Foundations in Germany: Comparative Sectoral Perspectives

Abstract

The German foundation sector gained in importance during the last 20 years, counting more than 19,000 foundations today. In terms of numbers and assets, it is likely the world’s second largest after the US. However, the German foundation sector remains under-researched. The research project presented in this panel seeks to fill the glaring gap in knowledge about the roles, the positioning and the likely contributions of foundations in Germany. The project follows a similar project on the roles and contributions of American foundations (Hammack/ Anheier, 2010), and is funded by Fritz Thyssen, Hertie, Robert Bosch Stiftung, Mercator and Volkswagen foundations.

The project started in the fall 2013 and, in its empirical phase, involved a number of steps: (1) preparing a comprehensive statistical database of the German foundation sector; (2) creating a purposive sample of “most relevant German foundations”; (3) conducting a representative survey of 1,000 private foundations; (4) holding expert interviews with over 100 foundation managers, (5) carrying out case studies on the 100 “most relevant German foundations”, and (6) conducting focus groups with participants from different stakeholder groups to validate preliminary findings.

We argue that foundations position themselves around three overarching objectives: Approximately two thirds want to provide relief, half of them aim at preserving culture and tradition, and around one third strives for political and social change. This triangle of objectives can be differentiated into numerous more specific societal roles, e.g. with foundations interpreting their relation to the state in a complementary or a subsidiary way, foundations that want to help the socially disadvantaged or foster the gifted, foundations that seek for innovations or just want to fund existing institutions. Our project data enable us to trace back the societal roles and positions of foundations to their structural context.

For most of the empirical work and analysis, we focused on four fields (education, science and research, social welfare, and arts and culture) that make up the vast majority of foundations, but each entail different institutional patterns and dynamics in terms of roles and positioning. The panel presents initial results and offers insights along the fields of education, science and research, and social welfare:

(a) What are the societal roles of foundations?
(b) What is the positioning of foundations relative to state, market, and civil society?
(c) What are the contributions of foundations to society?

Participants

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Foundations in School Education: Between Relief and Emancipation
Title (Panel Paper)

Foundations in School Education: Between Relief and Emancipation

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Abstract

Background
The basic structure of the German school system with the central role of federal states for the maintenance of education infrastructure remains unchanged. Around 90% of German schools are under public agency, normally of the municipalities. School supervision is a shared responsibility of the states and municipalities. School legislation is the domain of the states. For any private actor that wants to foster students or schools, public authorities are an inevitable partner and gate-keeper. Nevertheless, since the 1990s the governance philosophy of the school system was subjected to two important paradigm shifts, accelerated by the “PISA-shock”. First, the relevance of output measurement through regular evaluations of the student’s education levels significantly gained in importance. Second, school legislation grants more autonomy to schools and municipalities increasingly see themselves as responsible for their local “educational landscape”. In this situation, schools have the freedom but also the need to open themselves for new coalitions with private actors, helping them with profile formation and in meeting their output goals.

Purpose and Main Research Question
The planned paper will ask in how far the structural conditions of the German school system influence the positioning of educational foundations towards other actors (like state institutions, corporations, schools) and the roles foundations fulfill.

State of the Art
Existing works base their inference on single-case studies (Höhne/Schreck 2009, Gerber 2006) or small multi-case-studies (Thümler 2014, Czerwanski 2000). Most knowledge on foundations in the field of education is produced by foundations themselves and their umbrella organization (Süß 2015). The planned article will be the first sector-spanning, independent research work on the role of foundations in the German school system.

Initial Results
In awareness of the foundation sector’s heterogeneity, we are able to show how the roles of foundations in education are significantly affected by their budget size and mode of operation. The common identity of all foundations in the field of education is the purpose to foster talents and appreciate merits in combination with the social purpose to help those who will not be helped by someone else. The largest differences can be found between small grant-making foundations and large operative as well as grant-making foundations. The latter ones describe themselves as far more progressive. They highly identify themselves with the roles of someone that “wants to foster a social and political change”, “seeks solutions to problems and drives innovation”, or “builds new institutions”. The research paper illustrates this gap between the small, local and substituting grant-makers and the large, national and mixed foundations through statistical data and case studies.
Conclusion and Implications
On the one hand, Foundations in education want to empower their target groups; on the other hand, they provide relief. The research paper gives an empirical grounding on the question how German foundations position themselves around these two poles. It is shown that there is no "homogenous mass" of foundations: the structural preconditions of foundations influence significantly especially how they interpret their role towards the state in school system.

