessons and Inspiration for Your Climb to the Top (2011). von Stiegel earned her undergraduate degree in history and German with honors at Andrews University, a Juris Doctor from Thomas M. Cooley Law School in Lansing, Michigan, and a Master's of Law in taxation from the New York University School of Law. In the summer of 2012, von Stiegel received an honorary degree from Andrews University. Shirley Freed is managing editor for the Journal of Applied Christian Leadership and coordinator for the doctoral leadership program at Andrews University.*

**SHIRLEY FREED (SF):** Let's start with your own personal journey—the path that led you to this awareness and desire to do something about social issues. There are two social issues that I know for sure you're concerned with. First, what you describe in your book, climbing a mountain with emotionally and physically challenged climbers. That was unique; where did that come from? And then, of course, there's your work in Africa. Tell us the personal journey to get to that.

**HERTA VON STIEGEL (HVS):** It's been a constant development because I grew up behind the Iron Curtain, at the height of communism; I'm a child of the Cold War. I was very conscious of the injustices in the world, the difficulties that people are facing, and often through no fault of their own. For example, in my parents' case, when the Communists took over, they basically expropriated all their properties. My grandparents were left with one house. I literally grew up with my parents talking about, "We owned this and we owned that," but it was all gone. And so the fact that stuff

happens, and people are subjected to untold hardship, often through no fault of their own, was something that I very much grew up with. Even as a young child, I felt that the world may not be fair, life may not be fair, but as children of God we are called to do something about it. So from a very early age I remember tutoring children who needed help in school. And there was always this sense of, you can help, you can make a difference.

When my parents and I arrived in the States I was a teenager—I was in twelfth grade. To me the sky was the limit. I wanted to be a lawyer from the time I was two feet tall. Having a solid legal training and then becoming a banker opened doors and resulted in a successful career, first of all in the States, then in London. But through it all I was very conscious of the fact that the line between the “right side of the tracks” and the so-called “wrong side of the tracks” is very, very thin. And you cannot be complacent and self-satisfied with being on the “right side of the tracks.”

When I left investment banking in 2005, I was invited to go on the board of a number of organizations. But one of them in particular, Opportunity International, had a major impact on my life. It’s a large Christian microfinance organization, inspired by Jesus, who said, “The poor you will have with you always—so do something about it! Create justice and make a difference in the world.”

## . . . right now four billion people live on \$2 a day or less.

So when they asked me to go on the board of Opportunity International in the UK, I thought, I need to see for myself whether this stuff really works. When I evaluate a project, I start with demographics. And if you look at where the world population is right now and future trends, you get a very interesting picture: Africa is going to have two billion people by 2050. Europe’s population is declining, so we’ll have fewer people in Europe by 2050 than we have today. The U.S. population will increase by 100 million, but it’s largely driven by immigration and so forth. China will plateau. India will have another half a billion people. So you look at demographics and you recognize that the bulk of these people are poor—right now four billion people live on \$2 a day or less. So looking at demographics, where we are right now and where we are going to be, just that by itself says those of us who live in the West are the select few, if you will. We can’t just sit at the top of the heap, if nothing else out of

enlightened self-interest, let alone because we want to make a difference for the Kingdom.

So that was kind of my journey. In 2005 and 2006 I went all over Africa. I looked at demographics. I looked at issues. And I kept asking the question, what can we do to break the cycle of poverty? We need to be able to do something. I'm doing something through the work that I'm doing on my boards. But equally important, if not more important, through actually founding Ariya Capital, the company that I run now—we are specifically focusing on investments in segments and industries where we are doing our part to break the cycle of poverty. That, in a nutshell, is how my journey has evolved.

**SF:** Let's just backtrack a wee bit into the book. How did you come to be interested in trying to help these folks, the emotionally and physically challenged? The climb itself was amazing, let alone to bring along people who really needed some extra support. How did you come to that idea?

**HVS:** I believe that everybody is entitled to their dreams, regardless of ability or race or gender or whatever. God has created us to dream, and He has created us to aspire to something. And often it has to be something that is greater than just about us. So this particular expedition was personal—it was inspired by the fact that I had climbed Mount Kilimanjaro for my fortieth birthday, and it was an absolute failure. An abysmal failure! I remember being in Africa and looking at Kilimanjaro and thinking, "I want to climb that for my fortieth birthday." I love the mountains; I love the outdoors. So we climbed Mount Meru, which is a tall mountain in its own right. But then Kilimanjaro is over 19,000 feet. It's really, really high up there, and the joker in the pack is, of course, the altitude. My husband and I actually managed to get to the Barranco Wall, which is around 14,000 feet, and then had to turn back.

