

Establishment

It all began with inherited money

In 1986, a Berlin pharmaceutical company was sold to an American corporation, and the proceeds were distributed to four heirs. One of them – Ulf Mann – did not want to keep these many millions for himself, but rather wanted to work with others to redistribute them. When the company was up for sale, he gathered some friends who first contacted the company's works council to clarify whether the workforce agreed with the sale, and if so, to ensure that their jobs would remain safe for a certain period of time. The works council voted in favor of the corporation and against family ownership, so the sale went through, producing an unimaginably real fortune: 30 million DM (approximately 15 million euros), a villa in Berlin-Zehlendorf and an apartment building in Berlin-Kreuzberg.

The small group agreed that the money was to be used to support the struggle against exploitation, oppression, discrimination and poverty. In other words, against the capitalist system that had made this inheritance possible.

But discussions lasting for months ensued about how this was to happen. Was all the money to be spent at once? Was it to be used for one issue/one project, and if so, which one? Was it to be spent on political work here in Germany or transferred to the Third World (the term we used in those days)? Who would decide about the allocation of the money, and how?

In the end, we decided to invest the money and to spend only the interest income, that is, to get involved in something very long-term. We understood that in collecting interest income on our capital, we were resorting to something we were uncomfortable with on political grounds. However, in the late 1980s, there were plenty of projects and collectives that preferred to borrow money from us than from a bank, or who preferred to rent or lease from us than from private owners because they knew that their money was then making our work possible.

The decision to establish a foundation was paradoxical in a similar way. As there is always the risk that money can be misspent, we wanted to establish a structure that would prevent the income from being

spent in a way fundamentally different from the intended one and that ruled out any form of private appropriation. No taxes are due on interest income if a foundation's objectives are recognized as being in the public interest. A foundation is subject to government oversight and must comply with the statutes determined by the original donor. For this reason, we discussed procedures and structures within the Foundation very precisely and extensively before putting them in writing in the statutes.

Establishment of group structures

Just as the Foundation itself was planned by a group, it was to be groups who made decisions within the Foundation regarding investments and awarding funds, and they were to operate as independently as possible. The Foundation's founders formed the Board of Trustees whose responsibilities were to include managing the Foundation as well as its investments. In addition, every member of this Board of Trustees selected a subject area and approached competent people to form an independent working group for awarding grants. These working groups in turn elected representatives to a Steering Committee that was to allocate the funds made available by the Board of Trustees.

Investments

We developed criteria for making loans. The most important principle was the projects' economic viability. After all, we did not want to subsidize the projects with our money, but rather aimed to give them the opportunity to pay interest to us rather than to a bank or other private entity. That meant (and still means today) that we use legal means in the event of a failure to fulfill obligations. After all, we have committed ourselves to protecting the Foundation's capital and distributing only the interest income.

In the initial years, there were plenty of groups that borrowed money from us, or for whom we bought real estate and then made it available to them as a hereditary leasehold. This also meant that the land could not be appropriated privately. As a rule, most groups have met their financial commitments to us promptly and regularly.

It proved problematic to invest funds in social or cultural projects. There are cases in which the projects went broke, we incurred losses or had to foreclose. These final steps often followed a very unpleasant process. People refused to believe (and still refuse to believe) that our Foundation cannot disburse its capital and does not seek to do so. In just one case, there was a combination of investment and support. We bought a house and leased it to a group to house women refugees (Villa Courage). At the same time,

the project was supported with funds from the working groups. But unfortunately, that was not enough. The project could not sustain itself, did not receive enough additional support, and the building had to be sold.

Of the two pieces of real estate donated by the benefactor, we still own the apartment building in Berlin-Kreuzberg and have modernized it step by step. The villa in Berlin-Zehlendorf was leased for many years to a project for young drug addicts. The project had to move out, however, when Berlin's city government refused to pay a higher rental fee, which had increased due to necessary maintenance. The building was sold in 2007.

In recent years, collectives have become less common, and there were no longer many projects submitting funding applications to us. For this reason, we were forced to invest an increasing portion of our money in securities, in other words, releasing it into general financial circulation. This was preceded by invariably painful discussions – we wanted to realize as much income as possible while also investing our capital as „ethically“ as possible and avoiding significant risk. It is a practically impossible balancing act, and no doubt we did not always make the right decisions. However, so far we have been spared truly nasty surprises.

