



#03 / 21

SEPTEMBER 2021

# Philanthropie Aktuelle

Center for Philanthropy Studies (CEPS), University of Basel  
Steinengraben 23, CH-4051 Basel  
Tel.: +41 61 207 23 92, E-Mail: [ceps@unibas.ch](mailto:ceps@unibas.ch)  
[www.ceps.unibas.ch](http://www.ceps.unibas.ch)

## EDITORIAL

Dear readers,



The Covid 19 pandemic has brought a whole new level of attention to research. Scientists have been instrumental in developing and defining measures against the virus. This has saved lives

and normalized public life. At the same time, however, scientists have repeatedly recommended measures that later turned out to be wrong.

For researchers, this is not surprising, because research is a process in which new knowledge is constantly being gained and old knowledge discarded. Many experiments and studies do not lead to the desired results, and yet something is learned in the process.

In economics and the social sciences, experimental methods are increasingly used to study specific behaviors or attitudes. Here too, not every experiment immediately leads to the expected result, and not everything can be directly transferred into practice. Secured knowledge emerges above all when studies based on different methods lead to similar results.

Wishing you a pleasant read.

Georg von Schnurbein

## Experimentation at CEPS

**Research at CEPS is mostly based on surveys, interviews, case studies or the quantitative analysis of large data sets. But experiments also come into play, as two ongoing projects at the institute show.**

**By Dr. Nicholas Arnold and Dominik Meier**

Depending on the research question and the available data, researchers have a whole range of methods at their disposal to approach an object of study in the most target-oriented way possible. Although experimental approaches are still rarely used in the social sciences compared to the natural sciences, they open up interesting possibilities for researchers for us as well - especially when it comes to investigating causal relationships between a few variables in a strongly controlled framework (see also article 2 on the following page).

A closer look at causal relationships is thus the focus of two very different questions currently being researched at CEPS. Nicholas Arnold is investigating how the way in which nonprofit organizations (NPOs) position themselves vis-à-vis companies affects households' willingness to buy and donate. Dominik Meier investigates whether people donate of their own free will or they feel rather compelled to do so.

### NPO and corporate responsibility

NPOs have increasingly focused their attention on the issue of corporate responsibility. A distinction can be made - somewhat simplified - between two types of NPO: those that take a partnership approach with companies, for example by implementing joint projects and publicly praising companies' progress; and those

that try to exert sufficient pressure on companies to behave more responsibly by publicly highlighting misconduct. An important lever for both types of NPO in this regard are households, which in their role as consumers have the ability to reward or punish companies - and thus influence their practices. At the same time, households are also an important target audience for NPOs in their role as potential donors. However, how collaborative and confrontational approaches by NPOs affect households' purchasing and giving behavior is a question that has been little researched. To explore this, an online experiment was conducted with 400 U.S.-based respondents, half of whom were exposed to a collaborative NPO and half to a confrontational NPO. Respondents indicated their willingness to purchase a product first without and then in the presence of a positive rating (collaborative NPO) or a negative rating (confrontational NPO) of the company presented. In addition, their willingness to donate to the respective NPO was surveyed. The choice of an experimental approach offered the advantage that the two mapped approaches of the NPO were directly comparable in their quality. On the other hand, other factors that can influence purchasing and donation behavior - for example, the size and legal form of the company or the transparency and efficiency of the NPO - remained

## CONTENT

Experimentation at CEPS	01
The Experimental Method	02
Interview: Prof. Dr. Karin Kreutzer	03
Foundation Board Seminar - FBA	04
Calendar	04

the same for both groups.

**Both approaches with impact**

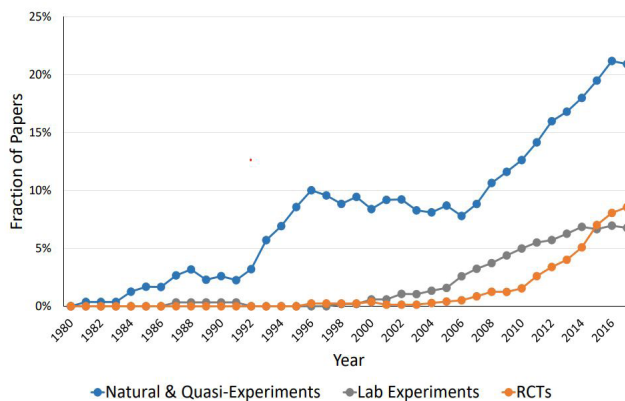
The results show that both approaches have a significant impact on consumers. The collaborative approach has a positive effect on households' consumption intentions, while the confrontational approach has the opposite effect. Interestingly, confrontational NPOs influence respondents' consumption intentions more strongly in absolute terms, i.e., negative effects are more intensely pronounced than positive effects. Paradoxically, at the same time, collaborative NPOs are perceived as more legitimate, resulting in a higher willingness of households to donate to this type of NPO compared to confrontational NPOs.

