

Philanthropie Aktuell

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EDITORIAL

Dear Reader



The University of Basel celebrates its 550th Anniversary this year. This historic event brings us to dedicate this issue to the relationship between universities and philanthropy.

Due to an increased financing need of the universities facing tightened public budgets, the search for private support has led to a considerable variety of funding possibilities.

University foundations, giving associations, research societies, foundations, alumni, or enterprises, there are many more or less successful ways to cooperate between universities and private funders.

European universities enviously look across the Atlantic, where top universities like Harvard or Yale are able to raise millions of dollars.

However, no university should abandon public support too easily. Due to the financial crisis, Harvard has lost 8 billion US\$ on assets and has suffered additional cutbacks in donations. Thus, the university has had to freeze new hiring!

The articles of this issue offer you different perspectives on the relationship between universities and philanthropy. They will no doubt lead to further thoughts and discussion. Happy Anniversary to our Alma Mater!

Georg von Schnurbein

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The University and the reclusive Capital

The University of Basel was founded 550 years ago. While universities were reliably financed over the centuries, nowadays, they face the challenge of having to raise money from private sources by themselves. A brief reflection on philanthropic activities in and around European universities by Prof. Dr. Kathia Serrano-Velarde.

It is the universities of Europe that are considered to be the institutions of modern times to which we owe scientific enlightenment, technical improvements and even economic growth. Despite the key role of universities in society being undisputable and irrevocable since the dawn of the knowledge-based society, the willingness to privately contribute to this socio-encompassing mission is surprisingly low. The European Commission in a report in 2006 criticises the lack of a «culture of giving» to European universities.

New financial opportunities

In times of economic crisis and governments under the pressure to economise, one needs to be on the look-out for new non-public, private means – the forecast states. Reforms in favour of political and financial autonomy of universities, the introduction of transparency in costs and performance as well as the establishment of fundraising units at Europe's universities indicate a long-term trend. While looking for alternative financing sources, there is no question about the public mission of the university. It is all about improved facilities, higher visibility and better networking. In short: It is about international competitiveness and the question whether certain single initiatives can still be financed through public funds alone. The

majority of journal articles on scientific and university management give the impression that the universities have no choice. Governments are no longer capable of bearing the whole financial burden and the eldest institution in the world is left to look for new financing concepts on its own behalf.

FACTBOX: The construction costs of the University of Basel until 1462

«The records tell us that the costs of building the University from summer 1458 until the summer 1462 amounted to 2847 pounds, 12 shilling and 10 pennies. This sum covers the necessary legation, costs for the acquisition of the privileges and the bulls, the purchase of the «lower college», recruitment costs and salaries of the professors, price for the university sceptre, remodelling costs for the college building and a goblet for Johann Werner von Flachslanden for his exchange services with the pope. As a comparison, the costs of the municipal budget sum up to 22550 pounds for the year 1460/61.»

Source: <http://www.unigeschichte.unibas.ch>

NEWS

Acquiring new competencies

But courting the reclusive capital does not come easy. It is no surprise that an institution, which for centuries was expected to fulfil its public mission with public financial support, has its difficulties in raising legitimate funds. European universities are facing the huge challenge of having to advertise themselves without selling themselves. This requires competency, great sensitivity and venture capital (e.g. to build a capable fundraising unit); it especially requires the efforts of those representing, communicating and wanting to protect the «ideals» of the university (thus, the professors and lecturers). The elaboration of a well-designed and sustainable fundraising strategy should not only involve specialists but also everyone who identifies themselves with their institution and its mission. It is ultimately about getting private financiers on board. Though, the university needs to invest in advertisement, events etc. and

practical experience shows that the first return on investment can only be expected after some years. Critics of the fundraising strategy doubt that a university already suffering scarce resources should even risk this kind of investment. But more important than the technical aspect is the question of the purpose of the funding: In which areas does the university need support? This question asks for a general clarification. As a current example from the USA shows: It is a collective decision whether the K-Mart professor for business administration is allowed to or should wear the K-Mart logo on his T-shirt when teaching. It is a very thin line between sponsoring activities and marketing on one's own account and the abysses on both sides are deep. The university has to be aware of the challenges when it aims at being successful in the long-run while getting a routine in the proceedings.

Prof. Dr. Kathia Serrano-Velarde, Centre for Social Investment, University of Heidelberg

DUBLIN / STOCKHOLM / VIENNA European further education

The European Program in Civil Society Leadership (EPICS) offers know-how and an exchange in nonprofit management between practitioners and scientists. The courses start in 2011 and will be held in Dublin, Stockholm and Vienna.
<http://www.epics.info>

ZURICH Overhead costs in research projects

SwissFoundations has given a recommendation to their members concerning the support of research: Overhead costs should generally not be financed by grant-making foundations. Since 2009, the Swiss National Science Foundation paid 20% of the overhead costs of every project supported.
<http://www.swissfoundations.ch>

LOS ANGELES / PARIS Good deeds on the Internet

Social Internet search engines like goodsearch.com or veosearch.com combine the internet search with donations for nonprofit organisations. For every search request a certain amount of money is given to a registered nonprofit organisation. Veosearch, thus, collected more than 100'000 Euros for charity projects in 2007.
<http://www.goodsearch.com>, <http://www.veosearch.com>

