



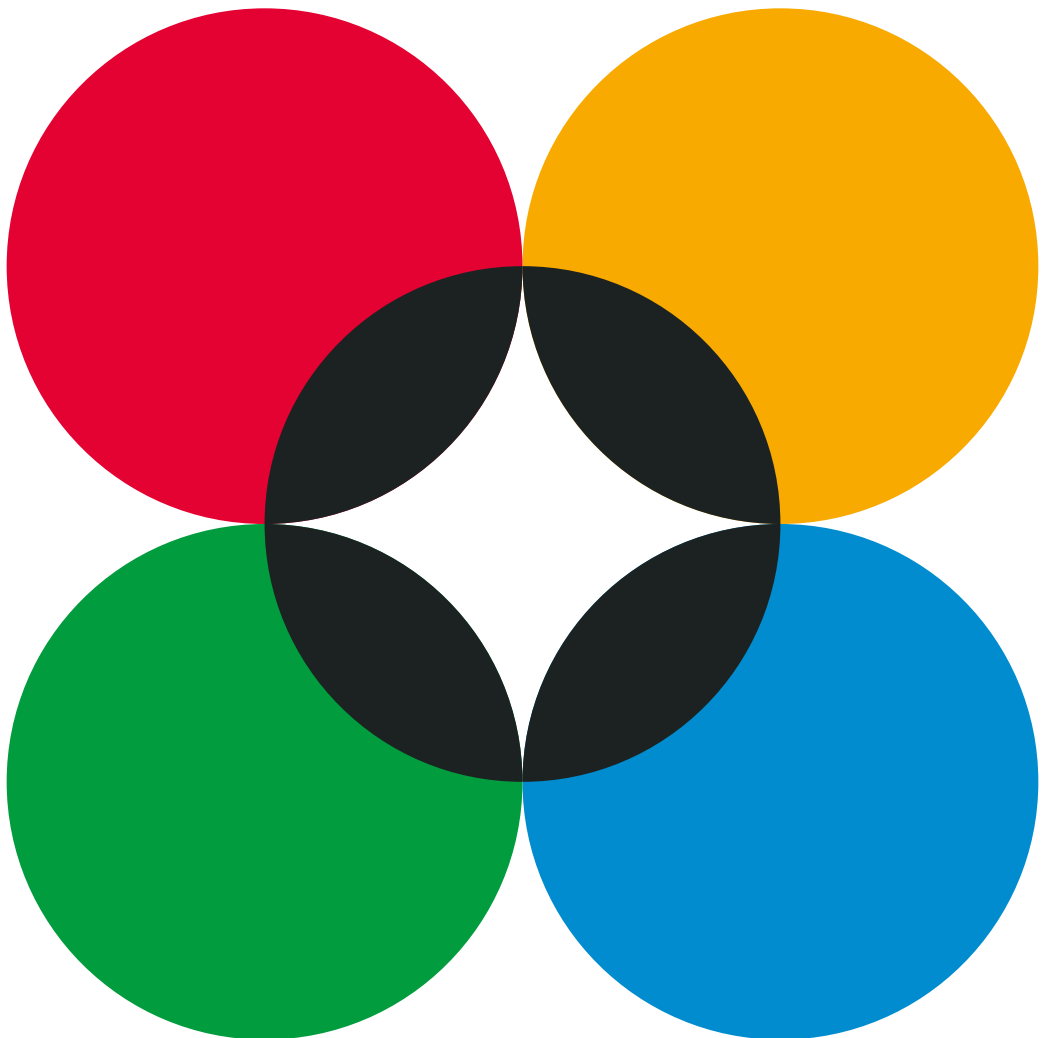
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BASELINE STUDY ON PHILANTHROPY IN BOSNIA AND HERZEGOVINA

THE STATE OF PHILANTHROPY IN
BOSNIA AND HERZEGOVINA



NETWORK FOR BUILDING PEACE
SARAJEVO, 2023

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ABOUT THE PROJECT

The research represented by this publication is an initiative of the Association Network for Building Peace within the framework of **Snaga Lokalnog: Projekat podrške lokalnim resursnim organizacijama (USAID Local Works Activity Local Resource Organizations Assistance (LRO/A))**. It is an integral part of a five-year project of the United States Agency for International Development (USAID) worth 12 million dollars, initiated to strengthen the local communities of Bosnia and Herzegovina. Through the assistance and support to the local communities, the project develops capacities that will enable sustainable growth, an increase in civic engagement and mobilization of all available local resources. Together with Network for Building Peace, the partner organizations in this project include: the Center for Civic Cooperation Livno (CGS Livno), the Institute for Youth Development KULT, Tuzla Community Foundation and Mozaik Foundation¹.

This publication represents **the first part of a comprehensive study on philanthropy** aimed to analyze the current situation, formulate recommendations for the development of the philanthropic ecosystem, and set indicators for its further monitoring. Taking into consideration that this phenomenon has always existed but it has only recently been examined and practiced in the context of the civil society of Bosnia and Herzegovina, the subject of the research is set broadly. The collection of data was conducted through a combination of methods of surveying, interviewing, and content analysis. In the period from February 25, 2023, until April 28, 2023, the interviews were conducted with representatives of the population of public opinion, socially responsible companies, and civil society organizations. The interviews were supplemented with the analysis of the contents of the previous publicly available research. The intention of the project team is to use the obtained findings of this research as the basis for the design of **the second part of a comprehensive study** which, instead of a **horizontal** assessment of all participants of the philanthropic ecosystem, will be directed on a **vertical** assessment of only selected aspects of philanthropy.

For better understanding, these data are preceded by a summary of the institutional context in which philanthropy in Bosnia and Herzegovina takes place. Finally, the third chapter offers operational and analytical recommendations for further development of philanthropy. For impatient readers, a summary of all findings is offered at the very beginning. We hope that the results of the research will help local communities in developing their capacity to build a resilient and sustainable philanthropic ecosystem.

Philanthropy is a complex phenomenon because it refers to every member of the community, regardless of whether it is a natural or legal person. The role of civil society organizations is to promote charity and develop trust among community members, but they cannot finalize this task successfully on their own. Intersectoral cooperation is necessary for this, which includes the synergy of the state, business, and civil sectors in the country and abroad. The result of such an approach is this publication, created in cooperation with socially responsible representatives of all sectors of Bosnian-Herzegovinian society.

We hereby thank the interviewed representatives of the business and civil sectors who donated their time and knowledge in the service of this study. Also, we owe special thanks to the closest collaborators in collecting data and creating the publication: Adela Čomić, Elma Demir, Prof. Jasmin Halebić, Dalida Karabdić, Amra Smirko, Aleksandra Štrbac, Kerim Hodžić, Klaudija Ribić, Aida Ibričević, Nermina Trbonja, Adisa Čakanović, Amela Kukuruzović, Azra Halilović, Božana Puljić, Elma Vrabac, Elvir Topalović, Emilijo Jarak, Harun Šabanović, Neira Raković, Safija Zahirović, Vanja Pejić, Vedada Šećerbajtarević, Vera Zih, Amar Čatović and Prism Research Agency.

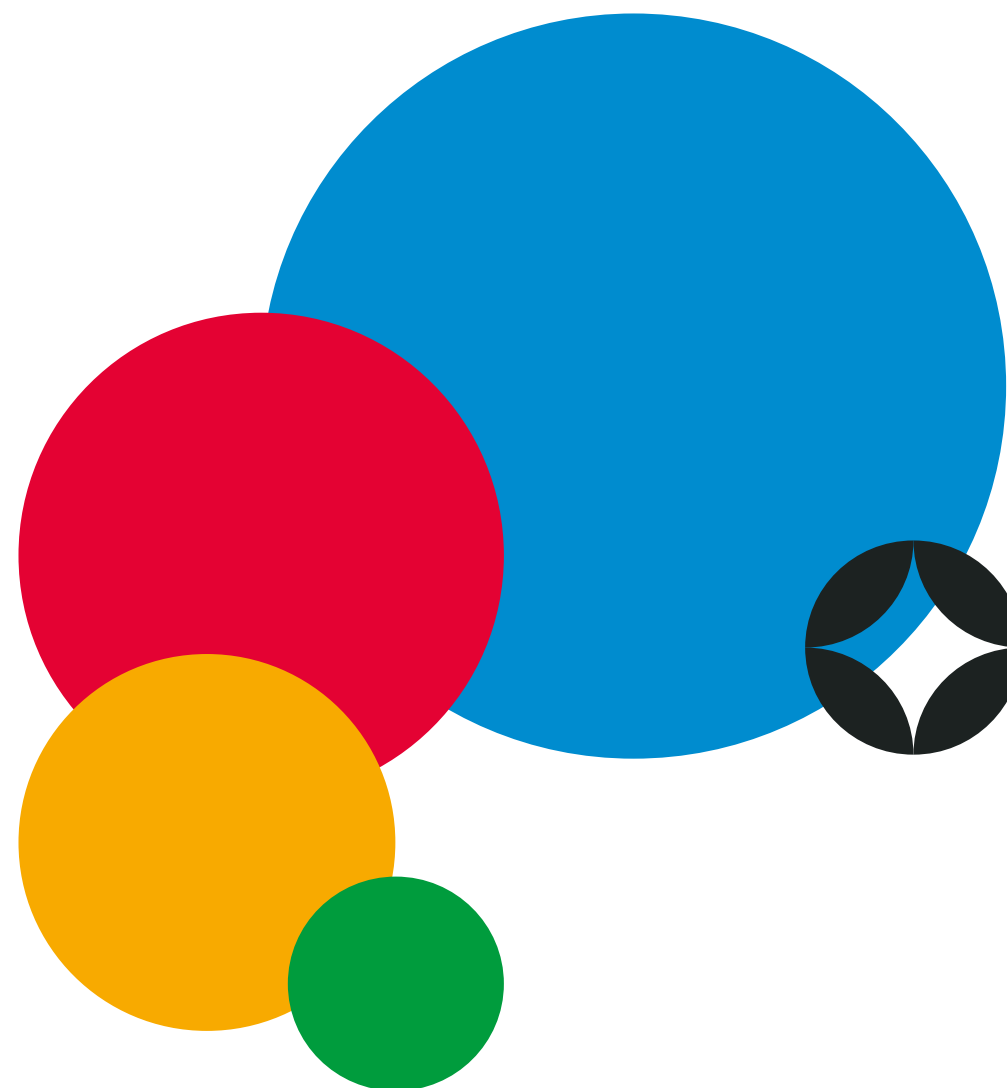
The publication is designed to satisfy the intellectual curiosity of all segments of the readership, regardless of the level of their prior knowledge. For this reason, the first chapter offers basic terminological definitions and an overview of all previous research, with notes on the advantages and limitations of each research individually. In the second chapter, the findings of the current study are presented, divided according to the target population into: public opinion, business sector, and civil society organizations, with the addition of a section about intersectoral cooperation.

¹For more information visit: www.snagalokalnog.ba

ABOUT THE AUTHOR

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He worked at Ipsos as a public opinion researcher, and at the Faculty of Political Sciences as a teaching associate, in the subject Methodology with Statistics. In the last two years, he has focused on advocating public policies in the field of philanthropy on the territory of the Western Balkans.



Note: Expressions referring to the entire population are in some places reduced to the masculine gender. This practice includes the following terms: respondent, citizen, and representative. In these and similar cases, the author implies both genders.

SUMMARY OF THE MAIN FINDINGS

The Research of Philanthropy

Philanthropy is as old as the human community, but the research on philanthropy in Bosnia and Herzegovina is still in the initial development stages. Taking into consideration that there is no public register of fundraising activities, we learn about philanthropy exclusively through indirect measuring. During the last ten years, these measurements indicate the general direction of motion: philanthropy rises but it mainly retains its humanitarian features. Intersectoral cooperation, transparent work of CSOs, promotion of non-financial giving, inclusion of diaspora, and building trust in society are necessary for strategic development.

As several significant initiatives aimed at the strategic development of philanthropy have been initiated in recent years, it may seem necessary to make a cross-sectional analysis of the current state, formulate recommendations for further development of the philanthropic ecosystem, and set indicators for their monitoring. For this purpose, research that represents the first part of the comprehensive study on philanthropy was conducted. Relying on the authentic conceptualization of philanthropy, integrative approach in data collection, and advanced research instruments, the conducted research offers a more reliable and more comprehensive insight in comparison to the previous research projects.

Individual philanthropy

A survey on public opinion shows a high level of philanthropic engagement of the citizens of Bosnia and Herzegovina, primarily through the donation of money and other goods. Humanitarian and anthropocentric understanding of philanthropy dominates in public, with a significant part of citizens showing elementary ignorance about this term. The research confirms previous findings according to which citizens were more inclined to support humanitarian initiatives for the aid to the sick, poor, and victims of natural disasters. Therefore it is not surprising that the most famous philanthropic organizations include Association *Pomozi.ba*, *Red Cross* and *Merhamet*. The level of citizens' information on the outcomes of philanthropic actions is low, and the same applies to the various modalities of donating. It is interesting that although a certain part of the public shows distrust toward philanthropic actions, a great majority shows readiness to donate in the future. This paradox may be possibly explained by the affection of citizens for transparent organizations. Volunteering appears as a field with significant growing potential because almost one-third of the population confirms readiness for this type of engagement during one year. The strongest motivator for joining philanthropic actions is the presence of close friends and family, while timely information and transparency in the use of funds are also significant incentives. It seems that tax deductions and online methods of donating are not strong incentives, which is probably conditioned by the low level of information on these topics. Relying primarily on TV news, sub-populations of older and low-educated people are in large portions deprived of the news on philanthropy.

Philanthropy in organizations

Civil sector representatives in Bosnia and Herzegovina show an extremely high level of familiarity with the philanthropy concept. Unlike public opinion, the perception of philanthropy within the civil sector is not anthropocentric and humanitarian in its nature. Activities of the civil sector are not significantly different from the preferences of citizens, but the differences appear in prioritization, especially when it comes to the field of human rights and arts and culture. The approach to philanthropy is dominantly voluntary, but the financial and development working models of CSOs are significant as well. Still, these models depend on international donors and public budget funds to a large extent, and organization rootedness in their local communities is seen as a great problem. Adjusting to the conditions of material scarcity, many CSOs face the challenge of forced commercialization of their work and face the ideological dilemma of cooperation with undesired partners. On one hand, such dynamics may improve the working models of the civil sector, whereas, on the other, it threatens to endanger the existence of many smaller associations. One of the directions of overcoming these challenges may be found in networking inside the sector, innovative recruitment of volunteers, and strategic development of corporative relations.