**Donations - own will or expectation of others?**

Dominik Meier examines donation motives. He wants to understand whether people donate because they want to/feel it is morally correct, or rather because others expect them to and

Experiments are becoming more popular in various disciplines. The figure shows the percentage of scientific articles in the field of public economics that refer to an experiment. While in 1980 researchers hardly dealt with the method, today more than 20% mention natural and quasi-experiments.

Source: „Language Trends in Public Economics“ - Henrik Kleven



they thus feel compelled to do so. Experimental control allows one group to be confronted with expectations and the other not. If the groups behave differently, it is due to the expectations with which the donors were confronted. The data show that the group confronted with the expectations donated significantly more. Thus, a considerable portion of individuals donated to meet the expectations of the donation recipient.

Dr. Nicholas Arnold was a research assistant at CEPS from June 2017 to June 2021. His dissertation will be published later this year within the „CEPS PhD Series“. Dominik Meier is a PhD student at the Faculty of Psychology and has been studying social preferences in the context of donations at CEPS since 2019.

**The Experimental Method**

**When you hear the word experiment, you might think back to chemistry classes in school. But experimental methodology has now become widespread because it offers decisive advantages.**

Experiments are widespread, especially in the natural sciences. But they also have a long tradition in social sciences such as psychology. Economists took a little longer to become aware of the experimental method. Vernon Smith brought experiments to the stage of economics in the 1960s and was so successful with this research that he received a Nobel Prize for it. Today, it is impossible to imagine economics without experiments. But why are experiments so popular among researchers?

**The Rise of the Experimental Method**

Vernon Smith studied markets, the wonder weapon of economics. They regulate themselves and ensure that goods are distributed optimally (efficiently), at least in theory. However, in practice, markets fail again and again, as the Housing Bubble and financial crisis 2008 have shown. But why do markets in certain circumstances not work as well as assumed? To answer this ques-

tion, one could simply observe markets and analyze under which circumstances they fail. With such an observational study, one could certainly isolate crucial factors. But which of the isolated factors really led to the failure of the market cannot be said. For that, experiments are needed.

**The magic word is control**

For only with experiments can we isolate the factors found and test them individually. Experimental control allows us to create situations in which we can specifically turn this factor on or off. Differences in results between the two situations are then based on this varied factor. We may have noticed that market failure occurs frequently when many market participants have little experience with markets. In an experiment, we could now test whether inexperience in dealing with markets leads to market failures (e.g., market bubbles). To do this, we could invite people who

have never traded stocks to join our experiment and let them trade in our artificial market. This is exactly what Vernon Smith did. And indeed, bubbles occurred relatively often in these markets. But how can we be sure that the lack of experience is responsible? By having the same subjects trade again in the experimental market a week later. Vernon Smith's experiments showed that market failures occurred less frequently in these follow-up experiments with more experienced subjects.

**Not without weakness**

One of the weaknesses of experiments is that they often create artificial situations. Trading artificial stocks in a lab with other people is certainly not the same as Bitcoin trading at home. Field experiments get around this drawback, but they are often expensive to run and therefore still not very common.

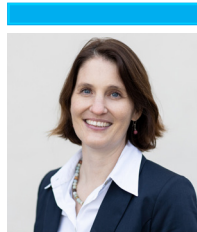
Dominik Meier

## «The art is to convey complex relationships in a short and understandable way»

Behind the research, there are always individual personalities who are passionate about generating new insights. We spoke with Prof. Dr. Karin Kreutzer, Chair of Social Business and Director of the Impact Institute at EBS University of Business and Law, about her research in the growing field of social business.

**CEPS:** What do you find appealing about being involved in research? What aspects of the research process fascinate you in particular?

