

Philanthropic Trends in Croatia and Lessons Learned from the Crisis

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How do we understand philanthropy?

Philanthropy = voluntary investment for the benefit of the community

organized , private investments in the well-being and development of societies communities, groups and individuals based on values, principles and practices of:

- ▶ solidarity,
- ▶ inclusion
- ▶ cooperation.
- ▶ voluntary contributions in addition to legal obligations
- ▶ free disposal of own property
- ▶ Sharing of knowledge, skills and time
- ▶ pooling of resources
- ▶ transparency
- ▶ trust- building

Philanthropy as a tool for the protection of human rights and promotion of social changes

Benefits

- ▶ **AUTONOMY**
- ▶ **RESPONSIVENESS**
- ▶ **INNOVATION**
- ▶ **CRISIS MANAGEMENT**
- ▶ **EFFICIENCY**
- ▶ **LEGITIMACY**
- ▶ **ALLIANCE BUILDING**
- ▶ **SOCIAL AND POLITICAL IMPACT**

Challenges

- ▶ **COMPENSATION** for the inaction of the authorities and the deficit of public investments in social needs
 - ▶ *Philanthropy SHOULD NOT REPLACE PUBLIC, especially those that provide FINANCING of organizations that work for the common good, and especially those that provide public services guaranteed by the Constitution and the law to citizens on a long-term basis*
- ▶ **FIG LEAF** to corporations' contribution to negative externalities systemic damages
- ▶ **CO-OPTATION** - how much does the donor control you and what do you feel obligated to do?

How rational is philanthropy?

MOTIVES

- ▶ Empathy
- ▶ Religious beliefs
- ▶ Moral beliefs
- ▶ Political beliefs
- ▶ Social Responsibility
- ▶ Achievement of goals and interests



REWARDS

- ▶ **Good feeling**
- ▶ **Affiliation and sense of belonging**
- ▶ **Social and public reputation**
- ▶ **Access to power centers**
- ▶ **Access to consumers and their trust**
- ▶ **Loyalty of workers and suppliers**
- ▶ **Networking**
- ▶ **Feedback and increased knowledge**
- ▶ **Control / co-optation**

Features of philanthropy to be explored:

- ▶ CRISIS / DEVELOPMENT PHILANTHROPY
- ▶ SITUATIONAL / STRATEGIC PHILANTHROPY
- ▶ SHORT-TERM / LONG-TERM DONATIONS
- ▶ STAND ALONE / PERMANENT DONATIONS
- ▶ INDIVIDUAL / COMMUNITY / CORPORATE DONORS
- ▶ INDIVIDUAL / COLLABORATIVE ACTIONS
- ▶ FINANCIAL / MATERIAL / PROFESSIONAL SERVICES / VOLUNTEER SUPPORT
- ▶ RESOURCE TRANSFERS / PARTNERSHIPS
- ▶ FUNCTION : CRISIS RESPONSE / COMPENSATION / INNOVATION

Global philanthropic trends that resonate:

- ▶ Focus on survival and sustainability i.e. crisis response and social innovation
- ▶ Donor collaborations and partnerships are becoming prominent
- ▶ The growing importance of creating and maintaining communities at all levels
- ▶ Generating optimism in gloomy times
- ▶ Focusing on young people, start-ups and social entrepreneurship
- ▶ Increased awareness of the importance of sustainable work on social change
- ▶ Digitalization of donations and social actions
- ▶ Participatory approaches to grant-making
- ▶ Communicating impact through SROI & storytelling

Philanthropy in Central and Eastern Europe 2022, by by Social Impact Alliance for CEE

- ▶ The study was conducted in March and April 2022 in 7 CEE countries: **Bulgaria, Croatia, Estonia, Latvia, Lithuania, Romania and Slovenia.**
- ▶ In each market **600 interviews were performed with people aged 18-65, reflecting the demographic structure of each society** by means of CAWI (online interviews).
- ▶ The report presents results for each of the markets as well as combined results for Central and Eastern Europe (CEE).
- ▶ **48% of interviewed citizens donate for social causes** (higher amount donated by men in general and age group 30-40)
- ▶ **53% of interviewed citizens have provided some form of support to war affected population in Ukraine**
- ▶ Total value of donations per year is estimated as **960 mil EUR**, with average of **80 EUR per donation**
- ▶ Source: [Our Initiatives - Philanthropy in CEE 2022 EN - Social Impact Alliance for CEE \(ceeimpact.org\)](https://www.ceeimpact.org)



