

SUMMARY COUNTRY REPORT SLOVAKIA

INTELLIGENT MONEY – PRIVATE RESOURCES FOR DEVELOPMENT

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1. INTRODUCTION

The mission of the Center for Philanthropy is development of philanthropy and civil society. During our activities in the past ten years of our work we have noticed great changes in both fields and we are very glad that we were able to participate in a program that brings together resource mobilizing support organizations (RMSO)¹ from other Central and Eastern European countries in order to share similar experiences.

Our snapshot of the present situation shows that there is an intensive evolution of relationships between private sector and civil society organizations that responds to a new funding environment that has emerged after the departure of foreign donors from Slovakia in early 2000. The lack of funding for civil society was deepened also by contribution of the public sector, which was uninterested in supporting the civil society organizations.

The remaining resources that were available for supporting the civil society organizations were therefore concentrated also due to the generous 2% legislation in the corporate sector. There are good reasons to explore these newly emerging relationships and views of actors that are involved in them. One of the most important ones is that public sector alone can hardly address all issues at play that concern the social development today, even if some etatistic politicians believe so. It is good, that there are areas in which different sectors do not work together, but there are also areas where public and private sectors have to work in order have things work well.

The area of development in its broad sense is a space where both sectors may complement each other. In the upcoming years the EU structural funds will play an important role in this area and despite the sheer size of funding, it is clear that they will be accompanied with many problems such as its bureaucratic nature, corruption, payment delays and high administrative burden on the recipients.

We agree with our colleagues with Czech Republic that overdependence of civil society organizations on public budgets limits their independence and financial stability and hinders real development of civil society based on values such as active public participation, philanthropy and volunteerism. We find therefore important to look at the up-to-date experience with private funding and its role in the development of our countries.

Thus the main goal of our research was to analyze the context, practices and results of private philanthropy and indigenous resource mobilization for civil society in Slovakia. We also intended to deepen our understanding of donors' motivations to give and problems or questions they deal with when determining which organizations to support. We hope that our findings will motivate CSOs to explore and utilize the private giving.

¹ RMSOs – Resource mobilizing support organizations are organizations who aim to take a strategic role in development and mobilization of private resources (on the resource giving side, resource raising side or in combination as intermediaries between those who have and those who use the resources). They can be foundations, associations/federations/expert centers with at least one of the following roles: a) linking private donors interests on one side and recipient civil society organizations (CSOs) on the other, b) providing educational services, professional standards advice for donors or CSOs, c) building and sharing of knowledge in or influencing of resource mobilization policy or practice.

This report is based on available secondary data as well as on 14 in-depth qualitative interviews conducted in spring 2008. We interviewed non-profit organizations with long-term experience in fundraising from private sources, foundations working in the field of philanthropy development, corporate donors with different approaches to corporate philanthropy and individual donors who have supported several non-profit causes. We investigated their opinions on the availability and potential of private resources in our society and important trends they perceive in the giving environment. We were also interested in their views on effective giving and its main characteristics and whether they have witnessed any examples of current successful practices. The final part of the interviews was dedicated to the respondents' understanding of the role of resource mobilizing support organizations that aim at cultivating the philanthropic environment within the country.

The findings presented in this report relate only to the respondents and shall not be perceived as generalizations for the different groups studied. They may, however, have a broader relevance.

Additionally the research findings are supplemented by 5 case studies (in Slovak language) focused on successful practices that contributed to the development of private giving.

Abbreviations used in the report:

CSO: civil society organization

CD: corporate donor

ID: individual donor

CSR: Corporate Social Responsibility

RMSO: resource mobilizing support organization working with private donors and/or CSOs on developing and cultivating philanthropy (foundations, associations, expert centres, etc.).

2. CONTEXT FOR PRIVATE GIVING IN SLOVAKIA

2.1. DYNAMICS OF PRIVATE GIVING DEVELOPMENT

Private giving in Slovakia has likely been going through **stagnation or slight growth** over the past five years, both at the level of individual and corporate giving. Corporate giving now appears in the media more often, it is more visible and is felt more by non-governmental nonprofit organizations.

2.2. DYNAMICS OF INDIVIDUAL GIVING

- Close to one half of respondents (46%) to a representative poll in April 2007² said they had in the past given a financial donation to some nonprofit organization. In December 2004, a similar poll asked if the respondent had in the past given a financial or an in-kind gift or performed volunteer work for a nonprofit organization. To this question, 47% of respondents said 'yes' and 34% said they had given a financial donation in the preceding 12 months³. The agency interpreted the difference between these data by saying individual giving **stagnated**. Even if there had been a mistake in their interpretation, the difference between 34% and 46% indicates **slight growth**.

² Press release. Philanthropy in Slovakia Public opinion poll conducted by the FOCUS Agency for the Donors Forum. April 2007.

³ *Final report on the public opinion poll conducted for the International Youth Foundation Slovakia*. FOCUS – Center for Social and Marketing Analysis, December 2004.

- Private individual giving was typically given for issues such as assistance to the needy, children and youth, church, environment protection, or health protection, health education of health support.
- There has also been a shift in thinking about individual giving: “*Compared to 2004, individual donors changed the criteria of their decision-making of whether to support a nonprofit organization or not. Three years ago, what mattered was the purpose of a collection, its recognition, its tradition, and previous positive experience. Currently, what comes to the forefront is transparency of nonprofit organizations. To 44% of donors, the key factor in their decisions is how publicized and how accessible information is about activities of a nonprofit organization. Good reputation of a nonprofit organization is important to 42% of donors which means their understanding and decision-making is more comprehensive; individual donors no longer consider isolated projects but make a concentrated effort to get information about who runs the collection.*“⁴.
- Donations are generally given in cash, on site into a donation box, through purchases of goods or services, or through a postal money order. So far the more modern payment methods have been used sparingly such as text messages, payments online, or direct debits in a bank⁵.
- In recent years, there have been several examples of a significant philanthropic actions of individuals – philanthropists. The most significant example could be the system of providing help to families with a member suffering from cancer – the system called Good Angel (see case study).

