Charities' response to the European Commission call of interest for their involvement in the European Research Area

Deborah Sessano

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This paper presents an exploratory study to investigate what could be the role of the charities concerned with scientific research in the European Research Area (ERA). The analysis particularly concentrates on UK and Italy. The questions on which the exploratory study was developed are:

1. “In what specific areas of the ERA did the European Commission (EC) for the involvement of charities? And could there be other areas in which charities might participate?”

2. “Given the role and situation of charities in UK and Italy, what role, if any, could they be willing to play in the ERA? Is it the same as the one proposed by the Commission or not?”

In order to answer these questions, the following discussion will focus at first on a short overview of the charity sector, both at the general level and at the national level in UK and Italy. Then a brief presentation of the European Research Area will be given. The hypotheses of the study will then be presented, followed by a methodological section. Results will then be exposed and conclusions drawn.

AN OVERVIEW ON CHARITIES

Common characteristics recognized to all nonprofit organizations (Kendall and Knapp 1993, EC 1998) are:

1. **formal organization**: formal and structured entities, with a charter, a constitution or a set of rules;

2. **independence from government**: constitutionally or institutionally independent from the government, at least from a legal point of view;

3. **self-governing**: decisions must be taken by an internal board and must not be influenced by for-profit entities or by the government;

4. **non-profit distributing**: profit can be earned, but must be reinvested into the organization;

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1 Data used refer to 1993. In that year an extensive international study was conducted by the Kent University and the John Hopkins University. The study, known as Kent/ Hopkins study, was published in a series of working papers, by different authors, with the common title of: *Defining the voluntary sector*, 1993, Baltimore, The Johns Hopkins Comparative non Profit Sector Project. Although dated, this is the only study comparing the NPS across countries and using solid definitions and methodology.
5. voluntarism: the organization must be characterized by volunteers’ involvement and philanthropy.

The entities constituting the nonprofit sector (NPS) all carry out one or more of the following functions (EC 1998, Kendall and Knapp 1993, Charity Commission 2001c):
- **provision of services**: social services, health care, training, advice or support;
- **advocacy**: campaign or lobby on behalf of some cause or group;
- **self-help or mutual aid**: provide mutual help, information and cooperation;
- **resource and coordination**: so called “umbrella bodies” to co-ordinate activities or provide information and support.

From the economic point of view, the NPS as a whole owns sizeable assets, mobilizes large human resources, sells products and services and generates surpluses. The NPS role in funding research and technological development (RTD) is becoming more and more important in a number of European countries (Italy, Belgium, Germany and Greece), whereas in others (i.e. UK, Netherlands, Denmark) it has been an established funder of RTD for years. Between 1983 and 1995, the nonprofit sector has more than doubled its contribution to higher education research and development (HERD) funds, doing better than the business sector and the higher education (HE) own funds (table 1). An analysis of the European flow of funding for RTD as a percentage of Government Expenditure in Research and Development (GERD) shows that the NPS funds to RTD in 1985 were only 0.8% of GERD, while in 1995 they were 1.2% of GERD (Rand Europe 1999). A small, but significant increase, as it is common to all European countries.

**Table 1 – HERD source of funds, aggregate for seven countries* (%)**.

<table>
<thead>
<tr>
<th></th>
<th>Gov. Tot</th>
<th>Business</th>
<th>Abroad**</th>
<th>NPS</th>
<th>HE**</th>
</tr>
</thead>
<tbody>
<tr>
<td>1983</td>
<td>94.0</td>
<td>2.9</td>
<td>0.6</td>
<td>1.5</td>
<td>1.1</td>
</tr>
<tr>
<td>1989</td>
<td>89.9</td>
<td>5.4</td>
<td>1.4</td>
<td>2.1</td>
<td>1.2</td>
</tr>
<tr>
<td>1995</td>
<td>85.6</td>
<td>5.7</td>
<td>3.2</td>
<td>3.7</td>
<td>1.8</td>
</tr>
</tbody>
</table>

Source: Adapted from (Geuna 2001)

Note: *: Denmark, France, Germany, Italy, Ireland, Netherlands, UK.

**: Abroad is mainly the European Union.

From the legal point of view, voluntary organizations vary among European countries, whether they are based on common law or civil law. The first system of law tries to delineate the sphere of the voluntary activity by the purpose of the activity itself, whereas the second tries to define voluntary organizations by their formal features.
English charities

In UK, there is no fundamental distinction between charities and other voluntary organizations, as the laws that existed for charities were extended to other entities. The real difference is not in the legal structure, but in the purposes and objectives: they are charities only if they are recognized to pursue public benefit (Charity Commission 2001a, 2001b, 2001d).