Awarding grants

In a sense, the working groups (initially five or actually four) reflected the spectrum of the leftist movement of the 1908s:

- › The *Latin America working group* emerged from solidarity with the revolution in Nicaragua and other liberation movements in Latin America.
- › The *Africa working group* evolved out of solidarity with the anti-apartheid movement and other liberation movements in Southern Africa.
- › The “emergency fund,” which later became the *dritte Welt – Hier! working group* (“the third world at home”), was created because we wanted to provide political support in Germany for those (and other) movements in the Third World (as it was called then), and to call attention to the interrelationships between prosperity here and poverty there.
- › Committed parents at a school in Berlin-Kreuzberg, 40 % of whose students had a Turkish background, organized joint trips to Turkey because they sought to improve how Germans and Turks lived together. This group developed into the *Er-Fahren working group*.

› Members of businesses that were organized as collectives generated the idea of supporting and developing alternative business and production structures with funds from *Umverteilen!*. That was how the *Employee-owned Businesses working group* was founded. However, it was dissolved after half a year. That type of fund allocation was not compatible with the legal requirements of *Umverteilen!*'s status as a charitable organization.

› In 1988, shortly after the foundation was established, the *Asia working group* and the *Women's Issues working group* were founded.

There were many political changes in the years immediately following the establishment of *Umverteilen!*. The dissolution of the Eastern and Western blocs, the fall of the South African apartheid system, the strengthening of neo-liberalism, the increasing marginalization of migrants and the opening of the Berlin Wall all affected the working groups, which had to rethink and reorient their missions and their work.

For several years, there were calls for the establishment of working groups on Eastern Europe and the Middle East. But in the end, it was decided to continue with six working groups. Otherwise, the amount of money available for each group would have been so small that it would no longer be worth the effort.

Projects involving several working groups

A lot of things happened in the initial years after *Umverteilen!* was established. For the first time, many people actively working for the Foundation had the opportunity to carry out projects they would never have been able to do without its funding. So we did not limit our work to processing grant applications submitted by others, but also developed our own initiatives.

In the first five years, three major projects were launched that were financed by all the working groups, with one working group overseeing each of the projects.

› *Kurdistan Press* (1987-1989): A biweekly nonpartisan cultural magazine in Kurdish and Turkish, published in exile in Stockholm and supported by the Swedish Ministry of Culture (*dritte Welt – Hier! working group*). € 150,000.

› *Neem tree* (1987-1995): Subsidizing a cooperative in Nicaragua in developing ecological pest control methods (*Latin America working group*) € 585,888.

› *Meeting center* (planned beginning in 1992, in operation since 2004): Afacan, a venue for young people's intercultural encounters in Turkey (*Er-Fahren working group*) € 1,022,000.

In addition, special political events triggered the formation of ad hoc groups which were given budgets of their own. These groups were comprised of members of various working groups that provided funding quickly and unbureaucratically for certain actions compatible with our foundation goal.

- › 1988 *ad hoc group IWF*: founded on the occasion of the International Monetary Fund's Annual Meeting in Berlin, expenditures: € 25,000.
- › 1991 *Special fund Gulf War*: managed by the *dritte Welt – Hier!* working group and *Er-Fahren* working group, approx. € 120,000.
- › 1992 to 1996 *ad hoc group Anti-racism*: established in response to the firebombings in Rostock-Lichtenhagen and Mölln, expenditures totaling approx. € 300,000.
- › 2003 *ad hoc group Iraq anti-war*: established in response to the Iraq war in 2003, expenditures: € 10,000.
- › 2007 *ad hoc group G8*: established on the occasion of the G8 summit in Heiligendamm, expenditures: € 28,000.

Allocation of funds to the working groups (Steering Committee)

The working groups' autonomy in distributing funds has always been important to us. Nonetheless, the working groups needed to be networked with one another, to exchange information, support and criticize each other, and be subject to an outside perspective. And they were to decide jointly how the money was to be distributed to the individual working groups, and which issues should receive priority. The Steering Committee was created for this purpose, with representatives from each working group. The Board of Trustees allocates the total funds to be distributed to the Steering Committee, which in turn appropriates them to the individual working groups.

Unfortunately, networking the working groups did not work quite as we had imagined – undoubtedly partially a structural problem of *Umverteilen!* that we did not recognize at the time. The Steering Committee did set priorities at first (major projects, ad hoc groups), but there was hardly any critical discussion of the working groups' activities – the groups were very different from each other and were busy dealing with their own internal problems. So the available funds were almost always simply divided by the number of working groups. Since the groups did not always have the same needs, some working groups carried forward large sums from one fiscal year to the next, while other groups had greater needs. This system was changed in 2003. Since then, at the end of each year, the working groups must return monies that have not been spent or budgeted to the pool of funds to be allocated the following year.

