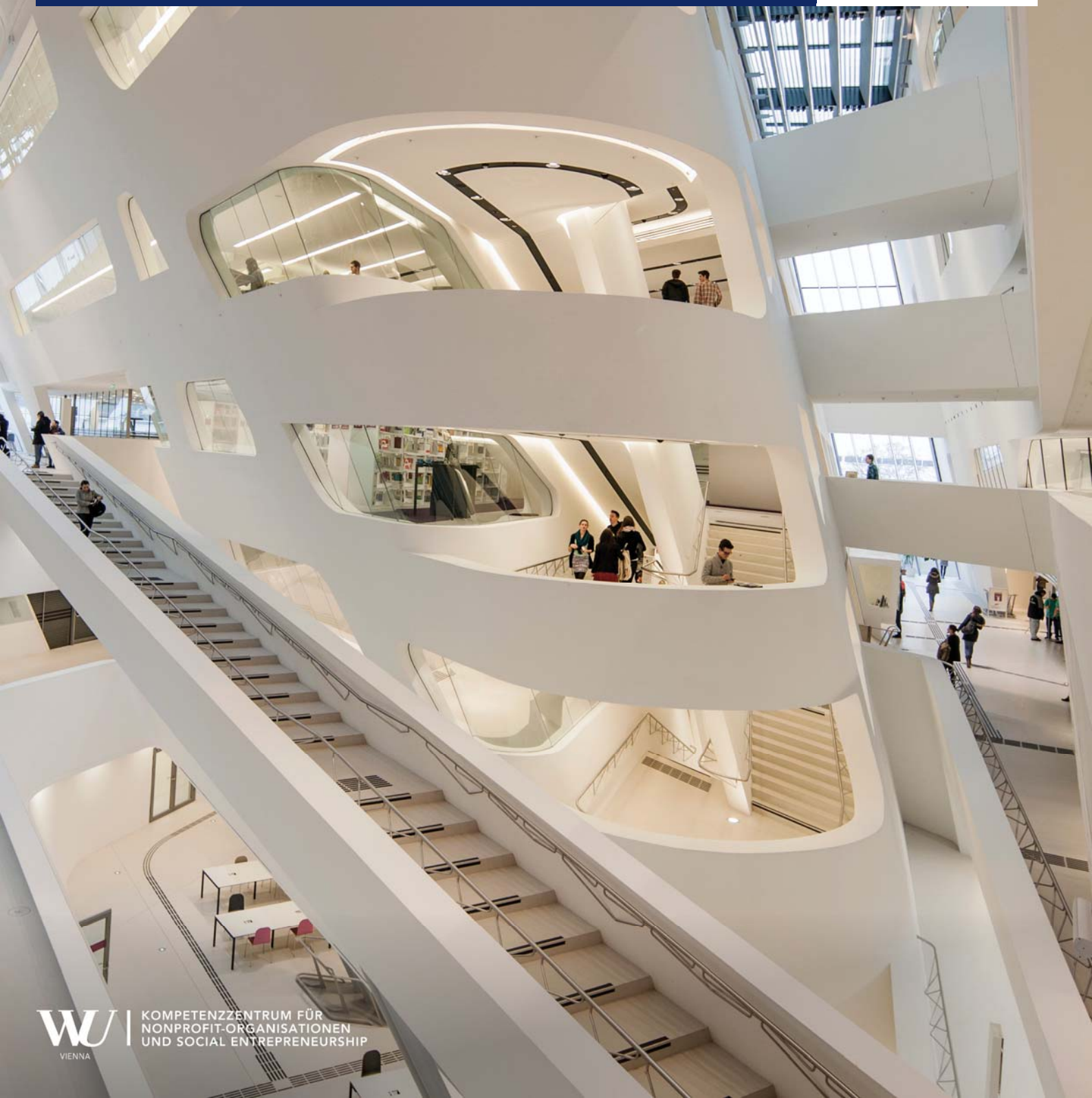


# Promoting the Concept and Practice of Community Foundations in Austria

Country Report

Reinhard Millner, Camilla Mittelberger and Susan Üstün

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# Executive Summary

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Community Foundations are a form of societal self-organization of citizens who are actively contributing to improve the lives of people in a community, a city or region. One pillar of community foundations is the focus on a geographical area, in which they are locally established and committed to long-term engagement with the community. Furthermore, community foundations support and promote a culture of participation among all citizens of the community. There are no community foundations in Austria to this date. Therefore, the objective of this study was to research the feasibility of community foundations for the Austrian context and to draw conclusions about necessary steps to promote the concept in Austria.

The Austrian nonprofit sector is of societal and economic relevance. It includes approximately 120,000 organizations, with the largest share distributed to associations, followed by foundations, "*gGmbH*" (non-profit limited liability companies) and other legal forms. In terms of civic engagement, around three million inhabitants engage in volunteering activities, which constitutes 43.8% of the population. Besides giving time, 64% of Austrians donate money for charitable causes. The most important legal form of organizing civic activities is the association, which has a longstanding tradition and is easy to establish. In comparison, the concept of charitable foundations lacks popularity and prevalence in the Austrian context.

The methodology adopted for this study comprises secondary and primary research. The aim of the secondary research was to illustrate the size and scope of civil society activities in Austria. Primary research was conducted in the form of qualitative semi-structured interviews with relevant stakeholders of the concept under investigation. The interviews build on two lines of questioning: on the one hand, why the concept of community foundations is not yet established in Austria, and on the other hand, what would be needed for a respective implementation. In the course of the interviews, arguments and reasons explaining the absence of community foundations in Austria, its potential as well as country-specific information relevant for the dissemination of the concept were gathered. In a next step, this information was complemented with the insights from secondary research. To further analyze the findings, a Force Field Analysis was applied. This resulted in the identification of barriers and potentials for the implementation of community foundations in Austria.

Five recommendations were developed for the promotion of the concept. In a first step, a national organizational platform for the promotion of community foundations needs to be determined. This platform should initiate a multi-stakeholder consultation process in order to develop a common understanding of community foundations and to tailor the concept to the Austrian context. In a third step, the establishment of support infrastructure is suggested to provide orientation and guidance for interested actors. Furthermore, the involvement of the public sector is important to pave the way for the adaptation of legal and tax-related issues and to promote a nonpartisan notion of the concept on a local, regional or city level. Finally, the conditions for establishing charitable foundations in general have to be improved in order to also increase the practicability and attractiveness of community foundations.

# 1. Introduction

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The objective of this study was to research the feasibility of community foundations in the Austrian context and to draw conclusions about necessary steps to promote the concept and practice in Austria. Community foundations are a form of societal self-organization of citizens who are actively contributing to improve the lives of people in a community, a city or region. One pillar of community foundations is the focus on a geographical area, in which they are locally established and committed to long-term engagement with the community. Furthermore, community foundations support and promote a culture of participation among all citizens of the respective community. Initially the concept was established in the United States, where the first community foundation was founded in Cleveland in 1917. Since then, the concept has spread widely and developed further. Thus, there is significant diversity among the organizational forms and adaptation of the concept to local needs. However, the principles of community foundations are maintained globally. In Austria, the concept of community foundations has not yet found resonance.

The present feasibility study was commissioned by the Charles Stewart Mott Foundation and conducted by the Social Entrepreneurship Center at the Vienna University of Economics and Business in cooperation with the "*Verband für gemeinnütziges Stiften*" (Austrian Foundation Association). The Mott Foundation has strengthened the concept of community foundations in the United States for decades, and is currently exploring and supporting the expansion of the concept in countries with very few or no community foundations. The Verband für gemeinnütziges Stiften was identified as a potential community foundation Support Organization due to its role as a representative and networking platform for charitable foundations and stakeholders in Austria. The Social Entrepreneurship Center serves as an academic contact point for representatives of the nonprofit sector, civil society, social entrepreneurs and others. Based on its research activities and programs, it offers services in the areas of knowledge transfer, capacity building and consultancy. This report aims at supporting a learning and research initiative on promoting the concept and practice of community foundations in Austria, exploring current forms of civic activities, its environment, relevant actors as well as an assessment of the barriers and potentials for introducing community foundations in the Austrian context.

Chapter 2 provides an overview of civil society and relevant forms of engagement in Austria, focusing on charitable giving, volunteer work, associations and social entrepreneurship. The current role of foundations is outlined in detail in chapter 3. Chapter 4 elaborates on the methodology used, followed by the findings from the interviews conducted with representatives of the nonprofit sector, foundations, associations and civil society among others in chapter 5. The chapter focuses on themes and issues that are crucial for the introduction and dissemination of the concept of community foundations in the Austrian context. Chapter 6 presents a comprehensive assessment of barriers and potentials. Recommendations for the implementation of community foundations in Austria are finally provided in chapter 7.

