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What Role for Public policy in Promoting Philanthropy?

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Abstract

This article presents and discusses the findings of a survey conducted among Higher Educational Institutions (HEIs) in most of the twenty-seven countries within the European Union, which studied the extent and success of fundraising from philanthropic sources for research. Our data demonstrate that success in fundraising is related to institutional privilege (in terms of the universities' reputation, wealth and networks) as well as factors relating to the internal organization, activities and cultures of universities (such as the extent of investment in fundraising activities) and factors relating to the external social, economic and political environments (such as national cultural attitudes towards philanthropy and the existence of tax breaks for charitable giving). Our findings identify the existence of a 'Matthew effect', such that privilege begets privilege, when it comes to successful fundraising for university research. We argue that, despite the existence of some untapped philanthropic potential, not all universities are equally endowed with the same fundraising capacities. The article concludes by suggesting that policy-makers pay more heed to the structural constraints within which fundraising takes place, to ensure that policies that seek to promote philanthropy are realistic.

Key words

European Union, fundraising, philanthropy, research, universities

WHAT ROLE FOR PUBLIC POLICY IN PROMOTING PHILANTHROPY?

The case of EU universities

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INTRODUCTION

The university sector in Europe is undergoing rapid change. At the same time as dealing with the repercussions of economic recession, universities are struggling to meet increased demand for mass higher education and to adapt to transformations in the global knowledge economy. Following cuts in public expenditure, it is often the case that European universities are brought under increased pressure to take on more responsibility for their long-term financial sustainability. In an effort to diversify their sources of funding, some are looking to philanthropy to boost their general income as well as their investment in research. Others, who have not traditionally looked in this direction for a significant portion of their income, are now being encouraged to do so; however, very little is known about either the capacity of philanthropy to serve as a reliable source of funding across the sector, or the types of policy and practice that have a *demonstrably* positive impact upon the capacity for universities in all their institutional variations to forge productive relationships with philanthropic individuals and institutions.

The survey presented and discussed in this article was designed to document the overall extent of efforts to attract philanthropic donations and to evaluate the success of fundraising activities taking place in European universities, where the aim is to secure income for the purpose of research. It also sought to chart the relative status of such fundraising efforts within European universities and to assess the extent of any untapped philanthropic potential. Where possible, the overall aim was to identify instances of 'best practice' that might serve as a guide to others. This study is the first pan-European exploration of university fundraising and, as such, is necessarily explorative and 'early stage' in nature. We do not pretend to have reached definitive conclusions or to have the 'final word' on any aspect of this issue, but we do believe our findings enhance the understanding of strategies to promote philanthropic donations to HEIs and comparatively in Europe.

The work was commissioned by the Research Directorate-General of the European Commission. In its design and focus, it was heavily informed by two previous reports, written by Expert Groups: *Giving More for Research in Europe: The Role of Foundations and the Non-Profit Sector in Boosting R&D Investment* (European Commission 2005) and *Engaging Philanthropy for University Research. Fundraising by University from Philanthropic Sources: Developing Partnerships between Universities and Private Donors* (European Commission 2008). This article is the first academic publication resulting from this research; the findings also appear in a report published by the European Commission in June 2011, entitled *Giving in Evidence: Fundraising from Philanthropy in European Universities*.

The independent expert group reports and the academic literature that has been published to date have largely been predicated on the assumption that HEIs will be able to raise more funds from philanthropic sources as a result of changes to their internal organization and improvements in relevant external factors. To summarize the predominant assumptions, they state that philanthropic potential will be unleashed as a result of:

- (a) HEIs increasing the quantity and quality of their ‘asking’;
- (b) governments providing larger and better incentives to donors.