2.3. CORPORATE GIVING

- In 2006, Slovak foundations had a total income of more than SKK1.29 billion⁶ (€40.8 mil.) which represents **year-to-year growth of 8%** compared to 2005. (Data for 2007 is not available at this time). In 2006, the greatest growth happened among **corporate foundations** with 2006 income of SKK307.1 mil (€10,1 mil.) – an increase of over 80% when compared to 2005.⁷ This growth can be explained by strong efforts to use the 2% corporate income tax assignation. Even if nature of this assignation is not private giving, it finds its way into organized corporate giving as represented by corporate foundations.
- A quantitative study by Katarína Svitková from CERGE-EI (2006)⁸ with data collected in two polls in the Czech Republic from 577 businesses (data for the three-year period 2001-2003) and from 162 businesses (data for the five-year period 2001-2005) and in one poll in Slovakia from 152 companies (data for the four-year period 2001-2004) indicates among its many findings that **Slovakia is falling behind Czech Republic in giving. However, no significant drop in giving in Slovakia has been observed since 2004** as a result of the legislative change which greatly raised the cost of giving (donations could no longer be used as tax deductions).
- The same study indicated differences between philanthropic giving of Czech and Slovak businesses. While in the Czech Republic, donations are made by both major and mid-size and small businesses, in Slovakia donations are made primarily by major companies. Svitková

⁴ Press release. Philanthropy in Slovakia Public opinion poll conducted by the FOCUS Agency for the Donors Forum. April 2007.

⁵ Final report on the public opinion poll conducted for the International Youth Foundation Slovakia.

⁶ Report on the Status of Slovak Foundations. Analysis of 2006 data. Donors' Forum, November 2007

⁷ ibid.

⁸ Svitková, Katarína: Corporate Philanthropy in the Czech and Slovak Republics. CERGE-EI, Working Paper Series 312, Prague, November 2006

ascribes this difference to differences in business profit levels in the Czech and Slovak Republics and also to a lack of leadership in Slovakia. Major companies in Slovakia give less than major companies in the Czech Republic.

- The poll by Focus Agency from April 2007 also showed that “*in Slovak society there is some kind of pressure towards and demand for greater engagement of businesses in the society. 89% of respondents consider it correct that businesses contribute to addressing or resolving problems of the society in which they operate.*” We wish to add that this statistic should not be overrated because it does not automatically indicate pro-social customer behavior of citizens in specific situations, when compared against the factors of price or convenience. Still, it holds some promise for the future.
- The baseline UNDP study on how corporate social responsibility is implemented in Slovakia was published in 2007 and showed that in Slovakia the concept of *corporate social responsibility* is often restricted to or replaced by philanthropy or charity. The study suggests a reason for this – philanthropy as an idea is much longer known in Slovakia than corporate social responsibility. In addition, philanthropy is less complex and less varied, which makes it easier to comprehend and implement. Public is then able to better follow philanthropic activities of businesses which in turn allows for their growth.

2.4. SOME CONTEXTUAL CHANGES TO PRIVATE INDIVIDUAL AND CORPORATE GIVING

In 2004, a tax reform came into effect which took away tax-related motivation for giving from companies and individuals. The tax exemptions of up to 2% or 10% respectively of income tax base were replaced by the so-called 1% income tax assignation which individuals has been using since 2002 and legal entities since 2004. It was not clear what impact this would have on tax-related motivation towards giving. So far it appears that it did not result in any dramatic drop in corporate giving. Reliable quantitative data on individual giving is lacking.

- Since 2004, Slovakia has seen record-high growth of GDP (5.4% in 2004, 6.0% in 2005, 8.3% in 2006, and 10.4% in 2007⁹. Not even this growth has resulted, however, in any significant increase in private giving, whether among businesses or individuals. Still, it could have had balancing impact on the cancellation of using donations as tax deductions (as described above).
- In the period from 2002 to 2007 (or 2004 to 2007 for businesses), the income tax assignation has been on the rise. Strictly speaking, however, this phenomenon is neutral in relation to private giving (income tax assignations do not constitute private resources). See table:¹⁰

Year	Number of recipient s	Number of individuals who assigned 2% (1% before 2004)	Number of business es who assigned 2%	Amount assigned by individuals (in thousands of SKK)	Amount assigned by businesses (in thousands of SKK)	Total sum assigned by individuals and businesses in a given year (in thousands of SKK)

⁹ National Bank of Slovakia

¹⁰ www.rozhodni.sk

Rok	Počet prijímateľov	Počet FO, ktoré poukázali 2% (1% do roku 2003)	Počet PO, ktoré poukázali 2%	Suma poukázaná od fyzických osôb (tis. Sk)	Suma poukázaná od právnických osôb (tis. Sk)	Celková suma podielov zaplatenej dane v roku (tis. Sk)
2002	4 042	341 776	–	101 882	–	101 882
2003	3 398	286 164	–	97 070	–	97 070
2004	3 829	402 057	8 364	275 917	569 256	845 173
2005	5 746	418 241	14 063	312 439	618 340	930 779
2006	7 100	446 973	17 740	352 869	772 101	1 124 970
2007	7 662	408 277	21 632	386 181	882 879	1 269 060

- The annual growth of salaries in real terms has been 3-4% since 2005 but also the differences between the top earners and bottom earners have become greater. The economic situation of most households has improved on an absolute scale. The average salary reached SKK22,000 (€761) at the end of 2007 but only less than one third of Slovaks earned such salary. The median was about 25% lower than the average salary.

2.5. FINDINGS

So, how was the private giving dynamics seen by respondents to our poll?

Respondents identified three major factors effecting private giving:

1. Culture, tradition
2. Economic aspect (both on a business level and level of individuals)
3. Legislation

2.5.1. CULTURE

Most respondents share a similar attitude towards giving - giving requires **good will**, and there have also been and there will also be people of good will. Level of income or rate of income tax makes no significant difference. It is remarkable how close this view is to the assertion by Svitková, who draws upon a major quantitative pool of data.

Many respondents would agree to the statement that the culture of giving is not deeply engrained in Slovakia even if we are a Christian country and a charity has been a part of Christian culture since its beginning. Years of socialism and omnipresent care-taking state have taken their toll also in the field of philanthropy. In many ways, the social learning of giving habits is tied to the **upbringing** and environment in which one is growing up.

“We did not grow up in a culture of individual responsibility or civil society – it will take several generations for these to develop.” (CSO)

Several respondents also draw attention to the need of awareness-raising of potential donors for stressing the inter-related nature of our world and the need for active attitude to the world where problems that seem too far from our life are actually much closer to us than any time before. Some problems, such as climate change, poverty in developing countries or democracy development are not directly apparent, but they already start to influence our lives very much. By giving to these and other problems we can influence these problems by our own way and not to passively wait for “others” to take care of them. This applies for community participation, environmental issues or third world development.

Another major cultural factor influencing the giving is the **low level of trust** among people, which, based on the messages that came out of interviews, seem to be quite low in our society that is supported also by recent sociological surveys.

For example, the interviews uncovered that there are **attitudinal differences** to giving. These differences divide people into two groups: 1) to those who are basically distrustful to giving act (who see the risks and potential flaws or giving, both in process and in purpose and sense) and 2) those who believe in a potentially trustful relationship evolving from it and as act that makes a broader sense (for a donor, donee or the community). While some of the respondents would claim, that the distrustful attitude is more typical for donors from the older generation as they lack the upbringing about and awareness of giving, we feel that there is little evidence for such statement.