## 2. Civil Society in Austria

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The Austrian nonprofit sector<sup>1</sup> is of societal and economic relevance, as can be seen from the following key figures: the sector includes more than 120,000 organizations, whereby associations account by far for the largest share of this number, followed by foundations, nonprofit limited liability companies (“gGmbH”) and other legal forms. Although nonprofit organizations (NPOs) do not represent a separate category from a legal point of view, the legal form helps in marking out the sector, since these organizations do not generally implement activities aimed at generating profit (Nowotny 2013: 183).

Austrian NPOs contributed € 7.3 billion to the gross domestic product in 2013 (Leisch, Pennerstorfer et al. 2016), a figure that does not include the value of the work performed in a voluntary capacity. The sector comprised approximately 212,000 contractual relations in 2010. This represented 5.2% of the entire working population in Austria. Increasing sectoral growth can be identified from 2000 onwards. Since then, both the employment figures as well as the added value have grown more strongly than in the overall economy (Pennerstorfer et al. 2013). This picture is supplemented by the significant amount of voluntary work in the sector. Almost 8 million hours of voluntary work per week represent a work output of 200,000 full-time equivalents and an equivalent value of € 4.72 billion based on conservative estimates (see Pennerstorfer et al. 2013 for a detailed presentation along with the data on the Austrian nonprofit sector). In terms of income and funding, output-based payments via service contracts predominantly emanate from the public sector, followed by sales revenues and grants. In addition, the sector benefits from an estimated € 700 million in private donations (FVA 2019).

### 2.1. GIVING

In more detail, these € 700 million are donated by 64% of the Austrian population above the age of 15. Hence, an Austrian donor gives € 113 on average. In terms of regional distribution, the average amounts given per donor are higher in the provinces of Austria than for instance in the capital city of Vienna. In general, the most popular charitable causes are child support, animal welfare and domestic emergency relief. One million Austrians are using the advantages of tax deduction, filing an average amount of € 218 to be deducted from the individual tax base. Hence, almost every third Euro given is deducted from income tax. Compared with other Western European countries, Austria is at the bottom of the list with respect to the average amounts given (see FVA 2019).

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<sup>1</sup> The nonprofit sector relates to the entirety of nonprofit organisations (NPOs) in a country and is contrasted with the “market” and “government” sectors in a three-sector model. The “market” sector includes profit organisations, i.e. firms that are characterised by profit-maximising and market-financed activities. The government sector includes public organisations, i.e. entities such as the federal government, regional government, municipalities and communes that are characterised by the fulfilment of sovereign tasks and funding using public funds.

This state of giving is even more underdeveloped considering major gifts or organized forms of giving respectively, namely in the form of charitable foundations. Therein, only € 3.5 to € 7 are donated for charitable purposes per inhabitant. Due to its peculiar situation and development, the Austrian foundation sector is portrayed in a separate chapter of this report (see following chapter three).

## 2.2. VOLUNTEER WORK

In contrast to monetary donations, Austrians largely engage in voluntary activities. Approximately 3 million people or 43% of all persons above 15 years are active on a voluntary and unpaid basis. About three out of ten people are formal volunteers and about the same amount engages informally, e.g. in neighborly help. In more detail, 1.92 million people are volunteers in an organization or association and nearly 1.87 million people engage informally. From that about 0.8 million people are active in both formal and informal volunteering (BMASK 2009).

Volunteering is a crucial part of civic engagement in Austria and also supported by a corresponding legal framework, namely the federal act on the promotion of voluntary commitment ("*Freiwilligengesetz*"). The majority of volunteers engages regularly, i.e. four hours per week on average. Volunteering not only contributes to society, but is also seen as a means for individual growth. Volunteering contributes to a balance between work and education, is regarded as an opportunity to acquire new skills, to take responsibility, to shape society and community as well as to stay active. This is reflected in the large number of associations, which in most cases provide the organizational platform for volunteering (see also chapter 2.3 below).

Involvement in volunteering can be observed among all age groups. For the 15 to 29 year-olds, it is 31.4% of the respective cohort. Among the 30 to 59 year-olds, the rate of engagement is between 29% and 32%, whereas the age group 60 to 69 shows an engagement rate of 25.6%. Regarding fields of activities, most volunteer activities (in terms of hours) take place in the sports sector and within sports clubs, for disaster and emergency relief services as well as in the field of arts and culture. Many of these fields are organized on a local level, which also explains the higher rates of engagement in smaller communities (see also figure 1).



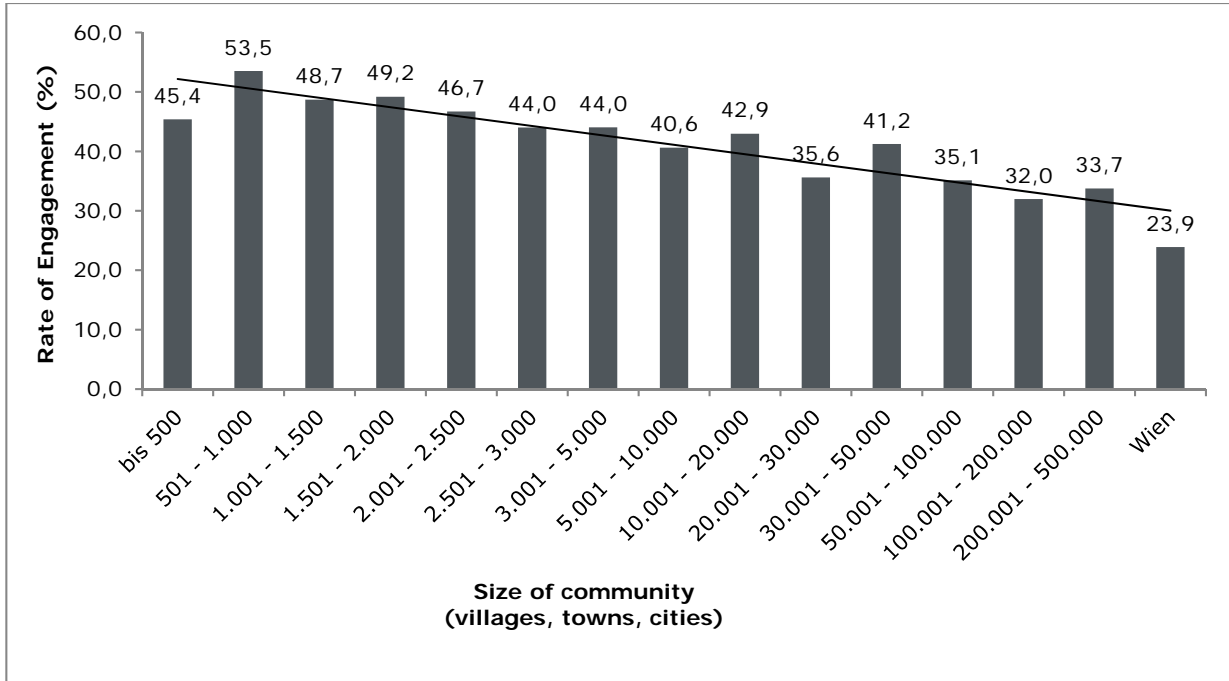


Figure 1: Formal volunteering in Austrian communities

Source: Meyer and Rameder (2011: 13) based on Mikrocensus Data from 2006

### 2.3. ASSOCIATIONS

Although 120,000 associations are registered in the central register of associations (Statistik Austria 2016), there are approximately 90,000 active associations in Austria according to currently ongoing research of WU Vienna. Still, the number is remarkable high in international comparison. Most of the associations' areas of activities are sports, culture and recreational activities. The bandwidth of associations in Austria reflects society and its diversity: there are associations designed to support schools, museums, the LGBTQ+ community but also missionary communities and many others. The popularity of associations as an organizational form is high in Austria. On one hand, this is because it is easy to establish an association, as no initial capital is required. On the other hand, the Austrian act regulating clubs and associations states that associations have legal competence and only the board is liable for its legal transactions which relieves its members. However, it is sometimes difficult to classify membership in an association as engagement for civil society. There are some associations like ÖAMTC (Austrian Automobile, Motorcycle and Touring Club) where members not necessarily contribute to the association's duties. In those cases, members pay their membership fee in order to receive a service. However, the vast amount of associations contributes to service delivery, community building and advocacy for its members, the local community and the Austrian society as a whole.