ZURICH New Swiss culture embassy

After the enacting of the new law for cultural promotion and Pro Helvetia in December 2009, the federal council has handed a proposal for the financing of the federal cultural promotion to the parliament. The first «culture proposal» for the years 2012 – 2015 will be discussed in a hearing which SwissFoundations is participating in.
<http://www.bak.admin.ch>

SOLOTHURN Swiss prize for start-ups sponsored by the W.A. de Vigier Foundation

On June 17th 2010, more than 200 entrepreneurs, investors and promoters met for the announcement of the highest endowed Swiss start-up prize. Five start-ups in the branches medical technology, Internet, Cleantech and nano technology received a prize money of 100'000 CHF each.
<http://www.devigier.ch>

Leuphana University Lüneburg

CEPS: What social development led to the foundation of the Leuphana University Lüneburg under public law?

Sascha Spoun: Thomas Oppermann, Minister of Science in Niedersachsen between 1998 and 2003, thought about significant improvements for higher education in Niedersachsen and how to prepare these institutions better for the future. He introduced the legal possibility to found a university not only as a public corporation but also as a foundation under public law. The main difference between the two institutions is their proximity to the government. If the Minister of Finance sets budget restrictions, these do not affect the financial situation of the foundation in that same year. The annual governmental payments and the reserves are protected. A foundation endowment unfortunately does not exist. Further, the right of appointing professors was delegated to the President of the foundation universities and to the foundation board. Nowadays, other con-

ventional universities also dispose of the right of appointing professors.

CEPS: What influence does the legal form of the foundation university have in the administration and governance processes of the institution?

S. S.: There are several formalities which were previously under the responsibility of the German Federal Land and now lie with the foundation university. This speeds up the processes but the laws remain the same. Additionally, donations to the university are tax-deductible. The political influence was reduced dramatically as with other conventional universities that dispose of the right of appointing professors. Overall, the innovations within the new legal form have definitely had an impact on the general institutional development of higher education.

CEPS: Are there any advantages noticeable for the students caused by the different legal form?

S. S.: If we succeed in recruiting better professors due to more dynamic administrative processes, the students take the benefit of a higher teaching quality. Apart from that, there is hardly any other effect.

CEPS: What importance do private donors have for the universities today?

S. S.: Private donors have a great importance for universities today because the government is overburdened. In the long run, the growth in science will not be able to be as high as it could or should be. If growth in science fuels science itself, it is obvious why more financial support is very important.



Prof. Dr. Sascha Spoun

Prof. Dr. Sascha Spoun, 41, is President of the Leuphana University Lüneburg and Guest Professor for University Management at the University of St. Gallen's Business Administration department. After his PhD, as Delegate of the President, he was responsible for a fundamental curriculum reform to establish new Bachelor's and Master's programs (1999 – 2006). His research interest focuses on change in public organizations and on the aims, theory, methodology, and practice of higher education.

<http://www.leuphana.de>, <http://www.spoun.org>

CEPS: What are important points in the collaboration with universities which should be addressed by donors?

S. S.: Donors should ask themselves the question whether they would like to support the university's interest or rather pursue more private interests. There are examples of small donations tied to conditions that led to initiated projects which later need to be taken on by the government. If someone would like to support the university we will gladly discuss the possibilities of a good sponsorship. However, the freedom of scientific research should be respected, which also entails that performance measurement tools will be applied.

CEPS: Thank you for the interview.

Innovative Solutions through Cooperation

CEPS: Why does the «Stiftung Mercator Schweiz» (MCH) put a focal point on research promotion?

Beno Baumberger: Education and knowledge are the most important resources in Switzerland and drivers of innovation and social change. Therefore, the MCH decided to boost the favourable conditions of research and knowledge in Switzerland in order to support the ground-breaking solutions of our partners.

CEPS: Does the MCH's support favour a special form of research?

B.B.: We mainly support the young generation: We awaken the child's and youth's interest in research, prepare students for research tasks and promote the work of young academics. We focus on the areas of natural resources, infantile education and ethics. Additionally, socially relevant challenges need to be analysed inter- and transdisciplinary as, in our opinion, innovative solutions are rarely the product of individual «geniuses» but more often they result from transdisciplinary research.

CEPS: What role do grant-making foundations have in today's Swiss academic research?

B.B.: In absolute numbers compared to the public resources, it reflects only a

small contribution to the university's budget. However, the independence of grant-making foundations allows to meet the needs of the public scientists very accurately. They can also create forums where scientists and practitioners meet to identify relevant challenges and develop innovative solutions. Moreover, it is an important concern to the MCH to strengthen the exchange between the world of science and the public. Currently, together with our partners, we are engaged in the exhibition «2 Grad» to raise public awareness in climate change matters.

