

# Giving in Europe

The state of research on giving in 20 European countries

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# Research on Giving in Croatia

*The state of research on giving by households, corporations, foundations and charity lotteries to charitable organisations in Croatia.*



An ERNOP publication

This publication is part of *Giving in Europe. The state of research on giving in 20 European countries*. The full publication is available at [www.europeangiving.eu](http://www.europeangiving.eu). An executive summary of the full publication can be found [here](#) and a two-pager summarising the quality of data and the preliminary (lower bound) estimations of giving in 20 countries can be found [here](#).

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# Research on Giving in Croatia

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## Introduction on Giving Research in Croatia

The topic of philanthropy in Croatia is not adequately addressed as a research topic nor covered by empirical findings. There is a scarcity of research on philanthropy and statistical databases are very poor in this respect. It could be said that philanthropy is neither a research topic nor a policy issue in Croatia. It is only occasionally debated in public, usually in the context of specific activities concerning humanitarian aid or actions, often covered in the media, who highlight the negative image of humanitarian organisations. Providing humanitarian aid has often been accompanied by alleged misuses of donations, which has led to a negative perception of humanitarian organisations by the public. Therefore, in 2014 the Croatian Government initiated a proposal for a new act on humanitarian aid, with the main aim of increasing transparency in collecting and providing humanitarian aid. This proposal was based on the concepts, among others, of: defining clearer criteria for organisations to get permission to collect and distribute aid, and greater control over humanitarian actions and using donations (Ministry of Social Policy and Youth, 2014).

As regards the research on giving, as mentioned earlier, there is a lack of comprehensive and up-to-date research, as well as official statistical data.

The abovementioned proposal of the act on humanitarian aid in its introductory part serves as a source of information of a number of humanitarian actions undertaken, and on the value of donations over the last couple of years.

The data from official statistics are mostly not publicly available. The Croatian Central Bureau of Statistics (CROSTAT) collects data through the Household Budget Survey, which encompass several questionnaires. They include the following questions regarding donations:

- Articles of food and beverages for personal consumption – gifts received and given
- The value of received gifts in cash from persons outside households
- Giving in cash to persons in the country and abroad
- Voluntary contributions in cash to religious and humanitarian organisations

Data on individual and business tax deductions (tax incentives for donations) are collected by the tax administration of the Ministry of Finance, but are also not publicly available. According to the USAID 2012 CSO Sustainability Index, this benefit is rarely used in Croatia, both because the benefits are not widely known and because the process for claiming tax relief is very complicated. As a result, some citizens make donations to humanitarian campaigns without reporting them on their tax returns (USAID, 2013).

The BA thesis of Mirna Bašić (Bašić, 2014) gives an overview of humanitarian donations by telephone. Croatian Telecom (T-HT) guarantees the phone numbers for humanitarian actions can be

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called free of charge, based on proposals from organizers and on the decision of the committee<sup>28</sup>. The author shows an increase in humanitarian actions for which the phone number was approved from 2004, reaching a peak in 2010, followed by a decrease. However, the number of actions per year that can use this phone number is limited.

Earlier research (Bežovan, Zrinščak, 2007) indicated an increase in citizens' donations to humanitarian causes, which was explained by the modern technological possibilities which make donations easier (e.g. via phone calls). According to the same research, 66.8 % of citizens gave donations in cash or in kind to humanitarian causes. Prior research by Bežovan (2005) showed that nearly 70 % of citizens donated money or other material goods.

More recent research, a follow-up of the CIVICUS CSI from 2011 (Bežovan, Matančević, 2011), is somewhat reduced in data. It contains empirical findings on philanthropy in variables in the structure of the income of organisations, although the data on individual philanthropy, available in the previous SCI 2003-2005, are missing here.

## **Giving by Individuals**

### **Descriptive statistics of giving by individuals in vivo**

There is no available recent research on individual philanthropy in Croatia. The Civicus Civil Society Index (CSI) from 2005 provided an insight into the practice of individual giving in Croatia. Accordingly, 66.8 % of citizens gave donations in cash or in kind, with an average of 1.2 % of a person's annual income (Bežovan, Zrinščak, 2007; Bežovan, Matančević, 2010). This research stressed the problem of the socio-cultural environment, i.e. low levels of trust, which is not conducive to developing a philanthropic culture.

The Household Budget Survey (**questionnaire**), implemented by the National Bureau of Statistics, contains the following information:

- Articles of food and beverages for personal consumption – gifts received and given
- The value of received gifts in cash from persons outside households
- Giving in cash to persons in the country and abroad
- Voluntary contributions in cash to religious and humanitarian organisations

However, this information from the survey is calculated according to the total consumption of households, and there are no micro data on gifts and voluntary contributions.

### **Data sources of giving by individuals in vivo**

There are no available public data or research on giving by bequest.

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<sup>28</sup> <http://www.t.ht.hr/odgovornost/humanitarni-telefon/index.asp>

## Giving by Corporations

### Descriptive statistics of giving by corporations

Corporate philanthropy is still a rather new and under-researched phenomenon in Croatian academic research.

Some more recent data from the Civicus Civil Society Index in Croatia from 2011 (Bežovan, Matančević, 2011) contain findings on the approximate structure of income of CSOs, including income from *indigenous corporate funding*. Accordingly, 38.5 % of organisations receive donations from the corporate sector, which constitute on average 8 % of an organisation's total income. In the previous CSI 2003-2005 research (Bežovan, Zrinščak, 2007), it was indicated that some better developed corporate players had started to develop the practice of corporate social responsibility, which was seen as an important contribution to the development of civil society, and to positive social change. Data from 2006 show that only five business organisations had registered their foundations, and that several business organisations regularly donated funds to other foundations (Bežovan, Zrinščak, 2007; Bežovan, Matančević, 2011).

