The Evolution of the Third Sector in Slovakia*

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Abstract

In this paper I describe and analyze the evolution of the third (nonprofit) sector in the Slovak Republic. I examine the number of organizations belonging to the sector, the number of people the sector employs, the contributions of volunteers, the expenditures of the sector, and its revenues. I argue that the main forces affecting the development of the sector are the legislative framework and the government’s attitude towards nonprofits. Data suggest a slight growth of the sector over the examined period 1996 - 2001. Its scope, however, is still significantly less than that of third sectors in developed countries. My analysis is hampered by the fact that both, quality of and access to the data are wanting. I argue that both better data and better access to them is ultimately in every stakeholder’s interest, be it government, nonprofits, their donors, or their beneficiaries.

Keywords: Slovakia, nonprofit sector, evolution

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1 Introduction

The nonprofit (third, voluntary) sector includes a number of organizations, which aim can be generally described as 'promoting the social welfare of individuals or social groups in the society.' For this reason, some of its functions are similar to that of the second sector, the government. The key features of the sector are responsible for its various names: 'nonprofit' comes from the non-distribution requirement, which prohibits organizations in the sector from distributing profits to their managers or board members. Profits of nonprofit organizations have to be used within the organization to achieve its goals. The sector is called also 'voluntary' because it often relies on the supports of volunteers.

The nonprofit sector is well established in developed countries, with the USA being considered the country of its origin. Indeed, the history of the nonprofit sector in the developed world is very long, reaching back several centuries. In contrast, the history of the third sectors in transition countries is much shorter. Nonprofit organizations, charities and foundations, existed in transition economies before communism but were suppressed and controlled by the state during the communist era. Therefore, almost all of the current nonprofits emerged only after the fall of communism. Not surprisingly then is the scope and structure of third sectors in transition countries very different from that observable in the developed world.

The third sectors in transition countries are for example smaller: the nonprofit expenditures account for 6.9% of GDP in the USA, while in the Slovak Republic only for 1.3%. Participation of volunteers is also lower: volunteers’ contribution to the sector expressed in its full time employment equivalent is 4.6% of total US nonagricultural employment, while in the Slovak Republic it is only 0.4% (Salamon & Sokolowski 2001). Most importantly, the structure of the sectors is different, with Recreation and Culture (see the International Classification in Section 2.2 on page 6) being the largest nonprofit field in transition countries, while it is one of the smaller ones in the developed world. It is necessary to keep in mind that the numbers on Slovakia are not atypical for a transition country.
The aim of the present paper is to carefully explore the scope of the Slovak nonprofit sector. An earlier study by Salamon, Anheier & Associates (1999) compares nonprofit sectors in 22 countries, Slovakia included. For Slovakia, that study is based on data for the year 1996.\footnote{For the other countries the study used data from 1995.} In this paper I focus on the 5 following years, 1997-2001. I examine the same characteristics as Salamon et al. (1999): employment, expenditures, and the sources of revenues of the sector. Unfortunately, an exact replication and extension of the original study is not possible as the data collected after 1996 are classified differently than those used by Salamon et al. (1999). In the present study I use data collected and published by the Statistical Office of the Slovak Republic; these data are categorized according to legal forms and the Branch Classification of Economic Activities; throughout the study I use the classification according to the legal forms of nonprofits.

The aim of this paper is not only to provide descriptive information on the evolution of the Slovak nonprofit sector, but also to explore the reasons for that evolution. I concentrate on the impact of legislation and government’s attitude; specifically, I examine, how the changes in these factors affect the evolution of the sector. Yet another aim of the paper is to explore whether the structure of the Slovak nonprofit sector converges over time to the structures observed in developed countries.

The paper is organized as follows: In the second section of the paper I state the definition of the third sector used throughout the paper and introduce the entities belonging to the sector in the Slovak Republic as well as classifications of the organizations in the third sector. In the third section I provide an overview of the historical evolution of the nonprofit sector in the Slovak Republic. In the fourth section I examine the evolution of the laws concerning the sector. In section five I provide and analyze the available data: expenditures, numbers of organizations, employment, numbers of volunteers, and sources of revenues. In the last, sixth section, I suggest further research questions and conclude.
2 Definitions: the third sector and its entities in the Slovak Republic

2.1 Third sector

There are several definitions of the third sector; I have chosen the definition used by Salamon et al. (1999) as I want to extend their study and make the results comparable. This definition lists the following criteria for organizations to be included in the nonprofit sector. Namely, such entities need to be:

1. **Organizations** - i.e. have institutional presence;
2. **Private** - i.e. legally separate from state;
3. **Not distributing profit** - i.e. their profit cannot be distributed to board members, founders, or managers, it has to be used to further the achievement of the organization’s goals;
4. **Self-governing** - i.e. are in control of their own affairs;
5. **Voluntary** - i.e. attract voluntary contributions - of either time or money.

This definition of nonprofit organizations is based on the history and legal regulations of developed countries, therefore it is easier to apply to nonprofit organizations there. Transitional countries have some specific features, which must be taken into account when applying this definition. It is, for example, difficult to strictly apply the condition that a nonprofit organization must be private since the influence of state in transition countries still remains higher than in developed countries, especially in the fields of health care, social care, and education.

2.2 International classification

The study by Salamon et al. (1999) classifies nonprofit organizations according to the ICNPO classification (ICNPO - International Classification of Non-profit Organizations) introduced in Salamon & Anheier (1996), which identifies 11 main fields
of non-profit activity, with a residual 12th category collecting the other organizations meeting the definition of a NPO:

**International Classification**

|------------------------------|------------------------------|---------------------------|----------------------|-------------------|----------------|---------------------------|-----------------------|----------------|------------------|-----------------------------|--------------------------------|------------|

Unfortunately, when using the data published by the Statistical Office of the Slovak Republic (SOSR), it is not possible to classify the organizations according to the ICNPO. While SOSR uses two classifications, according to the legal form and according to activities performed, neither classification can be directly mapped onto the ICNPO classification, thus, the potential for international comparisons is limited. The approach used in the present study is explained in the following section.

### 2.3 Nonprofit entities in the Slovak Republic

#### 2.3.1 Entities included in the sector

Slovakia2 uses a categorization of economic entities in accordance with the system of national accounts. Nonprofit organizations comprise category S.15, Private Nonprofit Institutions Serving Households, which includes the following entities: Civic associations (leagues, unions, societies, clubs, and others), Foundations, Non-investment funds, Nonprofit organizations providing publicly beneficial services, Churches, Religious congregations, Political parties, Advocacy groups, Professional chambers, Associations of flat and land owners, and Interest associations of legal persons. All the entities in category S.15 meet the definition by Salamon et al.

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2I use the term Slovakia and Slovak Republic interchangeably.
(1999) and are therefore included in the current study.

However, some of the entities, which should belong to the category S.15, are listed among budgetary and subsidiary organizations, because they receive substantial support (more than 50% of their income) from the government. These are mostly private and church schools but also some social and health care facilities. To be consistent with the definition by Salamon et al. (1999) and with the original study I include these organizations in the present study. The information on the budgetary and subsidiary organizations is also published by the SOSR, however, as they are included in another category some of the data that are available for the S.15 category of nonprofits are not available here (e.g. number of volunteers).³ Throughout the data section I include the information on budgetary and subsidiary organizations when possible; when not I clearly indicate so.

### 2.3.2 Data problems

The data on the nonprofit sector in Slovakia exhibit two basic problems: insufficient quality and low accessibility.

The problem of quality of Slovak data on nonprofits lies in the classifications used, which hinder the international comparison and do not provide sufficient information on the internal structure of the sector. As already mentioned, the SOSR uses two classifications, according to the legal forms (the individual legal forms were listed above when introducing the S.15 category), and according to the economic activities performed.⁴ However, neither can be mapped one-to-one to the ICNPO classification introduced above. It is possible to do a partial mapping between the legal categories and ICNPO as depicted in the Table 2.3.2 but its informational value is minimal as the organizations from the group of Civic associations⁵ operate...

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³The SOSR does not collect data on the contributions of volunteers to the budgetary and subsidiary organizations.

⁴The Branch Classification of Economic Activities, for nonprofits the SOSR recognizes the following categories: Management of real estate, Social work without accommodation, Business and employers organizations’ activities, Sporting activities, and Others.

⁵From now on I use the shorter term, Associations.
ate in all categories of ICNPO. From the available data it is not possible to know the distribution among the individual ICNPO categories. The second SOSR classification does not provide useful information either. For the present study I have chosen the classification according to legal forms as I expect it to better react to the changes in the legal environment.