Corporate philanthropy

Corporate philanthropy plays a significant role in Bosnia and Herzegovina, in which the business sector is the greatest type of donors of registered funds. However, despite their financial contributions, corporations are facing a bad reputation in comparison with other participants in the philanthropic ecosystem. While large companies adopt the concept of corporate citizenship, adopting social responsibility strategies, small companies have a passive attitude. Like in other sectors, humanitarian work represents a dominant field in corporate philanthropic engagement, with a special focus on local communities. Institutionalization of corporate social responsibility inside the business sector is still in its early phase, with only a small part of companies having a formal CSR strategy. The efficiency measurement of CSR programs is inconsistent, and a lack of performance evaluation methodology is recorded too. The level of corporate social responsibility significantly varies between large and small companies, mainly because of the differences in resources and organizational capacities. All in all, there is some space for improvement in the development and implementation of CSR strategies, measurement of impacts, and building of stronger cooperation between corporations and CSOs.

Intersectoral cooperation

Cooperation between the civil and business sectors is quite widespread, but the challenges of intersectoral cooperation are primarily reflected through insufficient use of the potential of philanthropic platforms. Two online platforms, *Doniraj.ba*, and *Volontiraj.ba* provide significant possibilities for fundraising, i.e. implementation of corporate volunteering programs. However, despite their usability, most of the interviewed representatives of the civil sector did not use these platforms. Similarly to that, the importance of the database *Giving Balkans* remains insufficiently recognized among the members of the civil sector, with limited use among the respondents. Member companies of the Philanthropic Forum show a moderate level of satisfaction but they expect more intensive activities. Opposite to the limited familiarity and use of the philanthropic platforms, cooperation experiences between CSOs and companies are mainly positive, with dissatisfaction due to the lack of explicit support of the companies for issues of political significance. Apart from that, the tax policy faces uniform criticism from civil society representatives, whereas it seems that the corporations do not use the existing incentives to the full extent. Only a minority of the surveyed companies use incentives, whereby a very small number exceeds the maximum amount of tax deduction.

Limitations

Limitations of this study include potential overestimation of philanthropic engagement because of the period in which the data were collected, as well as the challenges that arise from the outdated population parameters, limited access to the publicly available data, reluctance of business representatives to participate in the study and limitations in sense of qualifications of the research associates, available time and funds.

FIRST OF ALL: WHY PHILANTHROPY?

“The things which we hold in our hands, which we see with our eyes, and which our avarice hugs, are transitory, they may be taken from us by ill luck or by violence; but a kindness lasts even after the loss of that by means of which it was bestowed; for it is a good deed, which no violence can undo.” – Seneca 1st century of the new era

When we talk about philanthropy, we speak about maybe the most important aspect of human existence. A community cannot exist without philanthropy, and philanthropy cannot exist without the community. No culture or civilization can survive on the coercion principle, and whether a man will be a man or a wolf to another man is only visible in human interaction. As Seneca claims (2020), voluntary giving creates confidence which exceeds the act of giving and lasts longer than the object of giving. In the context of contemporary societies, the American sociologist Robert Putnam scientifically confirmed this thought of Seneca. Through his formulation of the *social capital* concept, Putnam (1993) conceivably demonstrated to which extent are the socio-cultural determiners important in understanding the geographically uneven development of Italy. Confidence not only gained interpersonal significance but also the status of a public good.

Unlike financial and human capital, social capital does not reduce, through its exploitation, but on the contrary, it grows. Philanthropy functions in the same way – givings generate new givings. In principle, these two, mutually intertwined phenomena make society prosperous. In contemporary societies, characterized by their highly-specialized work division, social capital, and philanthropy are built by organizations of civil society. Through voluntary joining and commitment to the improvement of living conditions of a specific vulnerable group or community in general, citizens create a civil sector, with the role of a reviser and partner of authority institutions and other market entities.

The research on social capital, social distance, and civic participation in Bosnia and Herzegovina shows an unsatisfactory level of trust and participation in social life. According to Šalaj (2009) an undeveloped modality of social capital is *binding*² but what is specifically concerning is the deep division within the political community.

The common denominator of different national groups is easier to identify in a negative manner, as omnipresent distrust in political institutions, whereas an assembly of positive mutual features is rather limited. When it comes to the civil sector, research by Puhalo (2015) shows a deep gap between non-government organizations and citizens. Active participation in the life of the community through the engagement of non-government organizations was stated only by every fourth respondent. These organizations are mostly religious, then sports, union, youth, veteran, and humanitarian. According to the respondents, every tenth citizen has the role of the beneficiary of the non-government organizations. These findings were confirmed by the data according to which around 60% of citizens consider that they are insufficiently informed about the work of NGOs, whereby most of the citizens considers that NGOs are not interested in their problems. In comparison to this pessimistic overview of the state, a slightly more favorable perception of non-government organizations is found among the youth population from urban areas and with higher education levels. Hope for the change in dominant perception is provided by the data according to which over a third of respondents who are not members of any association show readiness to socially engage in the future.

Within the context of the project *Snaga lokalnog (Local Works)*, a finding that is especially significant is that one-fifth of citizens consider that NGOs work exclusively for the interest of their donors, and not for the interest of the local community. A similar conclusion is also found in the latest report on the *CSO Sustainability Index* (USAID 2023), in which it is emphasized that the civil sector is still “fragmented, institutionally weak, financially unsustainable and extremely dependent on political and financial aid of the international community” (page 48). Aware of these limitations, civil society organizations of Bosnia and Herzegovina developed Ethical Codex³

²Binding social capital is a form of networks, norms, and trust built among a certain group according to which its members identify, whether it is an ethnic, religious, class, or other belonging.

³See: www.civilnodrustvo.ba/eticki-kodeks-za-ocd-u-bih/

in 2006 with the aim of establishing elementary working transparency standards.

Codex was updated in 2017, and at the period of publishing this publication, it counts 105 signatory organizations. Working transparency represents a significant step toward better communication between organizations and communities in which they do good. Without open communication, citizens cannot make an insight into the work of CSO, and therefore CSOs cannot make stable and sustainable growth based on the local community resources. It seems, therefore, that local philanthropy is one of the key mechanisms of trust development, social engagement, and eventually social capital in Bosnia and Herzegovina.

However, the prosperity of a society is a multi-causal phenomenon, and it cannot be reduced only to socio-cultural determinants. Favorable economic conditions are also required for the growth of trust. We will leave the academic debate on proximate causes between socio-cultural and economic determinants aside. In the current context of Bosnian-Herzegovinean society, the materialistic conditions of living have an undoubtedly crucial role in a desire for leaving the country. A review of the literature shows that the topic of young people leaving the country was the subject of at least four research studies in the last five years⁴. The research practice rarely showed the consistency that we see here: according to all available research, at least half of the young in Bosnia and Herzegovina considers going abroad. As the main reasons for that, they mention the bad economic situation, dissatisfaction with the political situation, and lack of perspective.

When we look at macroeconomic indicators, these findings are not surprising. According to the data of the World Bank for 2021⁵, the gross domestic product per capita in the European Union amounted to \$38,411, and the unemployment rate was 6.1%. Contrary to that, the gross domestic product per capita in Bosnia and Herzegovina for the same period was 82% lower than the EU average, and the unemployment rate was even 11.4% larger⁶.

The unemployment rate is especially noticeable among the young population (aged between 15 and 24), and in 2019 it amounted to 33.8% (Agency for Statistics of Bosnia and Herzegovina, 2019). Thus, because of the better economic situation and already established network of the BiH diaspora, the young mainly consider going to the European Union countries, and every young person that leaves the country costs the BiH economy 21,000 € of opportunity cost (WFD, 2020; KULT, 2017). According to the approximate estimates, the diaspora of Bosnia and Herzegovina, constituted in three migration waves (Halilović et al., 2018) makes about up to 61% of the total native population⁷. These data rank Bosnia and Herzegovina among the countries with the most pronounced **brain drain** in the world.

In recent years, international organizations initiated significant projects aiming to connect numerous BiH diaspora and overcome negative demographic trends⁸. These projects were not directed at philanthropy development but they did stimulate the civil sector to join. Recognizing the importance of networking, the civil sector of the Western Balkans initiated two important initiatives aiming to institutionalize philanthropic activities: 1) the establishment of the SIGN regional network of philanthropic organizations and 2) the establishment of national philanthropic forums. The first forum of such type was established in Serbia, and soon after in Bosnia and Herzegovina through a common initiative of Mozaik Foundation, Hastor Foundation, and Association Pomozi.ba⁹. This showed that philanthropy can be a social glue that is missing in the whole region, and especially in Bosnia and Herzegovina.

Taking into consideration all the abovementioned, it seems simple to provide an answer to the question **Why philanthropy?** Post-conflict society requires trust, a developing economy requires investments, and philanthropy requires both.

But - what is philanthropy at all?

⁴The last research on the young was conducted in 2021 by KULT Institute and UNFPA/BiH, and before these, significant findings were provided by WFD (2020) and FES (2019)

⁵Source: World Bank. See: <https://data.worldbank.org/>

⁶Source: Agency for Statistics of Bosnia and Herzegovina. See: <https://bhas.gov.ba/>

⁷Source: Diaspora Invest (USAID). See: www.usaid.gov/bosnia-and-herzegovina/fact-sheets/diaspora-invest

⁸Among these projects we primarily include initiatives of the Swiss Government (Diaspora for Development) and United States Agency for International Development (Diaspora Invest).⁹See <https://filantropski.ba/osnivaci-filantropskog-foruma/>

WHAT IS PHILANTHROPY?

The term philanthropy etymologically originates from the Old Greek word *philanthropia*. As with many Old-Greek blends, it is a syntagm that in translation means **love toward people/humanitarianism**. *Phileo* means affection and *anthropos* means humankind. This translation of the blend is globally accepted, and as our research will show, the same understanding of the blend is shared by most of the public in Bosnia and Herzegovina. However, the term itself does not help us in understanding the phenomenon, because in such definition it rather opens more questions than it provides answers. In the beginning, the following questions are imposed: What is love? What is love reflected through? and Does every form of human affection represents philanthropy? What differentiates philanthropy from many other related phenomena such as solidarity, altruism, and civil engagement? Finally, how is it possible to measure humanitarianism?

Academic authors defined philanthropy from different perspectives: as the **transactional relationship** between individuals and groups, **social relationship** of intercrossing supply and demand, and a **voluntary act** in service of others or all (Radovanović, 2021). In her book *O čemu govorimo kada govorimo o filantropiji? (What are we talking about when we are talking about philanthropy?)* Bojana Radovanović offers the following answer:

„Philanthropy is the voluntary giving (dedicating) of private material and/or non-material resources to people, organizations, and/or living environment for the benefit of others and/or the common good.“

In her definition, Bojana shares her viewpoint with those authors who see philanthropy as an act. Of course, it is not the case of any kind of act, but it is featured by voluntarism, engagement of private resources, and improvement of living conditions of others/everyone. In other words, philanthropy excludes coercion, use of public resources, and contribution to exclusively private purposes. The proposed definition adequately reflects the contemporary context in which it is formulated. Unlike ancient periods, philanthropy is not viewed anthropometrically, but charity refers to the living environment too. Also, the motivation for the act itself is not taken into consideration, through which

philanthropy is related only to the behavior that we can observe. Through that, philanthropy becomes a relevant concept in the current socio-economic context, as well as a measurable concept in the research practice itself.

The advantage of the proposed definition is reflected through proposing of an exhaustive list of purposes that can be observed as philanthropic. Philanthropy is not defined substantially, but formally, by which its universality is accomplished. The only disputable term through this approach that remains is the common good. Without a substantive determination of the **common good**, one and the same deed may be evaluated as useful as well as harmful - depending on the fact who evaluates it. For that reason, it seems that reducing philanthropy to an act for **the welfare of others** seems simpler because that way one does not go deeper into the unresolved issues of contemporary political philosophy.

The design of the current study on the state of philanthropy in Bosnia and Herzegovina starts from the aboveproposed definition but within the operationalization, it concretizes practices and practitioners that are considered philanthropic. The operational definition reads:

Philanthropy is a coordinated act of donating money, goods, services, and time by citizens and companies for the common good.

Philanthropy is operationally defined as an act. Voluntary giving of private resources is reduced to the term donating, whereby the provision of professional services and volunteering are understood as time donating. Philanthropic practitioners are clearly defined as natural and legal persons using their private resources for the common good. This way it is possible to simply identify the donors and their practices that can be observed i.e. measured. In comparison to the initial definition of philanthropy, the operational definition is narrowed to two aspects. First, philanthropy through this research refers exclusively to collective activities, whether formal or non-formal civil organizations. Secondly, donating does not imply blood or organ donation. Both limitations were deliberately established without the intention of reducing the importance of unmediated

philanthropy and blood/organ donation. The intention of the study is not to include every donating aspect (such as donating money on the street), but to establish the potential for philanthropy institutionalization. Although the field of blood/organ donation belongs to institutional philanthropy, it is not within the scope of this research because this issue is part of other initiatives.

As it can be noted, contrary to the theoretical argumentation, the operational definition also suffers from the use of the undetermined term the common good. Furthermore, the term welfare of others which is considered more appropriate, is expelled from the initial definition. However, it is important to emphasize that the reasons for this are not theoretical, but rather practical. During the preparation of research instruments, there was a presumption that the respondents should better understand the formulation for the common good rather than giving for the welfare of others. There was a danger that the latter formulation defines philanthropy as an exclusive aid to specific entities, which would reduce the philanthropy concept to its humanitarian dimension. Furthermore, this limitation is less relevant in the context of applied research because, in the final instance, the determination of the common good may be related to the legal rights of the state in which it is being examined. The legal rights of Bosnia and Herzegovina recognize the common good by defining the public interest. According to Article 12 of the Law on Associations and Foundations¹⁰, public interest activities by foundations are considered:

Those activities that contribute promotion of human rights, rights of disabled persons, protection of children with developmental disabilities, rights of national minorities, equality and non-discrimination in the fight against discrimination, protection against violence, activities of children and youth, fight against various forms of addiction, development of volunteerism, humanitarian activities, social protection, environment protection, nature protection, human health protection, art, education, culture and all other activities which by its nature may be considered as an act of public interest.djelovanjem od javnog interesa.

The intention of the researchers is surely not to reduce the philanthropic practice to the legally-technical determination of the common good, but by relying on the legal regulation it is possible to identify the lower threshold from which the donating activities are qualified as philanthropic. In that regard, the abovementioned legal article may serve as an orientation to define the term the common good. Contrary to that, the act of donating is not possible legally and technically to determine because the legal rights of Bosnia and Herzegovina do not identify the institute of donation, while at the same time, there is no need for that because the donating practice is sufficiently and precisely identified through operational definition.