Clientelism and corruption that are present in various areas of life also taint the relationships in the giving area and influence the perception of giving towards more distrustful one.

"Even if the situation with the level of giving does get better in our country, relationships based upon friendships still survive. Often when you read somewhere that so-and-so supported someone, you learn later through various channels that he is a brother of that-and-that and these persons have certain connections while other persons have other connections." (RMSO)

2.5.2. THE ECONOMIC ASPECT

One of the common opinions on giving is that giving comes only after the basic needs are met. These include basic needs on the level of individual (housing, food, education, etc) or the need to generate profit at the level of a company. However, we can see that giving in the real life is not always like that. It is intriguing to witness a kind of **Maslow paradox** - in a situation without elementary needs satisfied, there are voices calling for support to the higher-level needs. What is more, support is indeed being given to those higher-level needs. Not on a massive scale but this voice has been heard through interviews.

Another aspect that appeared in our research is the suggestion that the appreciation of the giving act shall be based on the relative size of the gift to the disposable means of a donor and not on the absolute size of the gift.

"If an elderly lady gives SKK50 (€1.6) from her retirement, sometimes it means much more to me than if a millionaire donates SKK100,000 (€3320). The same thing if a tiny company from a forgotten area supports some CSO - it means a lot and it is important to talk about it." (CSO).

This view is particularly relevant in relativizing and balancing views that measure the success and meaning of giving by its size in absolute terms.

The overall economic environment and changes in the external donor “market” and behavior did influence the nature of philanthropic giving in our country. One of the most visible outcomes of these changes is the more and more visible partnership of some NGOs with business partners in supporting charitable purposes. How has this change occurred?

Respondents believe two factors had an impact on the communication and development of partnerships between civil society organizations and businesses:

1. The exit of major foreign (US and European) donors and foundations in early 2000 represented a situation to which nonprofits had to respond (e.g. the traditional funding for the environment or for institutional development of CSOs has finished etc.). Nonprofit

organizations were unable to implement their projects and operations through grants and were forced to start exploring other resources. The funding from EU sources (transition facility 2004-2006 and structural funds 2007 onwards) was large in terms of size, but very difficult to access for NGOs. In 2002-2004 there were also efforts of some of the late donors (CEE Trust for Civil Society) to assist NGOs with better management of their transformation to better respond to new funding environment. For example supported were efforts of NGOs exploring possibilities of investing their free resources (e.g. in a mutual fund set up specifically for nonprofit organizations), with the development of individual and corporate philanthropy, or efforts to earn own income through sale of services and products¹¹. However, the time for exploring and experimenting has been too short which meant that NGOs had to make a rapid adjustments, i.e. one of them were partnerships with corporate donors.

2. Arrival of international companies and setting up of offices of foreign companies – these brought with them the roots of corporate philanthropy. But its main manifestations appeared only after the market itself has started up, in early 2000. However, it was up to the nonprofit organizations to start new communication with them. The main initiatives from the business sector have come only after 2004, after 11 major companies responded to the initiative of Pontis Foundation and under its leadership started *Business Leaders Forum* (BLF). Even if later than in other Central European countries, the Slovak BLF plays a leading role in promoting and supporting CSR activities in Slovakia. They are mostly international businesses who take the lead in this field. Pontis Foundation along with Business Leaders Forum awards the *Annual Via Bona Award for Philanthropy of Socially Responsible Businesses and Entrepreneurs*. Among small and mid-size businesses, it was Integra Foundation which promoted the concept of CSR.

In 2006, the *Corporate Donors Club* was started by the Donors' Forum. It seeks to support and promote culture of corporate giving by setting standards, improving the social and legal environment and the cooperation with key stakeholders.

Similarly, Center for Philanthropy has worked since 1999 with several major corporate partners as their consultant and service provider assisting them to design and implement their charitable and corporate giving programs using the up-to-date approaches and techniques from the existing grant-making practice in the CEE region and with the non-profit sector experience to increase the potential benefit of civil society to be resourced from the corporate funding.

PANET - Civic association has been focusing its efforts on information-provision and consultancy activities in areas of CSR and business-nonprofit partnerships since 2002. At the national level, the concept of CSR is driven mostly by CSOs – in terms of increasing awareness about it, building or engaging resources for it¹².

But it is not only the CSR concept that is visible. It is the corporate giving, which has a longer tradition and is often the most visible part of the corporate social activities.

Economic development has brought new technologies that have allowed for new donation mechanisms such as SMS donation (and its variant Donor Message Service - DMS) to a lesser extent the ATM giving, online donations, that gradually develop, etc. These mechanisms are more comfortable, instant

¹¹ Fukas, Marcel - Guštafik, Peter: *Nonprofits and Profit: Income generation activities of nonprofit organizations. Experience and case studies*, VNJH, PDGS 2005

¹² Marček, Eduard, *The Way it Works, Corporate Social Responsibility in the Carpathian Region, Final Report for Slovakia© PANET* in cooperation with the Carpathian Foundation Slovakia 2007; also Elena Gallová Kriglerová, Zuzana Kerestešová, Miroslav Kollár, Michal Vašečka: *The Baseline Study on Implementation of Corporate Social Responsibility in Slovakia*, UNDP and CIS Regional Center, Bratislava 2007

and for the technologically savvy users more simple to use than the traditional ways of giving, but they did not replace traditional giving through cash or recently, SMS giving.

"It works wonderfully for me. As soon as I hear in radio about the collection organized by the League Against Cancer I do not need to look for young women volunteers handing out symbols of yellow daffodils because I can send the donation directly through my phone while having my coffee" (CSO)

2.5.3. LEGISLATION

Respondents consider income tax assignation to be the most significant legislative change influencing private giving. This mechanism allows taxpayers to assign a portion (2%) of their income tax payment to a specific recipient to be used for its core activities, if these are:

- a) health protection and promotion; prevention, treatment, re-integration of drug addicts in terms of health and social services,
- b) promotion of sports of children, youth and citizens with physical disabilities,
- c) provision of social assistance,
- d) preservation of cultural heritage,
- e) promotion of education,
- f) human rights protection,
- g) environmental protection and development,
- h) science and research.

The 2% income tax assignation is a catalyst mechanism of philanthropic giving, but technically it is not philanthropy (it uses taxes - public funds). Even so, it has implications to the philanthropic and giving field.