Table 1: Relation between the legal forms and the ICNPO

<table>
<thead>
<tr>
<th>Legal form</th>
<th>ICNPO category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundations</td>
<td>8. Philanthropy</td>
</tr>
<tr>
<td>Non-investment funds</td>
<td>8. Philanthropy</td>
</tr>
<tr>
<td>Associations of land owners</td>
<td>6. Development and housing</td>
</tr>
<tr>
<td>Political parties</td>
<td>7. Civic and advocacy</td>
</tr>
<tr>
<td>Professional chambers and chambers</td>
<td>11. Business and professional</td>
</tr>
<tr>
<td>Church organizations</td>
<td>10. Religious congregations (mostly)</td>
</tr>
<tr>
<td>Subsidiary organizations - Education</td>
<td>2. Education and research</td>
</tr>
<tr>
<td>Subsidiary organizations - Social care</td>
<td>4. Social care</td>
</tr>
</tbody>
</table>

Legal forms involved in all categories

| Associations               | All categories (1-12) |

The qualitative problem of Slovak data could be solved in principle by working with the individual data on organizations collected by the SOSR. However, the current law in Slovakia prohibits access to the individual data collected by the SOSR outside the SOSR without explicit permission of the individual organizations, giving no opportunity to do research outside the SOSR. The effects the low data accessibility may cause are further analyzed in the concluding remarks and implications for further research on page 40.
3 Historical background, evolution of the sector

3.1 Nonprofit activity before 1989

Nonprofit activity and associating in Slovakia has deep, well established roots and a far-reaching history. In 1932 there were 16,033 associations in the Slovak part of the Czechoslovak Republic (Barát, Bianchi, Birestenský, Demeš, Guștafîk et al. 2000), These organizations were active in various fields including education, social issues, culture, or religion. With the establishment of the autonomous Slovak State during WWII the situation took a radical turn for the worse, as strict regulations were imposed on the right of association.

After the war there was a short period of fresh activity and renewal of nonprofit organizations in the republic. However, this period lasted only 3 years until, in 1948, the Communist Party came to power and quickly established strict governmental supervision over all voluntary activities. The existing nonprofit organizations were forced to unite under governmentally controlled umbrella organizations, e.g. Women’s Union, Youth’s Union, etc. Foundations, with one exception, were abolished. Church organizations were controlled similarly, moreover, government prohibited them provision of services to civil persons, the only ‘customers’ possible left were church employees, priests and nuns (Frič et al. 2001). All organizations were made fully dependent on financial sources provided by the government, which distributed them according to the number of members and political criteria. In sum, we can say that nonprofits became an extended arm of the government and lost one of their basic features – independence.

The strict regulations of nonprofit activity together with the governmentally imposed unification of organizations caused a rapid decline in the number of nonprofits - from around 15,000 before 1948 to 12,000 in 1950 (this number includes 5,470 state organized and nearly obligatory trade unions), and to 16 with 492 branches in 1959.

6For unknown reasons the Foundation of Josef, Marie and Zdenek Hlavka was not abolished, however, it existed only legally and was not able to operate (Frič, Goulli & Associates 2001).
Governmental control was somewhat relaxed at the beginning of the 60’s leaving some space for nonprofit activity and resulting in renewed operation of several nonprofits that existed before. However, the revitalization of the sector was again radically interrupted in 1968 by the invasion of the Warsaw Pact Army. After the invasion, state control became stricter once again with direct negative consequences for every individual opposing the government. Another wave of renewed activities emerged in 1977 with the establishment of the association Charter 77 and gradually evolved over time: At the end of 80’s there were several associations working in different fields usually covered by nonprofit activity, e.g. advocacy, environment, or human rights (Frič et al. 2001).

3.2 The sector after the fall of communism

After the fall of communism in November 1989 came a short, 3-year, period of common Czechoslovak history. It was marked by a rapid growth of the third sectors in both republics and establishment of many new nonprofit organizations, due to missing or unsatisfactory legal regulation mostly in the form of civic associations. There are several explanations for the rapid growth of the sector, several roles the sector had. First, the Velvet revolution was a revolution of democratic change and civil awakening, therefore, a natural consequence was an increased willingness of people to associate for various purposes, a chance they had not had before. Second, the new political situation brought new existence problems and life circumstances unknown before, the nonprofit organizations emerged to teach people how to cope with them, their rights and responsibilities, i.e. they were building civil society in the country. This role of the sector was perceived crucial by the foreign foundations and governments, which, therefore, provided significant financial support for this type of activities. Third, the opening of borders brought with it an opportunity to see the situation in developed countries, with significantly higher heterogeneity in tastes, and goods and services offered. Nonprofits emerged to provide some of these services, particularly in the fields of health and social care, and education, offering
different quality or targeting different social groups than the government or market.

An important task for the government was a development of a legislative framework for the sector. The issue was addressed very promptly, already in spring 1992 a group of experts from the federal government offered a version of the bill on foundations. The bill was prepared in cooperation with the representatives of the third sector and included experience from other countries. However, the elections in the summer 1992 changed the political situation in the country, the two republics separated at the end of 1992, and the bill was not passed.

The third sector in the new, independent Slovak Republic continued to evolve rapidly. The number of organizations was growing: in 1993 there were 6,000 non-profits in the SR, one year later it was already 9,800 including 2,634 foundations (Belejová 1999). The scope and areas of their activity were growing as well, the internal organization of the sector was improving. Representatives of the sector were meeting at the Stupava Conference, which became an annual event. Participants of the 1995 Conference elected a committee called the "Gremium of the Third Sector", a group of 13 people from different regions and fields of non-profit activity to represent the common interests of the sector.

3.2.1 Act on Foundations

In 1994, the then-current government under the Prime Minister Vladimír Mečiar, started to supervise and control the operation of nonprofit organizations. Moreover, governmental representatives were accusing nonprofit organizations and representatives of the third sector for various reasons, such as money-laundering and anti-state or anti-Slovak activities. To support their claims the government, namely the Ministry of Finance, ordered the Slovak Tax Office to perform an audit on foundations. Although that the Office found only 25 minor shortcomings in its sample of 331 foundations, the government continued its accusations and promised a bill, which would solve the alleged problems (Bútora et al. 1997).

7Conference of nonprofit organizations organized for the first time in 1991 in Stupava, therefore called 'Stupavska', meaning 'from Stupava'. The first one took place in October 1991, the next one already in the independent Slovak Republic in April 1994.
Despite the fact that a law on foundations was not included in the list of government’s legislative tasks for the year 1995, the government started to prepare the bill in autumn 1995. It did so without consulting with the third sector. In fact, the representatives of the sector did not receive a copy of the bill until Christmas 1995, when copies were sent to the Gremium of Third Sector and the Slovak Humanitarian Council\textsuperscript{8} with a request for urgent commentary. The government, however, did not take into account any of the comments that it received and presented an unchanged final version of the bill to the Parliament in January 1996 (\textit{Návrh, Zákon Národnej rady Slovenskej Republiky o nadáciach} 1996).

### 3.2.2 Third Sector SOS

In response to the above described behavior of the government and the proposed legislation the Gremium for the Third Sector launched at the beginning of 1996 a campaign entitled \textbf{Third Sector SOS}. The campaign had two main objectives - to prevent the law on foundations from being passed by the Parliament, and to initiate a public debate about the conditions of the third sector in Slovakia. The campaign included not only nonprofit organizations in Slovakia (more than 300 organizations), but gained also support of trade unions, international organizations (ICNL - International Center for Not-for-Profit Law, EFC - European Foundation Centre\textsuperscript{9}), and embassies (e.g. USA, Canada, EU countries).

The proposed bill had, according to the representatives of the sector as well as international experts on nonprofit law, several shortcomings. Generally, it was described as restrictive and designed to hinder the existence of foundations. The many objections that were raised were summarized by the Gremium, as a coordinator, into ten points (see Bútora et al. (1997), Gremium of the Third Sector (1998)). The two which attracted most of the attention were:

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\textsuperscript{8}An umbrella organization representing more than 100 nonprofits working in the fields of charity and humanitarian aid, www.shr.sk.

\textsuperscript{9}International organizations focusing on the development of nonprofit sectors, ICNL is targeted on the legislative environments, EFC is focused on the existence of foundations.
A two-stage approval procedure, before the registration at the Ministry of the Interior the founders had to get permission to establish a foundation from a state authority active in the prospective field of foundation’s existence. The state authority was responsible for checking whether is the purpose of the foundation publicly beneficial. This suggestion was internationally declared as anti-democratic and susceptible to abuse.

An initial deposit 10,000,000 Sk ($ 357,140) - this requirement never appeared in the actually proposed version of the bill; it was only announced by a representative of the Ministry of Justice.

In February 1996 the Gremium presented sector’s own bill on foundations. Communication and negotiations with government were difficult, mostly due to the government’s ignorance, as it was not willing to meet the representatives of the nonprofit organizations (see Bútora et al. (1997)). The final draft of the bill on foundations presented for vote did include several changes proposed by nonprofits, for example the two-stage registration was replaced by one-stage registration at the Ministry of the Interior. There were other minor changes, most of the Gremium’s suggestions were not accepted (Návrh, Zákon Národnej rady Slovenskej Republiky o nadáciach 1996). The parliament passed the bill, however, president Michal Kováč returned it with several comments for renegotiation. The law was finally passed on June 19, 1996; none of the president’s comments were accepted.

The new law on foundations had two main consequences: First, the functioning of foundations was restricted by administrative and financial requirements (details in Sections 4 and 5). Second, according to the law, which came into effect on October 1st, 1996, the existing foundations (more than 2,000) had to re-register.

\[10\] In the Slovak Republic president has to sign all the laws passed by the parliament, in case he does not agree the law is returned to the parliament and renegotiated. For a law to be accepted after once returned more than two thirds of members of parliament have to vote for. The president criticized the law on foundations, for example, for not being in accordance with the Codex of practise for foundations created by the EFC. EFC suggested 14 changes to the proposed bill, for example, simpler registration process, not required initial endowment, not restricted administrative expenses, and other (Bútora & Demeš 1997).
within a 1-year period. However, the government did not accept the suggestion of parliament and president to prepare simultaneously the related laws on non-investment funds and not-profit organizations providing publicly beneficial services leaving the existing foundations with little information about alternatives for re-registering.