### 2.4. SOCIAL ENTREPRENEURSHIP AND SOCIAL BUSINESS

Social Entrepreneurship (SE) has gained increasing attention and importance over the last ten years in Austria. SE focuses on people and organizations that produce and offer new products and services, which make an effective contribution to addressing and solving societal challenges in an entrepreneurial manner. The concept is often associated with the process of generating and implementing novel solutions, and the creation of new organizations (social start-ups). In comparison, the concept of social business is predominantly characterized by its market related activities in providing social services, for instance by integrating

their beneficiaries as employees or by providing needed social services to underserved groups. Social businesses generate the majority (more than 50%) of their income via the sale of goods and services on the market. This distinguishes them in many cases from “traditional” organizations within civil society and/or the nonprofit sector, which are funded e.g. via private donations or public funding (Millner 2013).

In our study on the potential of social business in Austria (Vandor, Millner et al. 2015), we estimated that at least 1,200 to 2,000 organizations in Austria correspond with the definition of social business. These are made up of start-ups and established nonprofit organizations. The organizations differ significantly in terms of their age, number of employees, income and areas of activity and target groups. Within this group, 200 organizations for which there was tangible data available generate an annual turnover of just under € 700 million and employ more than 16,000 people.

The recent development of this field is noteworthy, as it can serve as a good case of how a new concept has emerged and gained momentum in the Austrian context. In the meantime, a whole ecosystem has developed with the aim to support social entrepreneurs and social enterprises. Funding institutions such as foundations, public agencies and alike have spurred this development by providing financial, intellectual and social capital. Alongside universities, specialized intermediaries, interest groups and media platforms create attention and lobby for better framework conditions. The prevalence of a new concept and label has not only created a new field of activities and approaches for addressing and solving social problems, but was also beneficial by providing professional and organizational identities for the involved actors.

## 2.5. SECTOR CHARACTERISTICS

A number of further features characterize the Austrian nonprofit sector and civil society (see also Neumayr, Pennerstorfer et al. 2017). The Austrian federalist system is also reflected in many of the large NPOs and social service providers. They provide services on a federal, regional and local level. Moreover, they contribute to community building as they also foster and maintain a strong base of volunteers. In addition, they act as strong counterparts to local and provincial governments displaying a strong culture of self-governance. On the other side, they are strongly intertwined with the public sector in terms of funding. Many nonprofit organizations provide services on behalf of public authorities. This is strongly mirrored in the funding structure of the nonprofit sector, whereby approximately 50% of sector revenues stem from public sources. Besides a trend of outsourcing of public social service provision to the sector, the historically strong ties to the two formerly largest political parties, namely the conservative party and the socialist party, still give an account of this firm connection to the federal and provincial governments. Finally yet importantly, the Roman Catholic Church and especially its front-end organizations in various fields such as education, social service provision, health and many church congregations also intensively serve the local and community level, gathering much civic engagement and volunteering around these issues.

### 3. Foundations in Austria

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The nonprofit sector in Austria is historically predominantly constituted by associations and to a small extent by other legal and organizational forms (Pennerstorfer, Schneider et al. 2013). In terms of foundations, Austria is considered to be a low-growth country in international comparison (Anheier 2005: 316), albeit Austria used to have a vital foundation sector at the beginning of the 20<sup>th</sup> century with an estimated number of 5,400 charitable foundations before the Second World War (Stammer 1983).

Most of these have been lost over the two world wars and the great depression in between. Many foundations were dissolved by the respective political regimes and due to the devaluated asset base. Hence, in terms of numbers, much of the philanthropic tradition represented by philanthropic foundations was lost after 1945. In the aftermath of these incisive events, little effort was undertaken to regain the previous popularity of foundations. After a period of consolidation of the still existing entities, a regulatory framework was established and the Act of Foundations and Temporary Funds (*Stiftungs- und Fondsgesetz*) was enacted in 1974, with a law on the federal level (*Bundes-Stiftungs- und Fondsgesetz*) and complemented by nine provincial legislations (*Landes-Stiftungs- und Fondsgesetz*). The federal law stipulated that charitable activities must have national reach, whereas the nine provincial counterparts stated that activities are restricted to the respective province in which the foundation is incorporated (Kals 2006). The distinction between foundations and temporary funds is that foundations are supposed to operate without a time limit based on a given endowment and as long as the assets are sufficient to fulfill the charitable purpose or as long as the purpose of the foundation can be maintained. In contrast, temporary funds are subject to annual endowments. Hence, within this framework foundations are legally required to act for the public good.

Later on, the law for private foundations (*Privatstiftungsgesetz*) was enacted in 1994. Even though these foundations were granted tax privileges, it was not foreseen to consider any obligation towards the public good or demand any involvement in charitable activities. Hence, the private foundation was introduced as a vehicle for asset accumulation for private individuals or family purposes with the intention of promoting economic activity in the country. In more detail, the political rationale for allowing the pursuit of exclusively private interests was mainly based on the ideas of promoting the reflow of domestic capital assessed abroad, preventing domestic capital from capital outflow and fostering the inflow of foreign capital to strengthen the Austrian capital market. Promoting the use of private capital for public interests was rather of secondary importance (Breinl 1997, Lacina 2008). The subordinate consideration of charitable purposes for private foundations was justified with the reference to existing laws that would serve the need for a vehicle to pursue philanthropic aims, namely the federal and provincial laws for foundations and temporary funds. Hence and in practice, the instrument of a private foundation was used by its founders to manage asset accumulation and to organize the transfer of assets to the next generation (Kraus 2013).

A few years later, a revisit of the effects of the law on private foundation indicated that a share of private foundations also somewhat contributes to civil society in Austria (Breinl 1997), showing that 32 out of 365

foundations at that time were supposed to be entirely devoted to charitable activities. A more comprehensive attempt on capturing the size and scope of the Austrian foundation sector was undertaken from 2008 onwards. Therein, a first investigation of the full population of foundations in Austria was conducted. It encompassed the engagement of these foundations not only in terms of numbers and fields of activities, but also in financial terms using the Delphi Method for estimating the asset base of foundations and financial contributions for charitable purposes (for the results of these efforts see for instance Millner, Schneider et al. 2009, Millner, Schneider et al. 2010). Table 1 below provides a summary of the internationally compared findings.

Country	Number of philanthropic foundations	Number of philanthropic foundations per 1 million inhabitants	Estimated annual foundation spending in €	Estimated annual foundation spending per capita in €
Austria	701	85	29 - 61 Mio.	3.5 – 7.3
Germany	19,500	240	17,000 Mio.	210
Switzerland	12,909	1620	1,200 – 1,700 Mio.	150 - 212
EU 24	90,000-110,000	370	83,000 – 150,000 Mio.	166 - 360

Table 1: Philanthropic foundations and expenditures in international comparison

Source: Meyer and Millner (2016)

This comprehensive mapping exercise was useful to gain a more fine-grained picture of the foundation sector and resulted in the empirically confirmed conclusion that the Austrian foundation sector is different to many seemingly comparable countries. It also provided data that confirms Anheier's conclusion of Austria being a low-growth country. This is puzzling, not at least because Austria is one of the richest countries in the world with an open economy and society. It is nevertheless seemingly untouched by the debate on the expansion of philanthropy around the globe (as described by Anheier and Leat 2013: 449).

In a survey from 2014 by the Vienna University of Economics and Business, 2,609 of the 3,025 private foundations were classified as overwhelmingly devoted to private means based on the foundation purposes. This number can only be viewed as an approximate value since the foundation purposes are often specified in the foundation's articles that are not available to the public. In comparison, there are 226 private foundations that can be classified as purely charitable since their purposes indicate the fulfilment of and support for nonprofit activities. A total of 17 private foundations have a clear focus on supporting employees of a specific corporation. The extent to which this can be assessed as nonprofit remains open, as they are dedicated to a limited circle of addressees, e.g. current and former employees of certain firms. The total number of 3,025 private foundations also includes 35 savings bank foundations (*Sparkassenstiftungen*), which may exclusively pursue nonprofit, charitable or church-related aims pursuant to section 27a of the Savings Bank Act. Although the main intention frequently involves participation in the relevant local savings banks, many also develop corresponding nonprofit commitments in addition to this. Private foundations

with both private and charitable purposes where the importance of the non-profit intention is unclear make up for the missing number.

With 216 foundations established under the Federal Foundation and Fund Act (Federal Law Gazette No. 11/1975) and 224 foundations established under the Regional Foundation and Fund Act, around 700 Austrian foundations were classified as charitable in 2014. These figures have essentially remained stable over the last few years. A slight decline in numbers can be noted with respect to purely private foundations (see Figure 2 below for an overview).