So it was unfinished business, and I knew I would go back, and I knew that somehow I needed to finish this and make it to the top sooner or later. But then Kilimanjaro came and went; I wasn't really thinking about it anymore. Several years later, I was on the board of a major disability charity to support a friend who was the chairman of this charity at the time. We wanted to raise the profile of the charity. I was literally running on the treadmill, and the idea just came to me like a flash: I want to climb Kilimanjaro for my fiftieth birthday! Why don't I take a group of disabled and non-disabled climbers, and we team them up as buddies? I reasoned that, yes, everybody is entitled to their dreams, but also that we can

achieve so much more together than any one of us separately. And that really inspired the whole buddy system. Each disabled climber was teamed up with non-disabled buddies, one or more, depending on the disability. So the idea was literally born while I was running on the treadmill. And it just evolved from there. It became a full-blown expedition. It took on dimensions that I hadn't really expected when I started to think about it. And then, thank God, that expedition was a resounding success.

## The assumption was that this was going to be a one-way street.

**SF:** Yes, for sure. I read the book and really was taken in by the people that you took with you. I used to work all the time in literacy training, and so a bunch of my life has been with people who have difficulty with reading and writing and that sort of thing. So I know that there's a spirit behind them that really drives them to do things that are extraordinary.

**HVS:** It's incredible because the general assumption was that we would take as many physically challenged or emotionally challenged people with us as we could, and it was going to be the non-disabled climbers that would help the disabled, and that's how we were going to get to the top. The assumption was that this was going to be a one-way street. And I remember saying to my team, let's keep an open mind about this. We may be pleasantly surprised at how this helping really works. And I was absolutely amazed how there was such give and take; it was not one-sided, with the disabled climbers getting all the support and all the help. On the contrary, they inspired us and challenged us. A number of climbers said, "We would never have made it to the top but for our disabled buddies." It really worked both ways. That was the beauty of it. So often when we look at human potential we put people in boxes. We think, well, this person is going to make it and this is why, and that person is going to be marginalized because they don't quite fit into our box. The beauty of even marred creation is the fact that everybody has something unique and something beautiful inside them. And if you can just tap it somehow, the world is so much more beautiful and much richer for doing that.

**SF:** Well, it seems like that is a huge lesson for those of us who spend a bunch of our lives helping, in helping professions, and certainly in church work, reaching out to places where things are not nearly as rich in terms of resources and all that. And yet there's no question that we are better off because of those experiences. We learn! We gain! So let's move into the whole idea, then, of the importance of this kind of mentality in Christian leaders—in any leaders. How do you think about that? Is this something that makes an organization, a company, a church, or a school a better place when the person in leadership says, we're going to take care of people who are different from us, we're going to take care of our community, we're going to reach out?

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**HVS:** I firmly believe that the communities, the churches, the businesses, that are actually outward-focused are much more successful, much more effective. Now, it is true that you need to start taking care of yourself and taking care of your own, because you have nothing to give unless you make sure that you harness your own resources. That's not selfish; that is just good stewardship, because as individuals, as families, as communities, I think we do need to invest in ourselves and make sure that we have the resources that we need to be able to give. But starting from that healthy premise of accepting and taking and being filled by God and then turning around to actually give to those around us, that's what makes us balanced people.

I believe that the crisis we are in right now—financial, political, and so on—has global dimensions. This is a crisis of people living in ivory towers, people living cocooned in their own world. I've spent most of my life in investment banking. I understand the world of high finance, and the competition, and the stress involved, and the pressures involved in that. But I think that a lot of the problems we are having right now are really a result of having become so inwardly focused, and just watching out for myself, watching out for the bottom line, and actually forgetting that there is a big world out there that needs investment, that needs care. And to me

it's not a surprise that we are where we are, because at so many businesses and very large corporations that I've worked for, even though there is a code of ethics, often people are asked to leave their values at the door. And it's all about self. It's all about how much can I create today? How much can I do today? The thinking is very, very short term. And as a result, what we are achieving is not sustainable because we are so focused on now: How much can I spend? How much can I borrow? How much can I do today? How much stuff can I get? And we're loading ourselves up with debt. That's true for individuals, for countries, for families. And we forget that we have a responsibility to the generations that are coming after us. And it is those people who are actually thinking about sustainability, and about the generations coming after us, who are really focusing on creating positive social and environmental impact. And if you don't think long term, if you just think about now, you don't create lasting value. You may succeed in the short term, but certainly not in the medium to long term.