The campaign Third Sector SOS stopped when the law on foundations was passed. As described, it was not successful in affecting the final version of the law on foundations. Nevertheless, the campaign had a strong impact on the organization of the third sector. Having a common goal the organizations in the sector collaborated in organizing common activities, and gained not only recognition at home, but became to be known also internationally. The sector was increasingly recognized as a strong force able to resist anti-democratic pressures (Bútora & Demeš (1997), www.pdcs.sk). The internal organization of the sector developed further by the establishment of two Regional Offices of the Gremium (in Banská Bystrica and Žilina) in spring 1997, followed by 5 other regions.

Together with the internal organization evolved the communication within the sector as well as communication with foreign organizations. Since 1994, the monthly paper Non-profit published by SAIA-SCTS has been the basic channel of communication. Introduced were also new, modern means of communication: the non-commercial computer network ChangeNet, established in 1996 played an important role; it offered not only computer services for nonprofits but also daily information related to the issues of civil society. Also, the sector was becoming more professional. One of the possible reasons for this fact might have been that there was a low demand for this type of professionals in the then-current government.

Another indirect effect of the SOS-campaign was that by attracting attention to the problems of the sector, society became polarized – one fraction supported the government, the other, including most of the political opposition, supported the existing nonprofits and their agenda. As a consequence, (with significant governmental support) an ‘opposing’ or ‘second’ third sector emerged, which consisted of organizations in line with the then-current government. The first organization was an organization for youth, an opponent to the already existing RMS (Council of
Youth of Slovakia). Afterwards, several others counterparts were established, which were finally gathered (resembling the existing Gremium for the Third Sector) under an umbrella organization, the Union of Citizens’ Associations and Foundations of the Slovak Republic (UCAFSR), established in September 1997. The ‘second’ third sector experienced significantly better conditions than the original one, its representatives were invited to meetings with the government, the financial support received by these organizations was higher than that of its counterparts in the ‘first’ third sector, and their access to information was better.\textsuperscript{11} The ‘second’ third sector, therefore, acted as an extended arm of the government and attempted to gain for it some support, the fact that the cooperation was very close is supported also by the inclusion of comments on operation of the UCAFSR in Kalman (1998). Therefore, all the activities described in the following sections are related to the ‘original’ third sector in Slovakia.\textsuperscript{12}

3.2.3 Civic Campaign OK’98

Another campaign organized by the third sector was the campaign OK’98 launched in March 1998. It was a campaign For Free and Fair Elections planned for September 1998 (parliamentary) and December 1998 (municipal). The main objectives of the campaign were: to increase voters’ turnout in the elections and their level of information about the elections, and to ensure civic supervision over the election procedures. Similarly to the Third Sector SOS campaign the sector succeeded to organize a well-run campaign involving many organizations and volunteers. Considering the turnout at the elections (84.2% as compared to 75.6% in 1994) the campaign was successful in reaching the preset goals. Another, not publicly an-

\textsuperscript{11}According to P. Nemeth from Community Foundation Presov, who talked about the funds from the European Union, which has special requirements on the receiving organizations: "The institutions and associations, which had information already before September 1998, for example UCAFSR, used the time advantage and started to create coalitions ...” such that would allow them to receive EU support, (Neméth 1999).

\textsuperscript{12}We might even question the fact that the ’second’ third sector would meet the definition proposed by Salamon et al. (1999) as it requires independence from the government.
nounced but obviously underlying, objective of the campaign was a change in the government. This objective was reached, as the winning movement HZDS (Movement for Democratic Slovakia), which was in power until elections, was not able to set up a powerful coalition and moved into opposition (Demeš 1999).

3.2.4 Period after the elections 1998

The newly established government proclaimed strong support for the nonprofit sector. It was an expected outcome as, undisputably, the campaign organized by the third sector organizations had helped the former opposition to gain the power they currently have. Representatives of the sector were invited to cooperate with different ministries as they were recognized as valuable professionals in various fields. The government established an advisory Council on nonprofit organizations. There were predictions that the sector would start to decline as the common enemy - a strong cohesion factor - disappeared. Another prediction was that too many experts would leave the nonprofit sector and start working for the government, leaving the sector with a less professional staff. Despite these predictions the sector continued to grow (see Section 5 for illustration.)

The development of the sector did not quite bear out these predictions. The sector differentiated further, new platforms and umbrella organizations were established (e.g. Domovina, for preservation of cultural heritage, SocioForum, social issues and care, VIPA - Rural Parliament, for development of regions, and others). This had an effect on the role and functioning of the Gremium, it was more difficult to equally represent all the different interests and positions of the sector. The Gremium in 2001 became an individual legal person, aimed at the improvement of the conditions for the sector, but no longer attempting to represent all its platforms.

Despite these recent developments it is necessary to say that the capacity of the sector to organize (especially when a strong motive comes to place) is at a high level. The NGO Sustainability Index published annually by USAID evaluates this ability (Infrastructure) of the Slovak sector with the grade 1.7, incomparably better
than for example the Czech Republic (3.0).\textsuperscript{13}

There is one more important impact the elections in 1998 had. Similarly to the other V4 countries,\textsuperscript{14} the volume of foreign financial sources flowing to Slovakia began to decline as the situation in the country was stabilized and the donors directed their help to other regions. Therefore, the sector has had to find financial sources to supplement the leaving grants. One of the responses was the 1\% law, which came into effect on January 1, 2002, allowing physical persons to designate 1\% of their income taxes to a nonprofit organization of their choice. Another step was taken by the leaving foreign funders, which in September 2000 founded a Trust for Civil Society in Central and Eastern Europe.\textsuperscript{15} The Trust is designed to improve the ability of the sectors in the specified countries to survive on their own, specifically, it is targeted at the development of the corporate and individual philanthropy, cooperation with for-profit organizations, improvement of communication skills, and others.

\textsuperscript{13}www.usaid.gov

\textsuperscript{14}Visegrad 4 countries: the Czech Republic, Hungary, Poland, and Slovakia.

\textsuperscript{15}The Trust was founded by the following organizations: Atlantic Philanthropies, Charles Stewart Mott Foundation, Ford Foundation, German Marshall Fund of the United States, Open Society Institute, and Rockefeller Brothers Fund. The program is providing long-term grants for organizations in 7 countries: Bulgaria, the Czech Republic, Hungary, Poland, Romania, Slovakia, and Slovenia.
4 (Evolution of the) Legislation for the third sector

In this section I focus on the evolution of the legislative framework for the sector in Slovakia. Historical perspective was partially introduced in the previous section, in the present one I specify the details of the legislation. If not indicated otherwise, this section is based on Šváč, Haňdiak & Associates (2002),\textsuperscript{16} information from the 1. Slovak Nonprofit Service Center and SAIA-SCTS.\textsuperscript{17}

The core laws for the third sector are those, which ensure the existence of civil society - the right to associate and assemble. These laws, the Act on the Right of Association No. 83/1990 Coll. in the wording of later amendments, and the Act on the Freedom of Assembly No. 94/1990 Coll. were among the first laws passed in the Czechoslovakia after the fall of communism. The existence of Civic Associations is governed by the law No. 83/1990 Coll. The approval of this law began the establishment of associations in the Czechoslovakia. According to the law already 3 people\textsuperscript{18} can establish an association by submitting its statutes to the Ministry of the Interior, the register office. Other legal forms are specified by independent laws, the evolution of the legislation for the sector over time is depicted in the following timeline.

\textsuperscript{16}The publication was prepared by the 1. Slovak Nonprofit Service Center, an organization providing legal and accounting advice for nonprofits in the Slovak Republic.
\textsuperscript{17}www.mvoservis.sk, www.saia.sk
\textsuperscript{18}At least one has to be 18 years old.
4.1 Timeline


Act of the Freedom of Assembly No.94/1990 Coll.
Act on Associating in Political Parties No.15/1990 Coll.


1997 Act on Non-investment Funds No.147/1997 Coll.

4.2 Foundations

Current legislation

<table>
<thead>
<tr>
<th>Year</th>
<th>Act on Foundations No.</th>
<th>Effect</th>
<th>Notes</th>
</tr>
</thead>
</table>

Before

<table>
<thead>
<tr>
<th>Year</th>
<th>Act No.</th>
<th>Effect</th>
<th>Notes</th>
</tr>
</thead>
</table>

At first, foundations were defined and given a status of legal persons in the Business Code in 1990. Later, in 1991, they were redefined to purpose built associations of property in the Civil Code. However, both these definitions were meant to be only temporary substitutes for a necessary independent Act on Foundations. That means that also the definition in the Civil Code had many shortcomings even though it already had the main feature of legislation for foundation – it defined them as an association of property, a non-member based organization.

After the establishment of the independent Slovak Republic in 1993 nonprofit organizations prepared their own bills on foundations, however, the political situation was highly unstable\(^\text{19}\) and there were other laws with higher priority (see *NonProfit* 1995, 1996,\(^\text{20}\) Bútora et al. (1997), Bútora & Demeš (1997).) Discussions over the proposed bills lasted for more than 2 years, starting already in 1994 (with the change in the government), continuing with the third sector’s campaign ‘Third sector SOS’ in 1996,\(^\text{21}\) and ending with the acceptance of the Act on Foundations No. 207/1996 Coll.

