

The Global Philanthropy Environment Index 2018

European Edition

EUROPE AT A GLANCE

The European special edition of the 2018 Global Philanthropy Environment Index provides information about the philanthropic landscape of 30 European countries, measuring regulatory, political, and socio-cultural environments through a standard instrument completed by country-based experts. The data offers accurate and timely information to policy makers, philanthropic and nonprofit leaders, the business community, and the public to increase understanding of the diversity and uniqueness of European philanthropy, by examining the incentives and barriers facing individuals and organizations involved in philanthropy.

Ease of Operating a Philanthropic Organization

In Europe, both informal and institutionalized philanthropy is advancing, representing an increasingly diverse community across the continent. In most countries, unregistered philanthropic organizations are allowed to operate. However, to enjoy tax benefits and be able to cooperate with governments, philanthropic organizations are required to be legally recognized and obtain public-benefit/charitable status granted by the authority. In general, reporting requirements—which are clear, but different from country to country—have become more rigorous, and it has become more burdensome for philanthropic organizations to meet the standards of anti-money laundering and counter-terrorist financing guidelines, as well as the requirements established by the new European Union General Data Protection Regulation.

Tax Incentives

There are a wide range of tax incentives for donors who aim to give to registered public-benefit organizations or charities. However, the requirements for philanthropic organizations to receive the public-benefit or charitable status vary from country to country. Almost all of the European countries offer tax incentives to corporations, making corporate giving a significant part of private philanthropy in the continent. Individuals in several countries including Albania, Bosnia and Herzegovina, Finland, Hungary, Ireland, Serbia, and Sweden, however, are not qualified for tax deduction or credit for their charitable contributions. Tax-exempt philanthropic organizations are eligible for tax exemptions from a broad range of taxes in almost all countries except Turkey.

Cross-Border Flows

Most European countries do not have limitations for sending and receiving cross-border donations. Indeed, the European Union's non-discrimination principle related to tax treatment of philanthropy has established that cross-border donations could be eligible for the same tax incentives if comparability can be shown between the domestic and foreign (European Union- and European Economic Area-based) philanthropic organizations.

However, because of differing tax system between countries, the comparability procedure is difficult and often burdensome. In addition to the strict regulations to avoid international money laundering and terrorist financing, Hungary and Russia have also introduced special regulations and reporting requirements for foreign-funded philanthropic organizations, categorizing them as “organizations supported from abroad” and “foreign agents” respectively.

Political Environment

The political environment for philanthropy differs widely across Europe. While government policies actively support philanthropy in Western Europe, political tension between governments and human rights organizations have grown in Eastern Europe. Nevertheless, collaboration between the public and philanthropic sectors is outstanding in Europe. Indeed, within the European Union, philanthropic organizations are encouraged to cooperate with governmental agencies and participate in every stage of policy-making processes. And, while the level of available government funding has decreased across the continent as a consequence of the 2008 economic crisis, public spending is still a significant source for philanthropic organizations.

Socio-Cultural Environment

Institutionalized giving and volunteering are highly developed in Western Europe and also rapidly emerging in Eastern Europe. The values of charity, solidarity and compassion—important parts of the pluralistic religious environment—are embedded in long-lasting philanthropic traditions across Europe. Religion has emphasized the importance of offering help to those in need and informal philanthropy has been part of everyday life for centuries in Europe. Because of different historical and political paths, the philanthropic infrastructure varies in Europe, and we observe significant differences between Western and Eastern Europe. Overall, philanthropic organizations enjoy higher levels of public trust and are more professionalized in Western European countries than in Eastern European countries.