In UK, the workers employed in the nonprofit sector – about 950,000 people in 1993 – are 4% of the total working force. The expenditures of the NPS are 36.6 billion Euros (EC 1998).

A characteristic of the UK NPS is that it plays a major role in the provision of education and research, as many universities, schools and religious organizations have the legal status of charities (tab. 2).

Table 2 – Employees and expenditure of British NPS.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Employees</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education &amp; research</td>
<td>34.9</td>
<td>42.7</td>
</tr>
<tr>
<td>Culture and leisure</td>
<td>27.7</td>
<td>20.6</td>
</tr>
<tr>
<td>Social services</td>
<td>15.4</td>
<td>11.6</td>
</tr>
<tr>
<td>Development &amp; housing</td>
<td>7.8</td>
<td>7.9</td>
</tr>
<tr>
<td>Health-care</td>
<td>4.6</td>
<td>3.5</td>
</tr>
<tr>
<td>Trade union &amp; professional org.</td>
<td>3.7</td>
<td>7.1</td>
</tr>
<tr>
<td>International activity</td>
<td>2.4</td>
<td>3.7</td>
</tr>
<tr>
<td>Environment</td>
<td>1.8</td>
<td>2.2</td>
</tr>
<tr>
<td>Civic &amp; advocacy org.</td>
<td>0.9</td>
<td>0.7</td>
</tr>
<tr>
<td>Philanthropic intermediaries</td>
<td>0.8</td>
<td>0.7</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Adapted from (Kendall and Knapp 1996).

A good part of charities’ income (around 40%) derives from the sales of goods and services, which also accounts for their major share (39%) of total expenditure (Passey 1995). This happens because charities increasingly receive funds to provide public services through contracts by central and local government (EC 1998).

It must be noted that charity law varies among the four UK countries. For this reason the following discussion will concentrate (unless differently specified) on England and Wales, for which detailed data are available thanks to the Charity Commission (CC), which decides if an organization is charitable in law or not.
In 2001, the CC had 159,454 charities registered and their total income was £ 24 billion. The purposes recognized as ‘charitable’ by the CC are taken from the 1601 Statute of Charitable Uses and, most of all, from the Pemsel’s case of 1891:

“Charity in its legal sense comprises four principal divisions: trusts for the relief of poverty; trusts for the advancement of education; trusts for the advancement of religion; and trusts for other purposes beneficial to the community, not falling under any of the preceding heads”(Kendall and Knapp 1993, p.7)

Among charities, there is a particular form of voluntary organization that the present paper concentrates upon: the trust. The trust has no legal personality, liability is held by the trustees, who also form the governing board, which is nominated by the founders of the trust. The most common form of trust is that of a grant-making organization (ACF 2001, Brumby 2001 (accessed in), Kendall and Knapp 1995, 1996, Public Sector Research Management 1994, Salamon and Anheir 1995).

**Role and situation of foundations in Italy**

Interest on the NPS is a very recent phenomenon in Italy; as a consequence, research and information about it are still fragmented.

The Italian legislation does not define the nonprofit sector itself, although it defines different legal forms that charities can take: associations, foundations and social cooperatives. As the activities they conduct are very similar, the only clear difference between foundations and other nonprofit organizations in Italy is in the governance (Guzzi):

- **associations and cooperatives**: the members take decisions in a democratic way and elect the governing body (when it exists);
- **foundations**: there are no members and the rules for decision-making and governing board are established by the founders and written in the charter.

Foundations in Italy are the most similar nonprofit organizations – from a legal point of view – to trusts in England and Wales. The legal definition of foundation is a private nonprofit organization with an endowment that must be used to pursue the aims stated in its charter. Foundations, unlike other voluntary organizations, are subject to *a priori* control to ensure that: 1) statutes are in conformity to the law, 2) management succession has been properly allowed for, and 3) their assets are adequate to achieve their ends.
Italian foundations are small and their endowments are modest. According to Demarie (1997), 60% of a sample of 536 foundations have endowments below 515,000 Euros. Bigger foundations are starting to emerge thanks to the creation of banking foundations, which should originate a new group of grant-making institutes, much similar to the American and British ones. What is peculiar to Italy is that this change is taking place because of government intervention, rather than private benevolence.