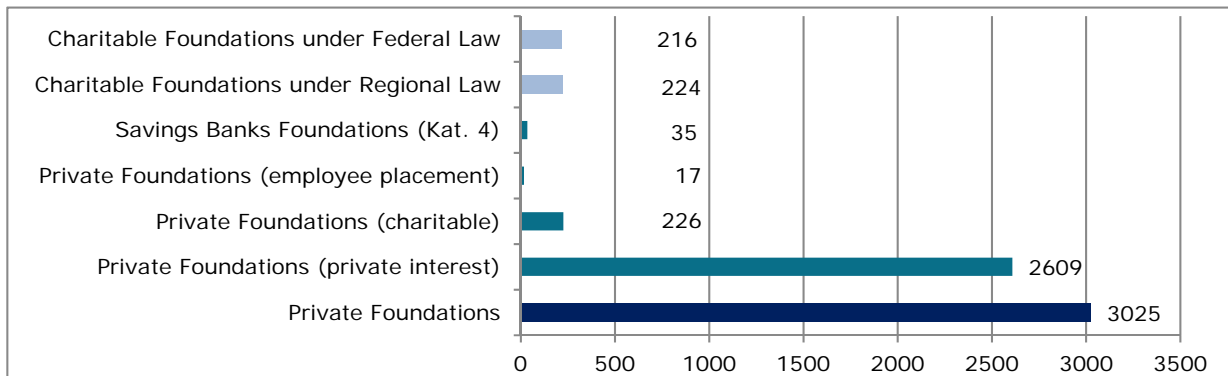


Figure 2: Number of foundations in Austria according to type

Source: Meyer and Millner (2016)

In 2015, the Austrian federal government's "nonprofit package" was introduced in large part based on this circumstance. At the center of this initiative was the political desire to develop the charitable foundation sector further in order to grow the number of foundations and contribute to a stronger civil society as well as to achieve an internationally comparable level with regard to charitable foundation activities.

This was meant to be achieved through improvements to the bureaucratic and tax law conditions, including a revision of the corresponding federal legal framework for charitable foundations (Federal Foundation and Fund Act 2015 – BStFG 2015, see Federal Law Gazette No. 160/2015) and respective simplifications related to the establishment of foundations. Thereby, different entities (public limited companies, family businesses, private foundations, charitable foundations, associations and private individuals) are able to make tax-deductible donations to charitable foundations since 2016. However, tax deductions are limited to € 500,000 within five years. Donations are deductible in each business year if they do not exceed 10% of the profit before accounting for the tax-free profit allowance.

This reform of the charitable foundation framework was supposed to provide further momentum for growth in the funding of civil society activities with the ambitious target of approaching the Swiss level of charitable foundation investments amounting to € 1.2 billion per annum until 2030. However, these expectations and projections have by far not materialized yet. The number of newly established charitable foundations is still low. Due to lacking experiences in setting up a charitable foundation, neither on the side of founders, nor on the side of public authorities, the bureaucratic procedures are still high and not much in favor of the foundation as a vehicle to pursue public benefit activities.

Until recently, these low numbers were reinforced by a situation in which existing charitable foundations neither communicated their activities to a wider public, nor were looking for coalitions to promote philanthropy as a whole. Hence, a collective identity as a sector was largely missing. This changed to some extent over the last years. Since its formation five years ago, the "*Verband für gemeinnütziges Stiften*" engages in creating more visibility of the activities of charitable foundations, in lobbying for better framework conditions and fostering visible role models for future philanthropists. In addition, a coalition of 14 charitable foundations called the "*Sinnstifter*" ("foundations with a mission") have founded an association to organize joint programs and align their activities on a more formal level.

## 4. Sampling and Methodology

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The main goal of this study is to research the feasibility of community foundations in Austria and to draw conclusions for the potential promotion of this concept. In preparation for this study, we first got familiar with the concept of community foundations and its specific characteristics. The initial step was a phone call with Vera Dakova, program officer at C.S. Mott Foundation, to clarify general questions and the overall definition of community foundations. As a next step, Susan Üstün visited the three-day UK community foundations Conference in Glasgow in September upon invitation of the European community foundation Initiative (ECFI), a support initiative for community foundations in Europe. There, she connected with a number of international practitioners in the field and deepened her understanding of the different local adaptations of community foundations. After meeting Anja Böllhoff, coordinating director at ECFI in Glasgow, an additional meeting with her was set in Vienna in early October to discuss the concept and the adaptation of community foundations ("*Bürgerstiftungen*") in Germany. In a next step, we researched the current legal environment in Austria assessing the relevant foundation laws that are applicable to the implementation of community foundations. After this preliminary research, two meetings were held with the project partner "Verband für gemeinnütziges Stiften" to share these insights and to conclude on a study design and the sampling of interview partners.

Given that community foundations have not yet been of relevance in Austria and in order to obtain an in-depth understanding about why and how community foundations could be useful in the Austrian context, an explorative qualitative research approach was adopted. Semi-structured interviews with stakeholders from Austrian civil society and other important institutions were chosen as the method for this study. The interviews build on two lines of questioning: On the one hand, why the concept of community foundations has not yet been established in Austria, and on the other hand, what would be needed for a respective implementation. Thus, we selected stakeholders from various fields in order to gain a diverse and comprehensive set of perspectives on and from the Austrian civil society sector.

Against this backdrop, the sample of interviewees includes experts from the nonprofit sector and representatives of initiatives from civil society, foundations, associations, representatives of communities and mayors. During a meeting with the "Verband für gemeinnütziges Stiften" an initial list of 20 interview partners was developed. We integrated a "snowball sampling" approach in the interviews to utilize the interviewees' knowledge and networks for the identification of additional potential interview partners. This resulted in 27 potential interview partners, who we contacted in the course of the study. Ultimately, 13 persons were available to participate in the interviews (see table 1 below and for a full list and descriptions consult the appendix).

Interview	Name	Organization	Date
Interview 1	Univ.Prof. Dr. Michael Meyer	Vienna University of Economics and Business, Institute for Nonprofit Management	18.10.2019
Interview 2	Ruth Williams, MSc	Verband für gemeinnütziges Stiften	23.10.2019
Interview 3	Lorenz Glatz	Munus Foundation	29.10.2019
Interview 4	Mag.a Sonja Jöchtl	European Forum Alpbach Foundation	29.10.2019
Interview 5	Mag. Josef Fanninger	Leader Region Lungau	06.11.2019
Interview 6	Ing. Rainer Siegele	Mayor Municipality Mäder	11.11.2019
Interview 7	Paul Tritscher, Raphael Kößl	GEA Waldviertler	12.11.2019
Interview 8	Dr. Günther Lutschinger	Austrian Fundraising Association	15.11.2019
Interview 9	Dr. Martin Melzer, LL.M.	Müller Partner attorneys at law	19.11.2019
Interview 10	Dr. Christian Konrad	Former Coordinator for Refugee Affairs of the Austrian Government	19.11.2019
Interview 11	Dr. Paul Jankowitsch	Rotary Clubs Austria	20.11.2019
Interview 12	DI Franz Neunteufl	Interest Group of Public Benefit Organizations (IGO)	20.11.2019
Interview 13	Franz-Karl Prüller, MSc	ERSTE Foundation	21.11.2019

Ta-

ble 2: List of interviewees

As part of the analysis of the findings, we conducted a Force Field Analysis. Force Field Analysis is a method of listing and evaluating the forces supporting and restraining an issue. It is utilized to understand problem-based situations in social science and to manage planned change. This model helps to cluster and analyze the forces that influence an issue. This is important because a process of change is generally determined by numerous aspects such as beliefs, expectations, cultural norms, a certain understanding of the change process, etc. Some of these forces may be useful for the process while others may hinder any efforts to initiate change. A Force Field Analysis offers an overview of any identified driving or restraining factors and therefore serves as a method for assessing the starting situation for transformation and identifying potential fields of action (cf. Lewin 1946).



## 5. Interview Findings

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As stated in the methodology section above, the primary research consisted of 13 interviews with representatives from the nonprofit research sector, foundations, associations and civil society among others. This chapter provides an overview of the data gathered through empirical research and gives insights into the themes most relevant for a potential implementation process of community foundations in Austria.

### 5.1. PREVALENCE OF COMMUNITY FOUNDATIONS AND THE QUESTION OF DEMAND

The first line of inquiry followed the question of prominence of the concept of community foundations in the Austrian context. Among the interviewees from the foundation and philanthropy ecosystem, the majority was familiar with the concept, or had at least heard of it. The most prominent characteristics mentioned by the interview partners were its locality and potential for civic participation due to the prerequisite to involve numerous founders. The differentiation from private foundations was also emphasized as a promising defining feature.