Beno Baumberger



Beno Baumberger is chief communications officer at the Stiftung Mercator Schweiz. He studied at the University of Zurich and has worked as an assistant and employee at the Swiss Federal Institute of Technology in Zurich. The Stiftung Mercator Schweiz aims to strengthen the site for science and knowledge in Switzerland. Focal points of the Stiftung Mercator Schweiz are the integral young academics development, innovative approaches in inter- and transdisciplinary research and the fostering dialogue between scientists and practitioners.

CEPS: How intensely do you foster project cooperations?

B.B.: Besides the exhibition «2 Grad», our activities in the area of infantile education can be seen as a prime example of successful cooperation. Starting from the basic research study to the alignment of the fields of action and defining the following projects, foundations and researchers have concentrated successfully on cooperating activities. Cooperative project support is very attractive to us because it bundles the resources and enhances effectiveness.

CEPS: From your point of view, what are the specific challenges in supporting research projects?

B.B.: International competition in generating knowledge has become very aggressive. This dynamic necessitates a constant realignment in our research support. Therefore, grant-making foundations have to follow their projects as closely as possible. This is very demanding for the foundation management but necessary in order to implement the foundation's vision effectively, perceivably and sustainably.

CEPS: Thank you for the interview.

Promoted projects: Research and young academics: Reserach Credit University of Zurich, Swiss Foundation for Academics, tdn-net for transdisciplinary research, S-5-Stadt; Science and Public: Exposition 2 Grad, basecamp09, Wissen in 20 Minuten; Education and School: Schulen lernen von Schulen; etc.
Link: <http://www.stiftung-mercator.ch>

550 Years of Philanthropy



Basel is a stronghold for philanthropy. This is also reflected in the 550 year-old history of the University of Basel. Already the founding of the University was done in the legal form of a foundation when it was created by Pope Pius II. He participated – at the time as Enea Piccolomini – in the Council of Basel in 1432 and was elated at the sight of the city. One of the first foundations for the University was created by the inheritance of Erasmus from Rotterdam. He disposed a bequest to the University for scholarships. From 1562 until 1585, a total of 1618 students and scholars had received a scholarship granted by this foundation!

In the 19th century, the University came close to its liquidation when the Kanton Basel was divided. The Kanton Basel-Stadt was not able to run the University out of its own financial resources. To keep the University alive, some citizens from Basel founded the «Freiwillige Akademische Gesellschaft (FAG)» in 1835, which has since supported the University of Basel. The FAG played a significant part in the financing of impor-

tant University buildings such as the Library, the Bernoullianum or the Vesalianum. Over the decades, new foundations and funds have evolved that are supporting the research and lectures of the University of Basel. Today, the «Index Donationum» comprises 95 supportive institutions solely for the benefit of the University of Basel!

Even if private sponsoring of foundations reflects a relatively small part of the total budget of the University, it often gives a crucial impulse to research projects or research facilities. With the support of foundations, over 20 professorships could be established.

The University itself acts as a founder, too. The recently established Foundation of the University of Basel is devoting itself to supporting scientific excellence research, thereby promoting the University's international reputation.

Prof. Dr. Georg von Schnurbein

For further information:

During the festival of science from 17th – 19th September 2010 the CEPS organises guided tours in Basel with the topic: «The University of Basel and the City of Funders and Patrons».

Picture: Inaugural meeting of the University of Basel.

CEPS INSIGHT

ISTR Conference in Istanbul

Every second year, the International Society of Third Sector Research (ISTR) holds an international conference for scientists from all over the world. Prof. Dr. Georg von Schnurbein, Daniela Schönenberg, and Steffen Bethmann presented their research results from the CEPS.

Advisory Board of the German Fundraising Congress

Prof. Dr. Georg von Schnurbein has been appointed a member of the new Advisory Board of the German Fundraising Congress. This newly established Board will support the strategic development and programming of the Congress.

Did you know?:

707'000'000

In 2009, the Swiss National Science Foundation (SNF) authorised around 2'900 scientific projects for a total of 707 million CHF. The SNF is a foundation under private law founded in 1952. It supports around 7'200 scientists annually – 80% thereof are below the age of 35.

Source: Swiss National Science Foundation, 2010

CALENDAR

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Intensiv-Lehrgang Stiftungsmanagement

28 March – 1 April 2011

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ceps.unibas.ch/en/continuing-education/

CEPS

Philanthropie am Morgen

Workshop for nonprofit organisations. Topic: «How do I find the right foundation for my application?».

2 September 2010, 8.30am – 10am, WWZ, Basel

UNIVERSITY OF BASEL

550th Anniversary of the University of Basel - Festival of Science.

17 – 19 September 2010, Petersplatz, Basel. <http://550.unibas.ch>

EUROPEAN FOUNDATION CENTRE

International Meeting of Foundations for Social Innovation

Discussions will take place in French, English and Spanish.

13 – 15 October 2010, Montreal, Canada

SWISSFOUNDATIONS

10. Schweiz. Stiftungssymposium «Foundations and society in dialogue».

9 November 2010, Bierhübeli, Bern

EUROPEAN FOUNDATION CENTRE

European Forum on Philanthropy and Research Funding

2010 Annual Stakeholders' Conference 7 – 8 Dec. 2010, Stuttgart, Germany

LEGAL NOTICE



Centre for Philanthropy Studies, University of Basel

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