This reading of the fundraising landscape implies that those institutions that have not yet attained significant success in raising funds from philanthropy have failed due to factors such as the lack of will to achieve fundraising success, lack of sufficient investment in fundraising activities and the lack of a sufficiently conducive external environment such as government-funded support to attract donors. Our study investigates the veracity of these assumptions and assesses the relative contributions of factors such as internal efforts made by institutions and the impact of external factors such as the policy environment and local cultural norms. The research has a number of limitations in that it was conducted online, did not achieve sufficient reach into all twenty-seven EU countries and asked respondents to give their subjective assessment of external factors, rather than measuring such factors directly. Despite these limitations, and with awareness that this study only marks the beginning of exploring an important issue, we are able to conclude that the variables behind fundraising success are more complex than previously supposed. We argue that the historic relationships of HEIs and the prestige accorded to their institution must also be taken into account as a crucial factor behind fundraising success. We found a pronounced ‘Matthew effect’,¹ by which those institutions that already enjoy wealth and success are more likely to achieve yet more wealth and success, in an ongoing cycle of ‘accumulative advantage’ (Merton 1968). This effect exists separately to the impact of internal efforts to fundraise and/or a conducive policy environment, which leads us to conclude that the role of policy making is circumscribed by the Matthew effect.

While our data confirm the existence of traditional patterns of institutional privilege, they provide very little evidence of any widely practised or sustained efforts being made to fundraise from philanthropic sources for university research across Europe as a whole. In addition to this, very few institutions experience any level of fundraising success that bears comparison to that of traditional elite institutions. While this finding can be taken as evidence in support of the view that university fundraising operates within a system of entrenched privilege, we also hold that the lack of significant fundraising activity in many institutions suggests that we are not yet in a position to draw such a wholly negative conclusion. There may yet be an untapped potential for fundraising, but to date most universities have not engaged with the task of instituting the requisite methods and practices that would enable them to explore its dimensions and scale.

FUNDING UNIVERSITIES

The last thirty years have witnessed major transformations in the culture and organization of European universities. In part, these are related to increasing demands

for higher education. In 1960 there were around one million students enrolled in higher education across EU countries; this figure has now risen to around thirty-five million (Geuna 2001; Cremonini *et al.* 2008). This dramatic increase in student enrolment has been accompanied by a considerable amount of public debate over the adequacy and sustainability of university funding. For a number of years, commentators have raised concerns over the extent to which the public funding of tertiary education is adequate to meet the demands placed on the university system. It is widely reported that, in the years ahead, universities will be expected to take on more responsibility for their long-term financial sustainability; and now all the more so where governments are introducing public spending cuts as a means to reduce the budget deficits amassed since the 2008 economic recession.

In this context, philanthropy is identified as a potential source of funding for research. It is understood to hold the potential to serve as a means to establish and sustain research cultures and collaborations that would otherwise fail to attract funding. Non-profit organizations, alumni schemes, wealthy individuals and charitable trusts and foundations are identified as having an important role to play in sustaining the production of knowledge for the public benefit. They are also identified as a means to promote cross-national research initiatives as a source of funding for scholarly research that is undertaken as a good in itself. For example, it is argued:

[Philanthropic individuals and organizations] can increase the volume of research funds for fundamental, blue-skies research, research in orphan areas (i.e. those lacking financial and institutional support) and early-stage applied research not sufficiently developed to attract industry funding ... They can fund interdisciplinary projects; enhance researchers' mobility, exchange and collaboration; provide a structure to fund small projects and a strategy to fund research in a long-term and coherent framework complementary to industry and government. They have the flexibility to respond to the needs of the research community, and trigger research spending by bigger funders.

(European Commission 2005: 8)

Two independent reports written by Expert Groups – *Giving More for Research in Europe* (European Commission 2005) and *Engaging Philanthropy for University Research* (European Commission 2008) – offer a series of recommendations to EU Member States and universities on the fiscal measures, institutional mechanisms and organizational cultures that need to be put in place in order to attract more funding for university research from philanthropic sources. These tend to be divided between factors relating to the 'external' social, economic and political environments in which universities are placed, and issues concerned with the 'internal' organization, activities and cultures of universities. Most of the recommendations in *Giving More for Research in Europe* relate to external environments and structures. The Expert Group suggests a need for improved visibility and information about grant-making foundations, the creation of a more beneficial legal-fiscal environment for foundations, improved mechanisms for leveraging funds for research, the promotion of more effective funding

arrangements and mechanisms and the fostering of a more conducive EU-wide environment for foundations. While repeating the above recommendations, in *Engaging Philanthropy for University Research* far more attention is concentrated on the working environments and activities within universities. Indeed, this report is characterized by a considerable shift in emphasis towards the need for universities to 'skill-up internally and create their own professional fundraising teams' (2008: 10). This is highlighted as a pivotal matter for investment and organization, for it is argued that it is through the work of such teams that universities can move to initiate relationships with philanthropic organizations, highlight the value of philanthropic sources of research funds to academic staff and facilitate a transformation in the culture and organization of universities so that key research alliances and strategic partnerships are forged with the support of philanthropy.