"The possible 2% tax assignation, whether by businesses or individuals, is not philanthropy. On the other hand, I believe it essentially forces businesses to think more strategically and think at all about what to do with the money – because they do indeed need to decide about a relatively sizable package of money within certain date. In effect, this helps them learn how to work with our organizations; it helps them learn something about issues and the impact of those resources." (RMSO)

"In our case, the 1% tax assignation was of interest to us. I personally liked it a lot because I saw it as a tool to teach personal responsibility and civic responsibility for what happens around me. So we spent a lot on promotion of 2% - even so much that it was not essential to us whether we receive the 1% or someone else. Important was that people doing it at all." (CSO)

A poll was conducted by polling agency TNS SK in March 2008 on a sample of 686 respondents paying income tax and therefore eligible to assign 2% of their income tax. It showed that only 41.6% of respondents intended to assign a portion of their income tax paid, 45.9% did not wish to do so and 12.5% of respondents were undecided. 28% of respondents planned to assign their 2% of income tax to children and youth issues and support to education. Another frequently cited purpose was health protection and promotion as well as assistance to citizens with physical disabilities. The least represented were issues of human rights but also preservation of cultural and religious values¹³.

The 2% income tax assignation uses public resources. For some respondents it is a way of tying the CSOs to the state and government funding.

¹³ <http://www.niton.sk/documents/42-78-4693-tns2percenta2008.pdf>, 1 July 2008

"Without the 2%, there would be less money available in the sector but it would be healthier. My opinion is that the state should not have such a strong impact on the nonprofit sector. Yet, it does have this kind of impact because it holds the money given to the sector" (RMSO)

Even if many practitioners from the business or from the CSOs agree that 2% income tax assignation is not a donation in the true sense of the word and in some way it deforms giving, people still perceive also the benefit of its impact on giving practices and do not deny the benefits it gives to corporate donors and the resourcing benefit it gives to CSOs.

2.6. COMPARING CORPORATE AND INDIVIDUAL PRIVATE GIVING – IS IT ACTUALLY POSSIBLE?

The above-mentioned poll by FOCUS Agency from February 2006 showed the most popular method of giving to charitable causes was putting cash into collection money boxes, whether in a church (55% of respondents) or in an organization (53%). 32% of respondents made a donation by sending a text message from their mobile phone. At that time only a small portion of respondent made donation payment from a bank account (4%) or an ATM (3%). In terms of organizations supported, respondent most often donated to church (40%), then to CSOs (30%) and schools, hospitals, etc. (25%). As many as 40% of respondents claimed to have given money to a beggar or another person in need. In Slovakia, individual giving is most often performed through public collections and gifts to churches or charities. Local patriotism has often been mentioned as a significant factor affecting giving.

"If the attitude of the society were such that everybody gives, I would give also – it is such a social norm. In America, everybody gives donations – it is a norm and not to give is awkward. Perhaps this is how they want it to be. But in Slovakia, this is not the norm at all. So individuals give donations only if they truly wish to give." (ID)

"If we consider it, there may be 15 thousand persons who could afford to give one or two million [€33,000 to €66,000] each year. Yet, how many of such cases have you heard about? I have met maybe three or four, but this is not standard, it is not the norm." (RMSO)

The corporate giving in Slovakia seems to be recently more developed in Slovakia than individual giving, in terms of its presence in the media, in terms of its place in the public benefit space. However, much of the individual giving is hidden and is not presented on the public or publicly as it operates, unlike corporate giving, without the hegemony of marketing or communication departments. Therefore comparing the two may be misleading, as each is different given its constituency and nature of its motivations. What seems to be inadequately represented in the “giving” market in Slovakia today is a voice and visibility of individual donors who are open about their activities and set the tone of the overall development. From this may come the feeling that there is a space of a greater involvement of individual donors in giving for various causes. But here a caution is needed: Individual donors, regardless if making large or small gifts, are culturally (sometimes also tactically) inclined not to speak loudly about their giving because it is not appropriate. We assume, that much of the individual giving, especially the larger one, takes place unnoticed.

As far corporations are concerned, significant part of their activity is in communicating their charitable activities. Therefore, with their strong media presence and communication skills, there seems to be a prevailing feeling of their strong activity in this field. And while a room for improvement exists, it is not anymore a new phenomenon. Many companies established in recent years their foundations or foundation funds (also motivated by the introduction of the 2% income tax assignation mechanism) and they make an effort to distribute resources in a strategic manner and talk about it. Since 1993, 77 foundations have been started in Slovakia by companies.

The Good Angel project has been seen by respondents from all target groups as a breakpoint. The giving involved is effective (the project is often cited as an example of effective giving) and the

project may serve as a model for other individual donors. It earned the respect of wide public and finally it has drawn upon its advantageous link to the business sector.

"I am sure there are people in our country who search for what else to do. What is important is that they have motivation. Kiska had clear motivation – just like I mentioned. Those are the people who came from business into our nonprofit sector and used all of their know-how. Kiska did it even more grandiosely and generously and in such a way that the project was not linked to our traditional nonprofit sector. Still, it is wonderful the project exists." (RMSO)

2.7. THE FUTURE

The predictions about the future are in current state of world financial and economic crisis quite risky (December 2008). The economic growth in Slovakia is being slowed down after the impacts of the world financial crisis. But even without the crisis, the further development of private giving is a long-term race.

"My theory is that philanthropy will do well in Slovakia when we have a strong and rich middle class." (RMSO)

"Awareness will be continually increasing. I do not see any significant changes and jumps coming. What I see is rather a long-distance race. It is more about quality than quantity" (CD)

What remains as important recommendation for policy makers or for individual CSOs is the diversification of sources of income. In this sense we can expect more efforts put up towards approaching of individual donors, small and large which may raise their share in the overall private giving in Slovakia.

The most difficult for private giving in Slovakia in future will be its competing and fight for the place in the sun with the public funding, heavily supported by the EU funds. The role and place of private giving in the country development in Slovakia has not been recognized in national development and despite the overused phrases of intersectoral cooperation, real public-private partnership in the publically beneficial area are very rare to see.

A number of people see potential in corporate giving because it is closely connected to CSR, which is on the rise in Slovakia. There is also the assumption that giving may one day become the expected norm among businesses, which is a realistic expectation.

"Companies will be interested in developing their profile in giving, in developing their image of responsible businesses, and they will modify their organizational structures. That will result in the appearance of certain professions. Already now we see some companies developing specialization of their staff. They are willing to discuss this, openly share their know-how and present themselves." (RMSO)

Trends for companies include promoting community activities of their employees, active programs for involvement of employees in voluntary activities, providing opportunities for employees for participation in or supporting local community development. With the financial and economic crises ahead, cuts in the sponsorship budgets and corporate giving budgets can be expected.

Some changes in the giving market will be influenced by:

- Introduction of Euro currency with two possible consequences to CSOs: an increase or a decrease of contributions from individual donors
- Abolishment or partial reduction of the corporate eligibility of the 2% income tax assignation mechanism in the next election period (2010-2014), which has been mentioned by the present government.

2.8. CHALLENGES FOR CSOS

CSOs and RMSOs see communication as one of their important tasks - whether communication with public, with donors or spreading information about their topics and activities.