The practical application of the operational definition of the philanthropy concept is shown in the following chapter. However, before the research itself, it was necessary to put the current study into the context of already completed research undertakings. As every scientific discipline along with the question of **WHAT** is the subject of the research, requires an answer to the question of **HOW** to reach the research findings, the following section offers a concise overview of the results and methods of all the previous research on global, regional and national level. Following that, there is an overview of the current study.

¹⁰The Law on Associations and Foundations of Bosnia and Herzegovina (Official Gazette of Bosnia and Herzegovina, 32/01, 42/03, 63/08, 76/11 and 94/16)

PREVIOUS RESEARCH

As the citation at the beginning of the chapter shows, the phenomenon of giving was a subject of intellectual debate in the ancient period. Following that, the related terms by which philanthropy is sometimes misidentified, such as altruism, solidarity, volunteering, and group actions became research fields following the development of social sciences. However, philanthropy in specific becomes an institutionalized subject of research yet recently, when the need for professionalization of the non-profit sector arises. Hence applied research of philanthropy arise, offering a unique source of data in the previous decade for understanding trends, as well as tools for further research on a global, regional, and national level.

Global research

The best-developed philanthropy centers are located in the United States of America and the United Kingdom. Therefore, the only Ph.D. program in philanthropy is located at Indianapolis University (USA), whereas Master studies is possible to attend at Kent University (UK). Hence it is not surprising that in the sphere of applied research, two main centers for comparative research of philanthropy are found right in these two countries.

Lilly Family School of Philanthropy from the Indianapolis University (IUPUI) continuously conducts these two research projects: 1) *Global Philanthropy Tracker (GPT) and 2) Global Philanthropy Environment Index (GPEI)*. The first project sets philanthropy in the context of international aid and offers an assessment of cross-border donations in 47 countries around the world, whereas the second provides an assessment of the structural and institutional conditions for the development of philanthropy in 91 countries around the world. The second globally relevant study is regularly conducted by Charity Aid Foundation through the project World Giving Index (WGI). This project provides a comparative overview of philanthropic practices distribution in 119 countries through three indicators: aid, donating, and volunteering.

According to the last GPT Report (IUPUI, 2023), during the pandemic in 2020, a total of 841 billion dollars of cross-border funds was recorded. Most of these funds accounted for cash remittances (70%), then there is an official development aid (21%), philanthropic giving (8%), and private capital investments limited by the pandemic (<1%). In comparison to 2018, the value of the capital investments was significantly decreased but the value of remittances was increased. It is estimated that cross-border philanthropic giving was not affected by any changes.

In Bosnia and Herzegovina, the value of donations abroad is on a level with Serbia (0.003% GNP), far lower than the EU average but it is larger than in other Balkan countries. Still, we should be aware that these are only sheer assessments because the data were obtained from insufficiently reliable sources, but also that the sample consists of dominantly developed countries with more intense cross-border exchange than the countries of the region.

Through another project – GPEI – the Indianapolis researchers cover more countries but they also partially reveal why the data on cross-border giving are scarce and present mainly in the well-developed countries. The index is based on expert assessments of structural and institutional incentives and barriers recognized through six dimensions: 1) rules of establishment and functioning of organizations; 2) taxes; 3) cross-border giving; 4) policy; 5) economy; 6) culture.

According to the last GPEI Report (IUPUI, 2022), 62% of the evaluated countries have favorable conditions for philanthropy development. Looking globally, the greatest advance was made in the establishment of favorable rules for the establishment and functioning of the organizations (3.97), whereas economic conditions represent the greatest barrier to improvement (3.46). In comparison to the previous report, improvement was made in the context of policy, whereas the dimension of cross-border giving shows regression. Furthermore, the assessment of the regulations of cross-border giving shows distinct variability – from 2.6 in the Middle East and Northern Africa, to 4.75 in Northern Europe – which offers an explanation of sampling bias of *Global Philanthropy Tracker* research to benefit developed countries.

Namely, apart from Europe and North America, institutional incentives for cross-border giving are present in a small number of countries, which was especially reflected in the donation values during the period of pandemic.

When it comes to the Balkan countries, structural and institutional conditions for philanthropy development are within the global average (3.64) – more favorable than most Latin, African, and Asian countries but less favorable in comparison to the Western countries. According to all dimensions, Bosnia and Herzegovina is evaluated slightly below the Balkanic average (3.51), except for when it comes to the rules for the establishment and functioning of organizations, which reached a maximum score (5.0). Still, the abovementioned scores do not represent the real numeric values but they only illustrate levels of philanthropy development. In other words, mathematically it is not possible to calculate the level of development, but the scores only reflect the opinion of local experts about the given topic. Therefore, it is not possible to establish how much Bosnia and Herzegovina above or below average is, technically speaking, the average does not exist. Instead of the global philanthropy index, it is more appropriate to speak about the international database.

Unlike Indianapolis University which refers to aggregate data (macro-philanthropic data), Charity Aid Foundation (CAF) collects the data on the basis of individual (micro-philanthropic data). World Giving Index contains a score of every country which is obtained from the average score of three indicators through public opinion research: 1) aid to an unknown person; 2) donating money to humanitarian purposes; 3) volunteering in an organization. The latest data inspire optimism (CAF, 2022). In the year after the pandemic outbreak, all three indicators reached the greatest score ever since CAF conducts the research. Looking globally, aid to an unknown person was reported by 62%, donating money by 35%, and volunteering by 23% of the surveyed population. Bosnia and Herzegovina is ranked as the 42nd country in the world because 62% of the respondents reported aid to an unknown person, 60% reported donating money and 10% reported volunteering in an organization. According to the distribution of donating money, Bosnia and

Herzegovina is positioned high at position 12, but according to the data on volunteering it is positioned at an infamous position 110.

This research is unique because it regularly collects data in a large number of countries, whereby the data are complementary to the macro-philanthropic image from Indianapolis. Still, the operationalization of the philanthropy concept and data collection method shows significant deficiencies of which we point out the most important. The first indicator – *helping unknown entities* – is set too broadly and it may refer to a great range of various practices, which is especially sensitive in research studies that include respondents of various cultural characteristics. Apart from that, questions refer to a one-month period that precedes the research, which facilitates respondents to exactly report their activities but also makes the data incomparable between countries. Even if the question refers to the same month in all countries, contextual differences would not justify comparisons because there are periods of intensive giving of gifts in every country which do not coincide with the calendar. Finally, the obtained data are part of an omnibus, and not separate research, which undoubtedly endangers the data quality.

Regional research

In the Western Balkan region, scientific research in related fields exists in the frame of departments of social and humanist provenience, but specifically, the field of philanthropy was never academically established¹¹. Applied research is conducted through advocacy initiatives of the non-profit sector, above all through regular work of the Catalyst Balkans Foundation and occasional initiatives of the SIGN network.

Since 2013, the research team Catalyst Balkans processes the media news on philanthropic activities of citizens, companies, and the non-profit sector on an everyday basis. Through such an approach, on the regional level, until now, there were totally recorded: 13,308 single donors, and 24,143 single recipients of donations with a total value of over 635,000,000 Euros¹².

The last systematic overview of the regional philanthropy was offered in a research conducted during the main period of the COVID-19 pandemic (Vuković and Gligorić, 2021). From March 2020 until February 2021, at the extended territory of the Western Balkans (including Croatia), there were totally 5,459 organized donating activities, with over 72,000,000 Euros raised to beat the pandemics. In this period, the pandemic mobilized a recording support in the whole region. Looking at financial figures, companies and enterprises generated over a half of donations for COVID-19, . As state institutions took over the control over the crisis in the whole region, the pandemics caused redirection of giving from non-profit to the public sector, mostly the health institutions. The general conclusion drawn from the research is positive – the pandemic initiated the growth of donations in the region and the inclusion of new participants in the philanthropic ecosystem.

In Bosnia and Herzegovina, the media reported about 1,180 donating actions with around 13,000,000 Euros donated. Thus, Bosnia and Herzegovina with 6.0 Euros donated per capita was leveled with Croatia and Serbia, but below Northern Macedonia and Montenegro. The specific quality of philanthropy in Bosnia and Herzegovina is reflected in that all givings of the business sector were generated by large companies, while almost all public funds were directed toward institutions (instead of authorities). In the context of the current study, the latter findings are of distinct significance because it directed us to the allocation of the research capacities toward large instead of small business entities during the sample designing.

The significance of this research practice is reflected in a comprehensive approach to philanthropy, creating a single database (Giving Balkans) and its regular updating. Unlike CAF which reduces philanthropy to three public opinion indicators, Catalyst Balkans shows an overview of the actual practice of all natural and legal persons that are subjects of media reporting. Still, that is just where the weakness of this methodology lies, because it depends on the transparency of donating, media reporting quality, and successfully conducted analysis of the media reports.

Fieldwork research experiences show that the Bosnian and Herzegovinian society highly values the anonymousness of the donors.

When the imperfect practices of media reporting and analyzing are added to that, it is no wonder that the abovementioned data on donation values cover only 37% of media published news on philanthropic activities. Furthermore, the regional dimension of these findings is also questionable because the weakness of data quality especially refers to the donations of the Albanian-speaking area. For these reasons, it is more appropriate to speak about the media image of philanthropy than about philanthropy itself.

In the scope of project *UKLUČI SE i utiči (JOIN and influence)*¹³, in 2018, the SIGN network conducted combined research of public opinion and media reporting on philanthropy in five business entities of the Western Balkans (Vesić et al., 2019). The public opinion data were collected by the Ipsos agency, while media reports were processed by Catalyst Balkans. An insight into similarities and differences in attitudes, level of information, and participation of citizens in philanthropic activities was made by comparative analysis. As a summary, the results of the research suggested for a need to further promote philanthropy in the whole region. With minor differences between the countries, most citizens reduced philanthropy to elementary forms of aid, showing scarce knowledge about functioning of civil society organizations, pessimistic views on the level of charity development, but also providing major support to the further development of the institutional framework for giving, expressing the willingness to be informed and readiness to participate in future philanthropic activities, especially those of humanitarian nature.

Interestingly, differences in comparison to the regional average most frequently occurred in Bosnia and Herzegovina. Based on the answers of the respondents, citizens in Bosnia and Herzegovina had philanthropic experience in the largest portion (76%) and expressed their readiness to participate in future activities too (72%).¹⁴ Programs of aid to migrants and ethnic reconciliation programs encountered the largest regional approval in the general population

¹³See: www.tragfondacija.org/ukljuci-se-i-utici-razvoj-filantropije-za-jace-civilno-drustvo/

¹⁴It is important to mention that only the question on philanthropic experience is not sufficiently precisely formulated because it refers to the non-defined period in the past which makes a too wide referential frame for meaningful interpretation. The methodological solution offered by CAF is the most appropriate, but not ideal, because it focuses on only one month that precedes the survey. As one month is a short period, the current survey question referred to the period of three months.

¹¹Laboratory for Philanthropy, Solidarity, and Care Studies at the Institute for Philosophy and Social Theory of the University of Belgrade (SolidCareLab) is an exemption. The Laboratory is a member of the European Research Network on Philanthropy (ERNOP).

¹²Source: <https://givingbalkans.org/>, Accessed on: 28 May 2023

of Bosnia and Herzegovina, while urban subpopulation in the largest extent showed a positive attitude toward the LGBTQ+ community. The level of charity development was more positively assessed than in other countries of the region, with the awareness about the need for tax deduction proved to be the most present in Bosnia and Herzegovina.

However, although the Bosnian and Herzegovinian public showed a more mature attitude toward philanthropy in many aspects, research suggests that there is a high level of distrust toward philanthropic actions among the citizens. More precisely, even 41% of the respondents believe that the money raised for charity purposes is often or always being abused. In this respect, most citizens consider philanthropy to be little or insufficiently stimulated.

When it comes to incentives, a digression needs to be made because the abovementioned findings are more significant from a methodological than a substantive aspect. By comparing the opinions of citizens (public opinion) with the opinions of experts (GPEI) and registered data of the actual experience (Giving Balkans), it turns out that the general public undermines the level of philanthropy development. Specifically, the professional public evaluates institutional framework to be more favorable for giving than the general public, and the media report on corporate philanthropy more than citizens think. Both findings indicate a very important limitation of assessing public opinion: attitudes of the general population cannot be examined when it comes to the insufficiently familiar phenomena. In those cases, the general public sentiment overflows to special issues, so that the general dissatisfaction by the economic or political situation in the country is reflected through answers to the questions without any direct connection to the everyday economic or political situation. How important it is to evaluate the informative value of the public opinion assessment is best illustrated in the following findings of the SIGN network research:

“Based on the data of the global index of philanthropic environment for 2018, it is noticeable that the incentive environment in all countries of this

region is better than the average of 79 measured world economies. Still, this is not noticeable in the public perception. Differences are especially noticeable among the Montenegro population which considers that the environment is not sufficiently incentive although their GPEI score was the largest in this region. Contrary to that, a large percent of Kosovo public believes that giving for the common good is well stimulated, although their GPEI score is lower from others in the region.”

The research is significant because it represents the first regional public opinion assessment and because the research instruments show a higher level of validity than the previous ones. For those reasons, the current study design relies the most on the SIGN Network research. However, through a basic assessment of methodological solutions, it turned out that this research also contains certain limitations with the following two as the most conspicuous:

1. Maladjustment of the questionnaire to the surveyed population – questionnaire was tailored in a manner that the obtained indicators refer to the future behavior of the respondents in practices without a common understanding or elementary knowledge of the surveyed matter. Without explanation of the term giving for the common good (there are various opinions on the meaning of this term) and definition of foundation (which was familiar only to 25% of the respondents), indicators obtained by surveying these practices do not have satisfactory analytical value.
2. Inadequate control of data collection – fieldwork was conducted by the Ipsos agency with developed infrastructure in the whole region. However, the findings according to which none of the respondents from Bosnia and Herzegovina stated that they are familiar with the term giving for the common good, whereas in Serbia there were 8% of such respondents, point to an inadequate control.¹⁶ Furthermore, interviews with the same respondents offer inconsistent answers. While even 41% of the respondents show distrust in philanthropic activities, 72% of them have the intention to participate in similar activities in the future. Counterintuitively, it seems that philanthropic behavior and mistrust positively correlate.