Giving Croatia

2021

2,893
number of
donation
instances

39 million€
recorded
value of
donations

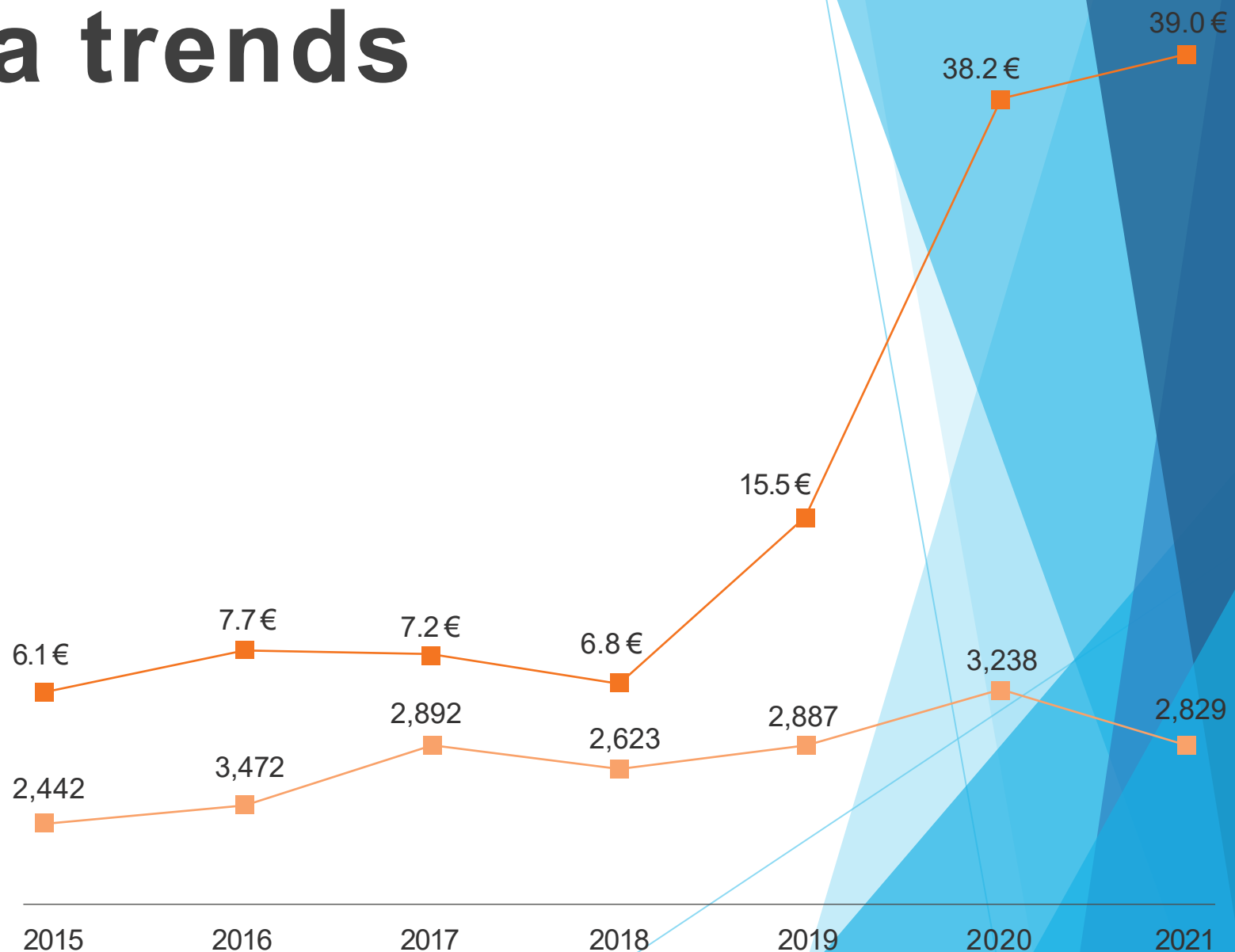
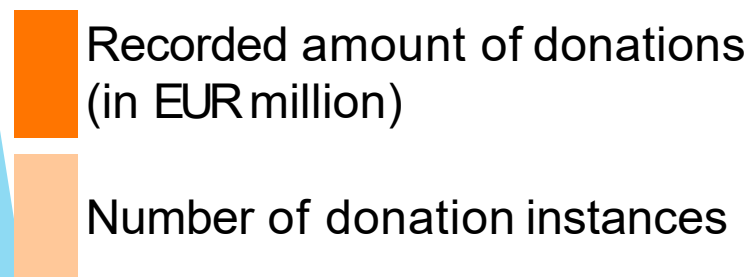
10 €
average
donation per
individual