"When the nonprofit sector does something, many times it is done in silence. We have no idea of what is happening there – availability of information is low." (CD)

Donors admit and CSOs are aware that demands will be growing on the quality of CSO work. As a result, it will become important that CSOs come up with high-quality projects which they are able to communicate about well.

Donors also expect CSOs to come up with creativity and vision

"It is hard to say whether there are many philanthropists, but people who have some philanthropy inside them are unable to give it the right name, they are disoriented and afraid a partner will come to them asking for money but not bringing a vision. And this is about vision. Because people who made it in business and became wealthy are not just good managers. They are something more – they are visionaries. They are the leaders who follow a vision and money comes to them. And they also need a vision for their giving." (CD)

The watchdog function of CSOs towards businesses is less developed than towards the state but it can be expected to increase:

"There is still a need for the higher-level CSOs which are to keep an eye on the processes – the so-called watchdog organizations. They have a strong place in Slovakia and will continue to have it. Yet I expect them to reach a certain standard or perhaps a higher level if they focus their efforts on businesses. If they keep an eye not only on politicians (if they are transparent and free of corruption) but gradually also on businesses, that will be a good signal of how far we have come." (CD)

The possible abolishment of the 2% income tax assignation for corporations (in 2006 the government presented this plan, but it was not approved by the Parliament) is seen as a threat for the CSO funding unless followed by a new indirect funding mechanism such as tax deductions or similar.

"They even give donations even now without tax deductions. The main point is that there is enough money donated. In my opinion, many fewer nonprofit organizations would survive." (RMSO).

3. GIVING PROCESS

3.1. EFFECTIVENESS IN GIVING PROCESS – AN IDEAL VIEW

Recently we can see efforts in applying various methodologies to measure effectiveness of giving, primarily corporate giving (f.e. London Benchmarking Group, Standard Community Investment,

Social Return on Investments, etc). The effectiveness of giving is also a very frequently called upon by donors, public-at-large, media and CSOs. The view of effectiveness of each of them may be slightly different and there can be different measurements of effectiveness in giving. On the top of that, measuring effectiveness of giving is difficult for several reasons:

- a) Giving represents often a delicate relationship which extends beyond categories of economic effectiveness and enters the realm of morality and principles. Therefore applying categories of costs is sometimes not enough to capture the breadth of what is going in the giving process.
- b) Giving in social development is often associated with higher risk, than business investments. Gifts (grants, social investments) are provided for promises of future changes in individual, social or environmental spheres. Changes in these spheres are results of complex factors and their predictions are rather uncertain.
- c) Giving is a process that is often oriented towards unique situations for which there is a lack of similar situations to make suitable comparisons and thus establish a comparative framework for evaluating effectiveness. Often giving allows for exploration of areas and failures are necessary for the advancement of issues.
- d) Giving is in some ways very different, in other ways not so much different to for example a processes of buying and selling. Similarly as in business relationship, giving welcomes the trust and is more effective in trustful environment because transaction costs are lower. But the trust for giving is more than the trust for business. Giving is fundamentally based on a culture of a trust than on a culture of contract. Giving builds heavily on a good will, volunteer enthusiasm and effort, passion and other personal and social qualities more than on performance benchmarking, critical path analysis or just-in-time delivery. These personal and social qualities are not instantly mobilizable and equally stable over long term, although donors often take them for granted.

From the research we found out, each of the group of respondents puts a slightly different emphasis to their interpretation of effectiveness. However we found several features of effective giving that are common to all groups of respondents.

First, it is the **systemic change with long term effects** what everyone considers as effective.

,“Effective is to teach how to fish, not to give a fish” (ID)

This is undoubtedly an ideal statement, which is often hard to achieve in a reality and practitioners – CSOs or donors - know how difficult this is. We unfortunately did not have space to go deeper in collecting what different understandings and interpretations of terms such as “*systemic*” or “*long-term*” are among different actors of giving process. There is certainly a lot of different views on these terms and different levels and expectations. At the end it boils down to particular lines of policies that address particular problems. This is one of the areas that may need further exploration. The frequent mentioning of these terms in connection to description of *ideal* and *effective giving* tells something about ambitions of all involved actors.

Another common feature of effective giving for different actors is the **responsiveness to the current needs**.

Third common feature of effective giving is the call for **partnership** approach between donors and recipients. In real life there are limitations to fulfilling the ideal of partnership, primarily due to the *power differential* that is very strong and intrinsic in the donor-recipient relationship. However, partnership is also a characteristic of a relationship – which suggests that more attention shall be paid towards reflection and evaluation of existing donor-recipient relationship.

The emphasis on the *relationship dimension* was especially present among the CSOs. Civil society organizations put a lot of emphasis in their understanding of effectiveness on the donor and his position in the giving situation. This reflects probably the importance of a donor for CSOs and also

how important for CSOs is the **relationship between them and donors**. For example an ideal donor in CSOs views is aware of the situation, knows what he/she wants to support, demands a feedback, enters the process with the partnership attitude and makes the gift that considers the needs of the beneficiary.

This also suggests that CSOs are convinced about the importance and usefulness of their work. Their attention is less focused on displaying the benefits and effects of their work, as they are (for them) self-evident. But they identify the relationship with donors as an important part of the giving process that can not be separated from the material outcome of the giving itself.

„I am interested in the cooperation, the model of cooperation, not just the fact that someone gives us money, but what is interesting is how donors can be involved in the processes that they support“ (CSO)

„The right connection of the donor and the recipient is one of the key elements of the effective giving“ „(RMSO)

Individual donors prefer targeted giving to those who need the help most (**responsiveness and knowledge of the situation and the beneficiary**). At the same time as *effective* individual donors consider strategic approaches, and not the ad hoc solutions. For individual donors we can see the emphasis put on the actual effect and usefulness of the gift on the ground and less on the relationship aspect of the giving. But this may also mean that there is less giving “*traffic*” between CSOs and individual donors which limits the possibility of further reflection of this relationship.

Corporate donors emphasize in their formulation of effectiveness also the need for systematic **feedback collection** about the effects of the giving and learning for the future. This to some extent reflects the typical features of the business environment with its sound management practices and approaches that maximize the utility of their actions.

„If I support any project I have to want to see results, to evaluate them, learn from them, it just needs some long-term framework“ (CD)

In terms of giving process to recipients, all types of respondents consider the **grant mechanism** as effective giving instrument as opposed to ad hoc giving.

3.2. GIVING PRACTICES

3.2.2 CORPORATE GIVING PRACTICES

3.2.2.1. DECISION-MAKING

In majority of companies that were recently (2007) studied by the Donors forum are the applications for support decided by the top management or the company owner. At the same time grows the importance of the role of departments or positions responsible for corporate social involvement.¹⁴ Giving can be influenced not only by a corporate business strategy, but also by a person who has the decision-making powers, be it in the management role or owner. Personal experience or local-patriotism plays an important role. Our research confirmed this finding.