The Croatian tax system provides incentives for donations, whereby businesses can donate up to 2 % of their income to the public good, which is tax-deductible. Some research insights suggest that only a few businesses use tax incentives for donations (Bežovan, Matančević, 2010).

The web portal DOP<sup>29</sup> (DOP = *Društveno odgovorno poslovanje*; English = Corporate Social Responsibility) promotes corporate social responsibility in Croatia. One of the main goals of the project was setting up the National Network for CSR in 2010. This network assembles on a voluntary basis associations and other organisations from the public, private and civil society sectors, with the aims of increasing the number of business players implementing CSR, improving policy for CSR, raising public awareness and promoting CSR good practice. The 'Indeks DOP' (engl. CSR Index) database can be found on the DOP webpage.

## Giving by Foundations

### Descriptive statistics of giving by foundations

In Croatia, there are currently 216 registered foundations. A list of registered foundations (including information on their addresses, registration numbers, and tax numbers, as well as a short description of their aims and scopes) is publicly available in the 'Book of Foundations' on the Ministry of Public Administration webpage.

There is no recent research on foundations in Croatia. A study by Bežovan (2008), an action-oriented, empirical piece of research on the role, development and achievements of foundations in Croatia, was an important contribution to a more in-depth understanding of the environment in which Croatian foundations operate, their roles, and their strengths and weaknesses.

The Internet page 'Za.Dobrobit' (engl. For.Wellbeing)<sup>30</sup> serves as a platform for philanthropic initiatives and actions, as an innovative way of financing and supporting projects and initiatives from

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<sup>29</sup> [http://www.dop.hr/?page\\_id=30](http://www.dop.hr/?page_id=30)

<sup>30</sup> <http://www.zadobrobit.hr/>

civil society organisations. At the same time, the aim of this webpage is to promote a culture of giving and advocating the common good. This platform can be joined by individual activists, associations and foundations. At the moment, there are 29 foundations registered on the Za.Dobrobit platform.

The National Foundation for Civil Society Development, the leading foundation for financing the programmes and projects of CSOs, publishes annual reports on their income and donations<sup>31</sup>.

In 2012 the ODRAZ association, with support from EU funds, implemented the research 'Assessment of capacities of community foundations in Croatia' (Odras, 2012)<sup>32</sup>. The main aims of this research were to assess the capacities of community foundations to benefit from the EU funds; to analyse the programmatic framework of the EU for philanthropy, and to analyse the importance of community foundations for smaller CSOs in rural areas. The research was based on secondary data (document analysis) and on field research in the form of questionnaires, focus groups and stakeholders' meetings.

## **Giving by Charity Lotteries**

### **Descriptive statistics of giving by charity lotteries**

Giving by lotteries is regulated by the Act on Organising Games of Chance and Prize and by the Annual Government Regulation on Criteria for Establishing Beneficiaries and the Manner of Distribution of a Part of the Income from Games of Chance. It is administrated through different ministries, governmental offices and through the National Foundation for Civil Society Development (public foundation), with respect to a defined proportion for particular public needs.

The data on the structure and amount of those funds are publicly available in the annual reports of the respective administrative bodies (ministries, national foundations etc.). There is no complementary secondary research on this issue.

## **Conclusion**

Research on philanthropy in Croatia is still in its early stages of development, and there are very little available data, both in terms of research findings and statistical data. However, the available data sources do not make it possible to analyse the structure and amount of contributions by the various fields (uses of contributions). There are not even any reliable data on the total contributions from sources of contribution. Statistical data on private giving (partially collected by the National Bureau of Statistics) and on tax incentives for donations from individuals and businesses are not fully available. Deeper insight into the practice of giving in Croatia could be achieved by empirical field research with national coverage, and by different sources of philanthropy. An important step towards promoting philanthropy research in academia would be the institutionalization of this discipline at the university level (e.g. founding a Chair on Philanthropy).

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<sup>31</sup> <http://zaklada.civilnodrustvo.hr/frontpage>

<sup>32</sup> [http://www.tacso.org/doc/hr20130204\\_cassessment.pdf](http://www.tacso.org/doc/hr20130204_cassessment.pdf)



## References and further reading

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A stylized map of Europe is shown in the background, with landmasses in white and surrounding waters in blue. The map is centered on the Atlantic Ocean, showing the British Isles, Scandinavia, and the Mediterranean region.

## About Giving in Europe

**Philanthropy is not an American, but a European invention. 'Giving in Europe' shows: European philanthropy takes itself seriously.**

This study is an initial attempt by members of the European Research Network On Philanthropy (ERNOP) to map philanthropy in Europe and presents a first overall estimation of the European philanthropic sector. Containing an overview of what we know about research on the philanthropy sector, it provides data and an assessment of the data on giving by households, bequests, foundations, corporations and charity lotteries in 20 European countries.

Despite the promising signs of an emerging philanthropy sector in Europe, it is still a phenomenon and a sector that is not very well understood. As a matter of fact, besides the anecdotal glimpses from national researchers and the great work that has been carried out on the subdomains of philanthropy, we know little about its actual scope, size and forms in Europe. For a better discussion and assessment of the (potential) role that philanthropy can play in solving societal problems, we need a clear picture of the size and scope of philanthropy. What amounts are donated by households, through bequests, corporations, foundations and charity lotteries, and to what goals? To what extent can we draw a picture of the philanthropy sector in Europe, what is the quality of the data involved?

In answering these questions, this publication aims to stimulate researchers, policy makers and philanthropy professionals in fostering research on philanthropy and to inspire to exchange knowledge and information. For more information visit [www.ernop.eu](http://www.ernop.eu).