Giving Croatia 2021: Report on the State of Philanthropy

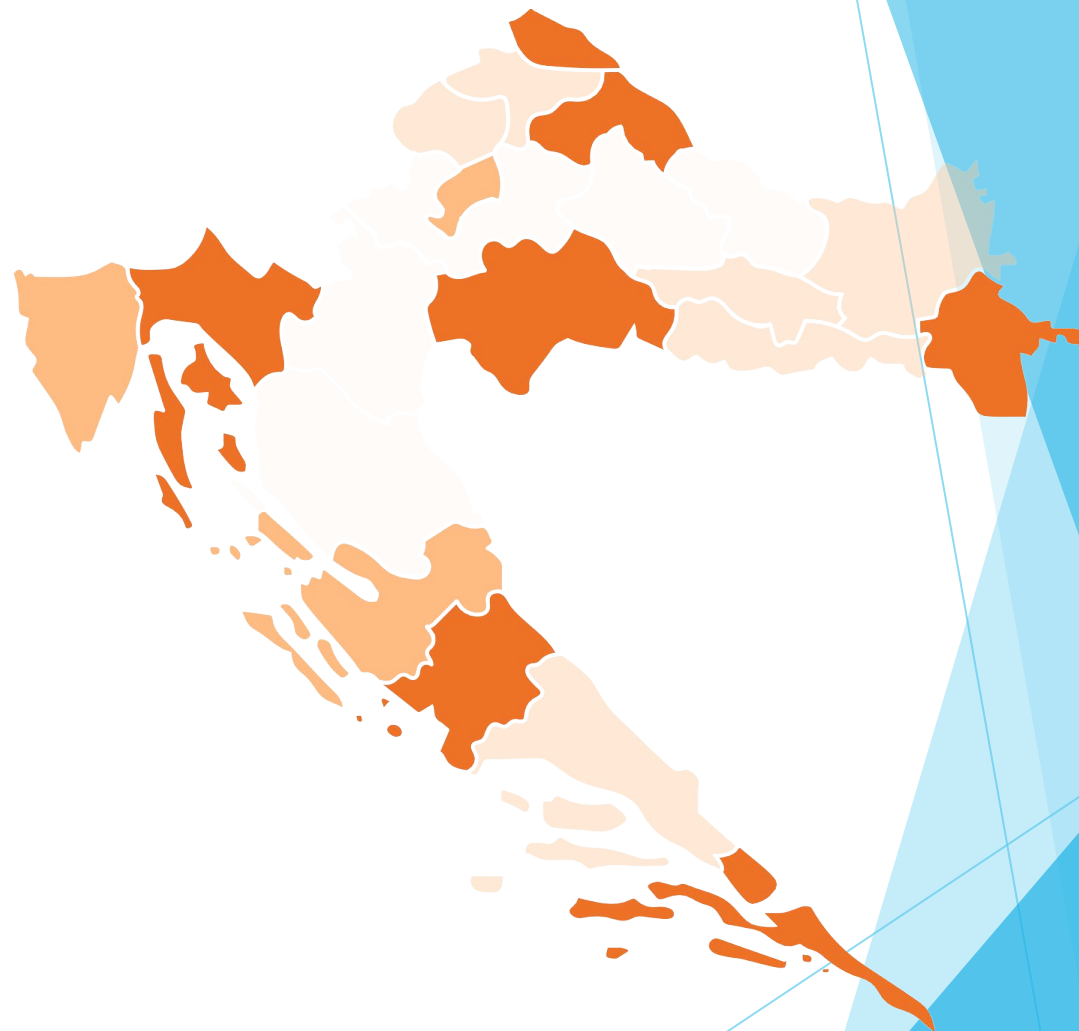
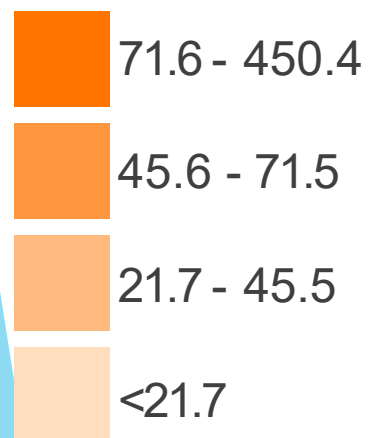
- ▶ The result of the long-term research project [Giving Balkans](#), regional specialized non-profit organization [Catalyst Balkans](#) based in Belgrade.
- ▶ Currently **the leading source of information on philanthropic trends in Croatia and the region** based on exact indicators.
- ▶ Annual analyzes of the state of philanthropy in the countries of the Western Balkans (including Croatia) are based on an extensive [online database of media publications](#) that explicitly report on donor activities.
 - ▶ Media visibility is a proxy indicator of the development of philanthropy, but also of media awareness of philanthropy and the issue of social development.
 - ▶ The media database also enables **individual searches and analyzes** (e.g. health care donations, donations for a specific organization, corporate donor profile) and monitoring trends from 2009 to 2021 and beyond!

