

**GuideStar International Interview with  
Charlotte Buttkus (Research Analyst) & Martin Vogelsang (Project Manager)  
(GuideStar Deutschland Project)**

1. *How would you describe civil society in Germany, are there any features which makes it different from other countries?*



**Charlotte:** I would describe civil society as a very vibrant, large and important sector of German society. It is very heterogeneous and comprises public benefit organisations and local initiatives of very different sizes and legal structures, the main legal forms being registered associations and foundations. It is also important to recognize that unlike in the UK (for example) there is no transparency culture in Germany. We don't have any legal requirements here regarding transparent reporting. Therefore, it is less surprising that we have a large third

sector, which most of the time is reluctant to share data on its activities.

Civil society organisations in Germany work in similar fields and work for similar causes like those in the UK or many other countries. Accordingly there are organisations active in the welfare sector, in education, and there are others concerned with environmental protection and development aid. So I think that in that respect the structure is not very different from other countries. What's different from countries like the UK is the dominance of public benefit organisations in the welfare sector, which forms the largest sub-sector with the highest number of employed staff. However, I think what is also important is the fact that organisations get a lot of support from volunteers. This shows a substantial amount of engagement and the importance of this sector.

2. *Why did you decide to start working towards building a GuideStar system? Did you assess any other technological alternatives?*

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**Charlotte:** When we first came across GuideStar we were impressed with the sophisticated and time-tested database. Also, we thought that Buzz Schmidt and his committed and experienced team would guarantee us the support we needed in order to bring this type of transparency revolution into the different sectors of civil society. At the outset people in Germany had a tendency to suggest that they could develop such a database on their own, but now they are beginning to realize that they underestimated the complexities involved in setting up and running the whole system. The more German stakeholders come into contact with the functions and the possibilities of the system, the more it becomes clear how complex it is and

how much we have profited from the experiences of GuideStar International.

3. *Have you faced challenges so far and are there any opportunities that have arisen?*

**Charlotte:** To me one of the most important challenges certainly is the lack of a transparency culture in general and formal financial reporting standards in Germany. Organisations that register as associations have to file information with government authorities if they want to benefit from tax exemptions, but not in a standard format. So they are not used to having reporting fields in a format that is comparable. There is also the question of what kind of information they are willing to display, but we see that this kind of concern towards informing the public is continuously changing. Transparency is becoming more important in other sectors of society as well, for example regarding earnings of the politicians here. I guess another constant challenge for us is to find a sustainable "business model" that will help to make it happen in Germany.

4. *What has been your experience working with the other European countries to test the feasibility of a GuideStar system?*

**Charlotte:** I think it is very inspiring to be part of a consortium of likeminded people who want to bring such a system of transparent reporting and strengthening the civil society in Europe. It is very helpful to have partners from other European countries giving us input at the national level who are also involved in the process within their own countries. There are a lot of interesting debates on values and the concept of GuideStar but also on how to handle and approach stakeholders, how to customize the reporting framework and website and how to deal with quality issues surrounding data. To sum up it is very helpful to have peers in the process.

5. *What possibilities and limits do you see with regard to embedding German GuideStar data into a European search function?*

**Charlotte:** We see this as an evolutionary process because at the beginning we will only be able to supply few data fields since there is no public data available on non-profit organisations in Germany. Thus, our idea is that organisations report data themselves. While at the beginning we would only be able to supply a few data fields to such a system. Our reporting would become more and more sophisticated as we go on. So we have this idea of taking GuideStar to another level from a national database towards a network of national databases which would eventually form the basis of a European and even international search. I think that is an inspiring vision for Europe and beyond. There is the possibility of developing regional, national and international level search functions, inspiring technological developments on different levels which will eventually be beneficial to all users around the globe.

