An overview of the foundations sector in Belgium

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Outline

• Introduction
• Foundations in the world
• State of knowledge in Belgium
• Belgian environment
• Evolution of the sector
• Foundations and social entrepreneurship
• Conclusion and future research
Introduction

• Foundations as central philanthropic actor
• In Europe:
  – Great variety and diversity
  – Few available detailed statistic
• This paper:
  – State of knowledge in Belgium
  – First attempt to collect available data (2011)
  – Complete landscape & Identification of the main trends
Foundations in the world (1/2)

• Definition differs cross-nationally
• EFC definition:
  – Separately-constituted non-profit body
  – Own reliable resource of income
  – Own governing board
  – Public benefit purpose
• Private purpose: preserve family heritage, take care of a disabled child,...
Foundations in the world (2/2)

• Typology (Anheier, 2007):
  – Way of acting: grant-making, operating, mixed
  – Type of founders: individual, family, corporate, community, government-supported

• Seven roles (Anheier, 2007):
  – Complementarity
  – Substitution
  – Redistribution
  – Innovation
  – Promotion of a fairer society
  – Preservation of tradition and culture
  – Promotion of pluralism
<table>
<thead>
<tr>
<th>Author et al.</th>
<th>Year</th>
<th>Title</th>
<th>Type</th>
<th>Perspective</th>
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</thead>
<tbody>
<tr>
<td>Marée et Mousny</td>
<td>2001</td>
<td>Foundations in Europe</td>
<td>Report</td>
<td>National and international</td>
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<td>Anheier</td>
<td>2001</td>
<td>Foundations in Europe. A comparative perspective</td>
<td>Journal article</td>
<td>International</td>
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<td>Pirotte</td>
<td>2003</td>
<td>Les fondations belges d’utilité publique : entre permanence et changements</td>
<td>Thesis in sociology</td>
<td>National</td>
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<td>Heuschen</td>
<td>2003</td>
<td>La forêt derrière l’arbre. Analyse sociologique exploratoire des fondations belges</td>
<td>Thesis in sociology</td>
<td>National</td>
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<tr>
<td>Develtere et al.</td>
<td>2004</td>
<td>Foundation in Belgium</td>
<td>King Baudouin Foundation and European Foundation Centre report</td>
<td>National</td>
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<td>Marée et al.</td>
<td>2005</td>
<td>Le secteur associatif en Belgique. Une analyse quantitative et qualitative</td>
<td>King Baudouin Foundation report</td>
<td>National</td>
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<td>European Foundation Centre</td>
<td>2005</td>
<td>Foundation facts &amp; figures across the EU- Associating private wealth for public benefit</td>
<td>Report</td>
<td>International</td>
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<td>European Foundation Centre</td>
<td>2005</td>
<td>The role of foundations and the non-profit sector in boosting R&amp;D investment</td>
<td>Report</td>
<td>International</td>
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<td>Gijsselinckx and Develtere</td>
<td>2006</td>
<td>Foundations in motion</td>
<td>King Baudouin Foundation report</td>
<td>National</td>
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<td>Pirotte</td>
<td>2007</td>
<td>Country analysis: Belgium</td>
<td>Journal article</td>
<td>National and international</td>
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<td>Marée et al.</td>
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<td>King Baudouin Foundation report</td>
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<td>Cantegreil et al.</td>
<td>2009</td>
<td>Understanding European research foundations</td>
<td>European Foundation Centre report</td>
<td>International</td>
</tr>
</tbody>
</table>

16 studies
2 leading field actors

International or national perspective
Sociological or economic perspective

Mainly on public benefit foundations

Last update: 2007 (Survey)
State of knowledge

- Last update 2007 (survey-based)
- Mainly operating or mixed foundations
- Mainly individuals as founder
- Heterogeneous sector
- Complementary role of the state
- Innovation role
- 362 public benefit foundations
- Estimation of 300 private foundations (1/5 with public purpose)
Institutional environment (1/2)

• Origin: freedom of association
• May 2, 2002 amendment of June 27, 1921 law
  – Denomination change
  – Protection of « foundation » appelation
  – 3 sizes (employees, assets and revenues)
  – Additional objectives for public benefit foundation (cultural, philosophical, philanthropic, religious, scientific, artistic and pedagogic)
  – Private foundation status
Institutional environment (2/2)

Public benefit foundations
- **Public** purpose  
  (Agreement of Ministry of Justice)
- More advantageous tax exemption
- Accounting requirement: clerk of court office

Private foundations
- **Private** purpose  
  (Not excluded public interest goal)
- Accounting requirement: National Bank of Belgium (big and very big) and clerk of court office

Few controls: coercive capacity of May 2, 2002 law?
Structure (1/2)

- Catalyist for public benefit foundations:
  - King Baudouin Foundation (1976)

  - Innovative and leading role
  - Hosts funds (451 among with 272 active funds)
Structure (2/2)

  – KBF as one of the founders
  – Strengthen identity and legitimacy of the foundation
  – 84 members in 2011
    • 67 public benefit foundations
    • 67% in Brussels
Evolution of the sector (1/5)