References

Individual Submission

Panel Paper

The Role of German Foundations in Higher Education

Title (Panel Paper)

The Role of German Foundations in Higher Education

Author

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Abstract

Background
The field of science and research in Germany is currently confronted with several central tensions: For one, the higher education system is chronically underfunded. Second, there is a continuing tension between the federal government and the federal states. While the states have the primary responsibility for science, the article 91b of the German Constitution was changed...
in January 2015 to enable the government to engage in long-term activities with the states in the field of higher education. Thirdly, there is little support for teaching, but arguably a lot of support for research. Two special reform initiatives by the government and the states, the “Excellence Initiative” for universities as well as the “Pact for Research and Innovation” at “extracurricular research institutions” have helped foster cutting-edge research, but teaching does not get much attention. Last but not least, as the reform initiatives come to an end and there are a historic number of students enrolled at higher education institutions, the science and research system needs to find quick solutions. Thus, foundations are engaged in a highly complex, but undercapitalized policy field.

Main Research Questions
Against this backdrop, what is the role and position of German science and research supporting foundations compared to government-funded and market actors? How do German foundations perceive their roles? What roles do other stakeholders see for foundations? How does foundations’ support to higher education differ from the support of government and industrial economy?

State of the Art and Purpose
German foundations supporting higher education have received little scholarly attention. There are a few studies on stakeholders’ perceptions of foundation work (Donsbach et al. (2012), CSI (2012), CSI (2015)). There is also a practical handbook on foundations as partners of science, but this is directed towards employees at higher education institutions (BVDS, 2013). Thus, a scientific approach towards German foundations in the field of science and research is missing that compares them with the other actors in the field in order to identify their roles, positions, and contributions.

Initial Results
Foundations supporting science and research follow more often than foundations in other fields excellence philanthropic motives and are less often a “firefighter” who helps in emergency situations. Generally, they want to foster innovations and support talents. Depending on the type of foundation (operating, grant-making, mixed) and size, the roles of foundations differ considerably. While the big grant-making foundations often function as “funder” and sometimes “partner” of universities, big operating foundations like to contribute to the field as builders of their own institutions, as when founding a university. Nevertheless, one should not neglect the power and abilities of the small and medium-sized foundations who try to fill specific niches.

Conclusion and Implications
The results of this research project will both enrich the foundation literature, particularly for the field of higher education, as well as provide reliable data. As there is growing discussion in Germany about the roles of private philanthropy versus state funding, the results thus ultimately have contemporary relevance for understanding the topic in a sectorial manner.

References

Individual Submission
Panel Paper
The Role of German Foundations in the Social Service Sector

Title (Panel Paper)

The Role of German Foundations in the Social Service Sector

Author

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Abstract

Background
The social system in Germany is characterized by the subsidiarity principle. This is the structural power that all actors in the field have to tackle. Changes are taking place in the field. Their effects are discussed under the idea of “new subsidiarity” (cf. Lamping et al. 2002, Sachße 1994, Anheier 2014). Do we need new governance in the field and what does the development mean for actors involved? With EU law on European economic policy promoting a free market economy, market competition is putting more pressure on the German social service sector. The system known as neo-corporatist is challenged, new actors are entering the scene, more efficient structures are in the search, and the role of well-established actors is contested.

Main research question and purpose
Foundations in the social service sector are part of this system. Against this background the paper will focus on the role and position of foundations in the field of social service provision presented as part of the research project on German foundations.

State of the Art
The little existing literature on foundations in the social sphere in Germany is based on single case studies or historical evidence mainly as part of wider investigation (cf. Adloff 2010, Ludwig 2005). A systematic analysis on the role and position foundations has been missing. Foundations are an important part of social service provision. Some of the largest service providers in Germany are organized as foundations and are part of the large welfare associations as traditional subsidiary service providers and voice for the deprived.

Initial results
Results of our representative survey show that the dominant role pattern for foundations in the social field is charitable. They see themselves in helping those whom instead nobody would help and to help out in times of need. However, we argue to have found indications for the discussed changes taking place in the system. A first piece of circumstantial evidence adds a new aspect on the role of large operational foundations. They were said to be part of the subsidiary system and mainly complement state provision. Now the data add a new aspect. The large operative foundations identify themselves more often also with liberal roles like “foster social and political change”, “promote innovation” and “seek to find solutions”. This was formerly mainly attributed to the grant-making ones (cf. Adloff et al. 2004). In contradiction to the larger foundations, the small ones see themselves as those filling the gap the state withdrawal leaves open.

Conclusion and Implications
What can we learn from our findings? The foundation sector is very heterogeneous, also in the subsector of social service provision. However, for the first time we can give representative results for this field of engagement in Germany that show a unique pattern for certain foundation types (e.g. large operative vs. small grant-making), as well as provide indications that give fruit for discussion on the role of foundations in the context of the development in the social service sector in Germany.

References