Nonprofits objected that the Act is too restrictive; the Act required foundations to register at the Ministry of the Interior, which had to decide whether the purpose

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\(^{19}\) The government of Vladimír Mečiar was voted out of power in March 1994, new elections took place in September 1994, V. Mečiar gained power again.


\(^{21}\) Described before on page 13.
of the foundation is publicly beneficial (susceptible to abuse), the initial endowment required was set to 100,000 Sk ($3,570). Comparing the law to laws in other countries (Schluter, Then & Walkenhorst 2001), the third sector’s objection that the initial endowment is too high seems unreasonable. Reasonable is the sector’s suggestion that the endowment shall be flexible, i.e. it can partially decrease for a short period of time, but afterwards it has to reach the minimal requirement. Nevertheless, the required endowment is necessary as the purpose of foundations is to be a source of finance, thus, they necessarily have to have endowments to be able to create these funds. It is possible to agree with the complaints about the registration requirements; the experience of most organizations of the sector with the government was not positive, thus they naturally feared that the law would (if it could) be abused.

Other requirements perceived restrictive were the necessity to announce donors with donations over 5,000 Sk to the Tax Office, the restriction of the administration spending to 15% of total expenditures, and restrictions on the business activities. Again, I agree with the nonprofit organizations, donors, if they do not want to deduct their gifts from taxes and remain anonymous, should have this right. The restriction of business activities hampers the existence of nonprofits, as they need to create their own revenues in order to diversify their incomes.

As already mentioned, dangerous for the survival of the existing foundations was, that the corresponding law on Non-investment Funds, entities similar to foundations but with no need for an initial endowment, was passed one year later than the law on foundations. Therefore, the existing foundations did not have sufficient information about other options to register they have when considering their re-registration.

The current Act on Foundations, No. 34/2002 Coll., defines foundation as an

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22 Required endowment in Germany is usually around Euro 51,100; in the Czech Republic it is 500,000 Czk ($16,500), in Italy Euro 103,200. In Austria or Sweden the capital has to be ‘adequate for the purposes’, (Schluter et al. 2001).

23 See Section 3.

24 According to the Act all foundations had to re-register according to the new legislation in one-year period since its coming to an effect, which was September 1, 1996.
association of property built for publicly beneficial purposes described in the law. For the first time it introduces a foundation-specific terminology: foundation endowment (minimum required increased to 200,000 Sk ($ 7,142)) and foundation activity (grant giving and funds’ administration). Also, for the first time the law specifies the conditions for foundation’s dissolution. The new law removes the explicit restriction on the administrative expenses, their amount is specified by the board; donors, who want so, are granted anonymity (with the exception of specific situations, e.g. financial police investigations.)

4.3 Non-investment funds

Current legislation

1997 Act on Non-investment Funds No. 147/1997 Coll. Came into effect June 1, 1997

The act on non-investment funds was prepared together with the first act on foundations, however, it was passed nearly one year later. This legal form is in its purpose and definition very similar to that of foundations, the difference is that it is an association of financial property only, and does not need any initial endowment just a registration payment, 2,000 Sk ($ 70). Usually, non-investment funds are entities, which collect money for special purposes – often for another nonprofit or contributory organization. Another difference to foundations was that non-investment funds did not have to announce their donors to the tax office.

Non-investment funds do not need any initial endowment, therefore, they were meant as an alternative relevant for those foundations, which were not able to collect the required amount. Unfortunately, as said above, the law was passed only in May 1997, while foundations had to re-register until September 1, 1997, therefore, the time they had for considering all the alternative choices available (the only other option at this point was a Civic Association) and re-registering was very short.
4.4 Not-for-profit organizations providing publicly beneficial services

Current legislation

1997  Act No. 213/1997 Coll. on Not-for-profit Organizations Providing Publicly Beneficial Services amended by the Act No. 35/2002 Coll. Came into effect on the day of announcement, passed on July 2, 1997)

Not-for-profit organizations providing publicly beneficial purposes, or non-profits, are legal persons established for provision of publicly beneficial services, which are otherwise provided mostly by the government. They often operate in the fields of health care, social care, education, or cultural and sports activities. Moreover, NPOs are the only nonprofit legal form (together with church-established facilities), which is allowed to provide health care services.

The amendment in 2002 introduced the concept of Priority Property created mainly for the purpose of the transformation of selected state organizations to this nonprofit legal form. The priority property is the property given to the NPO by state as a founder or co-founder; there are strict rules for the treatment of this property to ensure that it will stay in the organization and will not be spent for any short-term gains.

Non-profit organizations are allowed to conduct business (in contrast to foundations or non-investment funds), however, they need to keep separate accounting for the non-profit, publicly beneficial activities and for the for-profit activities. Losses in one account cannot be compensated from the other account.

4.5 Acts concerning other nonprofit organizations

The four above mentioned forms are the basic, ‘traditional’ legal forms of the nonprofit sector, I describe the additional ones only briefly. More about legislations governing these institutions can be found in Svák et al. (2002).

As the publication is in Slovak only I will provide the general information about these organizations on my page: http://home.cerge-ei.cz/svitkova/npos.
**Church and religious organizations** – Act on the Registration of Churches and Religious Congregations No. 192/1992 Coll. Relevant is also the Act on the Liberty of Religious Faith and the Position of Churches in Society No. 308/1991, Coll., which allows churches to establish their own communities, such as charities or monasteries. However, many organizations established by churches use the form of Civic associations or Non-profit organization. According to the Act No. 277/1994 Coll. churches can established their own health and social care facilities, or participate on the provision of these services in already established institutions.

**Interest associations of legal persons** – Civil Code, § 20f - 20j Coll. in the wording of later amendments. The association is designed for promotion of the interests of a group of legal persons; registers at the county office. For example, nonprofits, as legal persons, can use this form to establish their umbrella organizations.

**Political parties** – Act on Associating in Political Parties No. 424/1991 Coll. in the wording of later amendments. Before (as one of the first acts after the fall of Communism) was Act No. 15/1990 Coll.

### 4.6 Budgetary and subsidiary organizations

Act on the Conditions of Transformation of Some Budgetary and Subsidiary Organizations to Nonprofit Organizations Providing Publicly Beneficial Services (Transformation Act), which Amends the Act on the Conditions of the Transfer of the State Property on Other Person in the Wording of Later Regulations No. 92/1991 Coll. The act was passed on December 18, 2001, came into effect on January 15, 2002.

This act allows transformation of some of the state-owned organizations to the private non-profit form. This act was motivated by the state’s intention to decrease its ownership in health and social care provision. According to the Act the Ministry of Health Care selects some of its facilities and transforms them into the new, non-profit form: first, it buys all its debts (in the value at the date of transformation),
afterwards it co-founds a non-profit organization, mostly together with the munici-
пality and employees of the facility, and transfers the property of the facility on this
new organization.\textsuperscript{26} Until December 2003 there were 12 transformed entities (the
has the Ministry proposed the transformation of additional 5 (December 2003) + 2
(September 2003) highly specialized centers.\textsuperscript{27}

\section*{4.7 Laws concerning taxes}

In this section if focus on the Acts on income taxes, as the most important law
affecting the financial performance of nonprofit organizations.\textsuperscript{28} The law on income
taxes has two effects: first, it defines the level of taxes nonprofits have to pay from
their incomes, and second, it establishes motivation for the potential donors by
allowing tax deductibility of donations to nonprofits. Originally – Act No. 586/1992
Coll. on Income Taxes.

561/2001 Coll.:

\begin{itemize}
  \item Nonprofits have to pay income taxes on activities creating profits (including
        property selling, income from advertising, or membership fees) if these activi-
        ties are not related to the mission of the organization;\textsuperscript{29}
  \item The organization can deduct from the tax base 300,000 Sk annually.
  \item Pay taxes on capital gains (interests, awards, or other returns), decreased tax
        rate for nonprofits is 15%.
\end{itemize}

The Act allowed physical persons to deduct from their tax base donations to
specified organizations,\textsuperscript{30} minimal deduction was 500 Sk, at most 10\% of their tax

\textsuperscript{26}The property creates the Priority Property described above in the Act on non-profit organizations.
\textsuperscript{27}www.health.gov.sk
\textsuperscript{28}Information about other laws guiding financial operation of nonprofits will be available on my site
\textsuperscript{29}In case the activities are competitive to other providers, taxes have to be paid.
\textsuperscript{30}Deductions not only to nonprofits but also state organizations, budgetary and subsidiary organiza-
base. Legal persons could deduct donations worth at least 2,000 Sk, maximally 2% of their tax base.

According to the Act No. 366/1999 Coll. a tax paying physical person can designate 1% of her or his taxes to a nonprofit organization of her/his own choice from those registered as receivers of this 1% tax. This paragraph of the Act came into effect on January 1, 2002 applicable for the tax period 2002. The later amendment introduced the concept of assignation also for legal persons, the first period applicable is the tax period 2003.

The new tax legislation, passed by the parliament in Autumn 2003 coming to effect on January 1, 2004 does not allow tax deductability of donations. According to nonprofit representatives it means removing one of the motivating factors of donors donating to nonprofits. On the other side, the government officials claim that the deductions have never been a strong motivating factor (pointing at the low amount of filed deductions in comparison to the total amount of donations in the country), therefore, the loss in revenues for nonprofits is predicted to be insignificant (Papanek 2003).

The new Act maintains the opportunity to designate a specific fraction of the taxes paid by individuals and legal persons, it increases the faction to 2%.