¹⁵Except for insufficiently precise recognition of the term **giving for the common good**, the findings according to which the public is most frequently informed about philanthropy through electronic media in which there is not a single news on philanthropy lead to a conclusion that the public is insufficiently informed. According to the media post analysis (Demir, 2022), articles about philanthropy are written most frequently on Internet portals and, to a smaller extent, in printed media.

¹⁶Suspicion of credibility is also pointed by the data from the current study according to which even 28% of the respondents do not have any answer to the question: **What comes first to your mind when you hear the word philanthropy?**

National research

The first autochthonous research available for public was conducted by Mozaik Foundation (2013). The research was conducted through an online assessment of the population aged between 18 and 55, and interviewing 10 small, medium, and large companies of all ownership structure types. As it is not the case of the representative population assessment, the findings of this research are not relevant from today's perspective, but at the time of data collection, they were the only direct source of information. Five years after this project, Mozaik Foundation improved the research practice through the above-shown initiative of SIGN Network.

The last systematic overview of the state of philanthropy in Bosnia and Herzegovina is published in the Report **State of Philanthropy in BiH: Brief Assessment** prepared by MEASURE II for the USAID/BiH in December 2021. The report was composed by combining already existing media and survey data with findings from in-depth interviews conducted for the evaluation purpose. A general conclusion of the author is directed positively: philanthropy in Bosnia and Herzegovina shows constant growth but further improvement requires better-developed intersectoral cooperation, more transparent work of CSOs, non-financial engagement of corporations, and more efficient reporting on philanthropic activities. Taking into consideration that the data from the report were updated in the meantime, the overview of the latest assessments follows below.

According to the report by Catalyst Balkans from 2022, philanthropy is being developed but it retains primarily humanitarian features. The recorded donated amounts reached their peak in the pandemic year with 21.8 million Euros donated, whereas with 17.1 million Euros donated, philanthropy it marks a slight decline in post-pandemic year. The largest number of donating activities was dedicated to the support of marginalized groups, followed by healthcare support, poverty decrease, seasonal giving, sports, and education. Philanthropic actions were most frequently organized as civic mass actions, but the business sector provided the most generous support. With the growth of the philanthropic sector,

grows the importance of private foundations, while the potential of the diaspora remains modestly used.

Such image of philanthropy in the media is confirmed by the results of public opinion research annually conducted by MEASURE II for the USAID/BiH. According to the report from 2022, 63% of citizens of Bosnia and Herzegovina donated money or goods in a post-pandemic year, which is inconclusive 2% less than the year before. Also, while 32% of the respondents report donating money for humanitarian purposes, 22% of them report donating goods and money for development purposes. Interestingly, the data obtained by CAF for the same year are far more optimistic because unlike 32% of respondents, even 60% of them reported money donations. For that reason, it is important to emphasize that both pieces of research were conducted through omnibus questionnaires in which, apart from these, various other indicators are assessed. In that sense, until the current study, the research by SIGN Network is the only strict public opinion assessment of philanthropy in Bosnia and Herzegovina.¹⁷

A short overview of the research studies on philanthropy in Bosnia and Herzegovina shows that this is a new research field that is still in development. We owe gratefulness to all the previous research efforts of the non-profit organizations and their international donors. Taking into consideration the fact that there is no public register of donating activities in Bosnia and Herzegovina, all that we know about philanthropy, we know from the applied research in the last ten years. During these ten years, the image of philanthropy development is clear – philanthropy grows but mainly retains its humanitarian nature. The following is necessary for strategic development: intersectoral cooperation, transparent work of CSOs, promotion of non-financial donating, the inclusion of the diaspora, and building trust in society. However, apart from general conclusions on directions of development, adequate research instruments are necessary for the formulation of specific recommendations. In such conditions where several research initiatives communicate different data¹⁸, it is not possible to get a precise image of the niches of the philanthropic ecosystem. Furthermore, such sounds in public communication may only

¹⁷After examination of the secondary literature, the first research on philanthropy in Bosnia and Herzegovina, conducted by CEPOS in 2006 was found, but publicly available publication was not found (Čatić-Kajžazović and Nanić 2013).

¹⁸This is supported by another discrepancy: while according to the SIGN Network survey, 76% of citizens participated in activities for the common good, the Charity Aid Foundation reports in the same year that only 35% of citizens helped a person that they do not know.

produce a countereffect on necessary trust in philanthropic institutions. For these reasons, the current study was conducted with a double aim: 1) to enlighten new directions of philanthropic ecosystem development and 2) to offer a set of indicators for its continuous monitoring.

ALL FACES OF PHILANTHROPY

Concept and method of previous research on philanthropy					
Initiative	Indicator	Analytical unit	Data source	Advantages	Limitations
Global Philanthropy Tracker	Value of cross-border donations	Donation	Registered data	International base of cross-border philanthropy	Unreliability of data source Insufficient presence of developing countries
Global Philanthropy Environment Index	Structural and institutional conditions for philanthropy development	Law	Expert survey	International base of structural and institutional conditions for philanthropy development	Subjectivity of expert assessments Qualitative data
World Giving Index	Aid Donating Volunteering	Individual	Public opinion survey	A great number of assessed countries	Too extensive operationalization of philanthropy Non-transparent overview of fieldwork Omnibus research
Catalyst Balkans	Value and number of recorded donations	News on donation	Media reports	Single database of real philanthropic practices on a level of the whole region	Selectivity of media reporting
SIGN Network	Giving for the common good	Individual	Public opinion survey	Regional public opinion research of philanthropy	Maladjustment of questionnaire to the surveyed population Inadequate data collection control
Mozaik Foundation	Giving for the common good	Individual	Online survey	Initial analysis	Non-representative sample
MEASURE II	Level of development of philanthropic ecosystem	Philanthropic ecosystem	Combined	Integrative overview of state of philanthropy	Small range of key carriers of information (KIs) Omnibus survey Selectivity of media reporting

The subject of the research *the first part of the comprehensive study on philanthropy* is broadly defined. The intention of the research team was to examine the practices and opinions of all relevant participants of the philanthropic ecosystem of Bosnia and Herzegovina. The target population consists of the general public, the business sector, and civil society organizations. The image of philanthropy was this way obtained in all aspects, from individual to civil and corporate philanthropy, including the role of state institutions which, by definition, are not philanthropic but together with international donors play a key role in the development of local communities. The obtained findings serve as a cross-section of the current state and offer a basis for designing *the second part of the comprehensive study* which will examine in-depth only the target aspects of the philanthropic ecosystem.

Data on the opinions and practices of citizens were obtained through survey research of public opinion. The survey was conducted in the period from February 25 until March 30, 2023, with a representative sample of 1004 adults (see: Annex 1). The sample was designed through three stratification stages, with a margin of error of $\pm 3\%$. The obtained answer rate amounts to 40%. The questionnaire was developed by the team of Network for Building Peace (See: Annex 2), while the fieldwork data collection by face-to-face methodology was in the jurisdiction of Prism Research Agency. Every interview started with an open question about the philanthropy concept, and then the working definition was communicated to all the respondents. By creating a common referential framework, a precondition for further interview and subsequent analysis of the obtained data was created. A working definition of philanthropy for the general public population reads: By the growth of the philanthropic sector grows the significance of private foundations, whereas the diaspora potential remains modestly used.

“When we say philanthropy, in this research we mean of the coordinated donating and volunteering by citizens and companies for the common good. Specifically, we are interested in what you think about the widespread of donating in Bosnia and Herzegovina and why you practice or do not practice donating, whether in money, goods,

services, or volunteering i.e. donating of your free time and work.”

Data on opinions and experiences of the representatives of the civil and business sector were obtained by the combination of online surveying, structured in-depth interviews, and focus groups. A survey of both target populations was conducted in the period between March 21 and April 28, 2023, on a convenient sample of 243 civil society organizations and 56 socially responsible companies. Interest populations included all active civil society organizations and all companies with experience in corporate social responsibility activities. The sampling frame was created using the non-profit organization lists (Association Network for Building Peace and Philanthropic Forum), lists of socially responsible companies (Giving Balkans), register of active civil organizations (Financial Intelligence Agency of Federation of Bosnia and Herzegovina), and successful companies (Duns&Breedstreet). Such obtained samples do not provide data that may reflect opinions and experiences of the whole civil, i.e. business sector. However, on a convenient sample, the intention of the research team was exactly to survey and interview only that part of the population that makes the philanthropic ecosystem. Other organizations, companies, above all, are not relevant to this study. Therefore, the answer rate has smaller methodological, but larger substantive significance.

Unlike the survey, interviews and focus groups were for practical reasons mainly conducted in administrative centers: Sarajevo, Banja Luka, Mostar, Brčko, Tuzla, Zenica, and Bihać. The reason for the favorization of the large urban areas is not methodological but clearly for practical reasons because the logistic and technical capacities of the research team did not enable study visits outside cities. During the period between February 24 and April 11, 2023, a total of 57 in-depth interviews and 4 focus groups with civil society organizations were conducted, i.e. 19 in-depth interviews with socially responsible companies. All the interviewed organizations and companies were selected proportionally to the size of the city where they are located and the field of their activity (see: Annex 1).

Since the unit of analysis for these target populations is an organization, and not an individual, the working definition of philanthropy was slightly different from the one in the research of public opinion.

Additionally, taking into consideration that corporate philanthropy is part of the socially responsible activities of companies within the business environment of Bosnia and Herzegovina, and that both phenomena are insufficiently examined and mutually differentiated, we decided to choose the latter concept in operationalization. Working definitions of philanthropy in the evaluation of CSOs and corporate social responsibility activities in the examination of companies read:

“When we say philanthropy, in this research we mean of the coordinated donating and volunteering by citizens and companies for the common good. Common good may be of humanitarian (health and social care) or strategic nature (education, infrastructure, strengthening of civil sector, etc.)”

“CSR (Corporate Social Responsibility) and ESG (aspects of Environment, Social and Corporate Governance) are business models which highlight the social responsibility of companies. In this context, investors, shareholders, countries, and consumers view companies as the market but also social participants, where apart from profit maximization, the emphasis is made on the impact of the business actions on the broader social processes, such as environment protection, the protection of human rights, philanthropic investments in the community, etc.”

The author of the current study intended to, through good knowledge of all the previous research studies, reduce potential methodological deficiencies of this research to a minimum, and, apart from authentic findings, extract the current study by the highest validity level and reliability of the obtained data. Through careful construction of the research instruments, control of the data collection process, and careful interpretation of the results, this aim was accomplished to some extent. However, as with all other previous research, the current study was not immune to limitations caused by the specificities of spatial and time context in which the data were obtained, nor the logistic and technical capacities of the research team. In the spirit of transparent

reporting, the most significant limitations which the author of the study faced are represented below. The represented limitations serve as an auxiliary means of the obtained data interpretation, as well as the designing of all the following philanthropic research studies:

Spatial and time specificities:

- The period of Ramadan fasting - The last stage of public opinion research was conducted at the beginning of the month of Ramadan. When it comes to the religious holiday, the Ramadan fasting influenced on the lower rate of answers from the Islamic households, and there is a possibility that the obtained data from these respondents were overestimated in comparison to the rest of the sample.
- Earthquake in Turkey and Syria - Just before the beginning of the research, the area of Turkey and Syria was struck by an earthquake 7.8 degrees of the Richter scale. This natural catastrophe mobilized the massive humanitarian support of citizens of Bosnia and Herzegovina¹⁹ which is reflected by the data on types of philanthropic engagement but quite obviously, it influenced many other indicators of the philanthropic ecosystem.

Logistic and technical capacities:

- The obsolescence of census data - Nationally representative sample was designed on the basis of population parameters of the last population census conducted in 2013. With 10 years passed since then, there is undoubtedly a gap between the obtained sample and the actual state. Dimensions of this statistic error will be possible to determine only after the next population census.
- Limited access to the data of public interest - Systematicity of collection and regularity of publishing data of public interest are on a unsatisfactory level in almost all state institutions. Tax authorities do not process the data on donations of business entities, institutes for statistics publish the collected data irregularly, registers of civil society organizations are not networked, or updated and administrations of the units of local self-government deliver the required data very slowly and non-systematically. All the secondary data sources used in this study required supplementation, and the preparation of the research required the employment of additional resources.

- Lack of interest of the business sector representatives – 56 filled out the questionnaire and 19 accepted to be interviewed, out of over 300 communicated companies. Above all, representatives of the business sector were hard to reach because of the complex internal procedures, strict hierarchical relations, restrictive PR policies, and fear of some companies that the data on their business activities will become available to the public and/or competition.
- Eventually, it seems that all the abovementioned reasons for non-participation or non-replying to the official invitations are an indicator of still immature attitude of the business sector toward the corporate citizenship concept because it needs to be emphasized that only those companies with experience in socially responsible engagement were communicated. In that sense, these findings are more significant from substantive than methodological aspects.
- The deficit of the qualified research staff - Unfavorable state of the working competition in Bosnia and Herzegovina was also reflected in the research experience in areas outside Sarajevo and Banja Luka. Before the data collection process, the research team of the Network for Building Peace selected 18 best candidates for conducting fieldwork in local communities. Although we are talking about collaborators who did a relatively successful job of collecting data, it is necessary to point out that most of them employed experience and education acquired in other fields of work. The training of field researchers was carried out in accordance with the time and material resources of the narrow research team, and in more favorable conditions it could certainly be improved.
- Limitation of time and material resources – Considering the availability of time and material resources of the research team, the obtained data represent a satisfactory ratio of investment and results. Beyond the obtained data, it remains to investigate actual, and not perceived or indirectly registered philanthropic practices, as well as to conduct in-depth research on various aspects of philanthropy individually. Such research design would require a several-year study and project that, in addition to the research team of Network for Building Peace, must employ capacities of many other institutes and foundations. As an alternative, the Network for Building Peace offers *the first part of a comprehensive study on philanthropy*, which will be completed with its sequel in two years.

¹⁹See: <https://www.slobodnaevropa.org/a/bosna-hercegovina-pomoc-turska-sirija-zemljotres/32265833.html>

INSTITUTIONAL FRAMEWORK

The complex institutional arrangement of Bosnia and Herzegovina is reflected in a multilevel system of legislative, executive, and judicial authorities on state, entity, and cantonal levels. Philanthropic activities are, therefore, regulated by numerous regulations which often cause confusion in their application because the same matter is differently normed (Demir et al., 2021) thus, the legal system of Bosnia and Herzegovina is easier to view as a set of subsystems. For the purpose of this research, relevant regulations are those which regulate the work of non-profit organizations, define tax treatment of donations, and legal status of volunteering. These three fields are shown below taking into consideration the similarities and differences between entities.