Compared to England and Wales, foundations in Italy are a rare kind of institution (about 1,500 in a country with almost 60 million people). Only few of them – around 5% – are grant-making and their grants are usually very small (Barbetta 1999). Most of them, instead, provide goods or services to the public, thus being mostly operating rather than grant-making organizations (Demarie 1997).

Foundations are relatively young, as 93% of them were created after World War II and 73% just after 1976 (Pacini 1997). Because of the growth of the Italian NPS in the last decades, economic figures are changing, but data are rare and the most recent refer to 1993. By then there were 420,000 employees in the NPS, accounting for 1.8% of the total labour force. To paid workers, about 300,000 volunteers should be added. The overall expenditure of this sector is about 14 billion Euros. (ISSAN 1999, Barbetta 1997)

The Italian NPS is very heterogeneous (see table 3), anyway the first five areas account for about 90% of total employment and expenditure. These same areas are also the most important ones in UK, although in different order of importance.

Table 3 – Employees, and expenditure of the Italian NPS (%).  

<table>
<thead>
<tr>
<th>Sector</th>
<th>Employees</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social services</td>
<td>33.4</td>
<td>21.4</td>
</tr>
<tr>
<td>Education</td>
<td>28.5</td>
<td>20.7</td>
</tr>
<tr>
<td>Health-care</td>
<td>14.1</td>
<td>17.8</td>
</tr>
<tr>
<td>Trade unions and professional org.</td>
<td>8.8</td>
<td>22.0</td>
</tr>
<tr>
<td>Culture and leisure</td>
<td>6.3</td>
<td>11.4</td>
</tr>
<tr>
<td>Local community</td>
<td>4.5</td>
<td>1.6</td>
</tr>
<tr>
<td>Civil rights</td>
<td>2.1</td>
<td>2.3</td>
</tr>
<tr>
<td>International activity</td>
<td>1.4</td>
<td>1.7</td>
</tr>
<tr>
<td>Philanthropic intermediaries</td>
<td>0.5</td>
<td>0.9</td>
</tr>
<tr>
<td>Environment</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Adapted from (Barbetta 1997).
The fields of activity of Italian foundations reflect those of the wider NPS, although Barbetta (1999) reports that 32.1% of foundations' activity is in artistic, scientific and medical research. It would seem that research activities are a primary interest of foundations. In reality, 11.1% of foundations is involved (actively doing or financing) research in social sciences, 7.4% research in arts, and only 10.1% in biomedical research and 3.5% research in physical sciences (Demarie 1997).

**The European Commission and the charity sector**

European institutions have a long history of contacts with the voluntary sector. Most of these contacts are informal consultations, as in the case of the Information Society Directorate-General and the Consultative Committee for Cooperatives, Mutuals, Associations and Foundations. There also is cooperation, as in the case of nonprofit organizations involved in the 4th and 5th FP, mainly in the target area of socio-economic research. The European Parliament also relies on voluntary organizations to obtain information and views on a wide range of issues.

There also are formal statements about the importance of linkages with the NPS. The first and most important one is to be found in the Declaration 23, annexed to the European Treaty in 1992:

> “The conference stresses the importance, in pursuing the objectives of Article 117 of the Treaty establishing the European Community, of cooperation between the latter and charitable associations and foundations as institutions responsible for welfare establishments and services” (cited in EC 1998, pp.6-7).

A wide range of funding programs have been opened up to the sector: Structural Funds, Leonardo da Vinci Programme, the new Third Sector and Employment budget lines, etc., as well as the European Voluntary Service Programme which encourage transnational volunteering.

Although not explicitly stating it, the EC seems to hope for a future “collaboration” with the NPS along the lines of the USA example. The EC is aware of the historical evolution of the European NPS and does not seem to be willing to deny it by ‘copying’ the US model and acritically transplanting it in Europe.

The American NPS is constituted by all sort of organisations and, as in UK, it includes most of the nation’s best universities, hospitals, orchestras, civil rights bodies, etc. Moreover, it has been heavily
funded by the government to provide a number of services, from healthcare to scientific research, “that Americans wanted but were reluctant to have government directly provide” (Salamon 2003). Scholars commonly define as “charitable” organisations in the US those that are exempted from federal income taxes. According to conservative estimates (Salamon 1999) in the mid-1990s there were 1.2 million such organisations in the US, employing 11 million paid workers (over 7% of total US workforce). The fields in which the NPS employment and expenditures are concentrated are healthcare, education and social services. In more concrete terms, these organisations provide (Salamon 2003):

- Half of the nation’s hospitals,
- One-third of its health clinics,
- Over a quarter of its nursing homes,
- 46% of its higher education institutions,
- 80% of its individual and family service agencies,
- 70% of its vocational rehabilitation facilities,
- 30% of its daycare centers,
- Over 90% of its orchestras and operas,
- The delivery vehicles for 70% of its foreign disaster assistance.