„My time is limited and I need to take care for other businesses besides the corporate giving. It is only my personal engagement or interest that I devote time to the area of corporate giving above my duties“ (CD)

¹⁴ Správa z prieskumu o stave firemnej filantropie na Slovensku, Fórum donorov a týždenník Trend, august 2007

Employee's interests are often taken into account in decision-making about giving. In some companies employees can participate in decision-making about whom or what is going to be supported by the 2% of the corporate tax. Another possibility of employees involvement in the giving process are various collections (financial or in-kind), volunteering programs, employee grant or giving programs, participation in assessment process of grant applications, etc.

In its corporate organizational hierarchy, corporate giving often falls under the communication or PR departments. This means that it is often influenced by the staff of these departments and the giving agenda is connected to the corporate communications agenda.

„Some of these corporate foundations that were established recently and did not develop relationship or partnership with some experience partners from the non-profit sector, their thinking is quite business-oriented. It is very hard to explain to those who are so much and so long oriented towards profit generation that foundations are in some aspects very different entities and their work follows different rules typical for philanthropic and developmental environment. Then they consider foundations as their marketing tool“ (RMSO)

Today the practice in the corporate sector *differentiates sponsoring and giving more than before*. Corporate giving becomes understood today more as a part of the corporate social responsibility and sponsoring is a part of the PR budgets and the two do not overlap that much as it was the case couple years ago.

The concept of **corporate social responsibility** becomes more domesticated in Slovakia and serves as a driving force for larger corporations in stimulating corporate philanthropy.

„Through observing the Via Bona Award I can see how the competition among companies rises in what they do. They watch this Award every year, work to improve their approaches and look for the factors of success in their activities. It is our job to persuade them that the factor of success is also a cooperation with entities that are familiar with the theme they support and understand the contents, as well as instruments how to approach it.“ (RMSO)

Companies that approach giving with a strategic concept typically follow their giving strategy and cooperate with the RMSOs. Donors often do not have capacities and time to devote themselves to giving in a systematic way. Therefore they outsource part of the giving through partnership with nonprofits. For example they set up donor advised fund in foundations or contract out services that help them to implement their giving programs.

„Giving in cooperation with an independent foundation intermediary enhances the strategic giving, because the non-profit partner multiplies the investment through its other resources in a given area, often it enhances sustainability of the project and there are synergies with other projects that take place around that foundation. Thus chances for social change are increased compared to situation when a donor would follow individual strategy“. (RMSO)

Obviously RMSOs – foundations and other non-profit intermediaries believe in benefits that they provide to donors. But there are also costs to corporate donors - complications in delivery of corporate strategy as a result of consolidation of different values, time delays as a result of negotiations, and additional financial costs.

Giving practices of corporate donors are influenced by several factors:

- a) Linkage to mother company. Often foreign corporate headquarters push the national branch to behave „socially responsible“ and national branches may or may not be interested in it
- b) Area of business. In some areas the corporate giving is important element of corporate social involvement, in other areas it is not.

- c) Overall setup of the company owners (for example the community proud, personal experience and motivation)
- d) Legal framework – in Slovakia the key factor is the 2% tax assignation which provides businesses with resources for corporate giving
- e) Concept of corporate social responsibility
- f) Particular moment in time when corporate management realizes that giving money without being concerned about results is not enough and it should be more aware of relationships in which they get in through the giving and the fact that these relationships are beneficial for both parties

3.2.2. AREAS OF INTEREST

Areas of corporate donors include most often education, regional and community development, children and health. These areas reflect the perceived needs in these areas and also the business needs.

Sometimes RMSOs and CSOs think that there are other, more important and more interesting areas for donors. Corporate donors however choose their areas mostly based on considering an area of business in which the corporation is working. For corporations is also important the quality of idea that is proposed for funding.

However there is different opinion about what areas are more relevant and needed. For example some corporate donors would have problems supporting programs oriented towards work with Roma. Some would consider this topic as popular, some others as problematic and controversial.

Based on the research of the Donors forum in 2005 companies supported activities in following areas: children and youth, education and research, culture, health, charity, sport and leisure. In 2006 the culture and art became more supported, children and youth, sport and leisure, education and research, health and health care.

3.3. ADDED VALUE OF PRIVATE GIVING AND ITS COMPARISON WITH PUBLIC SOURCES

Many RMSOs and CSOs perceive public funds as easier to obtain, as they are provided through well-known mechanisms that can be learned and can be routinely accessed. This path has also its problems, due to administrative difficulties which are a great obstacle, especially for smaller CSOs. The approaches of providers of public funds are often perceived by CSOs nonstrategic, and very formal. Little attention is paid towards the contents, the human dimension is missing and there is lack of feedback and institutional and long term support.

*„CSOs that are tied and dependent on the public funding become de-facto a state organizations and are so bound with the state that they loose their principle independence.“
(CSO)*

The comparison between private funds and public funds is a large topic in itself and it has not been studied in detail in this report, but deserves a closer attention.

3.4. RMSOS AND CSOS ABOUT CORPORATE DONORS EFFECTIVE GIVING

RMSOs and CSOs observe the evolution of the corporate giving in Slovakia and do not see major changes in this field. Rather, the field differentiates internally. There are corporate donors that follow strategic approach, while there are donors that are not interested in developing giving strategy and give

ad hoc. Also, the RMSOs and CSOs perceive that corporate giving that is unselfish (gratuitous) is very scarce and most often corporate giving is related to public relations.

3.5. GIVING RELATIONSHIPS BETWEEN PRIVATE DONORS AND CSOS

There is a tension in this relationship, between what it is and what different actors believe how it should look like. The tension can be positive and productive if it is further discussed in an open atmosphere. The tension tells about a diversity of approaches, views and attitudes that co-exist in the space of private giving which is, in our views, an indicator of healthy development.

At the same time the tension tells about the environment that is in its formation. When certain norms and standards are not yet set and they need the practice to be shaped up and agreed upon by the key players. It is about the culture of giving that is being created and re-created and the tensions and their settlement is an important part of this process.

RMSOs and CSOs consider a successful cooperation with private donors when they are active and provide not only financial support but also some other in-kind support (for example time of employees). Also they appreciate if a donor is keenly interested about the results of the supported activity. CSOs realize that sometimes they do not provide sufficient feedback to donors, but there are also donors who are not interested in it. Also, CSOs find such relationships with private donors useful and successful, when they are longer-term, support is provided repeatedly and a relationship is built where both parties learn from it.