GLOBAL PHILANTHROPY ENVIRONMENT INDEX SCORES IN EUROPE

COUNTRY	EASE OF OPERATING	TAX INCENTIVES	CROSS-BORDER FLOWS	POLITICAL ENVIRONMENT	SOCIO-CULTURAL ENVIRONMENT	OVERALL SCORE
Albania	4,23	2,40	2,00	3,45	3,50	3,12
Austria	4,57	4,00	4,20	4,60	4,70	4,41
Bosnia and Herzegovina	4,33	3,50	4,00	3,00	3,00	3,57
Bulgaria	4,00	3,75	4,25	3,75	3,00	3,75
Croatia	4,77	3,35	3,75	3,50	3,80	3,83
Czech Republic	4,33	3,50	3,60	4,00	3,00	3,69
Denmark	4,83	4,00	4,00	4,75	4,50	4,42
Finland	5,00	4,00	5,00	5,00	5,00	4,80
France	4,33	5,00	4,00	5,00	5,00	4,67
Germany	4,67	5,00	4,00	5,00	5,00	4,73
Greece	4,63	4,00	3,60	3,30	2,40	3,59
Hungary	4,00	3,50	3,50	2,50	3,00	3,30
Ireland	4,67	4,25	4,25	4,00	4,50	4,33
Italy	4,83	4,50	4,50	5,00	4,50	4,67
Kosovo	4,07	3,00	3,25	3,75	3,50	3,51
Macedonia	4,67	3,50	4,50	3,00	4,00	3,93
Montenegro	4,80	3,50	4,70	3,55	3,60	4,03
Netherlands	5,00	4,50	5,00	4,50	5,00	4,80
Norway	5,00	4,00	4,50	4,50	4,00	4,40
Poland	5,00	3,50	5,00	2,50	4,00	4,00
Portugal	3,67	4,00	4,00	3,60	3,00	3,65
Russia	3,33	3,50	3,50	2,80	3,50	3,33
Serbia	4,67	3,50	3,50	3,35	3,00	3,60
Slovakia	4,27	3,70	4,05	3,10	3,00	3,62
Spain	4,33	4,00	4,50	3,50	3,50	3,97
Sweden	5,00	3,00	5,00	4,50	4,00	4,30
Switzerland	5,00	4,75	4,50	4,50	5,00	4,75
Turkey	2,17	2,00	3,50	2,00	4,00	2,73
Ukraine	4,57	3,85	3,90	3,85	3,70	3,97
United Kingdom	4,67	4,00	4,00	3,75	4,50	4,18
EUROPE AVERAGE	4,45	3,77	4,07	3,79	3,87	3,99

Detailed explanation of the categories can be found on the website: bit.ly/GPEIEurope

Source: Indiana University Lilly Family School of Philanthropy | Global Philanthropy Environment Index 2018

Note: Scores based on data from January 2014 through March 2018.

REGIONAL AVERAGE SCORES BY FACTORS

EASE OF OPERATING



TAX INCENTIVES



CROSS-BORDER FLOWS



POLITICAL ENVIRONMENT



SOCIO-CULTURAL ENVIRONMENT



OVERALL SCORE



EASTERN AND SOUTHERN EUROPE: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Greece, Hungary, Italy, Kosovo, Macedonia, Montenegro, Poland, Portugal, Russia, Serbia, Slovakia, Spain, Turkey, Ukraine

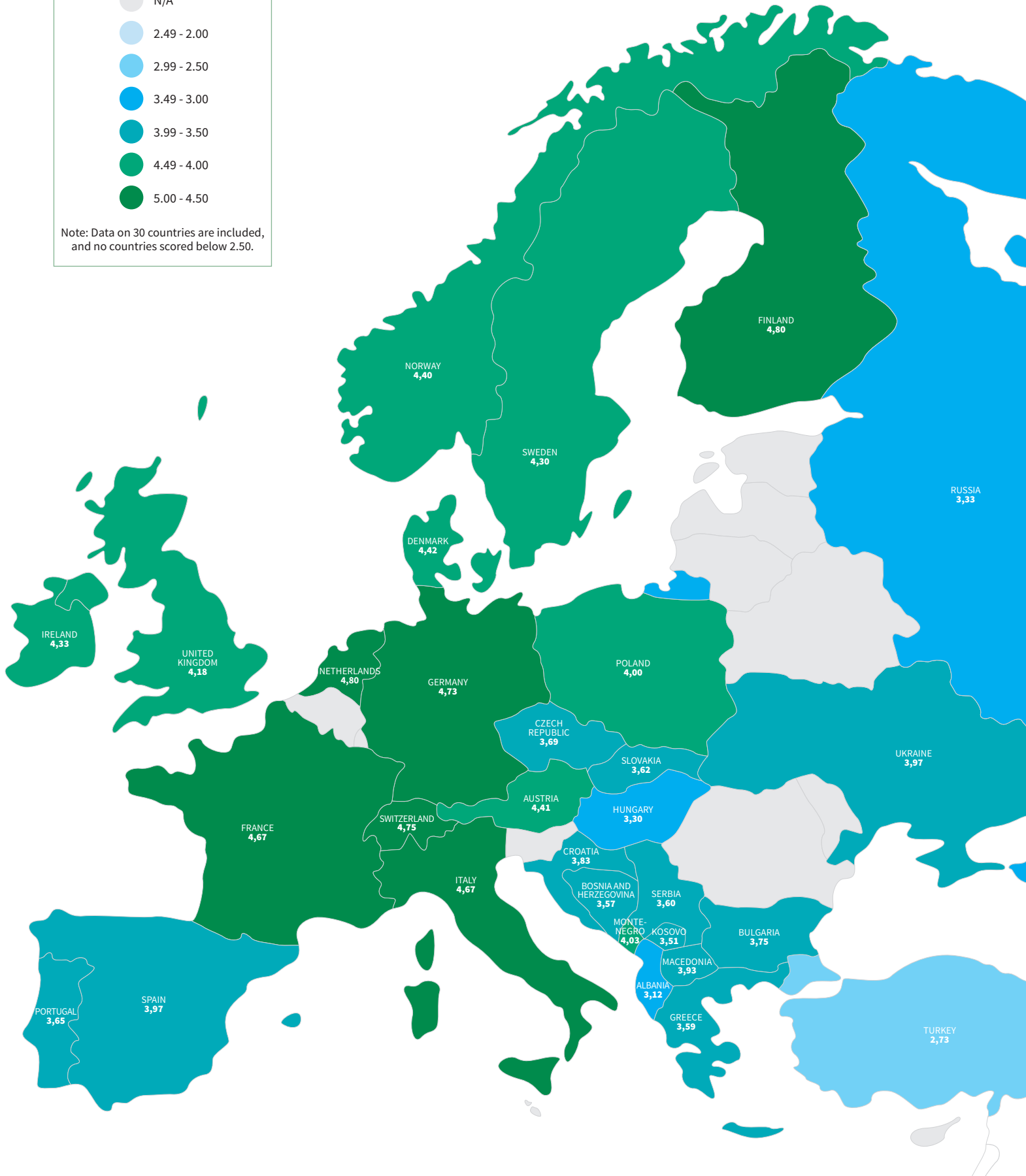
NORTHERN AND WESTERN EUROPE: Austria, Denmark, Finland, France, Germany, Ireland, Netherlands, Norway, Sweden, Switzerland, United Kingdom