5 Data analysis

In this section I provide data describing the third sector in the Slovak Republic. As explained in Section 2.3, it is not possible to replicate the study by (Salamon et al. 1999) exactly as the use of the ICNPO classification is not possible. However, it is possible to capture the general trend of the evolution of the sector, namely, the growth in the number of organizations, the employment in the sector, its expenditures, and revenues. The classification used in this study is the SOSR’s classification according to legal forms of nonprofit organizations, as I expect this to best react to changes in legislation and governmental attitudes. Data used in this section span...

### 5.1 Scope of the sector

One of the measures of the scope of the sector is the share of its expenditures of the country’s GDP. The total expenditures of the organizations of the third sector (operating expenditures, wages, and investments, with subsidiary organizations included, see Figure 1) were 16,312 mil. Sk, comprising 1.6% of GDP in 2001 as compared to 1.4% in 1996. Growth in expenditures was driven by both, growth in wage expenditures (by 77%), and operating expenditures (91%). The investment expenditures declined over the period by 9%. From Figure 1 we see that the increase in expenditures occurred mostly during the period 1999-2000 and was most significant in the growth of operating expenditures. The fluctuations in expenditures of nonprofit organizations are closely related to the behavior of their incomes, questionable is the direction of causality: do higher incomes cause higher activity, i.e. does higher supply create its own demand, or is it the other way round, i.e. does supply increase to meet an observed demand? Exploring the structure of income for the sector (see Section 5.4) we see that the corresponding increase in income is due to an increase in Fees and charges. This would suggest that nonprofits in-

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31 Macroeconomic data, namely GDP, employment, and GDP deflator are from *Statistical Yearbook of the Slovak Republic, 2002* (2002) published by the SOSR.

32 The expenditures of the sector in 2001 were even higher, 16,896 mil. Sk, 1.7% of GDP. The number stated in the text represents expenditures without depreciation as the information on depreciation for years 1997-2000 is missing. Therefore, I did not include it in any of the expenditures for the period 1997-2001, however, as I do not have the original data I was not able to remove them from expenditures for 1996. Thus, also the numbers in Figure 1 are partially incomparable.

33 I explored growth using inflation-adjusted data as well. The pattern I observed with nominal data was preserved, however, the total expenditures did not increase by 69% but by 27%. But as I mostly work with the structure and shares I find nominal data more indicative. In case these may be misleading I provide real values as well.
creased their activities leading to higher incomes during the period 1999-2000. This pattern is explainable by the change in the political situation in the country, which enhanced cooperation between the government and nonprofits, renewed enthusiasm in the sector, as well as new tasks at hand, for example, the country was invited to the EU and NATO, nonprofits helped to increase citizens’ awareness of the issues related.

Investment expenditures fluctuate over the period without any significant growth pattern, in comparison with the year 1996 their volume slightly decreases in nominal values, the decline is significant for inflation-adjusted data.\textsuperscript{34}

![Figure 1: Total expenditures](image)

The amounts are in thousands Sk.

These trends (stable/decreasing capital investment and growth in operating and wage expenditures) are consistent with two theories: first, the nonprofit ‘market’ is

\textsuperscript{34}The volume of investment decreases by 9\% in nominal values, however, in real values it is by 32\%. Slight increase in the volume of capital expenditures in 1998 is partially caused by the problem with data, the SOSR published only the total capital expenditures, including also capital made by own production, which is not included for the other years. The amount of capital produced within the sector is usually insignificant (1.5\% in 2000, 1.9\% in 2001), thus, I believe it did not play a significant role also in 1998.
satiated, thus the need for new investments declines, it is only necessary to main-
tain the capital already in existence and focus on the provision of services (usually
labor intensive - increasing the wage expenditures). However, as the scope of the
sector is significantly lower than that of nonprofit sectors in other countries, this
hypothesis does not seem to fully explain the situation. The second theory, suitable
for the situation in transition countries, is that the financial sources available to
nonprofits give them no opportunities to invest. The donations received are mostly
bound to the provision of services, the grants offered are often for the financing
of specific projects and not for the further development of organizations. Thus,
the only opportunity for nonprofits is to invest their retained earnings, however,
these are usually needed more for the daily functioning of the organization than for
investments. More on the financial issues is in Section 5.4 on page 35.

Figure 2 depicts the structure of expenditures, we see the above discussed in-
crease in the importance of wage and operational expenditures compensated by a
decrease in the importance of investments.

Figure 2: Structure of expenditures

Another measures of the sector’s size are the number of organization and its
employment analyzed in the following sections.
5.2 Structure of the sector according to legal forms

Table 2: Numbers of nonprofit organizations

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Founds</th>
<th>Non-I Funds</th>
<th>Civic A.</th>
<th>NPO</th>
<th>Church O.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>17,316</td>
<td>1,950</td>
<td>-</td>
<td>7,819</td>
<td>-</td>
<td>2,965</td>
</tr>
<tr>
<td>1997</td>
<td>13,800</td>
<td>388</td>
<td>136</td>
<td>8,458</td>
<td>?</td>
<td>2,786</td>
</tr>
<tr>
<td>1998</td>
<td>17,043</td>
<td>390</td>
<td>198</td>
<td>9,576</td>
<td>?</td>
<td>2,875</td>
</tr>
<tr>
<td>1999</td>
<td>17,814</td>
<td>456</td>
<td>230</td>
<td>9,942</td>
<td>51</td>
<td>2,986</td>
</tr>
<tr>
<td>2000</td>
<td>21,282</td>
<td>491</td>
<td>279</td>
<td>11,685</td>
<td>107</td>
<td>3,270</td>
</tr>
<tr>
<td>2001</td>
<td>23,566</td>
<td>518</td>
<td>297</td>
<td>12,903</td>
<td>147</td>
<td>3,356</td>
</tr>
</tbody>
</table>

`-` data were not published separately
Source: SOSR. Data for 1996 are from the JHS study by SOSR.

The total number of organizations stated in Table 3 includes all organizations from the category S.15, subsidiary and budgetary organizations are not included. I list only the 'traditional' nonprofit legal forms, therefore the total number is not the sum of the listed categories. There are two striking declines in Table 2 between the years 1996 and 1997: in the total number of organizations (from 17,316 to 13,800), and in the number of foundations (from 1950 to 388); the decrease in the total number being higher than the decrease in foundations. There are two causes for this decrease: First, the new law on foundations, which required an initial endowment that many foundations were not able to collect, and imposed a relatively strong control over their operation. Second, the year 1996 was a year of increased activity, the campaign Third sector SOS was the first big coordinated action organized by the third sector. As discussed, its failure to reach the main goal (prevent the Law on foundations from being passed in the form suggested by the government) may have discouraged some of the participants from further activities.

\[35\] First, the foundations had to (re)register at the Ministry, second, they had to publish annual reports, perform audits under some conditions, the law restricted their commercial activities, etc.
When exploring the changes in the number of foundations, it is necessary to keep in mind, that the years 1996 and 1997 were the years of foundations’ re-registration, thus data on their numbers were changing rapidly and need to be treated with caution: According to Bútora & Demeš (1997) at the end of 1996 there were about 17,400 nonprofit organizations, with 1,957 foundations; the number of foundations increased even further to 2,634 registered foundations at the Ministry of the Interior on September 6, 1997. According to the announcement by the Ministry about the state of the re-registering process of foundations to this date only 357 of the original 2,634 foundations successfully re-registered. 506 organizations announced dissolution of the foundation, 377 foundations registered as some other form of nonprofit organization (108 as non-investment funds), and 1,345 did not respond to the announcement of the Ministry (Belejová 1999).

The number of foundations started to grow again only in 1999. The growth is slower than that from the period before 1996 (according to Bútora et al. (1997) there were 1,687 foundations in 1995 – their number increased by 1,000 in 2 years). This number of organizations cannot be reached even if we count together foundations with the two new legal forms coming to existence in 1997, non-investment funds and non-profits. Considering the high number of organizations, which did not respond to the summons of the Ministry (1,345), it seems that the new law helped to clarify the situation in the foundation sector and remove the non-existent foundations from the books.

Another significant change is the increase in the total number of organizations between 1999 and 2000 (from 17,814 to 21,282) caused partially by the increase in the number of associations but also by the rapid growth in the number of Associations of land and flat owners (by more than 1200, not listed in the Table 2, available at http://home.cerge-ei.cz/svítková/npos.). The growth in the number of land and flat owners’ associations was fast over the whole period 1997-2001 and was caused by changes in the ownership and maintenance of housing. However, it is important to understand the increase in the growth of associations (which continued also in

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36 According to the new Act on Foundations all foundations is Slovakia had to re-register at the Ministry until September 1, 1997. More in the Section 4.
2001). From the exploration of the sector’s expenditures we know that the growth was rapid already in 1999, possibly attracting to the sector other players. However, this point needs further exploration and I address it in the following sections.

The information on the numbers of organization is, however, overestimated due to the asymmetry between the positive and negative changes, i.e. while the organizations coming to existence (positive change) have to register, those, which choose to dissolve do not have to announce that. Therefore, a better descriptor of the sector’s activity is the number of employees and the related wage expenditures.