Giving Croatia trends 2015 - 21



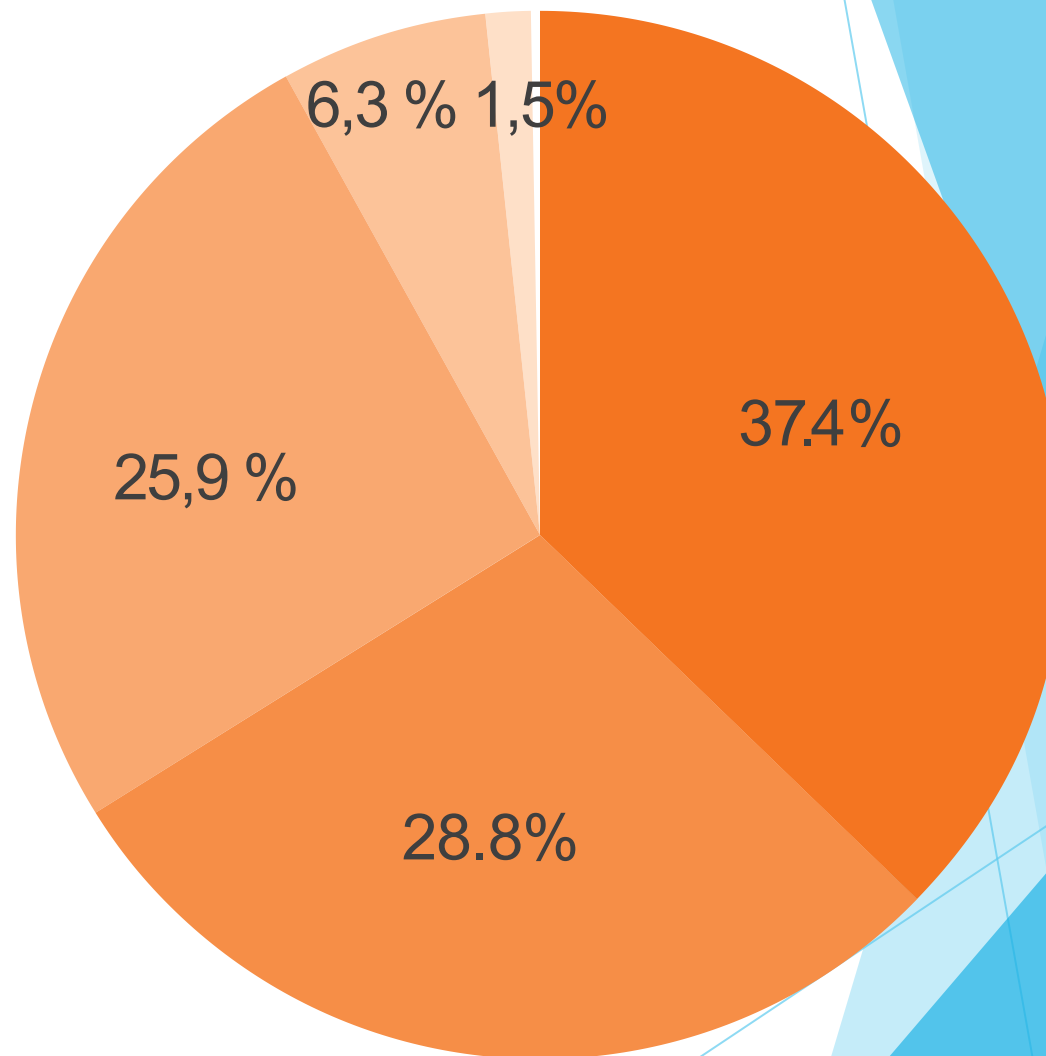
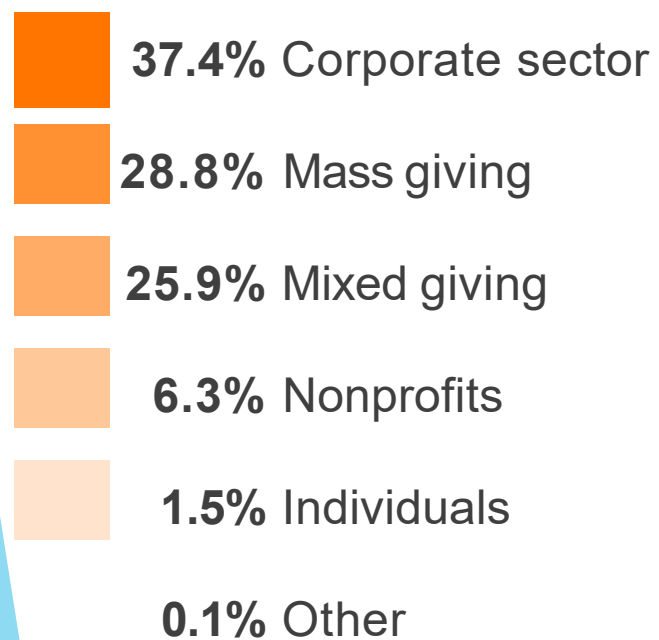
Geographic distribution of giving