Private donors are more concerned about the results of the supported activity than in the relationship with the donee per se. However, donors highly appreciate the self-sufficiency of the recipient and his/her ability to find sources elsewhere. Similarly they appreciate also when there is a mutual communication and feedback between recipients and donors and when the cooperation grows beyond just financial support.

,,it is not only about giving, but about the fact that we meet these people, talk to them and exchange information with them“ (CD)

While all respondents stress as elements of successful relationship the need of the feedback and long term relationship and appreciate it, it seems to us that these concepts are differently understood among them and it would be useful to clarify their meaning during or before the giving process.

But life is not only about successful examples and practices. Between donors and recipients there are also tensions and issues in which a common agreement or position is not achieved and is hardly achievable. There are also perceptions of each other that are controversial.

But there are other issues as well: Donors tend to underestimate the CSOs because they do not understand them and consider them as insufficiently professional, unsystematic – unapt to finalize processes and insufficiently transparent. Also some have unreal expectations about the third sector – that “everything” in the non-profit realm is done for free and volunteer based. Also often corporate donors often believe that application of the business and corporate methods of work is a good sign of professionalism. Where a different work culture is used, it is perceived as less-professional.

,,Maybe the third sector will have to learn how to finish things and work more intensively in project management“(CD)

While in some situations application of for-profit business practices might be a useful improvement, in others it might not be. Given the limitations of the nature of the work in the non-profit sector, certain principles of project management that work in the business environment have to be modified and adjusted to a different working and organizational culture and context.

There are also cases when donors expect too much for very little resources. Sometimes they tend to use the CSOs as a low-cost marketing tool and are interested in very basic information about the project outputs and media outputs, and not the project's impact on the beneficiaries.

„Company representatives do not expect that the staff of CSOs is able to figure out the value of the cooperation and value of CSOs in this“. (CSO)

But there are also CSOs that join this game, because they think that such support is worth of the effort. Larger CSOs also say NO today. They do not try to start the cooperation for any sake. Many of these situations are judgmental and there are pre-conceived truths how to respond to them.

From a more distant perspective the described situation tells about the nature of the business of engaging for-profits with non-profits. The basic rules and techniques of effective communication and negotiation are valid in either of these worlds and sooner the CSOs learn them and practice them, the better for them.

Sometimes also an instrumental relationship at-a-first-glance may bring about positive results.

„The pressure on media outputs has also positive results, because with the media output for the donor we also advertise our activities“. (CSO)

Expectations of donors sometimes stimulate the activity of CSOs. The pressure which is made leads sometimes to implementation of good quality projects provides a space for more creativity in the CSOs work. CSOs are pressured to think how to engage the donors and think of new approaches. This can be also tiring and meaningless from the perspective of CSOs. Some CSOs feel exhausted by ongoing approaching of private donors which not always brings the desired results. Some other CSOs like the fundraising experience and discover passions in it.

3.6. LONG TERM AND AD-HOC COOPERATION

All respondents have mentioned experience with the long-term support. Long-term relationship contributes to mutual understanding of both partners. CSOs better understand the requirements of donors and donors gradually get into the way of work of their CSOs partners or donees. If a CSO knows its donor better, it can communicate with him more openly. Long-term experience in relating to each other enhances mutual trust that contributes to a more open communication as well.

„Long-term relationships are built through personal communication, after we find a way how to meet with these people. Figuring out this takes a lot of time, but brings back a better understanding of the work that we do, which helps us to get rid of the pressure for media coverage because those people (corporate donors) then figure out the meaning of our work.“ (CSO)

“Many people in Slovakia provide a one-a-time gift of 10 EUR and think that that is it. Or the 2% it is also a two-way weapon. Many people say that they give 2% and that is their giving and that should be enough. Most people do not understand that the help is meaningful when it is a continuous support. This is what we try to help our donors to understand and explain them that environmental issues and problems are long-term ones and as such they require long-term and systematic work.“ (CSO)

The ad-hoc relationship is also very common and there are good reasons for it. Corporate donors sometimes expect immediate or short-term result in a time horizon of one year. Such a time-span is sometimes too short for processes that some CSOs work with.

„It is hard to raise funds that are long-term. Donors prefer when gifts relate to current accounting year so that the funds are reported within that year. In our country things work for the period of one financial year - both, the public funding as well as business funding. That is also one of the reasons why the giving is short-term.“ (RMSO)

„The more I meet with friends from other companies, the more I hear how desperate they are to identify a good long-term project. They envy us that we have launched this or that, they do not see that before the project was crystallized and launched there were several years of looking for the right way, making mistakes, spending energy. So in the stressful tempo in which the corporate sector lives is much more easier to support short term or one-time event and is more difficult and energy intensive to find a long term project. (CD)

For CSOs a strategic task is not to get a donor to support a project only at once, but to keep the donor for repeated support. The CSOs expect from donors a support (in any form – financial, material or volunteer time). Then what they expect is a truly partnership approach and appreciation of ones own work. Those who manage that typically then enjoy a longer cooperation.

“Long-term cooperation is being prepared in a lengthy process and there is nothing like one success factor“. (CSO)

Donors on the other hand, sometimes feel that there is a lack of good quality long-term projects and if they exist they have a poor communication. For this reason they do not see civil society organizations as particularly useful in addressing the issues in the society and consider that the third sector is failing in policy and advocacy roles.

As we explained above, the tensions in the CSOs – donor relationship are natural and positive if they are further worked with through multiple conversations at various levels (owners, top management, middle-management, members, grantees, etc.) that take place between CSOs and donors at different formal and informal occasions (conferences, roundtables, meetings about partnership cooperation, outsourcing of corporate giving, etc) without the “power” talk that the donor-recipient relationship is burdened with. The more spaces exist where these conversations can take place, the better for the overall environment. There is certainly a room for more of them.

4. RESOURCE MOBILIZING SUPPORT ORGANIZATIONS

4.1. ROLE AND POSITION OF RMSOS

There are several different roles in which RMSOs act in their work towards their partners. However there is one fundamental role and that is the **intermediary** role in mobilizing resources for civil society. RMSOs act as intermediaries towards donors as well as CSOs and in this role they facilitate the flow of resources and information (knowledge, learning) between donors and recipients. This fundamental role also means that RMSOs act as interpreters of different languages and worlds and often serve as a place where these different worlds and languages meet – the world of donors and the world of CSOs. The end result is a better understanding of each other.

“Given our character, reputation, more funds become accessible for NGOs. Not many NGO can access these funds. We are able to mobilize more resources”. (RMSO)

„They perform the educational and enlightening role in increasing the understanding of the for-profit sector for the non-profit sector and for the effectiveness of giving“(CSO)

But this is not enough there are expectations from donors, that RMSOs should also bring to attention of donors broader issues, that move the society, visions and values. The practice however shows that often there are different opinions and interpretations of key problems and their main causes and CSOs and donors do not necessarily meet in their diagnosis of the problem. Recognition of these differences on both sides without preventing to cooperate on matters where there is agreement is what RMSOs often end up with.