The few studies that venture to compare fundraising practices and experiences across American public higher education have repeatedly found that the most prestigious research institutions tend to raise the largest amounts of money from private sources (Woods 1987; Caboni 2001, 2003; Smith and Ehrenberg 2003; Liu 2006, 2007). This tends to be viewed as evidence for a 'Matthew effect' whereby a position of prosperity and institutional privilege serves to perpetuate an ongoing cycle of 'accumulative advantage' (Merton 1968). When explaining the dynamics of this process, researchers typically point to the fact that most elite research institutions have longstanding ties to wealthy philanthropic institutions; and further, it is also observed that donors generally prefer to give to institutions with an established and sustained record of success. The most recent Ross-CASE survey report (2010) on charitable donations to British universities also notes further evidence for a 'Matthew effect' in the very large variation in fundraising across the United Kingdom. For example, the elite universities of Oxford and Cambridge consistently receive around 50 per cent of all the philanthropic donations made to universities in the UK, while a further eighteen UK universities receive between 25–30 per cent. Together, these twenty universities (known as the Russell Group) also receive two-thirds of research grant and contract funding in the UK; they therefore dominate both philanthropic and non-philanthropic sources of funding.

As well as the meso factors relating to the institutional cultures and structures of particular HEIs, there are macro factors relating to the political, legal and fiscal regimes operating within and across national contexts which have a bearing upon the development of fundraising cultures in HEIs. Therefore the prevalence of philanthropy has to be contextualized, which means acknowledging that philanthropy depends heavily on the societal conditions that surround it. For example, the presence of a 'giving culture' or a national feeling of 'civic-mindedness' may encourage potential donors. The 'welfare regime' that exists in any given country is one such contextual factor. According to the Esping-Andersen typology, three types of welfare state regimes exist: social democratic regimes; liberal regimes; and corporatist or conservative regimes. The types differ with respect to: the institutions guaranteeing social security (the State,

the market or the family); the kind of stratification systems (status and class differentiation); and the degree of de-commodification, that is, 'the degree to which individuals, or families can uphold a socially acceptable standard of living independently of market participation' (Esping-Andersen 1990: 37).

To explore the significance of the dominant welfare state regime in any given country and the success of fundraising activities in the universities located in that regime, we identified, according to Anheier and Daly (2007: 14–20), six regimes, in relation to philanthropic research funding, as follows:

- 1 *Social Democratic*: In countries where research and education are considered to be part of the core role of welfare state policies, HEIs do not feel any urgency in developing fundraising policies. Nevertheless, some social democratic regimes recognize and invite private initiative to benefit the public good.
- 2 *Liberal*: HEIs in liberal countries have a market-orientation. Philanthropically funded professorships/chairs and the philanthropic funding of research, buildings and events will be a significant part of the HEI's budget.
- 3 *Mediterranean Corporatist*: In countries with this type of regime, there exist interrelationships between the State and the dominant religion. If HEIs are strongly linked to dominant religion foundations they are likely to receive private philanthropic funding.
- 4 *Post Socialist Statist*: In countries with this type of regime, HEIs are accustomed to receiving all their funding from the State. Therefore, a 'philanthropic giving culture' does not exist with regard to the funding of research.
- 5 *Corporatist*: The social midfield of interest groups makes the HEI's constituency; networks of support groups are likely to fund research.
- 6 *Statist (peripheral)*: In countries with this type of regime, philanthropic foundations are service-providers that compensate for short-falls in public sector funding. HEIs with links to foundations are likely to gain private funding for research.