The legal status of non-profit organizations

The legal system of Bosnia and Herzegovina defines non-profit organizations as legal persons whose purpose is not to gain profit. The work of non-profit organizations is legally regulated on the state level, as well as on the entity level through the **Law on Associations and Foundations**. According to the evaluations of local experts and researchers from the University of Indiana (Ličanić, 2022), the greatest incentive for philanthropy development in Bosnia and Herzegovina is enabled through legal regulations in the field of establishment and functioning of non-profit organizations.

Conditions for the establishment of associations and foundations within all jurisdictions are very permissive. Associations can be established by at least three natural or legal persons with the registered citizenship/residence in Bosnia and Herzegovina. Unlike associations, foundations can be established by a single natural or legal person with the initial capital of a symbolic amount²⁰. Registers of all non-profit organizations are publicly available. In the Federation of Bosnia and Herzegovina, the register of non-profit organizations and financial reports are owned by FIA (**Financial and Intelligence Agency**), whereas in the Republic of Srpska this task is executed by APIF (**Agency for Intermediary, IT, and Financial Services**).

The law prevents associations and foundations to gain profit, but this limitation does not refer to the realization of compensations for work and reimbursement of expenses that are related to the achievement of the aims of the non-profit organization.

However, in the case of non-profit organizations, the law allows the possibility of volunteering and professional employment in all fields that are not explicitly forbidden. The forbidden activities include all anti-constitutional activities, as well as those that are part of the pre-election political campaigns.

On the other hand, explicitly allowed activities include programs and projects of public interest²¹, which can be implemented by associations and foundations by applying to public invitations of the competent state and local institutions. Through these activities, associations and foundations are committed to responsible work toward the donor and transparent relation to the public.

The tax treatment of donations

The legal system of Bosnia and Herzegovina does not define donation by any law, but the matter of gifts, sponsorships, and donating is regulated by the laws on associations and foundations and tax regulations. Among many regulations for the subject of this research, the law on VAT, laws on income tax, and laws on profit tax are the most important.

Tax on turnover and import of goods and services is prescribed on the state level²². Standard VAT rate amounts to 17%, but the law differentiates cases in which the trade and import of goods and services are exempted from taxation. These cases include gifts with a value up to 20 BAM and services of humanitarian and charitable organizations for their members, under the condition that they do not infringe on the free competition on the market by that. Tax treatment of donations depends on the subject of donation - donations of money are not subject to value-added tax (VAT), whereas donations of goods are. The obligation of indirect tax payment is born by

the donor, except for the cases when it is a foreign person. In that case, VAT becomes the obligation of the donation recipient.

Income tax of natural persons is prescribed on the entity level. In all entities, income tax is not paid for scholarships up to the amount of 75% of the average net salary. Also, in all entities, there is a tax incentive for individual philanthropy but it refers exclusively to an independent activity. Tax deduction in the Republic of Srpska²³ amounts to 2%, and in the Federation of Bosnia and Herzegovina²⁴ and Brčko District²⁵ 0.5% of the total income of independent employees. Other natural persons cannot decrease their tax basis through donations. In the Republic of Srpska, apart from scholarships, tax deduction, also applies to social and humanitarian aid. In the Federation of Bosnia and Herzegovina, apart from scholarships, tax deduction applies to the damage compensation in case of natural disasters and income for the purpose of medical treatment that is not covered by health insurance. In Brčko District BiH, apart from scholarships, tax deduction applies to the social aid paid by the trade union and humanitarian organizations.

Income taxes of legal persons are also prescribed on the entity level. The income tax in all entities is 10%. Associations and foundations are exempted from this tax, except in the case when they provide commercial services on the market. Tax incentive to corporate philanthropy is reflected through tax-deductible expenditure which is applied to donations of money and goods, in the amount of 3% of the total income of the donor. In the Federation of Bosnia and Herzegovina²⁶ the donation is tax-admitted only if it is given to a non-profit organization or natural person without income. In Brčko District BiH²⁷ there is a possibility of transferring the donations value that exceed the total income of 3% to the following three years, by reducing the tax basis in advance.

The legal status of volunteering

Volunteering in the legal system of Bosnia and Herzegovina is regulated by laws on volunteering adopted on the entity level. These laws recognize volunteering as an activity of general/public interest. The law stipulates the possibility of obtaining monetary compensations while volunteering but these compensations are not considered as income in legal and technical sense. Therefore, compensations for volunteering are not subject to taxation. The laws stipulate the obligations and rights of volunteers, as well as organizers of volunteering. The organizer of volunteering, among everything else, is obliged to sign the contract on volunteering, provide conditions for volunteering activities, provide personal injury insurance, and, after completion of activities, issue a volunteering booklet. In the Federation of Bosnia and Herzegovina²⁸, the organizer of long-term volunteering can only be a legal person accredited by the Ministry of Justice, to which it delivers data on volunteering activities once a year.

Advantages and limitations of the institutional framework

According to the latest *Global Philanthropy Environment Index* report (IUPUI, 2022), institutional and structural conditions for the development of philanthropy in Bosnia and Herzegovina are evaluated as satisfactory. With an average score of 3.51, Bosnia and Herzegovina is on level with other Balkan countries, which are ranked better than most of the Latin, African and Asian countries, but worse in comparison to the countries of the West.

²⁰In the Republic of Srpska there is no explicit condition of the initial capital amount, whereas in the Federation of Bosnia and Herzegovina, the minimal amount of initial capital is 2,000 BAM.

²¹The definition of public interest can be found in the section: What is philanthropy?

²²Law on Value-Added Tax (Official Gazette of Bosnia and Herzegovina, 9/2005, 35/2005, 100/2008 and 33/2017).

²³Law on Income Tax of the Republic of Srpska (Official Gazette of the Republic of Srpska, 60/15, 5/16 - amended, 66/18, 105/19 and 123/20)

²⁴Law on Income Tax of the Federation of Bosnia and Herzegovina (Official Gazette of the Federation of Bosnia and Herzegovina, 10/08, 9/10, 44/11, 7/13 and 65/13);

²⁵Law on Income Tax of the Brčko District BiH (Official Gazette of the Brčko District BiH, 60/10, 14/17 and 24/20).

²⁶Law on Corporate Income Tax of the Federation of Bosnia and Herzegovina (Official Gazette of the Federation of Bosnia and Herzegovina, 15/16 and 15/20);

²⁷Law on Corporate Income Tax of Brčko District BiH (Official Gazette of the Brčko District BiH, 60/10, 57/11, 33/12 and 30/20)

²⁸Law on Volunteering (Official Gazette of Federation of Bosnia and Herzegovina, 110/12);

Global Philanthropy Environment Index Bosnia and Herzegovina							
Year	Establishment/ Functioning	Tax policy	Cross-border giving	Political aspect	Economic aspect	Socio- cultural aspect	Total score
2022 GPEI	5,00	3,25	3,25	3,30	3,00	3,00	3,51
2018 GPEI	4,33	3,50	4,00	3,00	N.A.	3,00	3,57

Source: Ličanin N. (2022).

The need for improvement of the institutional framework for giving was recognized by foundations gathered within the SIGN network. Networked foundations published several analytical works on this topic of which the following ones are relevant for the evaluation of the existing institutional frame in Bosnia and Herzegovina: *Filantropska agenda 2.0 (Philanthropic Agenda 2.0)* published by Trag Foundation (Golubović, 2021) and *Ka općem dobru (Toward the General Good)* published by Mozaik Foundation (Suljević et al., 2021). Relying on the conclusions of these two publications, the author of the current study offers a summary of the advantages and limitations of the institutional framework in Bosnia and Herzegovina below:

Advantages of the institutional framework:

- Conditions for the establishment of associations and foundations are very permissive. Although the law of the Federation of Bosnia and Herzegovina stipulates a monetary census for the establishment of foundations, the minimum amount is symbolic.
- Value-added tax (VAT) is not paid on money donations.
- Tax systems focus on the activity in which the general interest is accomplished, and not on the statutory and legal form of the donation recipient. The tax status of giving to public institutions and non-profit organizations that act in the field of general interest is equalized by that.
- Individual employees can obtain tax deductions on the basis of donated goods or money in the amount up to 2% of the income (in the Republic of Srpska), and up to 0.5% of the income (in the Federation of Bosnia and Herzegovina and Brčko District).

- Tax incentive to corporate philanthropy is equal in the whole territory of Bosnia and Herzegovina, and it amounts to 3% of the total income of the legal person - the taxpayer.
- Volunteering is legally recognized as an activity of general/public interest.

Limitations of the institutional framework:

- The register of non-profit organizations is under the jurisdiction of the three state entities. There is no single register of associations and foundations on the level of the whole Bosnia and Herzegovina.
- Donations in the form of institutional grants are not specially regulated, which is why in practice there is frequent legal insecurity in this respect.
- Value-added tax is paid on donations of goods. This issue is especially sensitive when it comes to donations of food with expiring dates. At the time of preparation of this publication, a proposal for amendment of the Law on VAT is in the legislative procedure. If it is adopted, VAT on the donations of food with the expiring date will be abolished²⁹.
- Individual philanthropy is stimulated only when it comes to self-employed workers. Citizens who are not self-employed workers cannot be subject to tax deductions based on donated goods or money. Tax deduction cannot be achieved for donations of services.
- The amount of tax-deductible expenditure for scholarships (up to 75% of the average net salary) is at a satisfactory level, but at the time of preparation of this publication, there are certain speculations on the decrease of the tax-deductible expenditure.
- Advocacy work in this field is out of reach of this study but this way we would like to draw attention to adverse effects which the decrease may have on philanthropic work in the field of education.

- According to the Law on Volunteering, this activity is rather treated as the part of labor-legal relationship, than as the voluntary investment of time and skills for generally beneficial purposes.
- Laws on donations and humanitarian activity that would define the basic terms of such work are missing in the legal system.
- The legal system of Bosnia and Herzegovina is burdened by a large number of regulations which are often different between entities, making the legal aspects of philanthropic engagement unnecessarily more complex.

With the aim of improvement of the institutional framework, the United States Agency for International Development (USAID) finances the project *Legal Framework for Philanthropy*, led by the Mozaik Foundation. Association Network for Building Peace is part of the project consortium, but the current study is conducted for the purpose of the project *Snaga Lokalnog: Projekat podrške lokalnim resursnim organizacijama (Local Works Activity/Local Resource Organizations Assistance (LRO/A))*. For that reason, only the basic lines of the institutional framework for giving are shown here, and they serve exclusively as the introduction to the results of the research on practices and opinions of citizens, civil society organizations, and business entities.

²⁹See: <https://bhsc.trtbalkan.com/region/pd-ps-bih-usvojio-prijedlog-zakona-o-ukidanju-pdv-a-na-doniranu-hranu-13531853>

INDIVIDUAL PHILANTHROPY

"No one has ever become poor by giving." - Anne Frank

Individual philanthropy is the first and basic form of philanthropic engagement. It can be an act of a single or several thousand individuals, but in legal and technical sense it is always an act of a natural person. In the research on individual philanthropy, the analytic unit is mainly an individual. According to the public opinion survey of the SIGN Network (2019), 76% of citizens in Bosnia and Herzegovina are philanthropically active. When they donate money, they apparently donate 3.00 BAM (as the minimum amount) up to 14.00 BAM (as the maximum amount). These amounts could apparently be bigger or more frequently donated by almost half of the population if the state would introduce tax deductions. Citizens are ready to primarily help people with health problems, people with disabilities, and people with low economic status. Science, sports, arts and culture are the least desirable fields of philanthropy. In relation to this research, we learned about individual philanthropy in Bosnia and Herzegovina through analytical units of donations. According to the Catalyst Balkans Foundation (Demir 2022), individual giving makes half of all donations in Bosnia and Herzegovina, whereby a third is civic giving through mass actions of donating, and the rest makes individual giving of prominent individuals. Therefore, it would be needless to additionally argue the significance of individual philanthropy in Bosnia and Herzegovina. Without additional explanations, below is the overview of the public opinion research, which will show the current cross-section of the state, and simultaneously to what extent are the data of the research by SIGN Network relevant today.

Understanding the concept of philanthropy

An immediate task of public opinion research is the analysis of attitudes, level of information, and participation of citizens in philanthropic activities. As the preliminary precondition of the precise data interpretation is a clear understanding of the operated terms by the respondents, at the very beginning of the analysis we need to determine how citizens define the central term of the research. This way, the existing referential framework is established, which forms the public discourse, i.e. determines the frameworks in which citizens think and act when it comes to

philanthropy. The term philanthropy was avoided in the previous research. Presuming that philanthropy is a less recognizable term in the wide public, the researchers used the term **giving for the common good**.

The current study is the first in which the **term philanthropy** was explicitly communicated to the respondents. Analytical value was obtained this way, and apart from that, the questionnaire had an informative function as well. Every question was followed by a definition, which established a referential framework for the continuation of the interview and subsequent interpretation of the meaningful data.

For obtaining the most precise findings, simplicity offered by closed questions was deliberately sacrificed here, and respondents were left with an open space for individual formulation of their answers. Taking into consideration the complexity of the term, respondents were not expected to offer a definition, but only a reminder of the term. The question was: **What comes first to your mind when you hear the word philanthropy?** Yet, although simplified, even 28% of respondents did not answer this question. The rate of non-expressed answers varies depending on age and education level, and it turns out that the younger and better-educated respondents are more familiar with the concept than the older and less educated. At first sight, these data are concerning when it is compared to the findings of the SIGN Network in which all respondents offered answers to the question about giving for the common good. However, during the interpretation, one needs to have in mind the suspiciousness of the fieldwork quality of the abovementioned research (see: Previous research), as well as the specificity of the Bosnian and Herzegovinian language in which the word philanthropy is not domesticated. As the research will show, the understanding of the term philanthropy is more present among the representatives of the civil sector, which is not surprising when one takes into consideration the role of the international donors in funding their work.

When it comes to the respondents who answered the question, the analysis shows a great number of similar reminders. Generally viewed, philanthropy is in public mainly understood as a specific **social relationship** or as **a specific human activity**. When we talk about social relationship, we primarily think of humanitarianism, a reminder that was stated by even 32% of respondents. Apart from that, association in the form of solidarity, stated by 4% of citizens is also present in public. When it comes to human activity, philanthropy is mainly related to aid. In that sense, the obtained answers can be categorized on the basis of the type of aid which is stated by citizens, as well as the addressees of the aid i.e. entities to which the aid is dedicated.