Number of donation instances per 100,000 inhabitants



Donors

% of recorded amount



Who are the main recipients of donations in Croatia?

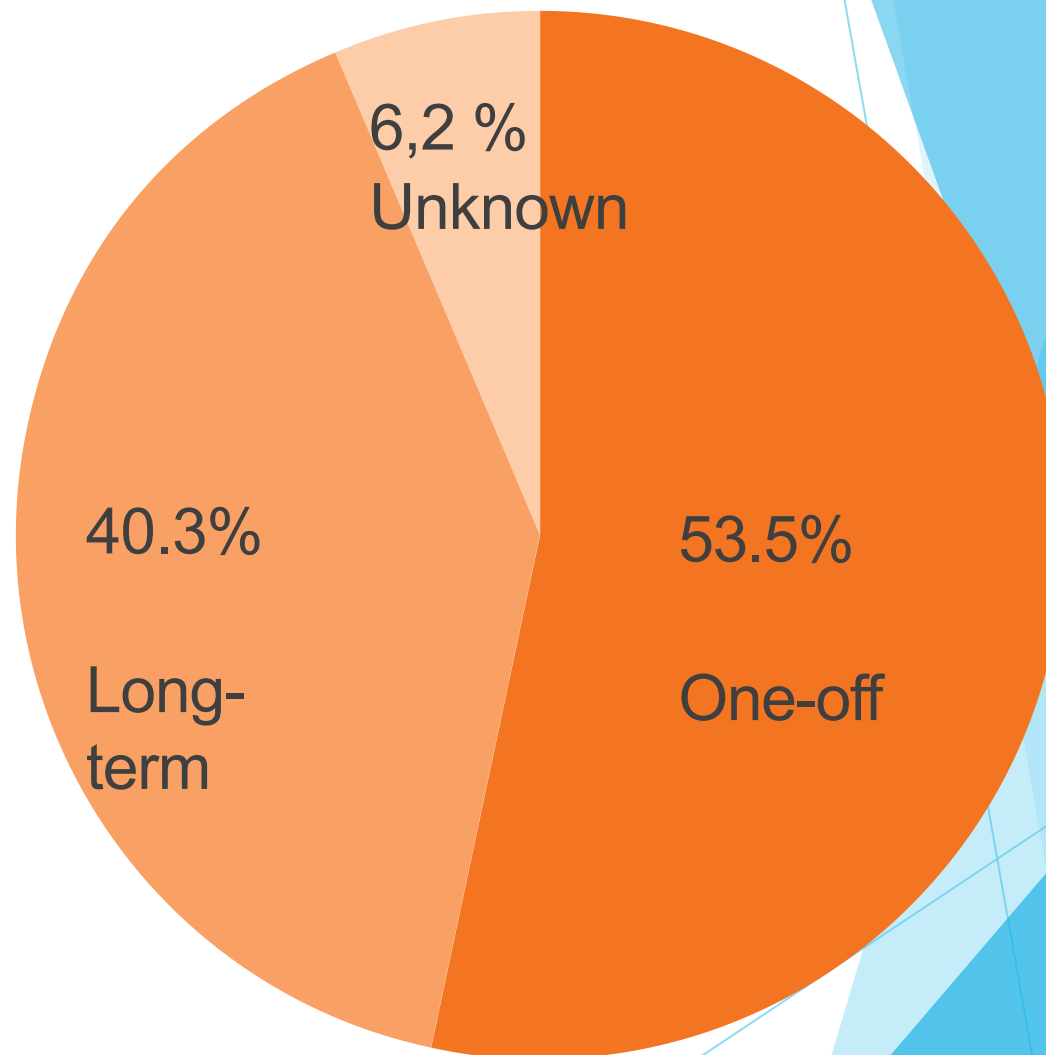
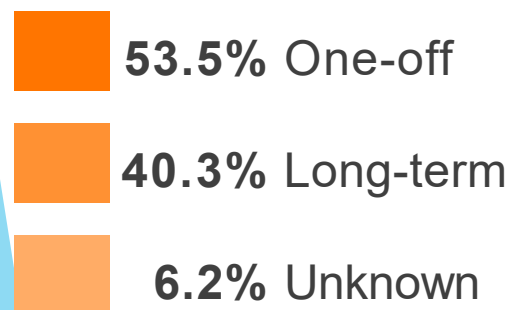
- ▶ **Top causes:**

1. **Crisis needs - earthquakes and pandemic 2020-21**
2. **Support for marginalized groups**
3. **Health**
4. **Education.**

- ▶ **Top recipients in 2021 are non-profit organizations (again, after 2020 break in the trend due to pandemic) - they received 58% of the recorded donated amount through 36% of individual donor activities whose main donors were citizens and the business sector**
- ▶ **Public sector and individuals in need have received the same share of 15.4% of all donations, followed by local government with 9%**
- ▶ **Regional differences in the scope of philanthropic activities reflect regional development asymmetries according to the Development Index, and the question arises of how to empower the least developed communities to attract philanthropic support for development.**

Intended effects

% of donation instances





Current philanthropic trends in Croatia

- ▶ In Croatia, **crisis philanthropy dominates and is here to stay, catalyzing cross-sectoral collaboration and massive actions**
- ▶ **The total amount of donations grows from year to year, with a strong jump in the pandemic 2020 and a new record of over 39 million EUR in the seismic year 2021, until the average amount of donations recorded in the media amounts to EUR 10**
- ▶ **Citizens are the main drivers of philanthropy and the leading source of donations with a particular focus on crisis support for fellow citizens in need (main motive - empathy)**
- ▶ **Corporations' share in the total amount of donations is growing, with focus on investments in the quality of public services and social development, through donations to public and non-profit sector**
- ▶ **Diaspora and individual philanthropists are present, yet less prominent than in Western Balkans countries**
- ▶ **Foundations do not have a prominent role among donors, which indicates the relative underdevelopment of that subsector**

Open questions instead of lessons learned:

- ▶ How can we build upon the demonstrated value added by collaboration and partnerships during crisis response?
- ▶ How can the least developed communities access larger share of donations?
- ▶ How can development oriented philanthropy be boosted in light of the positive trends in giving, as a response to the crisis?
- ▶ How are reduced corporate budgets due to crisis impacting philanthropic practices, intersectoral partnerships and donor trends?
- ▶ What specific role should foundations play in light of rising proactivity of both business sector, citizens and NGOs?
- ▶ How is rising philanthropy impacting government and its responsibility for public good provision and social development?