**SF:** Yes. That's really self-serving, isn't it? So we think about what we do here in the Leadership program (at Andrews). We're involved 100% of our time here in leadership development, and working with people who are leaders, who are aspiring to be leaders, people who have big impact, people who have small impact, big influence, small influence. So what advice would you give us? What does it take? You know, we have a competency called social responsibility. And I think that it's probably our most difficult competency to actually think about, because it's hard to define what it looks like? It feels so broad; it has to be more than recycling my garbage. But what is it? What does it take to get people to this sense that there's something bigger than me that I need to be paying attention to and being committed to?

**. . . if you don't think long term, you don't create lasting value.**

**HVS:** There's nothing like exposure, because whether we like it or not, none of our lives is ideal. And there is this tendency to feel sorry for yourself. Well, if you just had a little more money, better looks, or whatever. And if that's what's going on in your head, you're not going to think about how you can benefit humanity. So the first thing is to get out

of your shell. Get out of that mentality of insufficiency (I need to hoard, and I need to protect myself, because if I don't do that I won't have enough). For me, a triggering event is actually to change my attitude from a perspective of lack to a perspective of abundance. God says, "My grace is sufficient"; "I will give you life and I will give it to you more abundantly."

## There's nothing like exposure.

As Christians we are called to look at things from the perspective of abundance. And when you think that there's enough to go around, then you look at life differently. So that would be my first point. Change the thinking from a perspective of lack to a perspective of abundance. The second thing is to actually open your eyes to the joys of service and do something that you are passionate about. Not everybody wants to climb Kilimanjaro, and that's great. Not everybody wants to run around Africa and do what I'm doing, and that's absolutely fine. But find something that you are passionate about, that takes you out of your own comfort zone. Start small; it doesn't have to be enormous. But pick something that you are passionate about. It's important that we get out of our comfort zone, but not out of our gifted zone. It's important that we stay in the sphere of our giftedness. It's not trying to make the squirrel to swim, you know. This would be my third point: to get out of your comfort zone and stretch and look at where you can make a difference. Then celebrate the successes, because there is no greater joy than serving others, and I think we are most like God when we are in an attitude of service. That is a source of joy, and that is worth celebrating.

**SF:** That's really helpful. I knew that at some point we would talk about the reality that when we're Christians we have something different that drives us into this mindset that I'm here to serve, I can help, I have something to offer, I have been given a lot. But I'm just wondering: it seems like something has to happen for that to really take hold. It doesn't feel like Christians just naturally fall into this stuff. In fact, sometimes I think that Christians almost pull aside and are protective, and I don't know how to think about that. How do we actually grow that—the reality that, yes, "My grace is sufficient for you."

**HVS:** It's a great question. I've been thinking about that, too. As a Seventh-day Adventist, I remember hearing people say things like, "We're



not to do the work of the Salvation Army.” “We are not necessarily here to create a better world, because Jesus is coming soon in any event, so what’s the big deal?” I had tremendous difficulties because of my Christian beliefs in communist Romania, since I did not go to school on Sabbath and refused to become a member of the Communist party. And a number of well-meaning church members said, “Herta, don’t worry; Jesus is coming soon, so don’t worry about getting a higher education, and don’t worry about all these things. Jesus is coming soon.” While this notion of the Second Coming of Christ is something so incredibly beautiful for evangelical Christians, it can also be, in a perverse sort of way, a deterrent to actually making this world a better place to live.

## It’s important that we get out of our comfort zone, but not out of our gifted zone.

The philosophy of Martin Luther has been very inspirational to me because he said, “If I knew Jesus were coming tomorrow, I would plant a tree today.” And that is a philosophy that I can latch on to because, yes, I hope Jesus comes tomorrow. When I see all the problems in this world, and my very limited ability to remedy just a very, very minute part of them, I want Jesus to come tomorrow. But I don’t know if He’s going to come tomorrow. What I do know is that I can plant some kind of tree today. So we have this desire to make an impact while we are on this earth and make this earth a better place. It doesn’t have to be the devil’s playground.