Representatives of civil society initiatives, cooperatives and associations were overall less familiar with the concept. They raised questions regarding the unique selling proposition of community foundations in comparison with the institutional forms and characteristics of associations and cooperatives. Once the concept and its characteristics were outlined, the interviewers investigated whether the concept was missing from the Austrian ecosystem in the opinion of the interviewee. The general outlook was that there is potential for the concept of community foundations, but the interviewees did not agree on whether there was a gap in the organizational landscape of Austria that could or should be filled by such an initiative.

On the one hand, it was noted that charitable foundations were not particularly widespread in Austria, which might point towards the saturation of the organizational landscape. A few of the interviewees did not see a need for the concept due to the popularity and high prevalence of associations and the fact that there is an established system of public funding opportunities for local and regional initiatives in Austria. Community foundations often address a deficit of the public sector, which is considered not as big an issue in Austria as it might be elsewhere. Based on his experiences with setting up charitable foundations, one expert on foundation law questioned the practicability of engaging numerous founders within one foundation, as it frequently causes complications in terms of governance. The main disadvantage is that it is much more difficult to constitute the decision making structure within the foundation, given the current legal instruments and the low level of experiences with setting up a charitable foundation. In his experience, founders of associations might choose to set up a foundation if they do not want to involve all members in the decision making process. This would foil the idea of community foundations as a low-threshold concept that envisages to involve a high(er) number of stakeholders around an issue. Additionally, longevity of foundations as intended within the concept of community foundations is not ensured in the Austrian legal form of a charitable foundation, as its statutes are quite flexible since the legal amendments in 2015.

On the other hand, the majority of interview partners acknowledged the potential of community foundations in Austria. Some highlight the need to spread and develop the concept of community foundations to promote charitable engagement. Another respondent believes it to be a valuable concept to enhance solidarity between the elites and their surrounding communities, which in their opinion is particularly difficult to reach in a welfare state. Others concede that many people would generally like to engage, but struggle to overcome bureaucratic hurdles and that there might be a need for locally established community foundations to support such small initiatives. Finally, another interview partner argued, that while it would make sense for regional civic engagement to be organized through community foundations, it is also the case that one cannot miss something that is not known. This observation leads us to the question why the concept of community foundations has not taken root in Austria.

## 5.2. REASONS FOR THE ABSENCE OF COMMUNITY FOUNDATIONS IN AUSTRIA

The great majority of interview partners identified the lack of information on the availability of foundations in general and community foundations more specifically as a framework for local civic engagement. One founder of a charitable foundation did not come across community foundations as a potential organizational form despite extensive research prior to the establishment of his foundation. It took him and his co-founders a while to move on from the idea of founding a private foundation to a charitable foundation, as it not widely discussed as a potential legal form. In general, interviewees described the process of establishing a foundation as non-transparent and highly bureaucratic. While associations can be set up easily and quickly, the founding process of a foundation is a lot more costly and time-consuming. The authorities in Austria are characterized as highly bureaucratic and uncooperative in this regard.

Another reason to explain the underdeveloped foundation sector in Austria is the negative image of major charitable giving as described by another foundation representative. The interviewee has come across donors stating that they would halt their donations if their names were made public. Charitable giving seems to be perceived as a means to cover up wrongdoings, soothe a bad conscience, or save taxes. Austria's culture of philanthropic engagement differs to the US for instance – Austrian citizens mostly expect the state to address and solve social issues. This goes hand in hand with the high level of social service provision by the welfare state in Austria. There is less of a demand as personal and communal strains are comparatively low. In rural areas, there is generally sufficient community support to tackle social issues that could alternatively be addressed by community foundations. Private initiatives are more prevalent in places and fields where the state is less present or retracting, e.g. in areas such as migration, refugee support or social inclusion of those minorities. Greater financial engagement is often accompanied with the fear that governmental support is cut or suspended if private initiatives shoulder the provision of social services.

The negative connotation of the term "*Stiftung*" (foundation) was frequently mentioned as a third explanatory factor that would account for the absence of community foundations and the small number of charitable foundations in Austria. This phenomenon is addressed in more detail in chapter 5.4.

## 5.3. PERCEIVED ADDED VALUE OF COMMUNITY FOUNDATIONS

As mentioned, most interview partners believe that community foundations could add to the organizational landscape with regard to civic engagement. As identified by the most recent report of the "Fundraising

Verband Austria" (FVA 2019), there is space for improvement with respect to the extent of civic engagement and charitable giving in Austria, especially in international comparison. One respondent expressed the hope that the potential establishment of community foundations in Austria would drive the further development of the foundation sector and civic engagement with its bottom-up approach. The interviewee sees major benefits of community foundation compared to private and even charitable foundations in increased general trust and transparent governance.

Another interviewee brought forward that the success of crowdfunding campaigns can be perceived as a good indicator that the community foundation is a model with potential in Austria. Seemingly, there are issues and organizations that are capable of gathering a high number of supporters. However, in the case of community foundations the dissemination of a respective institutional platform needs to be supported by tangible use cases and clear communication regarding the actors engaged in such a foundation (i.e. transparency). This way citizens and local communities can be empowered to engage and at the same time gain ownership of their communal efforts.

Interviewees repeatedly mentioned the fact that the organizational form and model of associations are more accessible in comparison to foundations. One representative of an advocacy group for charitable organizations turned this perceived disadvantage into an opportunity. Members of civil society who seek advice for setting up an association often lack funding for their initiative. Hence, community foundations could potentially increase the perception of the importance of financial planning prior to the establishment of a legal organization, thus enhancing financial literacy, organizational planning and supporting the sustainable handling of financial resources. Thereby, community foundations could contribute to a needed professionalization of grassroots initiatives.

A representative from a locally active organization emphasized the potentially nonpartisan nature of a community foundation as a benefit. This could be of value particularly with regard to municipalities and mayors, who are generally tied to a political party. Community foundations could broaden their scope of activities and increase participation across political divides.

Even though the conceptual overlaps with associations were often described as a barrier, they could also be seen as an opportunity. Associations usually focus on specific issues rather than geographical areas, whereas community foundations could be a good framework to gather and involve people with the same outlook and mission in a certain local or regional context. The envisaged gap for community foundations would then be the locality of engagement across fields of activity and existing initiatives. Albeit there are foundations in Austria that focus on one specific province ("*Landesstiftungen*", provincial charitable foundations), these foundations cannot be described as influential players in the realm of civic participation. They are remnants of the past that are rather administered than actively managed. For this reason, a handful of interviewees advocated for a strong regional focus in the dissemination process of the concept.

Longevity and (financial) sustainability are two traits that are associated with foundations. Yet, the learnings regarding the legal framework have put this assumption into question. With the legal amendments in 2015, the regulatory framework regarding the statutes of charitable organizations was actually loosened. The statutes and therefore the mission of a charitable foundation can be amended easily. This potentially

disadvantageous flexibility could be limited if the mission's immutability is enshrined in the founding statutes. Regardless of the legal conditions, the perception of foundations as a resilient and long-lived organizational form could encourage engagement in a community foundation according to many of the respondents.

Due to the nature of community foundations, the issues addressed by the organization are steered by its founders and supporters. Nevertheless, the interviewees identified locally relevant issues that could be tackled by community foundations. The topics could range from arts and culture and inclusive education to environmental issues, SDGs and integration, as these topics are considered to be partially underfunded by policy makers in Austria. In addition, the expansion of public transport as well as the revitalization and improvement of public life in rural areas were specifically mentioned by three of the survey participants.

#### 5.4. THE NOTION OF THE TERM "BÜRGERSTIFTUNG" IN THE AUSTRIAN CONTEXT

In Germany, the term "Community Foundation" was translated into "*Bürgerstiftungen*" (i.e. "Citizens' Foundation"). However, the term "*Bürgerstiftung*" comes with some issues: both "*Bürger*" and "*Stiftung*" are charged terms in the Austrian context, which is why the majority of interviewees expressed concerns about the German term for the concept.

The term "*Stiftung*" is historically charged and often associated with wealth and the upper class. Especially with the more recent introduction of the "*Privatstiftung*" ("Private Foundation"), foundations are perceived in the wider public as a way for wealthy people to pass on their inheritance within the family and to avoid paying taxes. It is not seen as an organizational form accessible to "common people", which is put forward as one of the reasons for the small number of foundations in Austria. Whereas most interviewees identified the term as problematic, one respondent saw it as a chance to improve the association with and the image of the term. Foundations would potentially then be associated with participation and civic engagement, not just with wealth and tax avoidance. Another interviewee saw potential in the fact that foundations represent an organizational form that is at least already established in Austria, which, according to them, makes for a good starting point.