**K.K.:** What particularly appeals to me about scientific work is learning new things and being able to empirically prove or disprove assumptions. I am fascinated by working systematically according to high scientific standards. It's a great feeling when a study has survived the rigorous review process with many rounds of expert opinions and revisions and our findings are published. To finally hold your own contribution in print in your hands after many years is certainly a highlight. However, many studies also fail, sometimes after many years of hard work. One learns to deal with such setbacks.



Prof. Dr. Karin Kreutzer holds the Chair of Social Business and is Director of the Impact Institute at the EBS University of Business and Law. Her research focuses, among other things, on social business models and innovation in NPOs.

What helps me in such moments of frustration is my enthusiasm for the phenomena, the research subject, with which I am allowed to deal. I am inspired by organizations and people who can build bridges between business and social issues, and I consider it a privilege to be able to deal with how social value is created in my research.

**CEPS:** What are success factors for the transfer of research findings into practice?

**K.K.:** For the transfer of our research results into practice, a certain amount of translation is needed. While the theoretical contribution or the exact methodology are more decisive for the scientific discussion, practitioners expect clear instructions for action from us. For this reason, we also write articles or book chapters aimed only at practitioners. Another vehicle is continuing education, which allows us to present our findings to executives.

This is where highly exciting discussions arise. Last but not least, there is also increased media interest in the topic of social entrepreneurship. Here, I may present our research findings in radio or television interviews or in newspaper articles, for example. The art here is to be able to convey very complex interrelationships from large studies, on which we work for years, in a short and understandable way. That is sometimes quite a balancing act.

**CEPS:** Social business is still relatively young as a research area. What is special about researching «social businesses»?

**K.K.:** Research around the topic of social entrepreneurship is very interdisciplinary and includes disciplines as diverse as sociology, psychology, finance, accounting or organizational theory. The research community is actually still relatively young, but we are standing here on the shoulders of «giants» who have already been working on similar issues for many decades, such as the research on nonprofit organizations and on «social movements». In business administration, the topic of social entrepreneurship has been in focus for about 15 years. During this time, the field has grown very strongly and gained massive importance. Whereas in the beginning we had to present at international conferences in small, remote rooms, the research area has now conquered the «big podium». A positive development, which I am very pleased about and which is certainly not over yet!

**CEPS:** Do research results from this field also influence classical economics?

**K.K.:** Yes, of course! In practice, I am often asked what social enterprises (or nonprofits) can and should learn from for-profit businesses. This is certainly a legitimate question and many organizations are in a process of professionalization. However, I find the question of what business can learn from social enterprises at least as ex-

citing. In the wake of ever stricter laws and regulations in the area of sustainability, as well as genuine efforts by many companies to become better in this area, the question is rather: What can companies learn from social enterprises? After all, social enterprises show how to be profitable and add social value at the same time. So social enterprises show how to solve problems instead of creating them.

**CEPS:** Many thanks and all the best for your future!

## CEPS INSIGHT

### Changes in the CEPS Team

The CEPS team has experienced some changes in recent the months - since March 2021, eleven team members have left us and twelve have joined us. We would especially like to thank two long-time employees. Robert Schmuki has led executive education at CEPS for five years. With his deep knowledge of NPO practice, he was able to greatly enrich the institute. He will continue to be close to the CEPS as a partner in the philanthropy consultancy «Con-Sense». Leonore Wenzel will also devote herself to a new challenge after four years. She has been working in the background to ensure the smooth running of further education courses. We welcome Janine Rossberg as a new member of the team in administration and Stella Bützer as a student assistant.

[ceps.unibas.ch/en/about-us/team/](https://ceps.unibas.ch/en/about-us/team/)

### CAS Nonprofit & Public Management

After a longer dry spell in terms of personal contact in our executive education courses, we are looking forward to more exchange again. Especially exciting for us is the new CAS Nonprofit & Public Management with a very comprehensive content and four modules. At the moment, we are still making final preparations so that we can have everything running smoothly in January 2022.

[ceps.unibas.ch/de/weiterbildung/](https://ceps.unibas.ch/de/weiterbildung/)



## A New Seminar for Foundation Board Members

The first seminar of the newly established Foundation Board Academy will take place in November 2021. It is aimed at foundation board members who want to strategically align themselves for the future and offers opportunities for networking in the sector.