For some reason, God has chosen us to be His hands and His feet and His fingers. And it is not just about preaching the Gospel, as important as that may be. Quite frankly, when people are hungry, or they are emotionally devastated, or physically destitute, or whatever, they are not necessarily open to the Gospel. They need to have their physical needs met, they need to have their emotional needs met, before they can really accept help for their spiritual needs. And if it’s just addressing the spiritual needs, it’s actually a limited offer for help. Certainly we need to be effective Christians who don’t just have a mouth, as Rick Warren put it, but who have a much more holistic impact on the world around us. We need to look at remedying the social ills; we need to use different methods and different vehicles to do that. The church is an amazing distribution platform for that. Business is also an amazing vehicle for that. I think if

you do business in an ethical way, and you create jobs, and you make investments, and you address the major security issues of food, water, and energy, I think you can have an incredible impact for good.

**SF:** Now that helps me understand why you have been able to move from being a successful investment banker to now running a foundation and doing the work that you're doing in Africa.

**“If I knew Jesus were coming tomorrow, I would plant a tree today.”**

**HVS:** And the business. I run a business.

**SF:** Yes. Talk to us a little bit about that.

**HVS:** I started Ariya Capital because I felt very strongly that philanthropic work in poverty alleviation actually has very limited impact. I started looking at frontier markets and emerging markets, initially from a philanthropic point of view. I thought, I go on the board of some charities, I go on the board of some major organizations, and I'll focus principally on charity. And it became clear to me so quickly that charity is never going to do it, even if you're Bill Gates. There are just not enough charitable dollars to go around. And even if there were, the problem with charity—and I've seen it all over the world now—is that generally it creates an atmosphere of dependence. It doesn't actually encourage people to grow and develop and live up to their own potential and be creative. At the end of the day it's disempowering. What actually works is when you empower people. It is the old adage, you give a person a fish, they eat for a day; but you teach them to fish and they eat for life.

Unfortunately, a lot of the charitable giving has created an unhealthy dependence on foreign aid. There's a very interesting book, written by an acquaintance of mine, called *Dead Aid*. It's a great exposé about all the aid that has flown into Africa. Since the 1950s, over a trillion dollars of aid has been channeled into Africa, with very limited positive impact.

So I looked at that and realized that what is going to break the cycle of poverty is actually investing in core industries that are at the center of poverty alleviation. I kept asking the questions: What do we need to do? What industries do we need to invest in to really break the cycle? And that's

how we really started to focus primarily on energy. Because if you don't have electricity, something that we take for granted, you will have very limited economic development. Right now there are 600 million people in sub-Saharan Africa who don't have electricity. They are basically working off kerosene and diesel. And what's even worse is that the children, often the girls, have to go and fetch wood. So they don't go to school; they should be in school. So I sensed that we need to start investing in industries that really are at the core of poverty alleviation and are actually stimulating growth. Energy certainly is one of them. Telecommunications is another. When people can communicate, they can do business. And then finance is the other. That's why I set up Ariya Capital.

We are specifically investing in energy—that's our driver—infrastructure, and also some agriculture. So that's what we are focused on. And my philosophy is basically that the world is sustainable if everybody sits on a three-legged stool. The first leg is free education, at least up to tertiary level. Somehow we have to find a way as a civilized planet for children to be able to go to school. Second is healthcare—affordable healthcare. And third is an opportunity to make a living. I don't think we owe people a living—unless they are disabled and they can't watch out for themselves—but an opportunity to make a living. So I think the third sector, the charitable sector, has an important role to play in education, and partially healthcare as well. But then the private sector has to come in and really focus on the opportunity to make a living, to empower economically, to create jobs and invest in the industries that are at the core of poverty alleviation. So that's how Ariya Capital was born.

## What actually works is when you empower people.

**SF:** That's huge. This is so broad based. So how can we make this applicable to people who are in Christian leadership places who may not have resources but certainly have influence? How can we use some of what you said, really take your ideas and blow on them so that more people are involved in this sort of thing? Or is that even reasonable to think that it's possible?