The first reminder on philanthropy for 6% of citizens is disease/treatment, 4% of citizens it is humanitarian aid, and 2% of citizens it is donating. Therefore, there are also reminders related to persons to which the aid is provided, and the answer that stands out is that the philanthropy is primarily related to the poor, hungry, and homeless (2%), on the other hand, not a small number of answers includes the aid that is provided by the rich (3%). An insignificant small number of the respondents reported collecting stamps, volunteering, blood donating, and human rights.

As can be seen, philanthropy does not evoke any reminders with more than a quarter of citizens. When there are associations, they mainly refer to the activities of providing aid. With activities, philanthropy is also related to the participants of the philanthropic activity which are identified according to the class and social status. From the side of the contributor, philanthropy is related to the rich, and from the side of the aid recipient it is related to the poor, hungry, homeless, and sick. These findings indicate that public opinion in Bosnia and Herzegovina **dominates by the humanitarian and anthropocentric understanding of philanthropy**, which is confirmed by the data of Catalyst Balkans (see: National research).

Widespread and frequency of philanthropy

The general attitude of the Bosnian and Herzegovinian public on the significance of individual philanthropy is extremely positive. Even 88% of citizens consider that **giving by ordinary people can help society**, whereby 66% of citizens, regardless of their social and demographic differences firmly hold this attitude. Although the interpretation of the term philanthropy

is related to class and status position, even 78% of citizens consider that the mass giving of ordinary citizens, regardless of how small they are, can significantly help change for the better. On the other hand, 4% of citizens do not share this opinion and think that only rich individuals can provide sufficiently large amounts of money for a significant contribution. Such findings offer a great basis for the further development of individual philanthropy. However, the extent and the way how citizens are ready to philanthropically engage is of crucial importance.

According to the statements of the respondents, three of four (74%) citizens in Bosnia and Herzegovina during a three-year period from the COVID-19 pandemic outbreak until the moment of data collection, participated in philanthropic activities of any type. The propensity for philanthropic engagement varies depending on the age and education of citizens.

Middle-aged citizens (35 - 54) as well as highly-educated citizens are more engaged, whereas older (55+) and citizens with elementary levels of education are less engaged.

There is almost no respondent who did not confirm their philanthropic engagement, whereby they would include only one philanthropic activity. A large majority of philanthropically engaged citizens practice their philanthropic engagement several times a year, whereby 27% of them practice it once a month. A quarter of the engaged citizens always act philanthropically over the same organization, while one-eighth is engaged with a great number of different organizations. Between the two extremes, most frequently, an individual engages in two to five philanthropic organizations during the year.

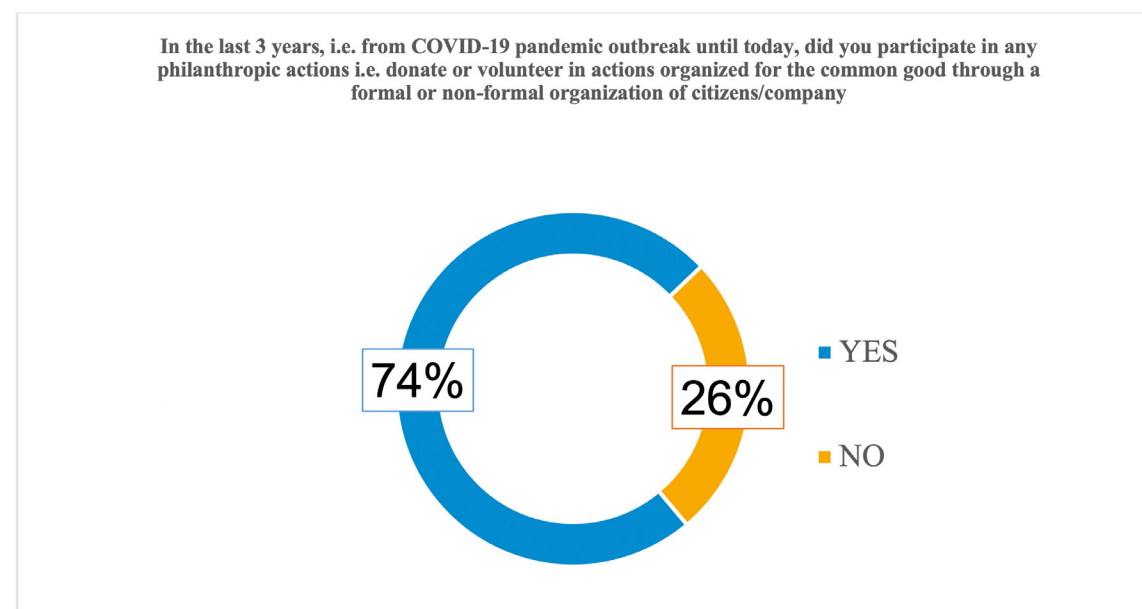
The philanthropic organization through which the largest number of citizens provided aid, and especially those from the Federation of Bosnia and Herzegovina, was the **Association Pomozi.ba**. This humanitarian association initiated over one-third of activities (36%) in which respondents reported their participation. Therefore, the main type of activities in which the citizens participated in this period were activities directed to **the aid to the sick, aid to the poor, and elimination of natural disasters**. The aid to the sick was especially dominant purpose of donating in the Republic of Srpska, whereas the elimination of natural disasters (mainly caused by the earthquakes in Turkey and Syria) was more pronounced in the Federation of Bosnia and Herzegovina. Apart from this, the work

of religious philanthropic organizations such as the Red Cross, Islamic Community, Merhamet, Caritas, and church institutions are in general especially significant. Citizens provided aid through international organizations such as UNICEF, EMMAUS, and SOS Children's Villages but also domestic organizations such as Association Mozaik prijateljstva and Doniraj.ba. Eventually, a significant number of citizens shows **capacities for self-organization**, so 26% of activities were spontaneous organization of citizens.

Around one-half of the participants of philanthropic actions - more precisely 55% - state that they are familiar with the outcome of actions. In other words, **even 45% of participants does not know anything about the actions** after they participated in them. Those who know something, were in most cases informed because they know people for whom the actions were intended. By predicting the possibility of such a scenario, we examined satisfaction by actions only with persons who stated that they were informed.

Among the informed ones, satisfaction with actions was extremely positive - 89% of respondents shows satisfaction, whereby 60% graded actions with the highest grade. Therefore, even 85% of the general population of Bosnia and Herzegovina expressed readiness to participate in actions in the future - 50% with certainty and 35% with great probability. Information about the outcome of the action correlates positively with the education level, and negatively with the citizens' age. Similarly, along with the level of acquired education grows the readiness to participate in future actions.

Of the general population of Bosnia and Herzegovina, one-quarter (26%) of citizens did not participate in philanthropic actions. As reasons for non-participation, respondents most frequently state the lack of material sources (48%), lack of information (20%), health problems (12%), lack of time (11%), and mistrust in action organizers (4%), while there are no respondents who think that philanthropy is not an effective way of solving problems as the reason of non-participation. Lack of sources and information are especially frequent reasons for the non-participation of the population of the rural environment.



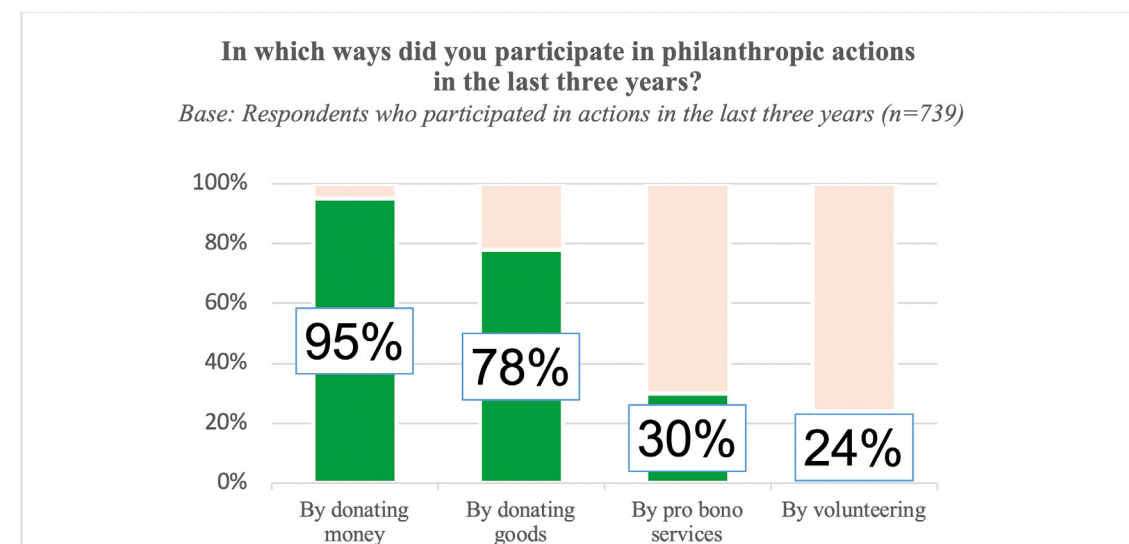
Types of philanthropic engagement

Participation in philanthropic actions is defined as donating of any kind (money, goods, work, or time), but it was examined with a separate question about every kind of donation. The answers were ordered in a manner to stimulate respondents first to think of the less present forms of donations, such as donating time and only then to state the donations of the material sources.

Based on the statements of the respondents, the most present donation subjects in Bosnia and Herzegovina are money and goods, and by far the least, there are professional work and private time. Of all the citizens who engaged themselves in a three-year period, 95% of them donated money, 78% of them donated goods and other non-financial material goods, 30% of them donated their free professional services, and private time i.e. volunteering engagement was reported by 24% of respondents. In the social and demographic structure of the population, the provision of pro bono services and volunteering are more frequently present among men and high-educated citizens.

When the obtained answers are re-calculated according to the total population of respondents (including the respondents who did not participate in philanthropic actions), it turns out that in three years, money was donated by 70% of all citizens of Bosnia and Herzegovina. Other material sources were donated by 57% of citizens, professional services by 22% of citizens, and 18% of citizens volunteered at least once. If we neglect the possibility of non-statistic error in the research, philanthropic participation of citizens in Bosnia and Herzegovina in the absolute figures goes between 2,287,400 citizens who donated money and 589,000 citizens who volunteered (with ±3% margin of error in statistics).

Volunteering is, although the least present, the only philanthropic practice for which the citizens show **growing potential**. While 18% of all respondents reported participation in volunteering actions during the previous three years, readiness to participate in the following year was shown by 29% of the overall target population.



When it comes to the amount of donated money, it is inappropriate to make any assessments based on public opinion research because there is a great probability of obtaining socially desirable results. Apart from the overestimate of donated amounts all around the world, the context of Bosnia and Herzegovina is also specific for its frequent anonymousness of the donors. For that reason, we may only speak about the answers of the respondents, but not about the assessment of the donated amount on the basis of the whole population. So, when it comes to the donated amounts of the respondents who participated in philanthropic actions in the previous three years, the average minimum money donation was 31.00 BAM, whereas the average of maximum donations was 232.00 BAM. On average, larger amounts were donated by men, the urban population, and higher-educated citizens.

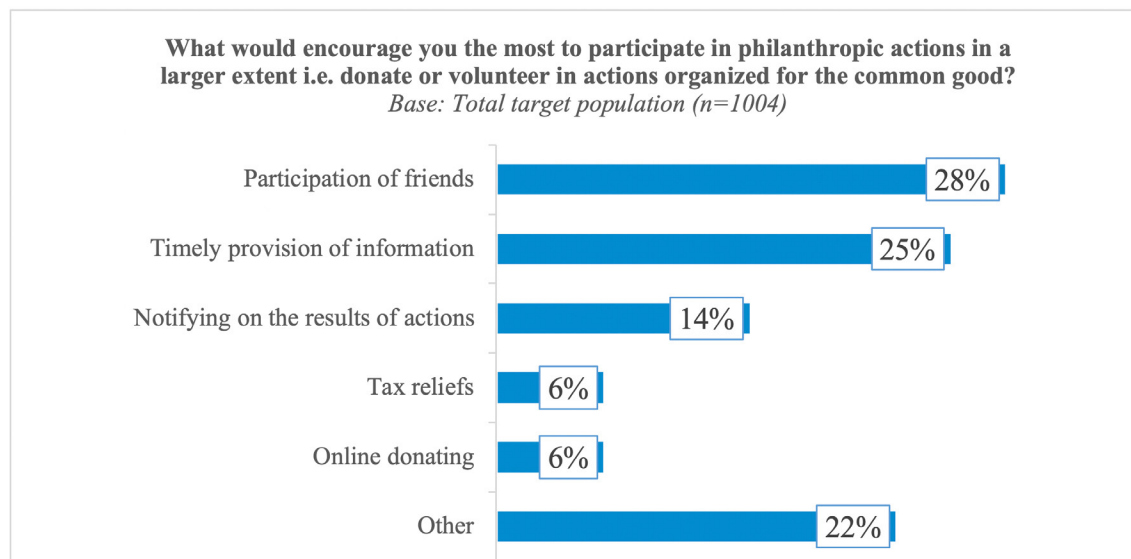
It seems that the abovementioned amounts may be expected in the following one-year period. The great majority (81%) of respondents who intend to donate money in the next one-year period estimated the amount of a single donation between 5.00 and 100.00 BAM, whereby the majority is ready to donate between 11.00 and 50.00 BAM. Only 8% of respondents are ready to donate money over 100.00 BAM in the next one-year period. Most respondents are ready to donate the abovementioned amounts several times a year, preferring to participate with their donations in a large number of actions.

Of all forms of money donations, the general population is mostly familiar with calling the humanitarian number (80%) and payment to a bank account (59%), so these two forms can be expected as the dominating ones in the next period. Modern donating models which can significantly facilitate the donation process³⁰ are less familiar to the public, and only 23% of citizens are familiar with card donating. These data are not surprising when we take into consideration the fact that only a few philanthropic organizations³¹ were enabled to receive online donations in Bosnia and Herzegovina.

When it comes to the initiatives for participation in philanthropic actions, it seems that the greatest initiator of citizens is the **behavior of others**. To the question – *What would encourage you the most to participate in philanthropic actions i.e. donate or volunteer in actions for the common good?* – the respondents provided a wide range of answers, but most frequently they emphasized the importance of joint participation with people from their neighborhood (28%), as well as the importance of timely informing (26%).

Lower-educated citizens were especially stimulated by the participation of their close friends, whereas timely information was the most important element for the higher-educated citizens. Apart from that, not a small number of citizens (14%) would be motivated for philanthropic engagement by regular notifications about the results of actions, whereas tax deductions and possibilities of online donating seem less attractive incentives.