5.3 Employment, volunteerism

Table 3: Full-time employment in nonprofit organizations (in persons)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Founds</th>
<th>N-I Funds</th>
<th>Civic A.</th>
<th>NPO</th>
<th>Church O.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>18,747</td>
<td>289</td>
<td>12</td>
<td>8,817</td>
<td>0</td>
<td>3,100</td>
</tr>
<tr>
<td>1998</td>
<td>19,143</td>
<td>235</td>
<td>14</td>
<td>7,739</td>
<td>?</td>
<td>4,026</td>
</tr>
<tr>
<td>1999</td>
<td>20,373</td>
<td>211</td>
<td>7</td>
<td>9,106</td>
<td>123</td>
<td>4,007</td>
</tr>
<tr>
<td>2000</td>
<td>24,100</td>
<td>487</td>
<td>15</td>
<td>12,313</td>
<td>271</td>
<td>4,197</td>
</tr>
<tr>
<td>2001</td>
<td>21,585</td>
<td>335</td>
<td>24</td>
<td>9,505</td>
<td>292</td>
<td>4,491</td>
</tr>
</tbody>
</table>

Total employment in the category of nonprofit institutions (budgetary and subsidiary organizations included) grew from 1997 until 2001 by 15.1% (from 18,747 to 21,585). The main driving force for this growth were the Interest association of legal persons, where the employment grew from 21 in 1997 to 801 in 2001.\textsuperscript{37} Employment in church organizations grew by nearly 45%, this growth can be attributed to the establishment of charity houses and social care networks as well as more intensive work with children. According to the Salamon et al. (1999) the sector in 1996 employed 18,822 people, thus the decrease in the number of organizations between

\textsuperscript{37}Tables with the numbers for all legal forms are available at http://home.cerge-ei.cz/svitkova/npos.
1996 and 1997 (see Section 5.2) was not accompanied by a similar decline in the employment. This fact supports the hypothesis that the new law on foundations mostly removed the already non-existent or not active foundations from the books.

Comparison of Table 3 with Table 2 may strike the reader with the ‘incompatibility’ in the numbers for foundations and non-investment funds, where the number of organizations is higher than the number of employees. However, it is necessary to keep in mind, that these legal forms are property-based and often small, established for a single purpose, thus, the need for a full-time employees is low. Both categories employ high number of workers on contract (http://home.cERGE-EI.CZ/svtkova/npos), supporting the hypothesis.

The employment of the nonprofit sector (with subsidiary organizations) in 2001 comprised 3.2% of public employment (2.4% in 1996), and 1.1% of total non-agricultural employment (0.9% in 1996). The growth in the share on public employment was stable over the whole period considered, the only exception is year 2000, when the nonprofit employment comprised 3.6% of public employment. This is in correspondence with the high expenditures the sector had this year as well as the rapid growth in the number of organizations and starting of several new projects (increased EU funding, Trust establishment (see 3.2.4), or establishment of the Visegrad fund\textsuperscript{38}). However, I do not know how to explain the following decline in 2001.

The wage related expenditures of nonprofit organizations (budgetary and subsidiary organizations included)\textsuperscript{39} increased by nearly 74%, from 2,788 mil. Sk in 1997 to 4,840 mil. Sk in 2001, when compared to Salamon et al. (1999) (year 1996) the increase is by 77% from 2,730.9 mil. Sk to 4,840 mil. Sk. The growth in wage expenditures is significantly higher than the growth in employment (even when considering real values the growth in wage expenditures is 32%, growth in employment is 14.6%). There are two possible explanations for this trend: First, the organizations became more professional, thus they need to pay higher wages to attract quality employees. Second, the wage expenditures include payments to the

\textsuperscript{38}www.visegradfund.sk

\textsuperscript{39}Tables not included directly in the text are available at http://home.cerge-ei.cz/svtkova/npos.
employees working on contract not included in the full time employment in Table 3. The number of the employees on contract grew from 47,651 in 1997 to 71,189 in 2001, i.e. by nearly 50% as compared to 15.3% growth of full time employment, what could have a significant influence on the total wage expenditures.

The number of volunteers helping in the sector was 91,359 in 1997 and 223,790 in 2001. According to Salamon et al. (1999) there were nearly 238 thousands volunteers in 1996. The dramatic decline between 1996 and 1997 was already observed in the number of organizations supporting the hypothesis that it is related to the SOS campaign, which was organized with a significant help of volunteers. The relatively unsatisfactory result of the campaign may have led to the significant decrease in their activity in 1997. Despite the decrease in the absolute number of volunteers the numbers of hours worked by them increased (from 58 in 1996, through 93 in 1997 to 76.7 in 2001), increasing the average volunteer contribution as well as the total contribution to the sector. According to Woleková (2003) this means that the work of nonprofits with volunteers has improved and is more systematic. On the other hand it means that mostly the same people are volunteering, thus, the base is stable but not growing, indicating possible reserves in the approach of nonprofits towards volunteerism. This theory is supported also by the average hours worked by a volunteer in 1997 - 93, i.e. only the relatively few volunteers helping in 1997 were those stable and 'faithful' to the organization. What is needed though is a legislative regulation of the volunteer work, which has not been established yet.

5.4 Sources of finance for NPOs

The financial sources for the organizations in the third sector can be classified according to several characteristics:

- Domestic vs. Foreign Sources
- Public vs. Private
- Donations vs. Fees and Charges

In the present study I distinguish categories similar to those used in Salamon et al. (1999): public sources, fees and charges, and philanthropic giving (the last
two categories together comprise private sources).

In total, the revenues for the sector (budgetary and subsidiary organizations included) increased by 79.6% between 1997 and 2001, from 9,059.8 mil. Sk to 16,273.1 mil. Sk (in value-adjusted terms was the growth over the period 43%).

Figure 3: Total Income

![Figure 3: Total Income](chart.png)

In Figure 3, we see how the revenues evolved over time. The behavior of total income is similar to that of total expenditures, there is a rapid growth in years 1999 and 2000. From the figure, we see that it is from the main part due to the growth in fees and charges (membership fees, receipts, other income), i.e. the growth was due to the own activities of nonprofits. The increase in total income was driven by an increase in revenues of Associations and Land and flat owners associations, what corresponds to the increase in their number observed in Section 5.2 as well as expenditures, see Section 5.1. As already said, the change in the government in 1998 was perceived a positive signal for many nonprofits, possibly enhancing their activities reflected by both, the growth in expenditures and income.

The structure of revenues over time has not changed significantly as we see from Figure 4.

The importance of fees and charges slightly increased over the period, together with the importance of public support, pushing down the importance of philan-
The structure is different when I do not consider the subsidiary organizations; namely, the importance of public support declines, leaving more space for fees and charges (about 3% more) and philanthropic giving (about 1% more). These differences suggest that the public sources still go mostly to the traditional categories, dominated by the state in the previous era, such as health care or education. Moreover, within this fields the support is targeted to the traditional services provided (i.e. in education to schools) and not to additional services (i.e. clubs, after-school facilities, and others).

The fluctuations in the structure of income need to be considered in the general growth pattern of the revenues for the sector, thus, the differences are differences in the speed of the growth of support. In 1998, the increased importance of public support to nonprofit organizations (also without public organizations) is due to the

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40 The difference is expectable, the organizations categorized subsidiary receive more than 50% of their revenues from the state budget. However, among subsidiary organizations are only entities providing health and social care services and education.
state support to political parties successful in the elections. Corresponding to the rapid growth of fees and charges is the increase in their importance, visible for the years 1999 and 2000. In 2001 the activity of the sector as measured by their income slowed down; again, the decrease is driven by a decrease in fees and charges received by associations.

Description of problems and detailed analysis of public finance for nonprofits is available in Belejová (2000) and Dluhá & Kouřil (2002). The authors study mechanisms used by the government to distribute funds to nonprofit organizations, as well as structure of these contributions. Their findings support the claim stated above, that public finance still flow to the traditional fields and organizations. Specifically, the authors claim that the distribution of public sources is still highly centralized and non-transparent. The traditional organizations often receive contributions on an annual basis while the other organizations compete by submitting grant proposal evaluated using unspecific conditions. The analysis examines closely the individual ministries giving contributions, however, the structure of national accounts used in the study and at the ministries does not allow for an analysis of giving solely to nonprofits (either wider or narrower definitions) as possible when using the data from the SOSR. For this reason I find the SOSR data on public support for nonprofits more indicative.

In the original study by Salamon et al. (1999) we see that the importance of public support in developed countries is much higher than in Slovakia, on average public support comprises 40.1% of nonprofit revenues. Another difference was the relatively low importance of philanthropic giving in developed countries, on average philanthropy comprised 10.5% of revenues. In Slovakia, the importance of philanthropy has slightly declined over the period 1996-2001, nevertheless, as of 2001 it still comprised more than 18% of all funds. Next, I examine the internal structure of giving: According to the data from SOSR the structure of philanthropic giving

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41Political parties in Slovakia receive 3 types of state support, if successful in elections (more than 3% votes) they receive one-time contribution per voter, and also they receive annual support based on their participation in parliament and government.
evolved in the manner depicted in Figure 5.\textsuperscript{42}

\begin{figure}[h]
\centering
\includegraphics[width=0.5\textwidth]{structure_of_giving.png}
\caption{Structure of giving}
\end{figure}

From Figure 5 we see that the importance of foreign donors as compared to households or domestic organizations increased (from in 30\% 1997 to 41\% in 2001). This trend is dangerous for the future existence of nonprofits, as the fact that big foreign foundations continue to move their programs further East and/or South is undisputable. There are other foreign sources at hand, namely, funds of the European Union, questionable is to what extent nonprofit organizations will be able to access these funds.\textsuperscript{43} The observed pattern may be due to the fact that the foreign donors before leaving give last big gifts. One example is the Trust program (see Section 3.2.4, page 18), which targets the development of other sources of revenues (private or corporate philanthropy). Another reason for this increase are the pre-entry EU funds, there have been new programs and higher amounts available since 1999, available for drawing in 2000-2002.\textsuperscript{44}

\textsuperscript{42}SOSR distinguishes 3 types of donors: households, organizations, and foreign sources. The absolute amounts of gifts are available at http://home.cerge-ei.cz/svitkova/npos.

