

## Andrea Frank

Foundations do follow their own agendas in higher education and research funding. This agenda could be to focus on a specific research field, on specific groups, or on selected institutions. Having an agenda does not necessarily imply that foundations unduly exert influence. At the same time, it is more than legitimate to set priorities – that may or may not cater to public research agendas – when spending private money.

Self-confident research institutions with a clear research strategy are an important success factor for a healthy relationship between universities and foundations – or private investors in general. In the words of Michael Porter, the essence of strategy is “choosing what not to do“. A clear institutional research strategy defines priorities and also identifies fields which will not be explored or expanded. A clear institutional strategy becomes a forceful instrument to resist corrupting incentives by (private and public) funding institutions if it is strongly supported by the management of the university and its researchers.

The funding instrument of endowed chairs which has been promoted by the Stifterverband since the 80s is a good example to illustrate the possible area of conflict between private funding priorities, institutional strategy, freedom of research and sustainable funding mechanism. When setting up an endowed chair, the interests of the three partners differ. Private investors or foundations want to strengthen teaching and research in specific fields, universities look for additional (long-term) sources of funding, professors want excellent research conditions without influence on their research agenda.

Autonomous universities with clear research priorities are a key to safeguard freedom of research in this potential area of conflict. They are free to accept or reject private funding. If endowed chairs are established in priority research areas it has advantages for both sides. Long-term funding could be provided more easily by the research institution or university. But also funding institutions benefit if the endowed chair is integrated in a strong research environment.

Universities and research institutions are in the position to define rules and principles in dealing with private funding, a code of conduct, in order to establish a reliable framework for researchers and private investors. The University of Frankfurt has worked with a code of conduct for a number of years and reports about positive experiences with the instrument. It helps to manage expectations and increase transparency for all partners involved. The Stifterverband has recently published a code of conduct for university – industry cooperation as well which stresses the freedom of research and the need for transparency to the public.