Another important position of RMSOs in relationship to donors is the position and role of **service provider (expertise, grant-making)**. They provide advise to donors where and how to allocate resources and implement grant-making programs that donors wish to fund.

RMSOs also play a role of an **advocate or spokesperson** of CSOs towards resource-holders. This comes back to the role of interpreter and facilitator of communication.

RMSOs are supposed to **make compromises** unless they are not in contradiction to their mission (CSOs, RMSOs). These roles create for RMSOs many challenges of how to balance different expectations and interests of their partners/clients/constituencies, especially between donors and CSOs.

„Our job is to identify expectations of donors and meet those expectations. If they are out of publicly beneficial scope, extreme or otherwise unwise, we shall rectify them but still help them“ (RMSO)

Sometimes the expectations of donors are unreasonable, especially if there are corporate donors interested in PR and media coverage. RMSOs try to help with this need, but the media understand the situation and do not provide space for it.

4.2. ADDED VALUE OF RMSOS

RMSOs are strongly convinced that they significantly add value to donor money they work with. Especially from RMSOs perspective is important that they help to get a bigger value for the money invested into charitable goals because RMSOs know better the CSOs, issues at play in a particular area and understand transparent processes that are suitable for getting the funding to work.

RMSOs important added value is their style of work which is typically very flexible and less bureaucratic than public donors are and more skilled in dealing with the grant-making process than private donors. This feature has been appreciated by many CSO respondents.

For donors the added value of RMSOs is that they provide them inspiration to new themes and professionalism in operation.

4.3. RMSOS IDENTITY

RMSOs have **multiple hats**, and therefore they represent different identities to different target groups. For the CSOs they are often a provider of resources, while for donors they are a resource-seeker or a service provider agency. The identity of RMSOs for one target group may not overlap with self-identity or with the identity as seen by others.

RMSOs also perceive themselves as **being different**, not really fully understood and accepted in their societies. *“...it is something that can exist, but may not, and it is the same” (RMSO)*

4.4. RMSO RELATIONSHIPS WITH CSOS AND DONORS

„Those who are in the space between the two barricades are the first to be shot down“. (RMSO)

CSOs expect that RMSOs will provide them advise and consultations (capacity building, fundraising) and support in the same volume and intensity as they provide it to donors. They also expect from RMSOs flexible and unbureaucratic processes and professionalism.

There are also additional expectations from RMSOs – as infrastructural organizations they are automatically expected to watch over the legal and fiscal environment, raise voice in policy debate, and cultivate the giving environment, lobby for nonprofit legislation and work towards more favorable environment for private giving. However, resources for this type of work are very seldomly provided by private domestic donors.

“Sometimes I am not sure whether the administration costs for the grant program aren't too high, but when I realize that companies would spend much more resources doing this, I think that it is a win-win for them and for us (CSO).

Corporate donors expect the knowledge, transparency, professionalism and visibility from the side of RMSOs. Often they select their partners based on their reputation. They are aware that RMSOs are from a different sector and therefore they are prepared to deal with them in a different way than they deal with for profit partners. It is the different value base which is appreciated by donors.

There seem to be a relatively less of trust between donors and CSOs than between donors and RMSOs. One explanation might be that those RMSOs through their frequent and repeated contact with donors develop a more intimate relationship with greater trust. But those CSOs that manage to develop direct relationship with a donor enjoy this trust as well.

Donors tend to underestimate some CSOs, their abilities to deliver promises, their transparency. Donors feel that there is a lack of good quality projects and if they exist, then they are poorly communicated.

Both – corporate donors and RMSOs look for equal partnership in their relationship, but this is hard to achieve due to following factors:

1. Corporate donors' tendency is to look for new themes and approaches which often does not give time for maturing and continuity of long-term projects
2. Different perception and understanding of the concept of equality in partnership - Some corporate donors believe that an equal partnership is a service relationship where the CSO or RMSO is a tool for the donor's goals.

5. CONCLUSIONS

The outcomes of this research project are in identification of themes that deserve future attention, rather than in making authoritative statements on particular issues. The project was conceived as exploratory and aimed at opening and uncovering issues that emerge in the delicate field of private giving, civil society and development.

In terms of the context of private giving, the research suggests (from secondary sources, though) that there is a stagnation or slight growth of individual giving in Slovakia over the past 5 years. There is a slight increase in corporate giving and relatively large increase in its public profile. A lot of the corporate giving profile is based on the 2% of the tax. There are expectations among different

respondents of more individual giving taking place in the near future as the people will feel effects of economic growth. Until now the role of individual giving and its profile remain relatively low compared to corporate giving. Some of the reasons include low levels of trust in the society, broken traditions of giving, reliance on the state and natural attitudinal differences. The reliance on the state and on public funding remains high and will influence also the level of growth of private giving in the future.

The ideal effective giving process seem to include three elements: long-term support, partnership and responsiveness to needs. Especially CSOs and RMSOs are very much concerned in their reflection of the giving practices with the relationship to their donors. There are tensions in these relationships as all parties in this relationship admit. These tensions are very natural and arise from naturally different backgrounds and organizational cultures and values that are confronted in these relationships. However there seems to be a need for expanding spaces where these tensions, dilemmas and differences can be displayed and discussed which would enhance mutual understanding of each other (donors and recipients). There is a great need of getting better feedback on all sides of these relationship, as that is where seems to be a space for improvement and further exploration.

RMSOs play a delicate role in balancing the CSOs and donor needs and often end up in situations of making compromises to their mission or to the funding available. Nevertheless, they often interpret the situation so that it is more comprehensible for donors to invest in. These organizations often act in multiple ways as developers of particular issue, service providers to donors and capacity developers of other CSOs. The combination of these different roles puts them in an unique position which often represents conflicts of their mission and resources. These organizations play an important role in the sourcing of the civil society with financial but also in-kind and other resources that they are able to mobilize through variety of relationships with donors, mostly corporate. The great challenge for RMSOs is to work in larger scale with individual donors and thus to diversify further their resource base for and with civil society.

We found it very useful to investigate the role of RMSOs in the eyes of other partners from both sectors. The outcomes of the interviews are an important impetus for evaluation of our work and future planning. We hope that readers of this report will also find it motivational, leading them to deeper thinking about the role of effective private giving in civil society, both from the point of view of donors as well as recipients.

We thank the Europe for Citizens Programme for supporting this project and our partners and collaborators in Romania (Association for Community Relations, Cluj), Czech Republic (Via Foundation, Prague) and Bulgaria (Workshop for Civic Initiatives Foundations, Sofia).