To recap, the implementation of the six regimes to this study suggests that if a society harbours a more liberal market system of research funding, philanthropy is likely to be a serious source of income, whereas if the role of government is more dominant in research funding then philanthropic income will be more modest.

METHODS

The data on each university were analysed in terms of their fundraising structure and cost, degrees of success, forms of philanthropic support, funds allocation, strategies and tactics adopted to raise funds for research and positive or negative impacts associated with the receipt of philanthropic funding for research. For the purpose of this study, the

definition of 'research' includes fundamental research, industrial research and experimental development. It includes not just scientific and technological research but also research in social sciences and humanities. 'Funding for research' is interpreted in a broad way, and includes endowing chairs, research projects, scholarships, scientific prizes, buildings and so on. The term 'universities' is taken to mean all higher education institutions (HEIs), graduating the level of ISCED 5A, 5B and 6 as well as first, second and third cycle (Bachelor, Master and Doctorate). Despite this unifying scale, there remain some substantial differences between institutions and countries (cf. OECD 2007). 'Philanthropic funding' includes all funds, capital assets and gifts in kind received from philanthropic individuals and organizations (excluding governments). This includes gifts and awards from these services but not payments for services. Contract research, therefore, does not qualify as philanthropic funding. Competitive research funding from philanthropic sources such as foundations and trusts, however, does count as philanthropic funding.

The findings are based on a survey of 164 universities, located in twenty-four of the twenty-seven members of the European Union (see Appendix 1 for a description of the sample by Member States). Five countries (the UK, France, Germany, Netherlands and Italy) accounted for over half of the responses, and the overall response rate of 15.7 per cent is low, but for online questionnaires, including reminders and call-reminders, this is not considered a deviant result. In some respects, the difficulties encountered in the methodology can be viewed as a contribution to understanding in this field. For example, the challenge in identifying an appropriate contact person at almost half of the relevant HEIs may reveal something significant about the lack of any fundraising activity taking place in those institutions. Where contacts were identified, the subsequent challenge in persuading them to agree to complete the survey, by means of both follow-up emails and phone calls, may also be interpreted as indicative of the importance with which this area of activity is viewed within many European universities.

It is important to note that 'success' is a complex concept, which can be assessed subjectively (by asking institutions to rate their satisfaction with outcomes) as well as being measured objectively (with reference to the absolute value of funds raised). Objective measures of success are an attractive but potentially misleading measure, and certainly cannot provide a comprehensive account. For example, the smallest European universities are unlikely to be in receipt of the highest amounts of philanthropic funds, even though the amounts they raise may make a significant contribution to their overall income. 'Success' is also relative to the stage of development of the philanthropic culture in any given country. For example, 'success' in the UK is probably different to 'success' in a country such as the Netherlands where universities have only recently made a start in terms of raising funds from philanthropic sources. Universities which have only just begun to fundraise may evaluate themselves as successful as a result of receiving a relatively small contribution because they perceive it to be the start of a potentially fruitful and long-term relationship with donors. We therefore created

a composite variable to identify success in raising funds from philanthropy for research. This composite variable is based on responses to questions concerning:

- perception of success in general fundraising efforts;
- perception of success in fundraising efforts for research;
- the receipt of philanthropic contributions for general purposes;
- having received and used philanthropic contributions to fund research.

It is important to reiterate that our survey achieved a relatively low response rate, and that the final sample was skewed towards a handful of the EU27 countries. It is also the case that our methodology, which asked one respondent per HEI to complete an online survey, gathered respondents' *perceptions* of some factors, rather than any objective assessment of these variables. While we therefore recommend caution in interpreting our findings, we remain convinced that our results and analysis contain useful information to inform policy development in this area.