- No complete and centralized database
  - Split of the data on social economy
  - Size of the foundation
  - Limited information without survey

- At the end of 2011
  - 488 public benefit foundations (362 in 2007)
  - 4.4 public benefit foundations/100,000 inhabitant (3.3 in 2001)
  - 725 private foundations
Evolution of the sector (2/5)

- Year of creation

Creation of the King Baudouin Foundation

Coming into force of the May 2, 2002 law
Evolution of the sector (3/5)

- **By region**

<table>
<thead>
<tr>
<th>Repartition</th>
<th>Brussels</th>
<th>Flanders</th>
<th>Wallonia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public benefit foundations</td>
<td>55%</td>
<td>21%</td>
<td>24%</td>
</tr>
<tr>
<td>Private foundations</td>
<td>34%</td>
<td>50%</td>
<td>16%</td>
</tr>
<tr>
<td>Total</td>
<td>43%</td>
<td>38%</td>
<td>19%</td>
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</table>

<table>
<thead>
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<th>By 100,000 inhabitants</th>
<th>Brussels</th>
<th>Flanders</th>
<th>Wallonia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public benefit foundations</td>
<td>23,40</td>
<td>1,60</td>
<td>3,40</td>
</tr>
<tr>
<td>Private foundations</td>
<td>21,80</td>
<td>5,70</td>
<td>3,10</td>
</tr>
</tbody>
</table>

Number of public benefit foundations created each year
Evolution of the sector (4/5)

• Employment
  – Public benefit foundations: estimation of 10,000 FTE
  – Private foundations (Wallonie-Brussels): 600 FTE

• Gender & Age Pyramid (W & B)
Evolution of the sector (5/5)

- Top 15 (National Bank of Belgium)

<table>
<thead>
<tr>
<th>Range</th>
<th>Name</th>
<th>Legal status</th>
<th>Total assets 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Fondation Roi Baudouin</td>
<td>Public utility</td>
<td>361,561,911</td>
</tr>
<tr>
<td>2</td>
<td>Fonds de la recherche scientifique</td>
<td>Public utility</td>
<td>173,554,946</td>
</tr>
<tr>
<td>3</td>
<td>SMartBe</td>
<td>Private</td>
<td>84,627,457</td>
</tr>
<tr>
<td>4</td>
<td>Fondation contre le cancer</td>
<td>Public utility</td>
<td>62,924,892</td>
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<tr>
<td>5</td>
<td>Donchestichting Kempen</td>
<td>Private</td>
<td>35,859,510</td>
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<tr>
<td>6</td>
<td>Fondation Francqui</td>
<td>Public utility</td>
<td>33,739,660</td>
</tr>
<tr>
<td>7</td>
<td>Antwerp World Diamond Centre</td>
<td>Private</td>
<td>32,360,837</td>
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<tr>
<td>8</td>
<td>Solidaris Immo</td>
<td>Public utility</td>
<td>31,404,373</td>
</tr>
<tr>
<td>9</td>
<td>Centre Neurologique William Lennox</td>
<td>Public utility</td>
<td>26,750,170</td>
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<tr>
<td>10</td>
<td>Stichting Museum Moffarts</td>
<td>Public utility</td>
<td>26,632,508</td>
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<tr>
<td>11</td>
<td>Fondation Jean-François Peterbroeck</td>
<td>Private</td>
<td>23,444,597</td>
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<td>12</td>
<td>Fondation Chimay-Wartoise</td>
<td>Public utility</td>
<td>22,542,425</td>
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<td>13</td>
<td>Fondation Marguerite-Marie Delacroix</td>
<td>Public utility</td>
<td>21,232,858</td>
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<td>14</td>
<td>Vlaamse Interuniversitaire Raad</td>
<td>Public utility</td>
<td>20,087,914</td>
</tr>
<tr>
<td>15</td>
<td>IMEC International</td>
<td>Private</td>
<td>17,861,837</td>
</tr>
</tbody>
</table>

**Total Private Foundations** | **40%** | **194,154,238**

**Total Public Utility Foundations** | **60%** | **780,431,657**

**Total** | **974,585,895**
What links between foundations and social entrepreneurship?

- Term ‘social entrepreneurship’ quite recent in Belgium outside academic circle
  - Not in the discourse of the foundations
- Many foundations already support innovative initiatives in the non-profit e.g.
  - King Baudouin Foundation
  - Electrabel Foundation
  - Cera (cooperative holding)
What about venture philanthropy?

- Belgian foundations quite far from a real venture philanthropy behaviour (exception: KBF)
- Globally traditional philanthropy
- Not widely recognized as major actor in social economic live
- Consultancy more focused on portfolio management than social impact

Gain awareness of its potential
Conclusion & future research

• **What?** This paper: most recent view of the foundations sector in Belgium

• **Why?** Existence of two legal status
  – Public Benefit foundations: non-profit theories
  – Private foundations: mutual benefit (Gui, 1991)

• **For what?** Support of social entrepreneurship

• **How?** Size of the sector (Blickenstorfer, 2012)
Thank you for your attention.