Interestingly, the term "*Bürger*" ("citizen") caused even more controversy among the interviewees. While some saw it as a chance to make the idea of foundations more accessible, others understood it as an exclusionary term. The English term "citizen" is less loaded; in the German language however, it is associated with "*Bürgertum*" ("bourgeoisie" or "middle and upper class") which does not match the core of the concept in terms of perceived accessibility. Additionally, there are gendered forms of a noun in the German language, "*Bürger*" being male, and "*Bürgerin*" female. It was thus noted by some of the interviewees, that the term "*Bürgerstiftung*" risks the exclusion of the female population. The inclusive term would therefore have to be "*BürgerInnenstiftung*", opening up a contested discussion around gender issues.

Another issue with the term "*Bürger*" in Austria is that it does not reflect a widely used self-image. As one of the interviewees noted, people do not see themselves as such, which means that they potentially would also not see themselves as someone who could engage in a "*Bürgerstiftung*". While a few of the interviewees advocated for the English term "Community Foundations", the majority noted that a German term would have to be applied in the Austrian context. Otherwise, there is a risk of not reaching citizens in more rural areas or older generations. One interviewee suggested choosing a term with a stronger focus on

altruism and the commons. When asked about alternative names for the concept, the interviewees suggested the following: "*Gemeindestiftung*" ("Municipality Foundation"), "*Nachbarschaftsstiftung*" ("Neighborhood Foundation"), "*Gemeinschaftsstiftung*" ("Community Foundation"), "*Grätzl-Sparbuch*" ("Neighborhood Savings Account") or "City Foundation".

Despite the ambivalent feelings about the different notions of the term, many of the interviewees could work with it. At the same time, they stressed that much emphasis and effort have to be put into the communication strategy when introducing the concept and terminology in the Austrian ecosystem.

## 5.5. POTENTIAL STRATEGIES FOR THE DISSEMINATION OF THE CONCEPT

The interviewees recommended different strategies for the dissemination of the concept and identified potential actors and multipliers. One informant stated that the concept must not clash or be presented in competition with associations and clubs that are already in place. Other interviewees also pointed out that community foundations needed to be introduced on the same level as associations, or on the spectrum between associations and foundations. In addition, how community foundations differ from private and charitable foundations would need to be communicated clearly. The concept should be promoted as a possibility of civic action and participation, as most people active for a charitable cause would neither know the concept, nor see the connection with the civil society sector. Still, there is potential in offering an alternative to associations in order to diversify the options and facilitate civic engagement. Another line of argument suggested taking a closer look at municipalities and the question, what kind of initiatives could benefit from this organizational form if community foundations shall be established in Austria.

In terms of implementing the concept of community foundations, the improvement of the general image of philanthropy was seen as an important first step. Hence, a comprehensive campaign on civic engagement and strategic donating was recommended. More transparent disclosure requirements for foundations would constitute a benefit compared to associations, which are not required to meet certain accountability standards. Participatory aspects, locality and transparency are unique features of community foundations that have to be communicated as such. Additionally, the concept has to be presented as a possible avenue within the Austrian legal framework. Respective legal amendments to the current foundation law might be possible within the revision period in 2020. Providing legal support for the establishment of a foundation would also be highly useful for the promotion of the concept. Since the time-consuming and tedious process of applying for a charitable status as a foundation was mentioned as one of the main hurdles, a separate track for community foundations and charitable foundations at the tax authority was suggested as one measure to make these organizational forms more attractive and accessible.

One interview partner does not expect community foundations to become highly popular straight away and recommends drafting some sort of handbook listing all benefits of community foundations that can be sent to mayors and associations, who could then support such local efforts. It would also help if representatives of best practice examples from Germany presented their cases in Austria in order to make the concept more tangible. Regarding further ideas for the dissemination of the concept, the interviewees additionally mentioned visibility campaigns, templates of statutes, a handbook with marketing tools for the founders of a community foundation, and the presentation of good practice cases that are applicable in the Austrian context to help increase the understanding of the concept. The promotion of cooperation between founders,

donors and the public sector was highlighted as a possible approach to community foundations, as long as the independence and the bottom-up character can be ensured.

The theoretical concept of community foundations also needs to be disseminated in the wider support ecosystem (e.g. among consultancies, legal and tax advisors) and shared with people who can act as multipliers. Mayors of municipalities were often mentioned as potential stakeholders who could support the introduction of the concept. The "*Dorferneuerungsbewegung*" ("village renewal movement") in Lower Austria is an example of an association that resembles a community foundation. Hence, they are a potential actor who could initiate such a foundation or transform into one.

Other organizations and institutions that were mentioned as important stakeholders and multipliers are: the "*Verband für gemeinnütziges Stiften*" ("Austrian Foundation Association"), Chamber of Commerce, Federation of Austrian Industries, the "*Fundraising Verband*" (Fundraising Association), the political party "NEOS", the "*Zukunftsbüro*" ("platform for civic engagement and sustainable development") in the Austrian province of Vorarlberg, the "*Sinnstifter*" (an association of 14 charitable foundations), the "*Kulturstiftung Kärnten*" (foundation with a focus on culture), the "*Innovationsstiftung Bildung*" (foundation with a focus on education), and more generally municipal and regional coalitions and associations.

## 6. Assessment of Opportunities and Barriers

In order to analyze and illustrate the findings from the primary and secondary research, we developed a Force Field Analysis. With this method, the findings were clustered along the categories of driving forces and restraining forces.

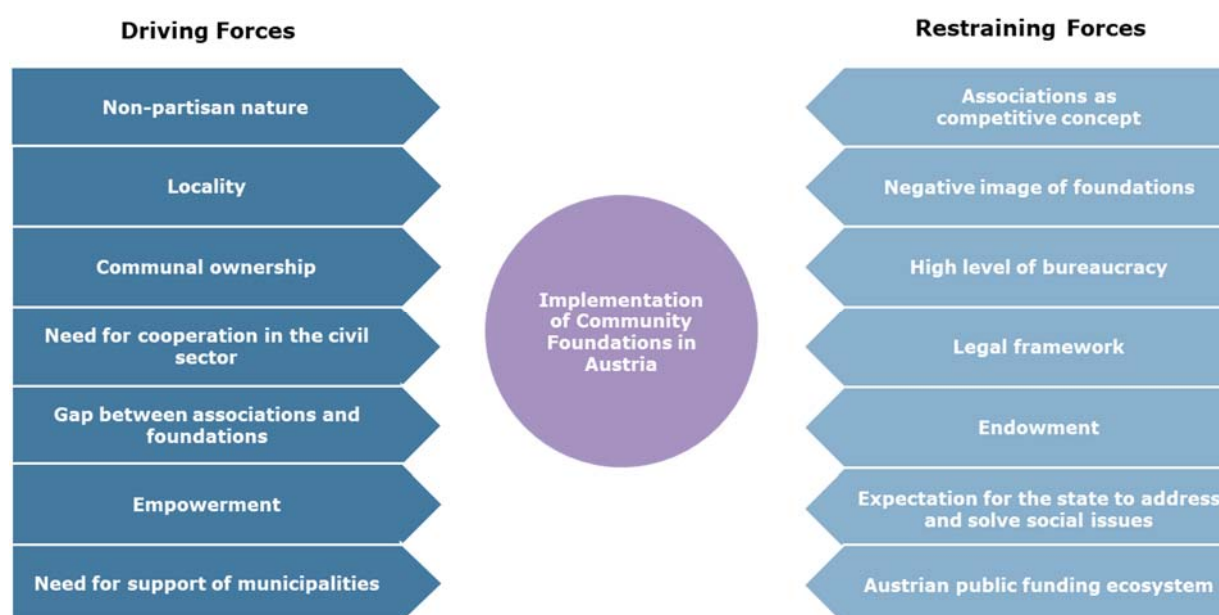


Figure 3: Force Field Analysis

The forces were derived from possible barriers and potentials we identified in the research. In the next section, each force is explained in detail.