In the USA, private and nonprofit sectors are increasingly intermingling, finding in partnerships benefits to both. An example concerning basic research is that of Novartis, a Swiss pharmaceutical company, that contributed $25 million to the University of California at Berkeley for basic biological research, asking in return the right to negotiate licenses on a third of the discoveries of the Department of Plant and Microbial Biology, whether it paid for these discoveries or not (cited in Salamon 2003).

In the light of this information, it is then possible to hypothesise that the European Commission envisages an increasing collaboration with European NPS in order to receive support in critical areas such as healthcare, social services, higher education and research.

The distinctive contribution of charities compared to standard EU-type – or governmental – funding is that charities operate in a long-term perspective. Contrarily to the EC or to national governments – always subject to political pressures – trusts and foundations are characterised by independence and continuity, intrinsically insured by their own legal form. These characteristics allow trusts and foundations to get involved in issues where governments could not venture because of public accountability, may these issues be supporting research in problematic or not rewarding areas or helping socially excluded classes. These same characteristics also differentiate charities from for-profit associations and private companies, which must deal with shorter-term considerations and needs. For this reason, charitable bodies can help and build partnerships across
sectors to find adequate responses to social, scientific and economic challenges faced by citizens (European Foundation Centre (EFC) 2001). These features also explain why trusts and foundations usually try to tackle the causes of the problems, instead of trying only to find solutions to the problems so to minimize negative impact and effects.

To summarise, foundations and trusts give a ‘human dimension’ to the actions in which they are involved, they work in a long-term perspective being able to ‘experiment and take risks’ and they can help to create joint partnerships across sectors to complement each other.

In this way charities can offer an original contribution to standard funding of research, as “The bulk of their action is to help address causes and try to anticipate changes in particular by supporting research, building expertise and testing new approaches, thereby acting as catalysts for innovation” (European Foundation Centre (EFC) 2001).

**THE EUROPEAN RESEARCH AREA**

Although the Framework Programme (FP) was created with the intention of developing a European strategy in RTD policy, its outcome has been the so-called ‘15+1’ scheme, 15 national programs plus the FP, implying a lack of coherence in the interaction between the two parts of the scheme.

In this light, the European Research Area proposed by the European Commission (2000a) is intended to be the starting point of a re-organization of the science system at the European level.

The rationale is “to increase the impact of European research efforts by strengthening the coherence of research activities and policies conducted in Europe” (EC 2000b), thus avoiding duplication of efforts.

It mainly wants to integrate RTD activities through a harmonization of national, European and intergovernmental research programs. This should allow on one side to reach the necessary ‘critical mass’, to achieve economies of scale and to better allocate resources in RTD activities and, on the other, to reduce negative externalities due to scarce information and low mobility of researchers (EC 2000a). Another objective is to enhance the relationship between RTD and European citizens, by “putting research back at the heart of society” (EC 2000b) and mostly by allowing an informed political debate on its application, given its social implications.

It is important to emphasize that the ERA is the general frame, whereas the 6th FP is a way to implement it. The ERA is the broader picture, the ultimate goal. The 6th FP is just one, although the most important, of the means to achieve that goal.
The EC itself has pointed out that financing schemes should involve *new actors*, combining funds from national, regional and European origin, from the private sector and from *private foundations* (EC 1998).

Guidelines on how to make a reality of the ERA were adopted by the Commission in October 2000 (EC 2001b). Among the new building blocks of the ERA, three are of particular interest for the present study: networking centers of excellence, implementing a European policy for research infrastructures, elaborating new and/or better instruments to indirectly support research.

**THE STUDY: ERA AND THE CHARITY SECTOR**

Calling upon different actors to make a reality of the ERA, the Commission explicitly proposed the involvement of charities in the construction of new research facilities and in the indirect support for research (EC 2000b, EC - Research DG 2000a). It is possible, though, that charities could also be involved in centers of excellence, a possibility unnoticed by the EC.