RESULTS

The total sample of institutions ($N = 164$) was divided into three distinct groupings that reflect their self-reported levels of efforts and success, according to the following criteria:

- 1 *Successful institutions*: Successful institutions are those that appear in the top 25 per cent of HEIs in terms of success in fundraising efforts in general and in the top 25 per cent in terms of success in fundraising efforts for research; that receive contributions for general purposes from at least one type of donor (alumni, wealthy individuals, charitable trusts and foundations, private corporations or other); and that are actively using philanthropic contributions to fund research and research-related activities. By this criterion, twenty-seven institutions in our sample (16 per cent) were found to be 'successful'. Almost half (thirteen) are located in the UK, two are located in each of Germany and the Netherlands and one is located in each of the following countries: Austria; Belgium; Czech Republic; Denmark; Finland; Greece; Ireland; Italy; Spain; and Sweden.
- 2 *Moderately successful institutions*: Moderately successful institutions are those that appear between the twenty-fifth and seventy-fifth percentiles of HEIs in terms of success in fundraising efforts in general and are between the thirty-sixth and seventy-fifth percentile in terms of success in fundraising efforts for research; that receive contributions for general purposes from at least one type of donor (alumni, wealthy individuals, charitable trusts and foundations, private corporations or other); and that are actively using philanthropic contributions

to fund research and research-related activities. By these criteria, thirty-seven institutions in our sample (23 per cent) were found to be ‘moderately successful’. Of these, seven are located in the UK; four are located in each of Italy, the Netherlands and Sweden; three in France; two each in Lithuania, Portugal and Spain; and one each in Austria, Belgium, Bulgaria, Czech Republic, Denmark, Finland, Latvia, Poland and Romania.

- 3 *Not successful institutions*: All other institutions in our sample are categorized as ‘not successful’. By this criterion, 100 institutions in our sample (61 per cent) were found to be ‘unsuccessful’.

Most universities (77 per cent) have used philanthropic contributions to fund research in the past five years (since January 2005) and almost all (94 per cent) intend to seek philanthropic funding for research-related activities in the future. However on the whole, the amounts raised for this purpose are relatively low. Only six HEIs report raising more than ten million euros for research on an annual basis, almost half (44 per cent) report raising less than one million euros per annum and a third of respondents were not able – or willing – to reveal how much they succeed in attracting (Table 1).

Just as ‘success’ is a complex concept, so ‘effort’ can also be understood in a multitude of ways. Our survey explored efforts to raise funds for general purposes, efforts to raise funds for research and frequency of efforts. In order to be classified as an institution making serious effort, the HEI had to make efforts to raise funds from at least three of the four philanthropic sources (alumni; wealthy individuals; charitable trusts and foundations; and private corporations) and they had to indicate that they ‘frequently’ seek philanthropic funding for research projects. As Table 2 shows, we

Table 1: The average amount of philanthropic funds raised annually for research

	<i>Percentages (N = 112)</i>
Less than 100,000 euros	17
Between 100,000–1,000,000 euros	27
Between 1,000,000–10,000,000 euros	17
More than 10,000,000 euros	5
Don't know	34

Table 2: Relation between extent of fundraising efforts and fundraising success

	<i>Not successful (n=100) (%)</i>	<i>Moderately successful (n=37) (%)</i>	<i>Successful (n=27) (%)</i>
No or minimal efforts	89	70	30
Serious efforts	11	30	70

found a strong relationship between the extent of efforts made by universities and their subsequent success in raising funds from philanthropic sources.

The relationship between efforts and degree of success in fundraising outcomes holds across all types of donor. The strongest relationship between efforts and outcomes exists in relation to efforts made to raise funds from charitable trusts and foundations and from wealthy individuals. However, it is interesting to note that it is possible to achieve success without making substantial efforts, as is the case for 30 per cent of the 'successful' institutions and 70 per cent of the moderately successful institutions. Therefore, while 'effort' is a relevant variable, it is by no means a wholly adequate factor for explaining success.

The formalization of fundraising activities was found to be surprisingly low: only just over half of institutions (51 per cent) have a formal policy on fundraising, a third (32 per cent) have no systems in place to measure and report on fundraising activities and only around half (51 per cent) use a database to record and manage their interactions with donors. There is also some evidence that many universities are not meeting accepted standards of best practice, as conceived within the wider fundraising profession. For example, only slightly more than half (56 per cent) 'always or frequently' keep their donors informed about the outcomes and impact of their contribution. However, good practice in terms of acknowledgement is widespread, with 90 per cent offering some form of thanks and recognition to donors.