\textsuperscript{43}To increase the knowledge of nonprofits about EU funds, SAIA-SCTS recently published a book introducing the various options, \textit{(A guide about the financial sources of the European Union for non-governmental organizations 2003)}.

\textsuperscript{44}www.changenet.sk/npoa
The increase in the importance due to the incomes from leaving foundations is relatively artificial and will last only a short period. If the programs will be successful, donations of organizations and individuals will increase and substitute the leaving funds, what we can possibly observe in the giving structure few years later (2005). Also, it is necessary to mention, that the relative importance of giving in revenues for nonprofits decreased, thus, the increase in the importance of foreign sources is not that strong when compared to total income (in 1997 comprised foreign donations 6% of total income, in 2001 it was 8%).

6 Implications for further research

The current study is only a preliminary analysis of the third sector in Slovakia, further research is needed as the sector currently faces many important challenges and changes. The main concern is that the foreign donors are leaving while, as we have seen, the sector is still dependent on them. In order to cope with the exitus of foreign donors the sector needs to find other, internal sources of finance. Another problem is the internal organization and cooperation within the sector, which has worsened since 1998, with the increase in sector’s diversity. The year 2003 brought another important change, the new law on income taxes, which removes the opportunity to deduct gifts from taxes and increases the possibility to designate fraction of taxes from 1 to 2%. Tracing the impact of these changes would help to identify the motives of donors (does deductibility help?), which might help policy makers in other countries as well to develop an optimal tax policy.

6.1 Data accessibility, transparency of the sector

Unfortunately, in the current situation it is not possible to perform a proper economic and econometric analysis of the sector as the individual data on nonprofit organizations are not accessible (see Section 2.3.) In Section 2.3 I discussed two problems of Slovak data, low accessibility and quality, which decrease the potential for international comparisons of results. However, these data problems are not rel-
evant only from the perspective of international comparisons. The low accessibility and unsuitable classification of data may cause problems with the identification of the sector within the country and hinder the creation of trust and positive image for the sector. These negative effects can be partly moderated by an increased activity of nonprofits themself in promoting and publishing relevant information, however, a common approach would make the situation easier.

There are two main directions in which the publicity of information plays a role: State monitoring and transparency of the sector/creation of trust.

Despite the necessary independence of the third sector from the government, the state has to monitor the operation of nonprofit organizations as these receive direct and indirect state support, and often provide important services for citizens. Thus, the requirement to submit annual reports with detailed financial reports is legitimate. In Slovakia, foundations, non-investment funds and non-profit organizations are required to submit their annual reports to the registry office. Extending this requirement to associations would increase transparency in their operation and, also, will help to better assess the size of the sector - as many of the associations officially registered do not work any longer. Unfortunately, the annual reports submitted are often incomplete and serve as a tool for promotion more than as a source of information. Thus, a necessary step is stronger enforcement.45

Transparency is/should be the key issue for the third sector. The third sector is by general public perceived as a group of organizations with 'higher' standards. Due to the various sources of funds, which usually do not require direct returns (donation, government grants) only a provision of certain services, these organizations have to prove, that the finance they get are used in accordance with their mission and with the expectations public (potential donors) has. Therefore, if there is even a slight suspicion of abuse or inefficient use of resources the criticism is much stronger if the organizations accused is nonprofit. If the data and information on

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45 At the Stupava Conference 2003 the requirement of stronger enforcement for the submission of annual reports proposed by a governmental representative did not meet particular support of nonprofits. The organizations of the sector need to realize that the requirement is not only an administrative formality but it is a tool, which can help them to operate more efficiently and increase their revenues as well.
these organizations were freely accessible, then, there would be much less space for illegitimate accusations having a positive impact on the reputation of the individual organizations as well as the whole sector.

A positive example of how to handle the problem of data accessibility and collection is the case of the USA, where most of the nonprofit organizations have to file the tax form 990, which is made freely accessible. The data required in the form 990 are similar to those collected by the SOSR, namely, expenditures and their structure, incomes and their structure, giving, employment and volunteering, which I think are more than sufficient descriptors of nonprofits. The problems in the Slovak Republic are the following: SOSR cannot make the individual data accessible, it collects data only for a sample of all organizations, and the enforcement is not strong.\footnote{The organizations are required to submit the forms to SOSR, otherwise they would pay a fee, but there is a small chance that someone from SOSR would go and check, whether the data submitted reflect the real situation.} In the current era the best solution to this problem would be as suggested at the Non-profit Cyber-Accountability Forum,\footnote{http://www.charitychannel.com/forums/cyb-acc} a forum of people interested in the questions of nonprofit accountability, which suggests data submission through the Internet. This approach, allowing data collection through the Internet and leaving the monitoring to an independent organization, would save time and administrative expenses of nonprofits as well as state administration.

6.2 Foreign sources, foundations

As mentioned above one of the main problems the Slovak nonprofit sector currently faces is that foreign donors leave. From the structure of income from philanthropic giving (Figure 5 we see that these sources still play a key role in financing of the sector. Understanding the impact of foreign donors’ leaving on the structure of the sector may help to understand the operation of the sector in the country. This analysis will surely help to understand the impact of foreign sources on third sectors, an analysis useful also for the foreign donors currently moving to other countries. For this purpose, a comparison with other countries is necessary, the Czech Republic
seems a good candidate: the countries had had common history before, however, after the separation they both went in significantly different directions.\footnote{For information on the third sector in the Czech Republic see http://home.cerge-ei.cz/brhlikova/npos.}

Exploring the structure of giving to particular legal forms, we see (Figure 6) that the organizations most vulnerable to the leaving of foreign funds are foundations: around 60\% of their received donations come from foreign sources.\footnote{Consequently, this will affect the existence of other organizations receiving grants from foundations.} The situation is very different for the non-investment funds (intended to be a form similar to foundations), only around 20\% of their donations come from foreign donors.\footnote{This different structure suggest that non-investment funds are founded mostly by Slovak citizens without sufficient resources for the establishment of a foundation, or for specific projects.}

These different structures are most probably due to the fact that there are few big foundations in Slovakia, which are still mostly supported from abroad, thus pulling the importance of foreign donors up. The question of vulnerability of these foundations, however, can be answered only if we analyze their expenditures - do they use the funds to give grants (and will these grants help the future sustainability of the sector?), or do they build endowments, which will create funds also later on? These are the questions, which need to be answered. However, this is not possible using the aggregated data published by the SOSR.

Figure 6: Structure of Giving to Foundations and Foundation Funds

\begin{figure} [H]
\centering
\includegraphics[width=\textwidth]{structure_of_giving.png}
\caption{Structure of Giving to Foundations and Foundation Funds}
\end{figure}
funds in the Slovak nonprofit sector I believe that they may become important players in the nonprofit field. Thus, I will in my further research concentrate on their operation, both theoretically and empirically. I start with further exploration of data (most probably an individual collection of data will be necessary), and examine their impact on the development of the sector. Interesting results may arise from comparing the non-investment funds to foundations as both these legal forms should have similar missions but they are legally separate.

7 Conclusion

One aim of the present study was to explore the evolution of the third sector in Slovakia. The sector as measured by employment, number of organizations, or expenditures, significantly grew over the examined period 1996-2001, however, its scope remains lower even than the average of 22-countries in the study by Salamon et al. (1999), using data from 1995 (both in employment and expenditures). However, it is necessary to take into consideration that the historically state dominated fields, namely education and health care, are to quite some extent still under state control. The transformation process of hospitals and health care facilities has started only recently, without any significant results yet. Unfortunately, due to the problems with data accessibility and quality, it is not possible to say whether the structure of the sector has converged to the structures observed in developed countries.

Another aim of the paper was to explore the impact of legislative changes and government’s attitudes. The most important legislative change in the examined period was the new law on foundations in 1996, which caused a rapid decline in the number of foundations. There was also an important change in the government, in 1998. It is difficult to judge to what extent but it surely helped to enhance the growth of the sector, most visibly in years 1999 and 2000.

While preparing the present study I identified two major problems with Slovak data: individual data are not accessible and the classifications used in Slovakia do not illustrate the structure of activities performed by nonprofits as does the international classification ICNPO, hindering further economic research of the topic.
References

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Neméth, P. (1999), ‘Tretienu sektoru chýbajú informácie a spolupráca (The third sector is missing information and cooperation)’, *Trend (Slovak Weekly)* (31).

Papanek, P. (2003), ‘Tretí sektor daňové zákony nepoškodí’, *SME (Slovak daily)*.


