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

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 pence. This sum covers the necessary legislation, 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
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 conventional 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?

#03/10

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.

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

CEPS: What importance do private donators have for the universities today? 
S. S.: Private donators 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.

CEPS: What importance do private donators have for the universities today? 
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: What importance do private donators have for the universities today? 
B. B.: Although the government is overburdened, it needs the support of the public organizations and on the aims, the benefit of a higher teaching quality. Apart from that, there is hardly any other effect.

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CEPS: How intensely do you foster project cooperations? 
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 because it is necessary in order to implement the foundation’s vision effectively, perceivably and sustainably.

CEPS: From your point of view, what are the specific challenges in supporting research projects? 
B. B.: 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: How intensely do you foster project cooperations? 
S. S.: Donators 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: From your point of view, what are the specific challenges in supporting research projects? 
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Base 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 devided. The Kanton Basel-Stadt was not able to run the University out of its own financial ressources. 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 important 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.

### 550 Years of Philanthropy

The University of 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!

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### 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.

### UNIVERSITY OF BASEL

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

### 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

### CEPS FURTHER EDUCATION

- **Certificate of Advanced Studies: Performance & Kommunikation.**
  - Begin: 6 September 2010

- **Intensiv-Lehrgang Finanzmanagement für NPO.**
  - 14 – 18 February 2011

- **Intensiv-Lehrgang Stiftungsmanagement.**
  - 28 March – 1 April 2011

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