By examining exclusively the stimulative potential of tax deductions, respondents were asked to answer the following question: *How probably would you donate more if there were a possibility that at the end of the year, all your donations are represented as your expenditures and thereby you would reduce your income tax?* In the total target population, 31% of respondents answered strictly negatively – tax deductions would not encourage donating practice – while there were 17% of unequivocally interested. It remains unspoken whether these respondents sufficiently understood, but it can be certainly claimed that the opinions were insufficiently crystalized because 20% of respondents refused to answer the question. Thus, it seems that at this moment, the public shows no interest in the use of tax deductions and online mechanisms of donating. However, to what extent it really depends on the level of information of citizens, and according to the results, it is not on a satisfactory level in the case of tax deductions, nor in the case of online donating.



³⁰Although this model may distance the donator from the donation recipient, and thereby decrease the *warm glow effect*)
³¹Online donating is enabled through three crowdfunding platforms: Pomozi.ba, Humanost.ba and Doniraj.ba, whereas online fundraising was enabled for organizations: SOS Children’s Villages, Srbi za Srbe, World Vision, and Islamic Community in Bosnia and Herzegovina. Enabling the reception of online donations to other non-profit organizations is part of the initiative “Legal Framework for Philanthropy”, of which the Association Network for Building Peace is an integral part.

Influence and recognizability of philanthropic actions

Public perception of the development of philanthropy in Bosnia and Herzegovina is moderately positive. Whereas 35% of citizens consider it well-developed, 22% of them consider the opposite. There are indications that such, **a moderately positive attitude** may be, to a certain extent, ascribed to the work of civil society organizations. As the research shows, 43% of respondents consider that CSOs have a positive influence on the prosperity of Bosnia and Herzegovina, whereas only 6% of respondents have an explicitly negative opinion. The rest of the sample includes those with neutral attitudes (42%) or they remain unexpressed (9%). This is supported by the fact that civil society organizations are on average ranked as the third of seven types of donors offered – below ordinary citizens and prominent individuals but above religious institutions, international donors, and business entities.

The common perception of the public is that ordinary citizens are the dominant type of donors, i.e. that most donations for the purposes of the common good come from the citizens themselves. According to public opinion, prominent philanthropists, such as wealthy individuals and famous persons are in second place, while domestic foundations and non-government organizations are ranked third. They are followed by foreign foundations/international organizations and religious institutions, while the philanthropic contribution of private and state companies is graded as the worst.

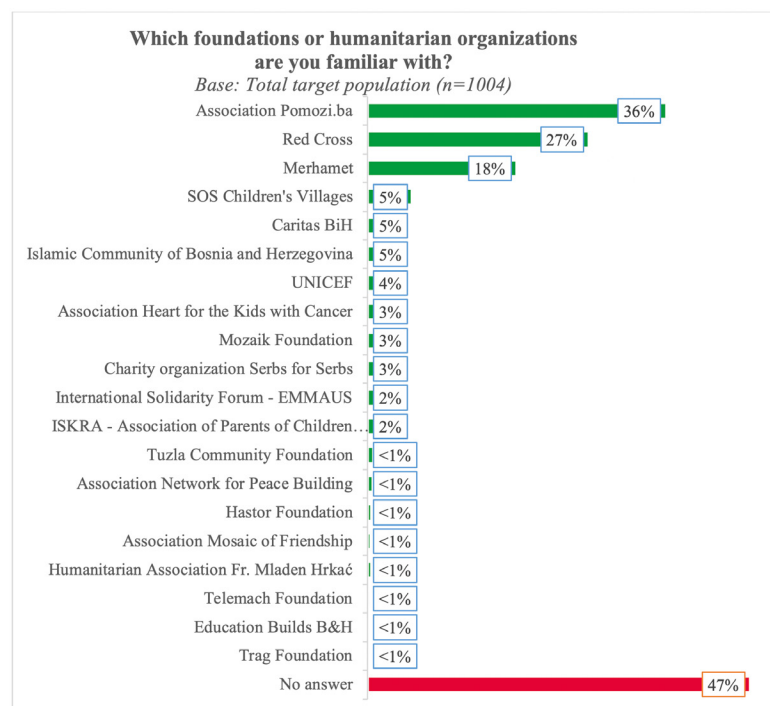
Of course, this image does not speak a lot about actual experience, and it speaks more of the reputation that the abovementioned types of donors enjoy. According to the data of Catalyst Balkans (Demir, 2022), the dominant type of donors until the pandemics were citizens, but it was the business sector that donated financial sources the most from 2020 onwards. The task that remains for future research to reveal is why is the business sector ranked as the last. Interpretation of a healthy mind may be based on a hypothesis that respondents ranked donor types according to the perception of their possibilities, and not according to the actual experience. If this hypothesis is true, it means that people expect a lot more from the business sector, regardless of the fact that corporate philanthropy already generates the largest donated amounts.

Moderately positive attitudes toward the work of civil society organizations do not mean much if we do not know to which organizations they refer. Therefore, respondents had a chance to name foundations and humanitarian organizations that they are familiar with. As this was an open-type question, the obtained data may serve for the approximate assessment of the recognizability of the named organizations.

The greatest publicity among foundations and humanitarian organizations in Bosnia and Herzegovina is enjoyed by Association Pomozi.ba, Red Cross, and Merhamet. More than a third of citizens is familiar with the humanitarian work of the Association Pomozi.ba, at least one-quarter of the population is familiar with Red Cross, while Merhamet was named by almost every fifth respondent. Other humanitarian organizations and foundations are far less familiar on a national level, and in the best case, 5% of respondents were able to name them. However, it is important to take into account that this was a survey research of the general population of Bosnia and Herzegovina and that the visibility of many local foundations and organizations should be assessed within the communities where they are located. In relation to that, more important data that this public opinion research provides for us is the relationship between citizens who are familiar with at least one and those citizens who are not familiar with any foundation/humanitarian organization. In that sense, the results are not satisfactory because even 47% of respondents did not manage to name any foundation or humanitarian organization on their own.

The measured publicity of organizations can be, for the purpose of more meaningful interpretation shown within the frame of a subpopulation of elementary informed citizens. When the data are observed that way, the general image looks better. Of all respondents who named at least one organization, 68% named Association Pomozi.ba, 50% named the Red Cross, 34% named Merhamet, and 10% named the first next organization (SOS Children’s Villages, Caritas BiH, and Islamic Community of Bosnia and Herzegovina). Consistently with the previous findings, it turns out that the work of humanitarian organizations is far better visible than the work of other associations and foundations. This is also confirmed by the data according to which 30% of citizens know by heart a humanitarian number that some mobile operators provide for the purpose of donating. During the survey, 15% of respondents were able to name the number with the prefix 1700 by heart (in variants with a suffix: 17001, 17002, 17003, 17006), whereas 5% of

respondents knew humanitarian number with the prefix 141 by heart (in variants with a suffix: 1411, 1412, 1413, 1414). Socially and demographically observed, younger and better-educated subpopulations are more familiar with humanitarian numbers.

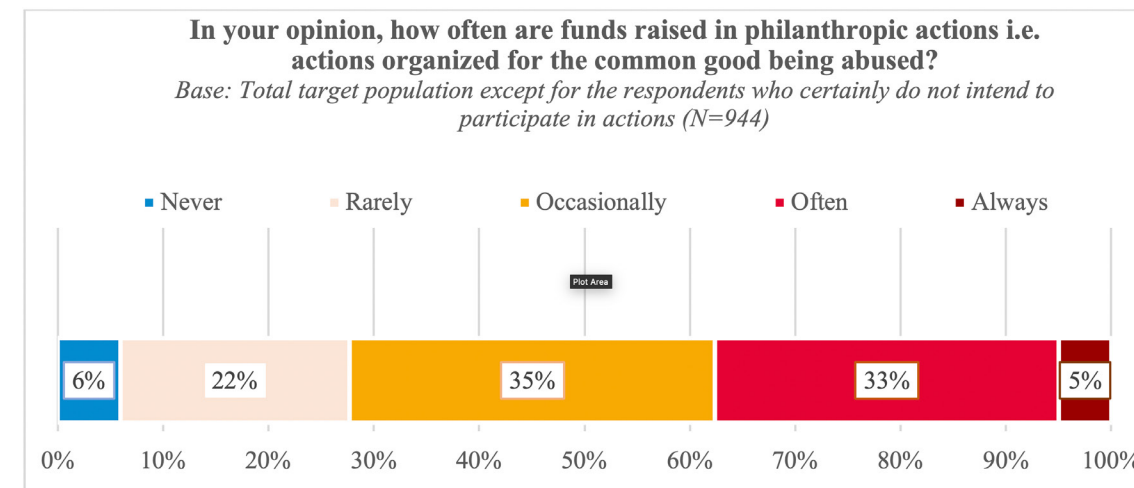


Trust in philanthropic institutions

Bosnian and Herzegovinian public shows **fertile preconditions for the institutionalization of philanthropy**. This conclusion is indicated by the fact that most citizens consider it important that the help is directed through registered organizations, as well as that organizations transparently inform the public about the use of funds and the results of actions. More precisely, while 13% of respondents state that the status of the organization is not important to them at all, 46% of them find it extremely important that the aid is directed by the organization that is registered for the activity of a certain philanthropic field. A similar applies to transparent reporting on money flows, but this practice is somewhat less significant – it is very important for 37% of citizens, and unimportant for 19% of citizens. Furthermore, in their interview, even 73% of respondents showed readiness to donate money through a foundation or humanitarian organization. Such openness and cooperativeness toward non-profitable organizations were to an even larger extent expressed by respondents from the Federation of Bosnia and Herzegovina and members of the young subpopulation (aged between 18 and 34). Those who do not want intermediaries in their philanthropic engagement, mostly show a lack of trust in philanthropic institutions.

According to the statements of respondents, even 38% of potentially philanthropically engaged citizens of Bosnia and Herzegovina think that the abuses within philanthropic actions happen often or always. On the other side, full trust in philanthropic actions is found only in 5% of these citizens. When we compare these data with the range of previous indicators, we find inconsistency. While a great majority of respondents intend to participate in philanthropic actions, even 38% of them show mistrust. Interestingly, widespread participation in philanthropic actions and mistrust of the same is also coexistent in the research conducted by the SIGN Network (See: Previous research). On one hand, such dissonance gives rise to doubts about the quality of the obtained data, while on the other, it is not an isolated case but **a consistent paradox**. The question inevitably raises – how to explain that? Looking at the broader picture, the author of the current study offers two explanations. First, while they express a high level of mistrust, citizens largely engage in philanthropy, but only through selected organizations.

Instead of consistent paradox, maybe the data should be interpreted as consistent intention of citizens to award the transparent organizations by their participation, and leave to side the non-transparent ones. Secondly, just as with all public opinion research, attitudes of citizens in many questions reflect general sentiment toward political and economic climate in society, and it is quite certain that the lack of trust to state institutions (Puhalo, 2015) reflected the mistrust to philanthropic institutions through this survey as well.



Mobilization potential

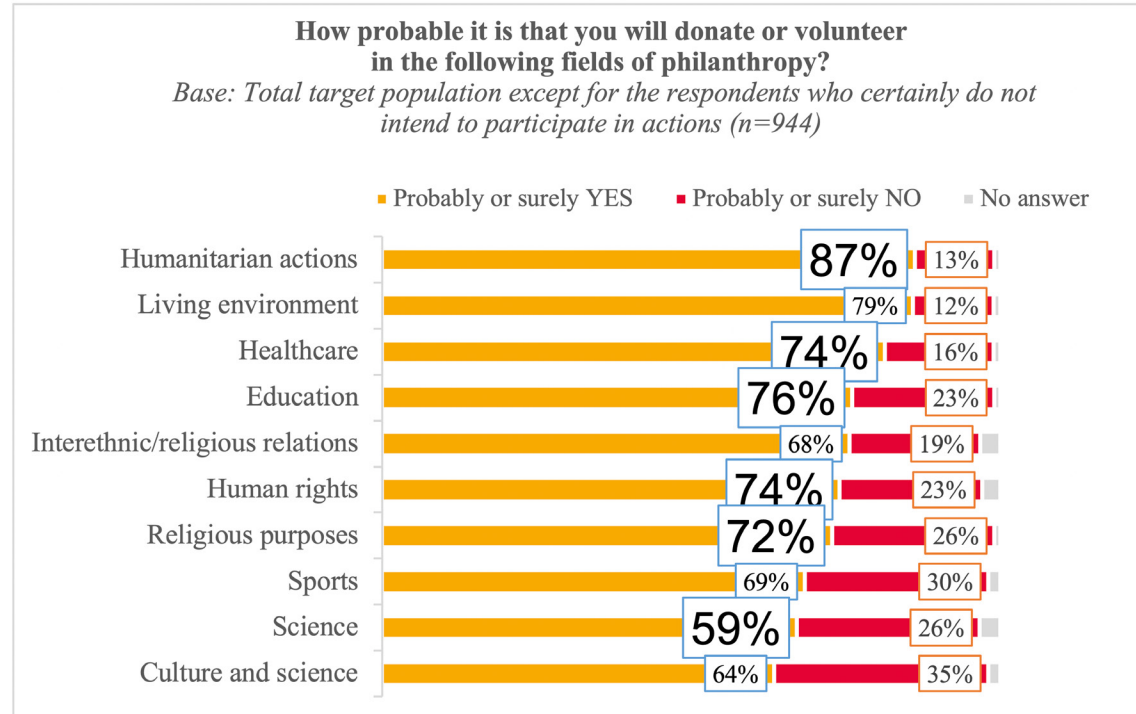
With the aim of a better understanding of the previous data, preferences toward institutionalized philanthropy are necessary to be contextualized by specific intermediaries of philanthropic engagement. So, further in our questionnaire, we checked how large the potential of different organizations/institutions for the engagement of citizens in philanthropic actions is. Based on three answers from every respondent, it turns out that **humanitarian organizations are the most popular form of philanthropic organizing**. In total, all three answers were stated by 74% of the total target population, whereas other types of organizations show mobilization potential for less than half of the Bosnian and Herzegovinian population. Among them, personal initiatives of citizens (46%), public institution initiatives (38%), and initiatives of religious communities (30%) have the probability of engagement of the largest number of people. About a quarter of citizens shows readiness to support the work of associations of citizens and foundations that promote human rights, as well as the work of municipalities i.e. local self-government units. On the other hand, private companies (9%), foreign foundations (6%), and state companies (6%) have the smallest mobilization potential.