### 6.1. RESTRAINING FORCES FOR COMMUNITY FOUNDATIONS

#### Barrier 1: Negative image of foundations and major giving

Eleven interview partners identified the negative image of foundations and major giving in general as a substantial obstacle for the implementation of community foundations in Austria. On one side, this is due to the historical events during which the number of foundations significantly diminished. As there were no attempts taken to restore the high number after the Second World War, Austria has not sustained or developed a culture of philanthropy similar to other European countries. On the other side, foundations are associated with the private sector and are seen as a vehicle for wealthy people to save taxes and manage assets for private purposes. Additionally, it seems to be perceived as a means to cover up wrongdoings or soothe a bad conscience. In general, there is a lack of understanding of the value of foundations for civil society and a lack of information on the practicability of foundations as a framework for local civic engagement. When it comes to the name of the concept, the German term "*Bürgerstiftung*" could be problematic as "*Bürger*" in the Austrian context is a strongly connoted term associated with superiority and Bourgeoisie.

## **Barrier 2: Associations are a widespread and therefore competitive concept**

In Austria, civic engagement is not stringently associated with foundations. The common and well-known concept of associations is the first choice for the vast amount of formalized civil society activities. As they are widespread in terms of numbers and largely unsuspecting in terms of credibility, citizens are likely to donate their time, skills and money to an association, which frequently supports one specific topic. Another reason for the popularity of associations and clubs is that the legal requirements and costs of establishment are low. Furthermore, if broad involvement of the members is wanted, associations are an appropriate framework in Austria that also accounts for democratic decision-making within the organization. Especially in rural areas, there is in very many cases sufficient community support for associations to tackle social issues and they are also fostered and supported by local public governance systems. Additionally, even though some associations show similarities to community foundations in the way they are set up and run, the unfamiliarity with alternatives is currently a barrier to the implementation of the concept.

## **Barrier 3: High level of bureaucracy and lack of legal support in the founding process**

Another barrier for community foundations applies to all foundations in Austria. The approval of the charitable cause is done by tax authorities and is generally perceived as an intransparent and time-consuming process. This lack of transparency is increased by the lack of support services in the ecosystem and results in high costs for the founders, as they need substantial legal support in order to fulfill the bureaucratic requirements.

## **Barrier 4: Legal framework**

For the implementation of community foundations, the "*Bundes-Stiftungs- und Fondsgesetz 2015*" ("federal law on charitable foundations") is not a perfect fit, because a "*Bundesstiftung*" ("federal charitable foundation") needs to operate nation-wide and cannot be limited to a region or local area without adaptations. Every province has its own "*Landes-Stiftungs- und Fondsgesetz*" ("provincial law on charitable foundations"), which would make it difficult to adapt all nine of them to the concept of community foundations. Overall, none of the existing laws are a perfect match. The longevity of foundations is not ensured in the Austrian legal form of a charitable foundation, as the statutes are quite flexible. Moreover, the current tax law makes it even more problematic, particularly the stipulations on immediacy ("*Unmittelbarkeitsgebot*"), which require foundations to only implement their own projects and would not allow for providing direct financial support if they wish to receive respective tax advantages for their charitable work. This means that community foundations would need to follow the model of operative foundations. In addition, it might be difficult to reflect the governance and decision-making structure typical for community foundations within the statutes, especially if there are several founders included.

## **Barrier 5: Endowment**

The rather high minimum capital of € 50,000 for "*Bundesstiftungen*" and € 70,000 for "*Privatstiftungen*" can be seen as a hindrance for civilians who want to establish a foundation. In addition and due to the current low interest rate environment, even a high initial endowment does not necessarily enable the foundation to carry out its own campaigns or projects. Therefore additional funds constantly have to be raised, which might prove difficult or even increase the financial and operative burden on the founders.



### **Barrier 6: Expectations vis-à-vis the state to address and solve social issues**

Many interview partners report the general perception in the public that the responsibility of offering social services, which could be addressed by community foundations, is often ascribed to the state. There is a constant fear among civil society initiatives that the state will retract from certain fields of activity or programs if nonprofit organizations engage in areas traditionally served by the public sector. Additionally, levels of personal and communal strain among the elites are rather low, partly due to Austria maintaining a well-established welfare state and its (perceived) high tax burden. This might explain comparatively low levels of civic engagement, especially in terms of financial support.

### **Barrier 7: Accessibility of the Austrian public funding ecosystem**

The Austrian state provides a high level of income redistribution and social service provision, with many local, regional and national public institutions offering funds to even small and often highly specialized initiatives. As a result, the urgency for funding on the local level and therefore the demand for the establishment of community foundations may be limited.

## **6.2. DRIVING FORCES FOR COMMUNITY FOUNDATIONS**

### **Potential 1: Filling the gap between associations and foundations**

Community foundations have the potential to fill a gap between associations, which are mostly bound to one specific topic, and foundations, which are perceived as elitist concepts. Furthermore, community foundations could potentially increase financial planning prior to the establishment of a legal organization and therefore positively influence financial literacy, organizational planning and a better understanding of financial resources among civil society initiatives. Additionally, the perceived benefit of a foundation is its longevity and financial sustainability, which could be embodied by the concept of community foundations.

### **Potential 2: Locality**

The locality of engagement has the potential to enhance civic participation in Austria, mostly because it is easier to attract the attention of civil society when addressing local and regional issues. Locality is not a widespread characteristic in the foundation ecosystem in Austria. There are regional "*Landesstiftungen*" in all provinces in Austria, but those play a minor role in local engagement. We identified a lack of foundations which focus on local issues. Addressing this specific gap and a geographically focused range of activities bears potential for community foundations.

### **Potential 3: Ownership and empowerment**

Community foundations can improve the image of charitable major giving and increase the community's interest in contributing to jointly identified local or regional issues. The fact that such foundations are set up and run by a number of citizens might create ownership within the community, which then encourages further civic engagement. Therefore, it is crucial to communicate the participatory and bottom-up character of community foundations as its unique feature. This may also lead to increased trust and a higher involvement in the governance of those activities.

**Potential 4: Establishing cooperation in the civil sector**

One aspect also mentioned various times during the empirical investigation was the untapped potential of fostering cooperation between different organizations and movements. Community foundations could enhance solidarity within civil society by involving a number of people with the same mission in its organizational form and providing a low-threshold platform for existing initiatives to connect. In addition, cooperation can increase the scope of action on a local level, as resources can be shared and allocated more effectively. The characterization of community foundations as a platform that embraces networks of local initiatives might be a promising approach.

**Potential 5: Nonpartisan nature**

The political affiliation of organizations is common in rural areas (e.g. "*Caritas*", "*Volkshilfe*", "*Hilfswerk*" and other large social service providers), which offers community foundations the great potential to position themselves as a concept of nonpartisan nature. This political independence can drive, particularly on a municipal level, local engagement that is not dependent on the mayor or other public institutions.

**Potential 6: Improving the image of (charitable) foundations and giving**

It seems crucial to improve the image of charitable major giving in Austria, especially in its institutionalized form. Therefore, campaigns about civil engagement and strategic philanthropy are indispensable also for the success of community foundations. Vice versa, community foundations are a chance to improve the image and the associations with the term foundation in general. This might increase the interest in forming civic coalitions across different social strata within a community and considering foundations as a possibility for channeling common local engagement.

**Potential 7: Supporting and relieving the work of municipalities**

Given the acceptance of its nonpartisan nature, community foundations could potentially offer support and cooperation to local municipalities. This is particularly the case in areas where the national government is retracting and the burden on municipalities and local initiatives is increasing. There are municipal initiatives in Austria that resemble community foundations in its organizational form and area of activity. Such initiatives could be a starting point for the implementation of community foundations.

## 7. Conclusions and Recommendations

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The analysis of the current size and scope of civic engagement in Austria and the specifically gathered empirical data provided the basis for the subsequent identification of barriers and potentials for the implementation of community foundations in Austria. We conclude with the following recommendations:

We suggest the **IDENTIFICATION OF AN ORGANIZATIONAL PLATFORM FOR THE PROMOTION OF COMMUNITY FOUNDATIONS** as a first step. A committed and reliable national partner seems crucial for the promotion and implementation of the concept. We recommend the identification of a widely acknowledged actor who is willing to take on this task. In a further step funds and resources for developing this organizational platform need to be raised.

Once the national ownership of the concept of community foundations has been clarified and fostered, a **MULTI-STAKEHOLDER CONSULTATION PROCESS** should be initiated. Foundations, civil society support organizations, the public sector, the Austrian associations of cities and municipalities, representatives of international examples and existing similar Austrian initiatives are potential stakeholders to be included in the process. Through this consultation process, a common understanding and a charta of principles for community foundations should be developed and tailored to the Austrian context.

