Knowledge Improvement on Fund-Raising of Universities from Philanthropic Sources
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Abstract. The present paper intends to raise awareness on some new fund raising models for research and development. The models focus on philanthropy, seen as a promising funding resource, an alternative to the state funding schemes used in the European Research Area. It is our belief that by using such fund raising models the public private partnerships would gain importance in the common research area.

Keywords: research funding, mixed development policies, public private partnership

INTRODUCTION

If in the past the policies of the public sector focused especially on the modalities of providing a qualified work force and an adequate infrastructure at the level of universities and other public research institutions, today it is known that public policies have better results when are simultaneously focused on political measures leading to a more efficient usage of the results of the research work economically (the so-called “power of absorption” of the economic) ([http://EuropeanCommission.europa.eu](http://EuropeanCommission.europa.eu)) [4]. Therefore, in the last two decades concepts like technology transfer, cooperative programs, and public private partnerships have gained importance as political instruments in order to facilitate the innovation into the economy field and especially to facilitate the developing of the private sector in the field of research – innovation (Grigoras, 2010) [3].

In the last years, one can detect a focus of the politic decision factors upon the projection of a coherent framework and of some measures for supporting the research – innovation activity in the private environment, measures which can take various forms, from rate and tax remissions to measures of stimulating the expenses and investments. The Lisbon strategy acknowledged the importance of these factors and requested the member states to project and adopt some mixed development policies, in a coordinate and integrator manner.

MATERIALS AND METHODS

In 2007, national policies of research and development have continued as a part of some complex mixture of policies. In view of the revival of the key motors of the economical growth, the member states have developed combinations of politic measures, consisting of developing new strategies common to different departments or of redefining the institutional framework of the research and development policies, like the agglomeration of departments responsible for research, education, work force, commerce and industry.
Until nowadays, the reforms of the research and development policies have been outlined almost exclusively from a national perspective. Taking into account that the research and development systems are, at any rate, increasingly interconnected, it is important that the political deciders at national level explicitly take into consideration the European perspective in the national policies, with the purpose of maximizing the benefits brought by synergies and “the effect of avalanche”. This will lead to the increase of the efficiency of the national systems and, in the context of the ERA initiative, will contribute decisively to the global development of the research system in EU, so that this system can play a competitive part worldwide. It is expected that the member states present, within the national reform programs, the manner in which their strategies will contribute to the European Research Space (Grigoras, 2010) [3].

Using the financial stimulating factors in favour of the research – development activities developed in enterprises continues to be a major instrument for the governments with the purpose of encouraging the private investments in research – development. Through the last years, many member states have introduced financial stimulating factors, while others have consolidated the existing systems. Within the same context, one can notice increasingly obvious the growing importance of the role the cohesion policy plays in financing research – development, especially in some of the new member states. The efficient usage of the structural funds distributed for research and innovation represents a remarkable opportunity for many countries where the financing level is still low.

Fig. 1. Fund raising strategy.
Source: The European Forum on Philanthropy and Research Funding
The green card introduced by the European Research Area (ERA), as well as the initiation of the “Ljubljana process” whose goal is the creation of a long term common vision of the European research area developed in partnership by member states and the Commission, with great support from the interested parts and from the citizens.

RESULTS AND DISCUSSION

Fig. 2. Donor types vs. Lead University Actors.
(source: The European Forum on Philanthropy and Research Funding)

Nowadays, European universities are confronted to multiple challenges (Critchley and Nelson, 2009):
- There is a high number of students, and the public sector does not always succeed in financing them from the public budget;
- In the research field, the academic personnel have to cope with a drastic competition especially from Asia;
- They have to face the consequences of the “brain drain” phenomenon, if we enumerate only some of these issues.

Under these conditions of drastic competition (Hazelmom, 2009), the European universities should diversify their financing sources (Fig.1). In this case, the philanthropic activity represents a promising source of income for the European research – development, particularly if we take into account the success this type of financing has provided the research in the United States.

Analyzing the philanthropic financing modalities (Fig.2) [4], one may find out that they are internationally similar, being part of some basic models. Thus, we have three basic models, and a fourth model which represents, in fact, the integration of some of the three basic models (Grigoras, 2010) [3]:
- The model of the major grant (the patronage) (Fig.3);
- The foundation research model (Fig.4);
- The multimodal model (Fig.5);
- The Alumni model (Fig.6).
The model of the major grant (the patronage, Fig.3) [3] represents the financing of the research activity by major grants, coming from persons with an excellent material situation. The model implies an extremely determined academic leadership, capable of establishing personal relationships with the major donors and of maintaining them across time. Usually grants are given with a certain purpose, being sometimes conditioned by the research results.

The model of research foundation (Fig.4) [3] is applied when researchers or authority personnel in the universities get in touch directly with major research foundations (like for example National Research Foundation in the United States) in order to request support for their own research. The academic personnel get first in contact with the foundation
representatives and thus arises the need for an academic service providing a better information referring to the grant competitions. The personnel have to be able to provide consultancy in project developing. The funds granted by the research foundations vary quantitatively, being distributed generally depending on the so-called “call for proposals” and after some external assessments of the presented projects.

The multimodal model (Fig.5) [3] combines the characteristics of the previous models, addressing a wider spectrum of potential financiers. In this case, the academic service must provide both the information and consultancy referring to the possible grant competitions, and be able to initiate direct negotiations with the potential financier.
The Alumni model (Fig.6) [3] applies when universities receive various grants of a smaller scale, especially from their former graduates. It implies the existence of updated databases, as well as of an Alumni association for collaboration.

CONCLUSIONS

Creating the European Research Area (ERA) represents the basis of the European research policies, dedicated to provide the role of international leader in research, as well as its maintenance at a high degree of competitiveness.

But this thing involves a research infrastructure of the highest qualitative level, as well as the existence of some superior research institutions, among which universities must be encountered. Consequently, they will need appropriate financial support.

Regardless of the model considered, a combination of all models is most often used. For university fund-raising to be successful several key requirements must be met [3):

- University leadership’s engagement and commitment to fund-raising at the highest level and the continuity of engagement through leadership changes;
- Use of consultants with relevant expertise if necessary in the initial fund-raising is not outsourced, universities must recruit or train development and fund/raising staff, and establish solid partnerships between the fund-raising team, academic leaders and the academic community;
- Formulation of a vision, clearly establishing the university’s unique selling points’, on which to build a development strategy;
- Development of solid links with alumni requires investment by the university in database systems, and staff to maintain life-long contact with alumni;
- Engagement with university staff.

University governance is also a key factor in collecting funds. Successful fund-raising is strongly linked to a university’s autonomy in developing entrepreneurial fund-raising, giving more freedom to engage with philanthropic organisations and business, and to diversify income sources, which is important as government funding decreases.

In order to remain competitive, the European universities must inevitably develop and diversify their incomes. Philanthropy is a sector which they have to turn to in order to guarantee a security from the financing point of view (Grigoraş, 2010) [3].

REFERENCES