**HVS:** I think it's absolutely reasonable to think it's possible. As a matter of fact, I think everybody can do something. To me leadership is influence,

and you don't really have to be called "leader" of some sort. I think everybody can be a leader in their own sphere of influence. It's encouraging a child to be a pen pal with somebody else. Start with something basic. God said to Moses, "What's in your hand?" What's in your hand? Everybody should just think that. What do I have? And how can I make that multiply? I don't think it takes anything miraculous or anything huge. Just be faithful with what you have, and actually look at what's around you, look at the need around you, and just do something. Often we are trapped in this notion that the problem is too big, and we don't have enough, and whatever we do is not going to make any difference anyway. We can turn that around and ask, What do I have and how can I make a difference? It may be your local school; it may be your local community; it may be your local homeless shelter. And even if you just say, I'm going to allocate a couple hours a week to actually help in my community, I think there is no more powerful witness than actually looking at what's around us.

## I think everybody can do something.

And quite frankly, what's around us may actually be our aging parents. I see it with my sister, for example. My father just passed away, and my sister specialized in geriatrics. My parents live in Germany, and so my sister kind of shuttled back and forth between the States and Germany, and left her job in the States to go and look after my parents. To me that's incredible service. It was actually identifying a need that we had as a family. We asked, "How can we make this work to make sure that everybody is looked after?" There's a time and season for everything. And so, it may be really that the immediate impact is just in your family. But then I think most families that actually start thinking in terms of how they can multiply their resources can achieve so much more. By virtue of the fact that my sister is watching out for my mother now, she frees me up to do a lot of things that I'm doing. And so her focus is multiplied by virtue of what we are able, by God's grace, to achieve as an extended family. And so it's really finding what's there: What can I do with what I have?

**SF:** Right. And I think you mentioned a couple times this idea that we're stronger when we're connected with other folks. Let's just explore that a little bit. How do you see, in your wildest dreams, who would be working together to make the world a sustainable place, and to make a friendly environment for people to be born into?

**HVS:** Right now there is such a leadership vacuum, and I touched on the crisis that we are experiencing. It is not just of a financial nature or a political nature. It really is, at the core, a crisis of leadership. We need leaders who are able to relate to their fellow human beings in the way that Jesus wants us to, with a sense of dignity and respect and a desire to actually help and make a difference. So I think the world is yearning for leaders like that.

This is where the challenge comes for Christian leaders to actually step up to the plate. We tend to lament about the world being an unfair place, and an unjust place, and whatever, but what do we do about it? My father-in-law had this great expression: “If we let the devil sit in the front row all the time, then why are we complaining about the outcome?” I think this is a time for people who have a strong moral compass and a deep desire to make a difference to step up to the plate and provide the leadership that is needed, because the generations coming after us are going to judge us very harshly for the mess that we have created. And I don’t mean we should be approaching these things from a perspective of fear or recrimination. But we need to be very honest that we have a lot to answer for.

If you look at the mess that we have created, it’s not something to be proud of. And if we want to create an environment where the next generations can come and lead better lives, then I think we need to be very good stewards of what we have been entrusted with today. And quite frankly, so far if you look at what we have done to the environment, if you look at what we have done to our financial situations, and just the injustices and the economic disparities that we have created, this is not a pleasant place.

## We need leaders who are able to relate to their fellow human beings in the way that Jesus wants us to.

The needs are so overwhelming, and the temptation is to actually say, “I can’t do anything about this.” Sometimes when I’m confronted with so much poverty and so much difficulty, I have to come back and say, “OK, one at a time. I can’t fix it all, but I can do something, one at a time.” That’s what it boils down to. We each have to examine what we can do, what we can give, and how we can actually, at the end of the day, bring a smile to Jesus’ face so He can say, “Well done, good and faithful servant.”

**SF:** We covered a lot of good ground, didn't we? Thank you so much! Do you want to close with any particular thing, or is there anything else you'd like to say?

**Allow yourself to be inspired, to just reach a little higher, to do something tangible.**

**HVS:** Maybe just a thought for people who are looking for a way to start. When I led the Kilimanjaro expedition, I wanted to do a film, to capture this spirit of adventure and selflessness in a heartwarming documentary. That's what I wanted to do, but I had no inclination of actually writing a book. And it was really only afterward that I thought, goodness, I have learned so much, and I feel I'm a much better leader as a result of this. And so things just came together. I really would encourage your readers—I'm sure they are avid readers already—to read good practical things about how to make a difference. And certainly my book is only one of them; there are many other great books out there. Allow yourself to be inspired, to just reach a little higher, to do something tangible. Together we can make a positive difference in a world that desperately needs it.