LEGEND

The enabling philanthropic environment measured on a scale from 1.00 to 5.00.

- N/A
- 2.49 - 2.00
- 2.99 - 2.50
- 3.49 - 3.00
- 3.99 - 3.50
- 4.49 - 4.00
- 5.00 - 4.50

Note: Data on 30 countries are included, and no countries scored below 2.50.



DID YOU KNOW?

Public-benefit foundations

There are more than 147,000 registered public-benefit foundations in Europe. Germany has the highest number of active public benefit foundations (20,700 as of 2016) and the highest level of charitable expenditures (EUR 19.4 billion) in Europe.

1-percent rule

Individuals can designate between 1 and 3 percent of their personal income tax to support the work of registered philanthropic organizations in Hungary, Italy, Poland, and Slovakia.

High-net-worth individuals

Individuals from Germany, Norway, Russia, Slovenia, Turkey, Ukraine, and the United Kingdom have joined in the Giving Pledge and committed to giving more than half of their wealth to philanthropy or charitable causes.

Volunteering

In 2016, more than 10,000 young people aged 18–30 participated in cross-border volunteering in 55 countries through the European Voluntary Service.

Giving Tuesday

#GivingTuesday, a global day of giving fueled by the power of social media and collaboration, has gained momentum in the majority of European countries. Five new European countries will also be joining the movement in 2018: Finland, France, Poland, Portugal, and Ukraine.

Please find the full report on our website: bit.ly/GPEIEurope

The Donors and Foundations Networks in Europe, DAFNE, is proud to support the distribution of the European edition of the 2018 Global Philanthropy Environment Index produced by the Indiana University Lilly Family School of Philanthropy. It is a unique source of in-depth information that helps in understanding the size and scope of the philanthropic sector in Europe and how nations' environments and policies enable or constrain philanthropy, which is essential to maximizing its impact.



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The Indiana University Lilly Family School of Philanthropy at IUPUI is dedicated to improving philanthropy to improve the world by training and empowering students and professionals to be innovators and leaders who create positive and lasting change in the world. The school offers a comprehensive approach to philanthropy through its academic, research, and international programs and through The Fund Raising School, Lake Institute on Faith & Giving, the Women's Philanthropy Institute, and the Mays Family Institute on Diverse Philanthropy. Follow us on Twitter @IUPPhilanthropy, "Like" us on Facebook, and find more information at philanthropy.iupui.edu.

DONORS AND FOUNDATIONS NETWORKS IN EUROPE (DAFNE)

DAFNE is Europe's largest network of donors and foundations associations. With 26 member associations with a collective membership of more than 10,000 foundations and grant-makers, DAFNE is a leading voice of European foundations. It underpins individual activities of its members by encouraging dialogue and collaboration between the national associations. The DAFNE Secretariat is based in Philanthropy House in Brussels. Follow us on Twitter @DafneHQ and find more information here: www.dafne-online.eu