**Research infrastructures**

Most of the large research infrastructures in Europe were constructed and are now being operated at European level. Most of them are also being used by both public and private sector research groups, and are serving a broad variety of scientific fields (EC 2001c).

The EC has tried to classify different kinds of research infrastructures (EC - Research DG 2000b):

- traditional singular large-scale installations;
- integrated arrays of distributed installations;
- collections and habitats;
- electronic databases;
- infrastructural centers of competence based on an assembly of instruments and know-how;
- utilities.

The EC feels that it is time to develop a European policy in order to tackle problems of access, operation and construction, in a more coherent way instead of *ad hoc* approaches.

In this concern the EC itself called for the involvement of charities to support the funding of research infrastructures:
"...financing schemes which combine funds of national and regional origin, from the European Investment Bank, the Structural Funds, from user companies and from private foundations" (EC 2000b, p.16).

Therefore the first hypothesis is that charities that may be interested in such ‘cooperation’ with the EC should be a) big charities with large financial possibilities or b) smaller entities extremely active in research (with ‘insider’ scientists) willing to give funds in exchange of access to the infrastructure for their own researchers.

Big charities, having large income, can decide to spend part of it on projects not directly aimed at their national public; smaller charities, instead, may see in the support of research facilities an alternative method to implement research for their stated aims.

Indirect support for research

In order to stimulate both RTD activity and creation of researchers and technician posts in the private sector, a number of instruments for indirect support – especially fiscal measures – are being used all over Europe. It is however necessary to have a better circulation of information about good practices.

In this regard, it was the Commissioner for Research himself, Mr. Busquin, who stated:

"I am also particularly interested in seeing how the voluntary sector (Charitable Trusts, ‘secteur associatif’, other types of Research Foundation) can play an increasing role in helping stimulate support for research” (EC - Research DG 2000a).

Concerning this point, the EC has been vague, thus denoting incertitude about what ways should be pursued to increase indirect support to research, other than fiscal measures. The idea of asking to charitable organizations to help stimulating support for research can be interpreted as a request of sensibilizing the public opinion on the importance of RTD.

In this light, the second hypothesis is that charities with cultural objectives might be interested to help. All over Europe there are a number of charities involved in the ‘public understanding of science’ and in the dissemination of scientific ideas and results. This is the case of charitable organizations simply aimed at cultural activities, but also of organizations actively doing research and therefore willing to disseminate the results obtained.

Centers of Excellence
From an intuitive point of view, it could be said that centers of excellence (CoEs) are those public or private centers where such a high level RTD is performed that they attract outstanding researchers and they actively participate to the progress and diffusion of RTD.

To avoid such a wide definition, the EC tried to give a definition apt to its needs: “A center of excellence is a structure where RTD is performed at world standard, in terms of measurable scientific production (including training) and/or technological innovation” (EC 2000c).

Somewhat nearer to the practical question of identifying these centers is the listing of some key features which should define a CoE (EC 2000a, 2000b, 2000c, 2001a): 1) critical mass of high level RTD performers; 2) well identified structure with a research agenda; 3) capability of integrating connected fields and complementary skills; 4) mobility of researchers; 5) dynamic role in the surrounding innovation system; 6) international recognition and appreciation; 7) stability of funding and operating conditions; 8) low dependence from public funding. Of course, not all centers should have all these key features.

These centers can perform different types of RTD: monodisciplinary, interdisciplinary, collaborative academic-industrial, etc. They may be organized either in one singular structure or in networked structures, possibly also as “virtual networks” (using ICT). Methods used to define the excellence of a CoE can be: bibliometrics; number of post-docs and of visiting research staff; patents obtained; number of commercial contracts; number of spin-off companies, etc. CoE’s members should be entities existing within research centers, universities or enterprises. Members’ activities should be organized in a joint program, taking into account both research and integration aspects.

The third hypothesis can now be formulated:

a) Charities actively doing research could consider the possibility of getting involved in CoEs. For them it could be a way not only to raise funds for their own research, but also to create contacts and increase their visibility. Charities would provide their own RTD performers, their infrastructure (if they have it) and, maybe, a different approach to research (focused more on the possible public benefit outcome in the long period than on a short/medium term industrial exploitation of the results).

b) Charities could also participate to CoEs in their management. This could be the case of various kinds of charities: small entities directly performing research but needing larger
funds to perform it at higher levels; and medium charities accustomed to finance projects performed by thirds, therefore already used to the management of outsiders’ activities. It is hypothesized that this could be an interesting participation method for charities (specially for the Italian ones, as they are mostly operating organizations), even if this was not one of the areas where the EC postulated the intervention of charities.