# Appendix 1 - Data

Table 1: Employment in NPOs (in persons)

<table>
<thead>
<tr>
<th>Legal form / Year</th>
<th>1997</th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundation</td>
<td>289</td>
<td>235</td>
<td>211</td>
<td>487</td>
<td>335</td>
</tr>
<tr>
<td>Non-investment Fund</td>
<td>12</td>
<td>14</td>
<td>7</td>
<td>15</td>
<td>24</td>
</tr>
<tr>
<td>Non-profit org.</td>
<td>0</td>
<td>-</td>
<td>123</td>
<td>271</td>
<td>292</td>
</tr>
<tr>
<td>Owners of land</td>
<td>45</td>
<td>105</td>
<td>40</td>
<td>277</td>
<td>180</td>
</tr>
<tr>
<td>Association</td>
<td>8817</td>
<td>7739</td>
<td>9106</td>
<td>12313</td>
<td>9505</td>
</tr>
<tr>
<td>Political party</td>
<td>-</td>
<td>459</td>
<td>372</td>
<td>235</td>
<td>222</td>
</tr>
<tr>
<td>Church organization</td>
<td>3100</td>
<td>4026</td>
<td>4007</td>
<td>4197</td>
<td>4491</td>
</tr>
<tr>
<td>Professional chamber</td>
<td>169</td>
<td>-</td>
<td>212</td>
<td>188</td>
<td>231</td>
</tr>
<tr>
<td>Interest ass. of LP</td>
<td>21</td>
<td>-</td>
<td>760</td>
<td>756</td>
<td>801</td>
</tr>
<tr>
<td>Other</td>
<td>1220</td>
<td>1943</td>
<td>901</td>
<td>560</td>
<td>512</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>14391</td>
<td>14521</td>
<td>15739</td>
<td>19299</td>
<td>16593</td>
</tr>
<tr>
<td>Education</td>
<td>4356</td>
<td>4549</td>
<td>4564</td>
<td>4718</td>
<td>4907</td>
</tr>
<tr>
<td>Social care</td>
<td>-</td>
<td>73</td>
<td>70</td>
<td>83</td>
<td>85</td>
</tr>
<tr>
<td><strong>Total with subsidiary</strong></td>
<td>18747</td>
<td>19143</td>
<td>20373</td>
<td>24100</td>
<td>21585</td>
</tr>
</tbody>
</table>
Table 2: Wage expenditures in NPOs (thousands Sk)

<table>
<thead>
<tr>
<th>Legal form / Year</th>
<th>1997</th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundations</td>
<td>66,820</td>
<td>75,204</td>
<td>81,915</td>
<td>93,206</td>
<td>100,041</td>
</tr>
<tr>
<td>Non-investment fund</td>
<td>1,429</td>
<td>2,737</td>
<td>2,457</td>
<td>5,809</td>
<td>10,909</td>
</tr>
<tr>
<td>Non-profit org.</td>
<td>138</td>
<td>-</td>
<td>19,700</td>
<td>32,494</td>
<td>36,697</td>
</tr>
<tr>
<td>Owners of land</td>
<td>13,796</td>
<td>27,609</td>
<td>64,798</td>
<td>84,223</td>
<td>171,398</td>
</tr>
<tr>
<td>Association</td>
<td>1,483,436</td>
<td>1,350,696</td>
<td>1,875,765</td>
<td>2,556,671</td>
<td>2,583,702</td>
</tr>
<tr>
<td>Political party</td>
<td>-</td>
<td>77,310</td>
<td>66,660</td>
<td>45,699</td>
<td>49,526</td>
</tr>
<tr>
<td>Church organization</td>
<td>288,205</td>
<td>482,722</td>
<td>513,952</td>
<td>571,112</td>
<td>636,093</td>
</tr>
<tr>
<td>Professional chamber</td>
<td>42,969</td>
<td>-</td>
<td>52,573</td>
<td>47,445</td>
<td>64,380</td>
</tr>
<tr>
<td>Interest ass. of LP</td>
<td>-</td>
<td>-</td>
<td>206,579</td>
<td>212,768</td>
<td>233,740</td>
</tr>
<tr>
<td>Other</td>
<td>355,468</td>
<td>434,994</td>
<td>176,226</td>
<td>130,550</td>
<td>141,392</td>
</tr>
<tr>
<td>Total</td>
<td>2,252,261</td>
<td>2,451,272</td>
<td>3,060,625</td>
<td>3,779,977</td>
<td>4,027,878</td>
</tr>
<tr>
<td>Education</td>
<td>535,767</td>
<td>632,517</td>
<td>659,604</td>
<td>725,286</td>
<td>803,150</td>
</tr>
<tr>
<td>Social care</td>
<td>-</td>
<td>6,750</td>
<td>5,828</td>
<td>9,395</td>
<td>9,303</td>
</tr>
<tr>
<td>Total with subsidiary</td>
<td>2,788,028</td>
<td>3,090,539</td>
<td>3,726,057</td>
<td>4,514,658</td>
<td>4,840,331</td>
</tr>
</tbody>
</table>


### Table 3: Workers on contract, Volunteerism (in persons)

<table>
<thead>
<tr>
<th>Legal form / Year</th>
<th>1997</th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundation</td>
<td>1,611</td>
<td>1,910</td>
<td>1,942</td>
<td>2,684</td>
<td>2,510</td>
</tr>
<tr>
<td>Non-investment fund</td>
<td>188</td>
<td>281</td>
<td>310</td>
<td>608</td>
<td>796</td>
</tr>
<tr>
<td>Non-profit org.</td>
<td>14</td>
<td>-</td>
<td>327</td>
<td>496</td>
<td>372</td>
</tr>
<tr>
<td>Owners of land</td>
<td>1,718</td>
<td>2,249</td>
<td>5,417</td>
<td>6,548</td>
<td>4,902</td>
</tr>
<tr>
<td>Association</td>
<td>40,731</td>
<td>36,611</td>
<td>58,409</td>
<td>83,734</td>
<td>56,406</td>
</tr>
<tr>
<td>Political party</td>
<td>-</td>
<td>599</td>
<td>51</td>
<td>51</td>
<td>91</td>
</tr>
<tr>
<td>Church organization</td>
<td>739</td>
<td>1,425</td>
<td>1,378</td>
<td>1,278</td>
<td>1,266</td>
</tr>
<tr>
<td>Professional chamber</td>
<td>539</td>
<td>-</td>
<td>879</td>
<td>1,885</td>
<td>1,816</td>
</tr>
<tr>
<td>Interest ass. of LP</td>
<td>-</td>
<td>-</td>
<td>1,967</td>
<td>2,354</td>
<td>2,122</td>
</tr>
<tr>
<td>Other</td>
<td>2,111</td>
<td>3,373</td>
<td>1,281</td>
<td>671</td>
<td>908</td>
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<tr>
<td><strong>Total</strong></td>
<td>47,651</td>
<td>46,448</td>
<td>71,961</td>
<td>100,309</td>
<td>71,189</td>
</tr>
<tr>
<td><strong>Volunteers</strong></td>
<td>91,359</td>
<td>151,524</td>
<td>250,707</td>
<td>319,192</td>
<td>223,790</td>
</tr>
</tbody>
</table>
Table 4: Giving to NPOs, thousands Sk

<table>
<thead>
<tr>
<th>Source / Year</th>
<th>1997</th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign</td>
<td>562,787</td>
<td>777,829</td>
<td>1,049,676</td>
<td>1,442,420</td>
<td>1,249,915</td>
</tr>
<tr>
<td>Households</td>
<td>380,582</td>
<td>494,553</td>
<td>589,072</td>
<td>449,024</td>
<td>577,954</td>
</tr>
<tr>
<td>Organizations</td>
<td>940,037</td>
<td>889,025</td>
<td>993,597</td>
<td>1,114,118</td>
<td>1,184,556</td>
</tr>
<tr>
<td><strong>Total Giving</strong></td>
<td>1,883,406</td>
<td>2,161,407</td>
<td>2,632,345</td>
<td>3,005,562</td>
<td>3,012,425</td>
</tr>
</tbody>
</table>

Giving to Foundations

<table>
<thead>
<tr>
<th>Source / Year</th>
<th>1997</th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign</td>
<td>227,419</td>
<td>297,388</td>
<td>327,100</td>
<td>386,223</td>
<td>454,629</td>
</tr>
<tr>
<td>Households</td>
<td>35,429</td>
<td>45,022</td>
<td>58,599</td>
<td>57,378</td>
<td>80,899</td>
</tr>
<tr>
<td>Organizations</td>
<td>128,611</td>
<td>166,120</td>
<td>139,791</td>
<td>102,142</td>
<td>132,920</td>
</tr>
<tr>
<td><strong>Total Giving</strong></td>
<td>391,459</td>
<td>508,530</td>
<td>525,490</td>
<td>545,743</td>
<td>668,448</td>
</tr>
</tbody>
</table>

Giving to Non-investment Funds

<table>
<thead>
<tr>
<th>Source / Year</th>
<th>1997</th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign</td>
<td>1,653</td>
<td>1,251</td>
<td>3,140</td>
<td>13,484</td>
<td>16,659</td>
</tr>
<tr>
<td>Households</td>
<td>5,760</td>
<td>8,967</td>
<td>33,769</td>
<td>13,976</td>
<td>20,886</td>
</tr>
<tr>
<td>Organizations</td>
<td>20,999</td>
<td>10,460</td>
<td>15,476</td>
<td>26,274</td>
<td>30,608</td>
</tr>
<tr>
<td><strong>Total Giving</strong></td>
<td>28,412</td>
<td>20,678</td>
<td>52,385</td>
<td>53,734</td>
<td>68,153</td>
</tr>
</tbody>
</table>