The task of raising funds from philanthropic sources can be allocated to various people and departments within universities, and occasionally even delegated to an external body, but most often the responsibility for raising funds rests with individual research staff (in 59 per cent of cases), a development office (57 per cent) or an alumni office (39 per cent); clearly these responsibilities are being pursued simultaneously by multiple individuals and departments within the same institution. The managers and governors of universities are felt to be slightly more committed to fundraising than the academic staff, but the adequacy of resourcing of fundraising activities is rated, on average, as unsatisfactory.

As Table 3 shows, the more likely a university is to describe itself as successful, the higher the likelihood that it has received contributions from all types of donors. It is important to note that every university classified as 'successful' is in receipt of donations from charitable trusts and foundations, which indicates that this is a crucial source of philanthropic income. However, the receipt of donations from alumni is lower than from the other sources for both successful and moderately successful institutions, perhaps indicating that this type of donor is not – or not considered to be – the most fruitful source of funds for research purposes.

We examined ten variables relating to the internal structures and strategies that exist within universities in order to identify how they relate to fundraising success. Of these ten variables, six were found to have a significant relationship to eventual success in fundraising activities. The variables with the highest impact are:

Table 3: Relation between type of donor and fundraising success

<i>Type of donor</i>	<i>Not successful (n=100) (%)</i>	<i>Moderately successful (n=37) (%)</i>	<i>Successful (n= 27) (%)</i>	<i>Statistical evidence</i>
Alumni	42	51	78	$\chi^2 = (2, N = 164)$ 10.9 $p < .01$
Wealthy individuals	42	60	93	$\chi^2 = (2, N = 164)$ 22.4 $p < .001$
Charitable trusts and foundations	48	87	100	$\chi^2 = (2, N = 164)$ 34.9 $p < .001$
Private corporations	54	92	93	$\chi^2 = (2, N = 164)$ 26.6 $p < .001$

- 1 the perceived commitment of the management and governance of an institution;
- 2 the perceived commitment of an institution's academic staff.

The four other variables that were also found to have a relationship with fundraising success are:

- 3 rewarding staff for success in attracting philanthropic donations;
- 4 the production and use of materials for fundraising purposes, such as a website, leaflets and brochures;
- 5 the use of a database to maintain and update records on interactions with donors;
- 6 investment, in terms of financial and human resources, into fundraising activities.

However, as with the findings related to efforts (described earlier) it is important to note that variable experiences of success exist in the presence of all types of internal structures and strategies.

Table 4 shows that all of the successful institutions enjoy pre-existing relationships with philanthropic donors; usually these links are with trusts, foundations and private corporations rather than with individual donors. Indeed, all six institutions that report raising ten million euros or more per annum for research report having pre-existing relationships with charitable trusts and foundations. This compares to the 'not successful' fundraising institutions, over two-thirds of whom (70 per cent) have no pre-existing connections with any type of philanthropic donor. It is for this reason that we argue that pre-existing or accumulative advantages affect future success in terms of fundraising outcomes. However, yet again, it must be noted that the Matthew effect is not a sufficient variable to guarantee success, as 30 per cent of 'not successful' institutions do enjoy pre-existing relationships with donors.

The final type of variables explored in relation to successful fundraising outcomes are those relating to external factors within the region or nation state within which universities are located. Six external factors were examined, as follows:

- 1 macro-economic factors;
- 2 fiscal, legal and regulatory frameworks;
- 3 the existence of government schemes to promote philanthropy;
- 4 cultural attitudes to philanthropy;
- 5 the type of welfare state that exists in that country;
- 6 the geographic region in which the institution is located.