Paid and unpaid work

From the beginning, we considered working for *Umverteilen!* to be political work for which nobody was to be paid. Decision-making was to be as independent as possible; we wanted dedicated individuals, not functionaries. Above all, we wanted to keep administrative costs low to have more money available to subsidize projects. However, at first we were not really aware of the amount of work involved in running a foundation with such a large amount of money and the complexity of the various fields of work.

We hired two office staff to manage the Foundation. Their salaries were to be commensurate with that of chemical technicians – after all, they were the ones whose work had generated the millions that we wanted to redistribute. The two “office staff” who joined the Foundation then are still working for us. Uschi Zöllner is responsible for everything in connection with the work of the Board of Trustees, which includes investments, managing loans and real estate, and drawing up the business plan. Torsten Damerau deals with the working groups, the disbursement of funds, management of the projects we support as well as the Steering Committee. Both of them studied business management and completed their degrees during the first years of working for us, which was of great benefit to the Foundation, but was not reflected in their compensation. For this reason, we changed the Statutes in 2005 (with the approval of the regulatory authorities). Their salaries are now analogous to that of civil servants, including an appropriate pension plan.

Office

At first, we established an office in Berlin-Kreuzberg, renting space from *Stattwerke*, a consulting organization for cooperative and socially conscious businesses in the alternative scene, which consulted for us as well. As the rent became increasingly expensive and we needed more space, we purchased and renovated an industrial loft in Berlin-Schöneberg in 2001. We now have a larger conference room, accommodation for guests, two offices and space for our large number of files. We rent the other half of the loft to *Stattwerke*, and *terre des femmes* uses office space there, too.

Consulting

From the beginning, we have been using the services of specialists for all work that we were not knowledgeable enough to do ourselves (taxes, legal issues, investing) and have compensated them for their work.

The founder

Ulf Mann contributed his entire estate to the Foundation. The founding group laid down in the statutes that he is entitled to a stipend (BAT 1a level, according to the pay scale for civil servants). To date, however, he has not made use of this entitlement. Ulf Mann was involved in the establishment of the Foundation and was a member of the first Board of Trustees (as a representative of two working groups), but resigned after six months. He remained a member of the Africa working group until 1996, but then withdrew entirely from serving the Foundation. However, he is still associated with the Foundation, among other things, because he still lives in the apartment building he donated to it.

Conclusion

Our Foundation has now been in existence for more than twenty years. Two of the founders are still serving as members of the Board of Trustees. Numerous members have been with the Foundation for almost as long. There have been very few changes in Board membership, a few more in the Steering Committee. It is evident that we have all aged, and some of us have already reached retirement age. But young people continue to join all the working groups.

This continuity can be considered evidence of the success of the Foundation's structure. Indeed, there have been no major conflicts. Even the two paid office staff – Uschi Zöllner and Torsten Damerau – are still working for the Foundation after more than twenty years.

On the other hand, we must recognize that this structure is also somewhat cumbersome. Groups need more time than individuals to make decisions, and work distributed among many people sometimes falls through the cracks and gets overlooked. Most members of the Foundation have jobs or volunteer for other organizations as well, which means that they have less time for the Foundation than necessary. This is a problem for the Board of Trustees, the Steering Committee and the working groups.

As all working groups are autonomous and meet, discuss applications and make decisions on their own, the members of the Foundation get to know one another only when they meet in the Foundation's formal bodies (Board of Trustees and Steering Committee). The working groups do not know much about each other. For many years, we attempted to support exchange by means of parties or joint discussions, but this approach was only moderately successful. Cohesion continues to be rather loose, and individuals tend to identify more with their working groups than with the Foundation as a whole.

Only in the Board of Trustees do the members of the six working groups meet on a regular basis. As they work together continuously and must make decisions regularly, they know each other better and share a common discourse. Nonetheless, it has proven difficult at times to disseminate this to the other people involved with the Foundation, due among other things to the fact that the material is complex and difficult, and the working groups have their hands full with their own work.

As the Internet makes it possible to collect and exchange information quickly by e-mail, it has resulted in a distinct improvement in communication and eased the burden of work to a certain extent.

Uschi Zöllner and Torsten Damerau, our office staff, contribute significantly to the Foundation's cohesion. They really are informed about all matters (at least in their individual areas of responsibility) and can impart this information to others.

Our Foundation is flexible and not very bureaucratic. We use a relatively small percentage of our income in the service of earning that income, maintaining the Foundation and distributing funds. With the Foundation's money (generated by others), with our time and our work, we would like to continue supporting people who refuse to resign themselves to the prevailing conditions, just as we do, and who are committed to a world in solidarity, just as we are.

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