Methodology
Being a pilot study, it was needed to have a limited good but number of responses from entities selected through a consistent method. Therefore the restrictions set to select the charities to be contacted were particularly tight.
Charities in UK were selected according to the following criteria: a) both science and technology as their stated aims; b) availability of data and registration at the Charity Commission, so entities domiciled in England and Wales; c) trust as legal structure, as trust is the most similar and most comparable legal form to foundations in Italy; d) e-mail or fax number indicated in the address. English and Welsh charities to be contacted were selected through the National Charities Database owned by Caritas Data. Twenty-three results were obtained.
Italian foundations were selected through the “Centro di Documentazione sulle Fondazioni” (Documentation Center on Foundations) owned by the Fondazione Agnelli. The selection criteria were: a) science and technology as stated aims; b) foundation as legal structure; c) e-mail or fax number indicated in the address; d) domicile in one of five specific regions. It was decided to select a limited number of regions in Italy in order to compare areas with similar characteristics (industrial activity, service sector included; level and number of higher education institutions, etc.), to the ensemble of England and Wales in UK. The Italian regions selected were: Lombardia, Piemonte, Veneto, Emilia Romagna e Lazio. Thirteen foundations were sent the questionnaire. The smaller number of the selection results obtained reflects the overall smaller population of Italian voluntary organizations compared to the British population.
Fax and e-mail questionnaires were used in order to increase response rate and lower response time. Sixteen compiled questionnaires were received as response from England and Wales trusts (a response rate of almost 70%), while six compiled questionnaires were obtained by Italian foundations (46% of the foundations contacted).

The questionnaires were constituted of two parts: the first one acquiring information about the charity itself (type of scientific research supported, ways in which it is financed or invested upon, partners in financing research, average annual expenditure on research, active research within the charity, geographical areas of action) and the second studying the eventual relationship with the European Commission. In this second part, some filter questions were set: previous relationships with the EC, awareness of the ERA proposal, interest in participating to the ERA. When filter questions were positively answered, specifications were asked about the ways in which the charity previously worked with the EC and how it would be interested to get involved within the ERA. Only the final question was open, asking to explain what the charity thought would be its contribution to the ERA, whatever the selected way of participation was.

Interpretation of questionnaires results

General charities characteristics

Both in UK (England and Wales) and in Italy (the five regions), trusts and foundations sustain the most different kinds of S&T research, ranging from medicine related subjects to environmental sciences, physics and chemistry, from specific fields, such as robotics and biotech, to science in general. Geographical boundaries are similar for charities in both countries, although Italian bodies are more European in their activities than their English and Welsh counterparts (five sixths against three fifths), it is interesting to notice that where UK trusts are geographically ‘specialized’, Italian foundations often act at national and European level contemporarily.

Given that the charities contacted had S&T as their stated aim, the organizations were asked if they do active research. Here we can notice a first tangible difference between the two countries. In fact, only one UK trust over the 16 respondents is actively doing research, whereas in Italy two out of six trusts are doing research. Being aware that the sample is necessarily limited, it is in any case an expected result, given Italian foundations’ characteristic of being mostly operating rather than grant-making foundations.

Trusts and foundations mostly indicated grants and funding of internal or external projects as preferred way to finance research or invest upon it. Very few conduct teaching activity and only one – in Italy –
makes donations for research infrastructure. Other methods of supporting research were indicated by the respondents: organization of scientific conferences, publication of external scientific research, and placement of procurement contracts for research.

In both countries, the most common financial partners for funding research are universities and research institutes; least common partners are ministry and industry and other charities.

Expenditures on research vary both in terms of percentage over the total annual budget (from 1% to 100% in English and Welsh charities and from 30% to 65% in Italian foundations) and in terms of money (from 2,000 to over 1,500,000 Euros per year). Through these data, an attempt was made to estimate the size of the charities, according to the following definitions in terms of annual budget: small<0.5 MEuro; 0.5 MEuro ≤ medium ≥ 1.5 MEuro; large > 1.5MEuro. This estimate was checked, whenever possible, with available public data on the charity itself, giving birth to a categorization for 13 out of 16 UK trusts and 5 out of six Italian foundations. Although tentative, such a categorization helps to explain the picture taken through the questionnaires responses. The English respondents panorama is variegated, with six small organization, four medium ones and two big ones, whereas the Italian situation (as expected) is narrower, with four small foundations and only a medium one.