Perhaps surprisingly, given the frequency with which policy-makers point to the impact of external factors, Table 5 shows that no significant relationship was found between macro-economic conditions, fiscal, legal and regulatory frameworks and the existence of government schemes to promote philanthropy. We find that the perception of cultural attitudes towards philanthropy in an institution's region or nation state is the only external factor that has a significant relation with fundraising success. However, it is important to note that these figures refer to *perceptions* of various external factors, rather than any objective assessment of these variables. We therefore recommend caution in interpreting this factor, as one potential explanation could be that universities

Table 4: Relation between pre-existing links with donors and fundraising success

	<i>Not successful</i> (<i>n</i> =100) (%)	<i>Moderately successful</i> (<i>n</i> =37) (%)	<i>Successful</i> (<i>n</i> =27) (%)
No pre-existing links with donors	70	24	0
Pre-existing links with donors	30	76	100

Note: $\chi^2(2, N=164)=52.61, p<.001$, one-sided.

Table 5: Relation between external factors and success

	<i>Relationship with 'relative success'</i> += positive significant relation 0= no significant relation	<i>Statistical evidence</i>
Macro-economic factors	0	
Fiscal, legal and regulatory frameworks	0	
The existence of government schemes to promote philanthropy	0	
Cultural attitudes to philanthropy	+	r.18 ($p<.05$)

raising significant sums may not wish to attribute their success to a positive reading of their environment. However, institutions raising the largest sums are more willing to describe such external factors as having a 'neutral' impact.

It is important to note that contextual impact is a complicated concept and not easy to measure in an online survey. However, Tables 6 and 7 show that both the geographical location and the welfare state regime within which institutions are based, have some impact on fundraising outcomes. As predicted above, almost half (48 per cent) of the successful fundraising HEIs are in welfare states characterized as 'liberal', and most (74 per cent) of the successful fundraising universities are located in Northern-Western Europe. Yet it must also be noted that all types of geographical regions and all types of welfare state regimes contain institutions demonstrating

Table 6: Relation between welfare state regimes and fundraising success

	<i>Not successful</i> (<i>n</i> = 100) (%)	<i>Moderately successful</i> (<i>n</i> = 37) (%)	<i>Successful</i> (<i>n</i> =27) (%)
Social democratic	5	16	11
Liberal	25	19	48
Mediterranean statist	7	22	7
Post socialist statist	21	19	4
Corporatist	39	24	22
Statist (peripheral)	3	–	7
	100	100	100

Note: $\chi^2(10, N = 161) = 52.6, p < .001$, one-sided.

Table 7: Relation between geographic region and fundraising success

	<i>Not successful</i> (<i>n</i> = 100) (%)	<i>Moderately successful</i> (<i>n</i> = 37) (%)	<i>Successful</i> (<i>n</i> =27) (%)
Northern-Western Europe (Austria, Belgium, France, Germany, Ireland, Luxembourg, Netherlands, UK)	65	43	74
Northern Europe (Denmark, Finland, Sweden)	5	16	11
Eastern Europe (Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia)	21	18	4
Southern Europe (Cyprus, Greece, Italy, Malta, Portugal, Spain)	9	21	11
Total	100	100	100

Note: $\chi^2(6, N = 161) = 13.7, p < .05$, one-sided. Percentages do not add up to 100 because of rounding.

different degrees of success, indicating that the regimes are influential, but not decisive in affecting an institution's chances of raising funds from philanthropic sources.

CONCLUSIONS

As noted in the introduction, this is the first instance of research into the scope, nature and success of efforts to promote philanthropic donations to fund research in European universities. This originality, coupled with the difficulties in securing a high response rate, means that the findings and analysis are necessarily explorative in nature and represent the opening up of important questions rather than any definitive or final conclusions.

The methodological limitations inherent in using an online survey, notably any variation across EU universities in using and responding to email communications, mean this research could be usefully supplemented with offline research, such as telephone or face-to-face interviews. An issue that also deserves closer scrutiny in future is the incidence of unsolicited donations and how they relate to fundraising efforts, policy initiatives and institutional prestige.

On the basis of our findings, however, it is hard to argue that at present, philanthropic fundraising is, on the whole, taken seriously in European universities. Only a very small number of institutions are raising significant sums of money from this source, and even fewer are accessing philanthropic funding to pay for research and research-related activities. While this may be disappointing for those hoping that private donors can represent an important source of funding for university-based research, it may also be interpreted in a more positive light as indicative of potentially significant untapped potential.