6. *Who are the main national partners in the initiative?*

**Martin:** In Germany transparency is not such a big topic on the agenda so we had to find strong partners from the sector itself, and that is exactly what we did. I think that Buzz Schmidt had a good idea three years ago when he suggested we initiate discussions with potential partners representing umbrella networking social sector organisations like Maecenata Institut which is also part of our current EU project consortium, or DZI which is now hosting GuideStar Deutschland. We are also building relations with other umbrella organisations from the cultural sector, environmental sector, and the welfare sector, for instance. Though some of them were reluctant in the beginning, now most of these organisations are on our steering committee providing us their valuable support. One of the latest additions is Caritas, one of the largest German welfare organisations. I would say that without the support and partnership of these organisations it would never have happened. On the other hand, there were organisations which were either openly against our project or at least sceptical about our intentions. But since our project has developed significantly, we got in touch with some of our critics and by now the general sentiment has changed in our favour. This has been among the best news we got within the last few months.



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Other than social sector, we are also keen on providing our support to the public sector. We are exploring opportunities with the government including Berlin City Council to launch a pilot database in near future. We need a strong partnership with either the federal or a state government or both. We have been negotiating with the Berlin City Council for quite a while. Berlin is one of the 16 States and at the same time, our federal capital. Therefore it would be great to get Berlin on our side and to have them hosting such a project. But it does not necessarily have to be Berlin. It could be any other state or the owners of already existing regional or national niche databases who like to cooperate. This is our scenario for the near future, to have such a strong partner.

7. *What has been the general reaction among stakeholders to the GuideStar initiative in Germany?*

**Martin:** Well, there has been a shift. When we did our feasibility study two years ago, the brand itself was rather unknown and transparency was not all that popular. But depending on whom we asked we received different opinions. Smaller organisations were quite positive, since they see this as a chance to communicate their own efforts, whereas the bigger organisations were rather reluctant, saying that they wouldn't need any more applications for funding than they were already getting. Or that they didn't want more public recognition than they already got.

But there definitely is more talk about transparency. For example in today's morning paper there were three or four articles about transparency not on the third sector alone but on transparency in general. Discussion about shareholder value and transparency in for profit companies started 15 years ago in Germany and today no one argues about it anymore. The same applies for the governmental level. Only in the third sector transparency is lagging behind. But we are rather optimistic as we have seen encouraging developments. Next week for example we will be presenting the project before the subcommittee on civil engagement of Deutscher Bundestag– which is the German Parliament, like The House of Commons in the UK. This is another important step for us since we are finally getting recognition from one of the highest political institutions.

8. *What do you hope to achieve in the future?*

**Martin:** I think what we have to deliver in the near future is a database, even if it is a small one so we can show people something. We first need a critical mass of data to start with and I don't want to be too optimistic, but we would like to have such a pilot database up and running by January or February next year. Unlike in the Anglo-Saxon countries, where GuideStar based on tax or charity legislation was able to utilise the data of all registered charities from the start, we will have go state by state and encourage a critical mass of organisations to participate in each until we have all the 16 states. The same would apply for a strategy based on collecting data from already existing databases.

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In Germany we have more than 600,000 associations and 15,000-20,000 foundations so in order to get critical mass pretty quickly we will probably concentrate on the small City states like Berlin or Hamburg and then go on from there and contact some of the bigger states like Bavaria. If we manage to get one of those in the next three to four years we would have a pretty good model to show to people.

9. *How do you think a GuideStar will help to bring positive changes?*

**Martin:** Once people see how valuable this tool is, I don't see any reason why there shouldn't be a snowball effect in Germany. We have our share of scandals with third sector organisations involved. But once people are able to use a tool like GuideStar this will put pressure on the organisations and lead to more transparency. Furthermore, pressure is rising, not only on a national but also on the European level as the decision of the EU Commission to fund GuideStar Europe shows.

10. *Do you have any advice for other countries interested in developing a GuideStar?*

**Martin:** This is very difficult to answer and will be a very important outcome of our GuideStar Europe project. It is just impossible to compare an Anglo-Saxon country with one from continental Europe and in continental Europe itself there are many differences. First of all, I would say that if you have no real transparency culture and if you have a third sector that is like a closed shop, you should always try to get some of the important stakeholders on your side. I also think that it is helpful for us to be part of a strong brand. I know some people

are critical towards GuideStar because it is foreign but on the other hand the name stands for a successful track record regarding strategy and technology.

However before you start, always look for strong partners especially from within the third sector. Do an assessment, talk to the organisations, ask them if they would like to join your steering committee or even become co-investors. Otherwise you might soon find out that you are lacking a clear mandate.