Charities and the European Commission

From this point onwards, significant differences appear between British and Italian respondents.

In fact, being asked if they had any working experience with the European Commission, only three out of sixteen English trusts gave a positive answer, whereas four out of six Italian respondents had already worked with the EC. In other words, more than two thirds of English charities never had working contacts with the EC, whereas two thirds of Italian organizations did work with the EC, thus confirming the operating characteristic of Italian foundations.

Working relationships with the EC were fairly similar for English and Italian charities, mostly contracts that fell under the Framework Programmes and, for one entity from each country, organization of conventions and meetings.

Awareness of the ERA follows a similar pattern to that of previous working relationships with the EC. Only five English trusts (out of sixteen) were aware of the ERA project, whereas five out six Italian foundations knew about it.
At the question “Would your trust/foundation be interested in participating to the ERA?” the following answers were given.

Five English trusts stated that they would like to participate. Interestingly three of them had no knowledge of the EC’s project of creating a European Research Area before receiving this questionnaire. It might be also worth noticing that only two of the three trusts that already worked with the EC wanted to participate to the ERA. A sixth trust answered that it might be interested in taking part to the ERA, but did not want to commit itself to a secure answer before it became clear how the ERA would work in practice.

All Italian foundations, instead, were interested in participating to the ERA.

Being asked in what way the charity would like to participate to the ERA and being allowed to multiple answers, the charities gave responses indicating a difference in the interest of English and Italian bodies.

English charities indicated mainly co-financing of projects with industry or the EC within the ERA (selected three times), followed by doing research within a CoE (selected twice) and by managing a CoE (selected once). Two trusts also indicated other ways in which they could participate to the ERA, one organizing conventions and publishing books (as it had already done within past Framework Programmes); the other by helping to stimulate support for public research. None was interested in making donations for research infrastructures.

Italian foundations instead were more interested in participating to a CoE, both managing it (selected three times) or doing research within it. Two foundations indicated other participation preferences: one organizing conferences and conventions on thematic areas of interest to the EC; the other giving grants to be used within the ERA projects.

Being asked what would be their most original contribution in participating to the ERA, most respondents indicated their expertise, being it in performing research (both in terms of practice and approach), in disseminating research results (through publications and conferences), in coordinating fundraising activities or in increasing communication between the industrial sector and the scientific and academic community.

In general, results do not seem to be significantly affected by the size or by the scientific field of the charities.
Only English trusts focused on medicine and related subjects (which were six) show similar attitudes. In most cases, they: give grants; have university and/or research centers as partners to finance research; and never worked with the EC. None does in-house research, they are small/medium in size and three of them were aware of the ERA proposal. At any rate no generalizations can be made.

By and large, it can be concluded that UK trusts show less interest towards EC’s activities than their Italian counterparts. This, in a way, seems to confirm the generally held view that English foundations are mainly grant-making bodies with lower levels of operational activities than their Italian respective (Barbeta 1997, 1999, Demarie 1997, ISSAN 1999).

The hypotheses and the results
The three hypotheses are a first attempt to speculate in what activities of the ERA charities could be more willing to participate. The first two hypotheses follow the explicit call by the EC for charities involvement, while the third is a possibility of collaboration that was not expressed by the EC. The first hypothesis made (funding European infrastructure), theorized that either big charities with large funds or smaller entities active in research would be interested in giving donations for the construction or maintenance of European research infrastructure, given the long tradition of donations for such complexes in the NPS. Instead, none of the trusts or the foundations willing to participate to the ERA selected the possibility of funding European infrastructure.

Based on the results obtained, the following explanation can be given:
- in the UK, the two large responding trusts do not operate at the European level, while the only trust actively doing research prefers to participate to research activities within a CoE and co-financing projects, rather than giving funds for infrastructures in exchange of the use of the infrastructure itself;
- in Italy, there was no large foundation among the respondents, and the two doing research prefer to be involved in CoEs, as their British colleagues.

The second hypothesis (help to stimulate support for research through dissemination activities) has been indicated only by two trusts in the UK and by two foundations in Italy. Here again it was expected more interest, as the sensibilization of public opinion is one of the most traditional activities of charities all over the world and most of our respondents are involved in such activities.