What are the factors that are most likely to bear upon successful fundraising when philanthropic individuals and institutions are asked to provide financial support to university research? Our data lend support to the view that levels of success are moderated by the following conditions:

- 1 the environmental factors and broader cultural and social norms around fundraising (*where* the university is located);
- 2 the organizational efforts and investment in fundraising strategies (*what* the university does, in terms of fundraising activities);
- 3 the 'accumulative advantage' gained as a result of the university's reputation, wealth, networks and pre-existing relationships with different types of donors (*who* the university is, in terms of institutional privilege).

Many policy recommendations to date, that appear in either the independent expert group reports or in academic studies, tend to emphasize the 'where' and the 'what' above the 'who', such that this privileging of external and internal factors ignores the influence of accumulative advantage. There is an implication in the existing literature that

success is dependent upon universities making the effort to make ‘better’ asks more often, and on nation states putting in place sufficient incentives (Liu and Aaker 2008). This model, however, fails to acknowledge the importance of which kinds of universities have the intrinsic ability to attract donors, due to their inherent status and attributes. The existing literature is overly focused on either the ‘context effect’ or the ‘ask effect’, but this report demonstrates that we need to consider more closely the viability of a university making a successful ask, given its status, contacts and reputation. Asking well and often is clearly a *necessary* factor behind fundraising success, but unfortunately it is not a *sufficient* factor to guarantee fundraising success. Our data appear to confirm the accepted wisdom that ‘if you don’t ask, you won’t get’, while also confirming that the reverse is not necessarily true, because if you do ask, you won’t necessarily get. In addition to asking, the institution needs to be a credible and attractive organization in the eyes of funders, and this relates to factors outside the control of both external policy-makers and internal fundraising departments – it relates to the status of any given institution, which is a result of its wealth, reputation and institutional networks.

The urgent pressures to diversify income within the university sector has led to something of a rush to create fundraising operations within all types of HEIs across Europe, without sufficient attention being paid to the likelihood of success. We believe that the ‘rush to fundraise’ has been encouraged in HEIs across Europe, informed by a potentially misplaced presumption that all universities are equally well placed to attract philanthropic income. This situation has arisen because of the pressures under which the finances of universities have been placed across Europe, and has been accelerated by the consequences of the recent global recession. Yet it is not known whether the hopes that drive this rush are matched by any realistic expectation of positive results. We certainly should not expect all universities to be equally endowed with the same fundraising capacities and neither should we expect them to experience the same levels of success in fundraising. In this regard, we suggest that policy-makers pay heed to the structural constraints within which fundraising takes place. We recognize that those universities that have not yet begun, or seriously begun, fundraising are likely to have some untapped potential that can be unleashed by following ‘best practice’ and learning from the variables identified as being related with success in other European universities. At the same time we maintain that it is not realistic to expect that if only universities were to try harder, and if only policy-makers were to introduce better incentives, then philanthropic funds will automatically flow as a result. In this regard, we contend that ‘accumulative advantage’ must also be considered as an equally important factor that should be reflected in policies that seek to promote philanthropy, in order to ensure that they are realistic.

NOTE

- 1 The quote from the Bible on which the term ‘the Matthew effect’ is based, is: ‘For to all those who have, more will be given, and they will have an abundance; but from those who have nothing, even what they have will be taken away’ (Matthew 25: 29).

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Appendix 1

<i>Country</i>	<i>Number of completed surveys</i>	<i>% of relevant HEIs in this country that participated in the research</i>
Austria	6	18
Belgium	4	31
Bulgaria	5	10
Cyprus	2	33
Czech Republic	3	9
Denmark	5	71
Estonia	2	22
Finland	3	23
France	16	15
Germany	16	14
Greece	1	6
Hungary	0	0
Ireland	2	29
Italy	10	11
Latvia	3	15
Lithuania	3	20
Luxembourg	0	0
Malta	0	0
Netherlands	11	73
Poland	7	8
Portugal	3	8
Romania	3	4
Slovak Republic	1	7
Slovenia	1	25
Spain	4	7
Sweden	6	15
United Kingdom	44	27
Anonymous	3	–
All	164	–