



Challenges to funding civil society organisations in Germany

Dr. Rupert Graf Strachwitz



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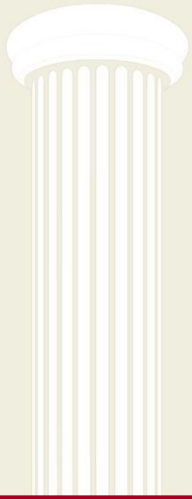
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MAECENATA STIFTUNG

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Think Tank and watch dog

for civil society and philanthropy

- 1) Maecenata Institute
- 2) Transnational Giving Programme
- 3) Tocqueville Forum
- 4) MENA Study Centre



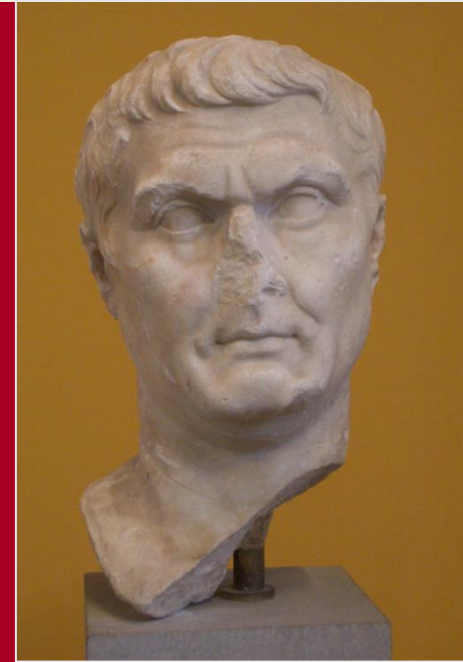
Gaius Cilnius Maecenas (70 – 4 BC)



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What do we do?

- We conduct **academic research**
- We **publish** (in internal and external media)
- We **enable** (transnational giving)
- We **document** (library &c.)
- We **inform** (web site, social media, news letter, press releases)
- We **intervene** (developments, projects, framework)
- We **help move the issue** of civil society and philanthropy as necessary prerequisites of an open society.





- civil society (CS) – civil society organisations (CSOs)
- = third sector, NGOs, voluntary organisations ..., communities of choice
- communities of choice preceded communities of fate in history
- considerable growth in size, strength, clout since about 1980
- a global phenomenon

Open society / democracy cannot exist without CS!



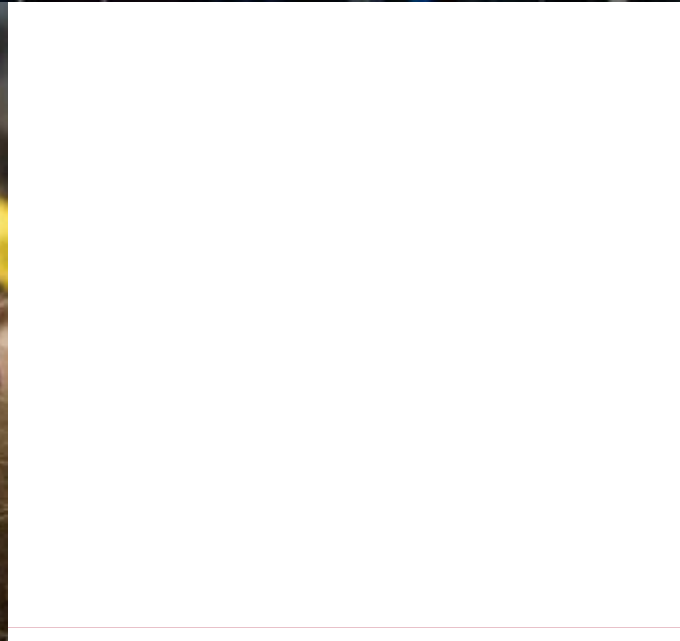
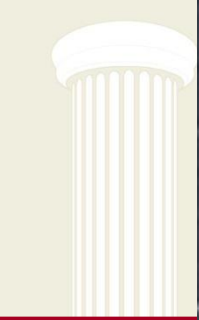
















Civil society in Germany

- approx. 700,000 organisations
- approx. 3.7 million employees
- approx. 30 million volunteers
- very strong in social and health services
- less strong in education
- active in advocacy and watchdog functions since the 1970s
- Instrumental in bringing the Berlin Wall down



- **Corporatist**

- service provision
- self help (sports)
- community building (leisure, arts ...)

- **Independent ?**

- advocacy
- watchdog
- political
- community building



- ❖ self-earned income
 - direct compensation for services rendered
 - contracts with governments, social security

- ❖ philanthropic
 - foundation grants
 - donations

- ❖ government grants



The corporatist subsector

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- Contracts with government and social security extremely important
 - scale of civil society involvement in providing health and social services
 - complicated three-way contractual situation
- Governments mix up contracts and grants and adopt a grace and favour attitude for all payments
 - to include charitable status



The „independent“ subsector

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- Government grants have become increasingly important to some organisations
- Government grants come with strings attached
 - project funding, not development funding
 - fitting into government-designed programmes
 - management and reporting requirements
- Party political influence on
 - programmes
 - selection of grantees

➤ **Too many CSOs depend on government funding!**



Challenges

- Increasing shortage of government funding
 - budgetary constraints
 - shifting priorities (security...)

- Increasing political opposition
 - against progressive CSOs
 - against civil society soft power in general

- Shrinking space for civil society through government action
 - fear of losing political clout
 - using instruments of government to keep power



Challenges

- Little media support = no ongoing informed public debate
- Local and practical civil society (disaster care) is popular, political action much less so
- Traditionally not much coherence between different subsectors
- Not much academic support for the idea of a strong civil society – comparatively little research
- Little real knowledge and no real urge to talk about CS's role in society and why it should be funded



What we have recently seen

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- attacks on civil society and CSOs from (right wing) politicians and media demanding less public support
- increasing CSO solidarity
- an increasing notion that human and civil rights, the rule of law, and democracy are at stake
- an increasing feeling that the funding structure of civil society needs to be revisited
- an increasing feeling that civil society needs to be more independent from the state



Some demands and suggestions

- 1) Support for democratic values to be a mandatory prerequisite for public recognition of a CSO
- 2) CSOs not to support political parties or party political campaigns
- 3) CSOs not to use state funds to fund protest against the state
- 4) Foundations and donors to fund CSOs rather than government programmes
- 5) CS to campaign for a reform of charity law



Some demands and suggestions

- 6) Replace the present detailed list of charitable purposes (>80!) by a clause to support the values of an open society
- 7) Search for new, innovative, intelligent funding tools for CS
- 8) CSOs to improve their communication: talks about issues, not about themselves
- 9) Grants to fund developments and long-term growth rather than projects
- 10) Improve public awareness for the importance of civil society to rendering democracy resilient and Europe stronger



CSOs should be tax exempt, if they ...

... operate within the remit of the constitution and act as agents of democracy

... serve the general public in a very general way

... do not compete with the private (business) sector

... calculate fees, if these are charged, by cost incurred, not by market value of the service provided

... do not distribute profits to members or owners

... do not rechannel assets to individuals or corporations in case of dissolution



The Three-Legged Stool: The way ahead for Europe

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