The importance of the Swiss foundation sector is growing continuously. Not only are new foundations being established on a regular basis, but they also increasingly see themselves as important players in civil society. Accordingly, the demands on the boards of trustees of charitable foundations have also changed in recent years. Growing compliance requirements and regulations as well as a persistently difficult financial environment call for new competencies and ongoing professionalization. Although there are a large number of foundation board mandates in Switzerland, there is a widespread lack of training opportunities at the national level that meet the specific needs of charitable foundation boards. This gap is filled by the newly founded Foundation Board Academy. It has set itself the goal of developing high-quality training and continuing education programs and bringing the level of professionalism of charitable foundation boards in line with that of boards of directors. The Foundation Board Academy was founded by Beate Eckhardt, strategy and philanthropy expert and former managing director of SwissFoundations, Prof. Dr. Georg von

Schnurbein, director of the Center for Philanthropy Studies at the University of Basel, and Etienne Eichenberger, philanthropy consultant and managing partner of WISE philanthropy advisors.

The first Compact Seminar on Good Foundation Governance will be held in Basel, Switzerland, November 4-6, 2021. The compact seminar offers prospective and active foundation board members high-quality, day-to-day training and a stimulating examination of current challenges.

Lucca Nietlispach

## NUMBER OF THE QUARTER 62'796

An increasing number of foundations also means an increasing number of foundation board members. There are already 62'796 of them in Switzerland - an impressive number. 30.9% of them are women and on average there are about five foundation board memberships per foundation.

Source: Stiftungsreport 2021.

## CALENDAR

### Executive Education

#### Beste Stiftungsratspraxis

29 September 2021, Zurich

#### 7. Basler Stiftungsrechtstag

22 October 2021, Basel

#### Good Foundation Governance

4 – 6 November 2021, Basel

#### Intensiv-Lehrgang Strategisches Finanzmanagement

8 – 12 November 2021, Gunten

#### CAS Nonprofit & Public Management

4 Modules – Online, Wilen & Basel

Start: 24 January 2021

#### CAS Global Social Entrepreneurship

5 Modules – Basel & worldwide

Start: 14 February 2022

[Register Now -> CEPS Executive Education](#)

### FURTHER DATES

#### Biennale Filantropia Strategica

cenpro

30 September 2021, Lugano

#### European Day of Foundations and Donors

DAFNE

1 October 2021, Bern

#### EFC Annual Conference

European Foundation Center

18 – 20 October, Vienna

#### Schweizer Stiftungstag

proFonds

3 November 2021, Zurich

#### ERNOP Conference 2021

Eur. Research Netw. on Philanthropy

2 – 3 December 2021, Dublin

## Public Goods Relevance

According to this book, understanding the use of public goods is a prerequisite for sustainable development.



The authors of «Public Goods, Sustainable Development and the Contribution of Business» ask essential questions not easy to answer. Their questions and answers relate to contemporary human development and explore them from the perspective of public and private entities. In their answers, the authors highlight the need for collaborative solutions which concern multi-level collaboration across various stakeholders.

The book is based on comprehensive theoretical foundations supplemented by practical examples. An important part of the book concerns various methods of valuation of public goods and assets relating to the creation of public value.

The business sector is conceptualized as an entity in intense contact with the public and nonprofit sectors. From this perspective, all stakeholders need to take both advantages but also responsibility for further development. This book is an excellent addition to the library for the readership interested in contemporary topics such as climate change or public value creation.

Oto Potluka

<https://www.cambridgescholars.com/product/978-1-5275-6310-0>

## LEGAL NOTICE

### PUBLISHER



University  
of Basel



Center for Philanthropy Studies,  
Steinengraben 22, 4051 Basel

[www.ceps.unibas.ch](http://www.ceps.unibas.ch)

[twitter.com/CEPS\\_Basel](https://twitter.com/CEPS_Basel)

[linkedin.com/company/cepsbasel](https://www.linkedin.com/company/cepsbasel)

### EDITOR

Lucca Nietlispach

([lucca.nietlispach@unibas.ch](mailto:lucca.nietlispach@unibas.ch))

### LAYOUT & PICTURES

a+ GmbH, Steffen Bethmann

© Pexels

© CEPS 2021

Available online:

<https://ceps.unibas.ch/en/philanthropie-aktuell/>