In a next step, the **SUPPORT INFRASTRUCTURE** for the implementation of the concept needs to be established. This includes the development of templates, guidelines, advisory services and, in the medium run, certification procedures. Furthermore, we recommend supporting existing or emerging local and regional initiatives as pilot community foundations within the Austrian context. The dissemination of the concept of community foundations across other platforms (such as umbrella associations and conferences) and the initiation of an awareness-raising campaign should complement this process.

To add to the support infrastructure, the **INVOLVEMENT OF THE PUBLIC SECTOR** on various levels would aid the implementation process of community foundations. First, the public sector is the relevant counterpart for the removal of potential current legal and tax-related barriers. Second and dependent on the acknowledgement of the nonpartisan nature, the public sector can promote community foundations on a local, regional and city level as a concept that mobilizes and coordinates additional civic engagement, community building and service delivery.

Finally, accompanying measures for the general **IMPROVEMENT OF THE CONDITIONS FOR CHARITABLE FOUNDATIONS** in Austria need to be considered. This would also build fertile grounds for the introduction of community foundations in terms of a widened spectrum and perception of philanthropic work. The legally required evaluation of the current federal law on charitable foundations in 2020 could serve as an opportunity to start a larger debate on the manifold expressions and societal contributions of foundations in general and to put community foundations up for discussion.

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## Table of Interviewees

Name	Organization	Classification	Description
Mag. Josef Fanninger	Leader Region Lungau	Local government initiative	Regional association of all municipalities of Lungau. Main efforts are regional planning and inter-municipal cooperation. The LEADER program was such an activity.
Lorenz Glatz	Munus Foundation	Foundation	Foundation (Bundesstiftung) with the aim to increase community-supported agriculture.
Dr. Paul Jankowitsch	Rotary Austria	Association	District Governor of Rotary Clubs Austria.
Mag.a Sonja Jöchtl	European Forum Alpbach Foundation	Foundation	The foundation (Privatstiftung) funds scholarships for the European Forum Alpbach.
Dr. Christian Konrad	Former Coordinator for Refugee Affairs of the Austrian Government	Citizen	Started the initiative "Menschen.Würde.Österreich" to enhance cooperation between local efforts and associations. He also established the association "Österreich hilfsbereit" in 2015 aimed at integration of refugees.
Dr. Günther Lutschinger	Fundraising Verband	Nonprofit organization	Offers trainings on how to work and cooperate with foundations. The aim is to increase the trend to incorporate capital into charitable foundations.
Dr. Martin Melzer, LL.M.	Müller and Partner Law	Lawyer	Expert on company succession, private foundations, charitable foundations, inheritance and corporate law.
Univ.Prof. Michael Meyer	University of Business and Economics Vienna	Academia	Head of the Institute for Nonprofit-Management at WU Vienna, researching forms of civic engagement and nonprofit organisations.
DI Franz Neunteufl	Interessenvertretung Gemeinnütziger Organisationen (IGO)	Association	The mission of IGO (Interest Group of Public Benefit Organizations) is to improve the political, economic and legal framework for charitable organizations, to increase appreciation of the third sector in Austria and to offer trainings and consultancy in the third sector.
Franz-Karl Prüller, MSc	ERSTE Foundation	Foundation	„Sparkassen-Stiftung“ (private savings banks foundation) that funds charitable causes in the areas of social innovation, integration, participation, contemporary arts and culture and democracy in Europe.
Ing. Rainer Siegele	Mayor Municipality Mäder	Mayor/government body	Since 1992, the municipality Mäder engages in civil society inclusion in the development of the region.
Paul Tritscher, Raphael Kößl	GEA Waldviertler	Cooperative	GEA, a local shoe manufacturer, consists of different organizational forms (cooperatives, associations and limited companies).
Ruth Williams, MSc	Verband für gemeinnütziges Stiften	Nonprofit organization	Network that represents charitable foundations and other philanthropic actors in Austria.

# Appendix

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## INTERVIEW GUIDELINE

Introduction of the Competence Center for Nonprofit Organizations and Social Entrepreneurship and the research project on community foundations. Before we start: is it okay for us to record the interview?

1. [Brief introduction] – **Please introduce yourself and your organisation/foundation/institution.**
2. **Do you know the concept of Community Foundations?**
  - Yes
    - How do you define community foundations? What do you associate with it?
  - No
    - Short description
  - What do you associate with it? Is there anything that comes to mind?
3. For all those with a bird eye view (researchers, representatives of unions / federations etc.): **When thinking about the nonprofit sector in Austria, would you say the concept of community foundations is missing in the ecosystem?**

For all representatives of foundations/associations/cooperatives: **When thinking about your activities (in the Region)/about your association, cooperative, foundation, would you say the concept of community foundations is missing in the ecosystem?**

4. **What benefits/added value could community foundations have in comparison to other organisational forms?**
  - If so, in what area do you see the benefits?

[Give the interviewee time to think about it, and then address the following dimensions:

- a) Fundraising,
- b) Create engagement/support donors and citizens on the local level,
- c) Support cooperation among local initiatives,
- d) Stability,
- e) Governance/decision making processes,
- f) Sustainability,
- g) Commitment to statutes,
- h) Being a hub for initiatives in the region]

- Which issues could be covered by community foundations? Which topics need attention in Austria?
  - The term “Bürgerstiftung” is used in Germany, English-speaking countries use the term community foundations. Do you think „Bürgerstiftung“ is appropriate in the Austrian context? Do you have alternative suggestions?
5. **Why are community foundations not yet established in Austria? What could explain the lack of community foundations?**
  6. **What would need to be done in your opinion to establish the concept?**
    - And to encourage people to engage and become active in the context of a community foundation?
  7. **Who could support the development of this type of civic engagement? Who could initiate the establishment of a community foundation?**
    - Should the public sector get involved?
  8. **What could be potential barriers for the establishment of the concept?**
  9. **Would your organisation be willing to support the dissemination and development of community foundations in Austria?**
  10. **Can you think of any actors in civil society on the local and/or regional level and who could be interested in community foundations as an organizational form?**

Only for interviewees from the foundation sector:

11. Our research suggests that community foundations are implementable within the Austrian legal framework for charitable foundations.
  - **What has been your experience with (charitable) foundations up until now?**

Thank you very much for the conversation. Is it okay to contact you in case any further questions arise? We will collect and analyse the data in a discussion paper and we are happy to share it with you later on in case you are interested.

# Authors

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## **MMag. Reinhard Millner**

Reinhard Millner is senior researcher and lecturer at WU Vienna, co-founder and head of the Social Entrepreneurship Center. He has a background in business administration as well as in economics from studying at WU Vienna, University of St.Gallen and London School of Economics. Since 2013 he also serves as Academic Director for the ERSTE Foundation NGO Academy, offering a range of capacity building programs to NGOs and social enterprises in 14 countries in Central and Southeast Europe and to which he contributes in the areas of program development, curriculum design and program implementation. Furthermore, he is the Program Director of the NEXT Award Program, an acceleration program for Austrian Social Enterprises.

He was a visiting scholar at the Stockholm School of Economics and visiting lecturer at the Zeppelin University in Friedrichshafen as well as at the Centre for Philanthropy Studies of the University of Basel among others. He regularly teaches courses for the WU undergraduate program and the WU MBA program. Reinhard Millner was a member of the GECES subgroup on social impact measurement, a group of experts of the European Commission developing the methodology to measure the socio-economic benefits created by social enterprises. His research interests are Philanthropy and Foundations, Impact Investing, Social Entrepreneurship, Social Impact Assessment as well as Nonprofit Management.



## **Camilla Mittelberger, MA BA**

Camilla Mittelberger is a project coordinator and researcher at the Competence Center for Nonprofit Organizations and Social Entrepreneurship. Besides research, she primarily works on a capacity-building program for NGOs in Southeast Europe.

Camilla Mittelberger holds a Master's degree in Social and Cultural Anthropology from the University of Vienna. She did her undergraduate degrees in English and American Studies as well as Social and Cultural Anthropology in Vienna and at the University of Copenhagen in Denmark, with a focus on Migration Studies and International Anthropological Consultancy. Camilla Mittelberger gained practical experience through her work as a project coordinator in development cooperation projects in the Middle East.



## **Susan Üstün, BSc**

Susan Üstün has been a junior researcher at WU's Competence Center for Nonprofit Organizations and Social Entrepreneurship since June 2018. She mostly works on the scientific support of the TUN fund and researches social impact bonds. Susan Üstün studied International Business Administration at WU Vienna and at ESAN University in Lima, Peru with a focus on Entrepreneurship and Innovation as well as International Business. She is currently doing her Master's degree in Socio-Ecological Economics and Policy at WU Vienna.



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