The third hypothesis (management or research within a CoE) was proven fairly valid.
Two of the five UK trusts willing to be part of the ERA selected the possibility of doing active research in a CoE either directly or through their members and one the possibility of managing a CoE. One of these trusts also stated that its original contribution would be the coordination of fund-raising activities, a testimony to the characteristic of UK trusts, where fund-raising is a traditional occupation, while the management of external structures is not.

Concerning Italian foundations, four of them would get involved within a CoE: two managing it and two doing research in it, thus confirming the characteristic of Italian foundations of being mostly operating foundations and to be used to finance external activities.

**Action proposal to the European Commission**

Given the results of the pilot study, it would seem that the EC has not been very successful in its appeal to charities to get involved in the ERA project, as only ten out of a sample of 22 charities were aware of the proposal. Things being this way, it would appear that the road to a massive participation of charities in the ERA is still long, although the differences between UK and Italian charities in their awareness of the project may be indicative of a more general national attitude toward European issues.

At any rate, if the EC is seriously willing to involve the nonprofit sector, one of the first priorities should be that of advertising more its project of a European Research Area. Another step that the EC should take is to clearly explain how the ERA will work, otherwise possible interested actors (and not only nonprofit organizations) may remain in the borderland, waiting to see the ERA in function, as explicitly stated by one respondent.

Of the two possible ways in which charities, according to the EC (2000b; 2000a), could be involved in the ERA, that of ‘helping stimulate support for research’ interpreted as sensibilization of the public was selected only by four charities, while none selected the possibility of giving donations for European infrastructure. Whereas for the latter matter it is hard to advance suggestions on how the EC could increase the participation of charities, for the former issue possibilities exist.

The stimulation of support for research may be a by-product, although at the regional or national level, of the traditional activities of diffusion of knowledge by charities. In this case, the EC could help charities by providing the means (financial help, research representatives,
etc.) to stimulate public understanding of science, thus creating a wider interest and awareness on European research all over Europe, while allowing charities to act at the national level, a bit like national promoters.

Open to discussion is also the fact that three charities would be interested in co-financing projects with the EC or with industry in the ERA, a possibility that the EC did not contemplate.

A further step that the EC should consider is to study the way in which charities could be involved in the centers of excellence. The subject receiving more attention is one in which the EC did not consider introducing the charity sector: the center of excellence. Seven organizations in the sample would participate to a CoE. They also indicated in which way they would do it. The EC should readily register their availability, in order to include these ‘new’ actors, which could also contribute with their ability to raise and to manage often-limited funds.

To conclude, there are signs of interest from the charities to participate to the ERA experience, but – as it was the EC to call for the involvement of the whole NPS – it is the EC that has to provide the means to transform charities’ interest into factual participation.

Proposal for further studies and conclusions

This study was meant to be an exploratory research on a possible collaboration between the EC and the nonprofit sector within the ERA. Given the limited time and resources at disposition, restraints had to be imposed.

Further studies – not restrained by similar limits – could target a wider sample of nonprofit organizations, in terms of legal structure, geographic location, stated aims, expenditures on research, etc. A different method of research – in absence of time and staff constraints – could consist in associating interviews to a longer and more demanding questionnaire, thus allowing for generalizable conclusions.

In particular, further investigation should be conducted to assess whether the interest of charities towards CoEs is widespread among voluntary organizations in other European countries, given that 7 out of the 11 charities interested in participating to the ERA would like to be involved either with the management of a CoE or with the research conducted within it.
At any rate, this pilot project highlighted some research policy issues that may be worth of being studied in depth:

- the need for the EC to increase the impact of its proposals – the ERA in this case – in order to include a larger number of actors. For example, electronic copies of EC’s Communications (already available on line) could be sent to umbrella bodies, allowing for a low-cost, high-impact publicity in the targeted sector;

- the necessity for the EC of a clear early explanation of the ways in which its projects will work, a step needed to involve actors – charities in this case – from the very beginning and to allow for a fruitful interaction in the implementation phase, shaping the ERA keeping into account the needs of its most different players;

- the requirement for the EC to analyze charities’ interest in co-financing projects and in working into CoEs, possibilities that were not considered. This interest should be the focus of a study about charitable organizations;

- the twofold characteristic of trusts active at the international level, half of which is not interested to work with the EC. This characteristic may be the object of an interesting research to understand the reasons why entities that work internationally do not wish to collaborate with the European Commission and/or are not aware of the EC’s intentions.

Bibliography