Apart from types of organizations, mobilization potential also depends on the beneficiary group for which the philanthropic action is organized, as well as the field of philanthropic acting. So, actions directed to the aid to children, the sick, and disabled persons have the greatest chance of mobilization of citizens. A total of 79% of the overall target population would almost surely participate in actions for children with diseases hard to cure, whereas 72% of all respondents would without any doubt help children without parental care. Persons with disabilities can count on 78% of citizens, whereas adult persons with severe diseases can count on 72% of citizens. Right after that, there is support for actions directed to the aid of the poor (71%), elderly (67%), and female victims of violence (63%). Smaller mobilization potential is shown with actions directed at refugees, migrants, talented pupils/students, artists, sportspersons, and neglected animals. As the SIGN research shows, the least support of the public in Bosnia and Herzegovina is shown in the actions of helping LGBTIQ+ persons. According to the level of support to specific beneficiary groups, humanitarian actions have the greatest mobilization potential. They are followed by actions in the field of living environment protection, healthcare, education, and human rights, while actions in the field of sports, science, culture, and arts have the smallest mobilization potential. According to the abovementioned, humanitarian organizations have the greatest capacity for the institutionalization of philanthropy, because they have the possibility to include the greatest number of citizens, and simultaneously with their transparent work, they fulfill the expectations that citizens have from all philanthropic institutions.

PHILANTHROPY OF ORGANIZATIONS

“Effective philanthropy requires a lot of time and creativity – the same kind of focus and skills that building a business requires.” - Bill Gates

In the contemporary context, philanthropy is unimaginable without civil society organizations. Between the private sphere of citizens and the public sphere of the state, there is an interspace in which the associations of citizens and foundations play a key role in mapping the needs of the community, philanthropic resources, and advocating the necessary public policies for the improvement of the lives of citizens. As shown in the previous section, the influence of civil society organizations was assessed as moderately positive among the Bosnian and Herzegovinian public. However, as the survey additionally shows, the participation of citizens in the work of these organizations is not on a desirable level. While in the research by Puhalo (2015), every fourth respondent stated active participation in the work of non-government organizations, public opinion research shows that membership in civil organizations does not exceed 21% referring to the religious communities, while in associations of citizens, it amounts totally 17%. These data are a sufficient reason for dealing seriously with the development of civil society in Bosnia and Herzegovina. If the level of trust in society depends on the level of civic engagement, then it is the right question how CSOs function, how they communicate with their community, in which ways they raise funds for their work, and how to help them with that. For that reason, the results of the conducted survey, in-depth interviews, and focus groups with representatives of the civil sector are represented in the following sections.



Sources of information

Citizens of Bosnia and Herzegovina get information about philanthropic actions mostly using social networks and television. Social networks (Facebook, Twitter, Instagram) are the dominant source of information for 37% of citizens, while 32% of citizens learn more about philanthropy using television. Apart from that, the information sources include Internet portals (14%), family/friends (8%), and direct communication with initiators of philanthropic actions (5%). Interestingly, this state totally reflects the preferences of citizens. In other words, being asked for their favorite source of information, respondents provided almost identical answers.

Looking at the social and demographic structure of readers/viewers of media content, it turns out that we have one of the possible explanations for the unevenness of educational and age profiles of philanthropically (non)-engaged citizens. Specifically, one of the reasons for the more sophisticated relation toward philanthropy that we find with the subpopulation of the younger and higher-educated citizens may be in the level of information, i.e. media channels that they use to get the information. The younger and the better-educated citizens are, the more they search for information on philanthropy over social networks, whereas for television it is the opposite – the viewership is greater among the old and less educated sub-population. As internet portals exclusively report on philanthropy (Demir, 2022), the whole subpopulation of citizens that depends on the contents that are broadcast on television remains deprived of the news on philanthropy. These findings become exclusively significant when we take into consideration that it makes up almost a third of the overall population of Bosnia and Herzegovina (32%), i.e. even 58% of citizens over the age 54, and 60% with elementary education. This communication gap certainly influences negatively on the development of the philanthropic ecosystem, especially on the inclusion of older and low-educated citizens.

Understanding the concept of philanthropy

Civil sector representatives in Bosnia and Herzegovina show **an extremely high degree of knowledge** about the concept of philanthropy. The first question of the survey – **According to your opinion, what is philanthropy? Can you name an example of philanthropy?** – Respondents offered umpteen different answers in which in a narrow or broad sense they referred to the same thing that the research team of the current study refers to. So, philanthropy is mainly defined as socially beneficial work and/or provision of aid to people in need. Apart from viewing it as an act, respondents also saw philanthropy as a worldview, an intention, a feeling, a virtue, and a social relationship. Terminological determinations that they used the most include charity, philanthropy, giving, humanity, humaneness, love, compassion, solidarity, and similar.

Several quite precise, almost academic definitions of philanthropy stand out. Here is one of those: **“Philanthropy is donations in money and non-material goods by citizens and business sector to individuals and organizations for the common social good.”** As can be noticed, the proposed answer almost perfectly corresponds to the working definition of the research because it refers to the act of natural persons for the purposes of the public/general good. Unlike public opinion, **the perception of philanthropy within the civil sector is not anthropocentric and humanitarian in nature.** Apart from helping people, respondents also named charity activities directed to the well-being of animals and keeping the living environment, and through in-depth interviews, it was noticeable that they clearly differentiate between development and humanitarian approach.

“Humanitarian work is an answer to social needs that take place at that moment, whereas philanthropy would imply events for improvement of the community, regardless if it is a burning problem at that moment.”
 – Representative/Association of citizens

A variability of answers is reflected in the examples offered by respondents. Almost all answers were different – including the direct forms of aid to specific population groups such as the persons with disabilities, the young, children, the sick, and the poor, up to systematic approaches such as the establishment of foundations, fight for human rights, and corporate social responsibility. Interestingly, names of the famous philanthropists that were mentioned include Bill and Melinda Gates, Edmund Oferman, Elvir Karalić (Pomozi.ba), Edin and Amra Džeko, etc. This variability can be explained by a colorful sample that was obtained through this survey (See: Annex 1), and in defining philanthropy, the respondents certainly gave preference to activities implemented by their association. But, regardless of the widespread understanding of the concept of philanthropy, before the continuation of every interview, respondents were offered a working definition used in this study. That way, we acquired conditions for further conversation and subsequent data analysis.

Fields of philanthropic engagement

Unlike citizens who mainly (as natural persons) engage in philanthropic activities in a spontaneous and direct manner, such as participation in humanitarian actions, civil society organizations implement their philanthropic engagement through planned activities for which they were established. According to the answers of respondents, these activities most frequently refer to the protection of human rights (59%), education (47%), and also humanitarian actions (53%). Apart from that, almost a third of the surveyed organizations deal with the protection of the natural environment (32%), while a quarter deals with art and culture (26%), and every fifth organization is involved in sports activities (22%) and improvement of relations between ethnical and religious groups (22%). These activities of the surveyed civil society organizations are mainly implemented in their local communities (85%) and regionally (62%), but not a small number of organizations also act on a national (33%), and even on an international level (27%).

How much such practice of the surveyed organization matches the preferences of citizens is shown in the cross-tabulation analysis of the surveys of public opinion and civil society. As it was stated in the previous section, humanitarian organizations have the largest potential for the mobilization of citizens. They are followed by philanthropic actions in the field of environmental protection, education, healthcare, and human rights protection. Therefore, it turns out that activities of the civil sector do not significantly deviate from the preferences of citizens, which seems logical when one takes into consideration that it is citizens who are initiators of associations and local foundations. However, **differences occur with prioritization**. Human rights represent the backbone of the civil sector, while in public they are perceived as only the fifth area in terms of importance. Similar applies to the field of arts and culture, which is the fifth most represented area in the work of the civil sector, while in public it is considered to be the least desirable area of philanthropic engagement. However, these differences should not be exaggerated, because this is only about prioritization. In other words, all the fields that CSOs deal with are considered as desirable forms of philanthropic engagement, just not to the same extent as CSOs.

The ratio of civic preferences and activities of civil society organizations	
Public opinion	Civil society organizations
1. Humanitarian actions	1. Human rights
2. Living environment	2. Humanitarian actions
3. Education	3. Education
4. Healthcare	4. Living environment
5. Human rights	5. Arts and culture

Forms of philanthropic engagement

For the purposes of the current study, the surveyed population was divided to organizations that dominantly provide direct aid on the field, then organizations that provide aid mostly by raising and forwarding financial funds, and those organizations that do not provide direct aid to the beneficiaries, but to other organizations that do it.

This analytical approach enables making a difference between organizations according to the form of philanthropic engagement to volunteering, financial (crowdfunding), and developing (capacity-building) organizations. Of course, we speak here of ideal types, because most organizations in their overall activities employ at least two of the three abovementioned forms.

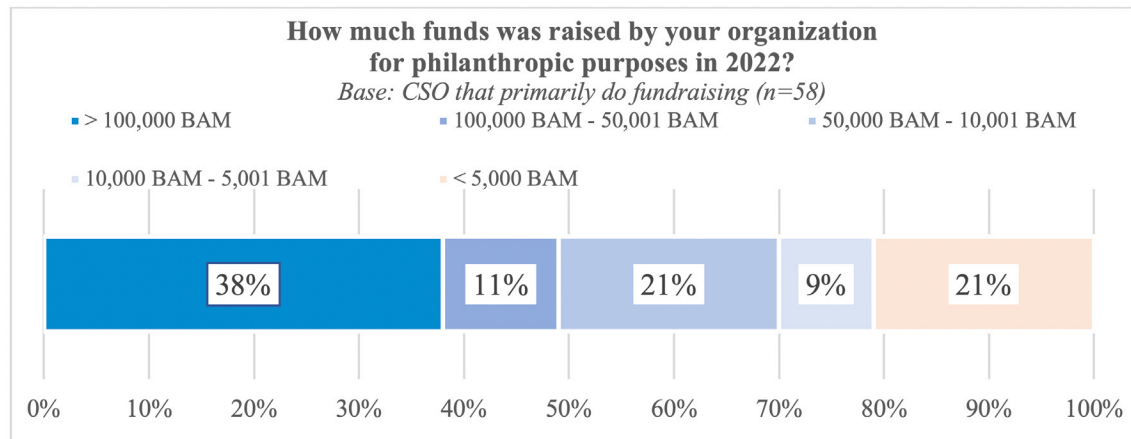
According to the statements of respondents, the surveyed population of the civil sector is dominated by volunteering (43%), then developing (30%), and financial (27%) approach to philanthropy. The domination of the volunteering approach is not surprising because volunteering engagement does not require special material sources or built capacities. In that sense, **it could be actually said that there is a surprisingly great presence of financial, and especially developing models of philanthropy of organizations**. As almost three-fifths of the surveyed civil society organizations either raise funds or provide support to other organizations that act philanthropically, it can be concluded that the high level of institutionalization of the non-profit sector was achieved. However, it remains on the future research to show how much is this really the case, because this is just the case of a convenient sample.

The first type of organization – **volunteering organizations** – can count at any moment to a maximum of 10 (33%), 25 (36%), or even up to 50 (16%) volunteers. A small number of organizations in regular circumstances can mobilize over 50 volunteers but, as the survey shows, such organizations do exist (15%). As the recruitment of volunteers requires an active approach, we checked how organizations recruit their volunteers through in-depth interviews. It turns out that organizations mostly rely on their close environment or, when they recruit in a broader sense, they do it through public announcements, communicating schools, faculties, and other organizations. As an incentive to volunteer, organizations usually offer a letter of recommendation, sometimes certificates, or other forms of small compensation. So, as it can be noticed, volunteering organizations **rarely use innovative models of recruiting** and popularization of volunteering, due to technical limitations, as well as due to limitation of human resources.

The public opinion research suggests that potential base of volunteers in Bosnia and Herzegovina has over half a million citizens, which undoubtedly speaks in support that citizens can actively join this type of philanthropic engagement in larger numbers through attractive volunteering programs. Good practice examples of stable volunteering engagement recommend volunteering that offers interesting, time-limited activities in which participants acquire useful skills that would not be compensated financially at other places. However, regardless of the optimistic results of the public opinion research, the in-depth interviews offer a more realistic image according to which not all citizens are actually familiar with the obligations and liabilities that are required by a volunteering engagement, and it is of extreme importance to inform the public about the significance and volunteering possibilities, as well as about what volunteering means in everyday practice.

“Volunteers apply on their own. We have a lot of applications but also a lot of withdrawals. When people see it, they think that it is just patting (of animals), and when they come, they see that it is an everyday process that lasts three to four hours: cleaning, feeding, taking to the vet... and so the small number of people stays. And those who stay, become our permanent members - they do not give up anymore.” Representative of the Association for animal protection

A quarter of the surveyed population belongs to the second type of organization - **financial CSOs**. These associations and foundations have the role of mediators between the donor and beneficiary. In the last year, fundraising proved to be quite successful for most of these organizations. The value of the forwarded donations with half of the organizations amounted to over 50,000 BAM, whereby 38% of organizations raised over 100,000 BAM. On the other hand, **a great gap was noticed between highly successful and unsuccessful organizations** in fundraising, so that even one-fifth of surveyed CSOs raised below 5,000 BAM.



Findings on the unequal success of fundraising suggest that the civil sector in Bosnia and Herzegovina could be viewed from two parts: 1) already professionalized and established part of the sector; and 2) a group of undeveloped association of citizens that survive by their enthusiasm and personal commitment despite unfavorable financial conditions in which they work. In that sense, it would be interesting to examine **the volatility level** of civil society organizations and establish the **determinants of the lifespan of organizations**. It seems that these indicators are important not only when it comes to low-budget organizations but also for those successful ones too. Regardless of the success that some organizations accomplish with fundraising and forwarding of financial funds, in-depth interviews reveal that sometimes positive results can also be questionable because it is not easy to determine the cost-benefit ratio.

“What I can say is that seven companies and 54 individual donors supported us last year, but somehow this whole concept of crowdfunding and fundraising is very exhausting. We commit a lot to prepare the promotional material, organize an event, etc., and the amount of funds that we raise does not correspond to the invested.”

- Representative of the local foundation

The cost-benefit ratio is hard to determine especially when it comes to philanthropic activities which are not supported by funds of international donors. Apart from obligatory reporting to large donors, civil society organizations almost completely **do not measure their performances**. Instead of objective performance measurements, CSOs mostly rely on the reactions of the local communities in which they act.

As their activities are often directed to the fields in which there is no state support, representatives of associations think that the long-lasting of non-profit engagement is a sufficient indicator of their success.

“To say that we had a measuring model of the results of our activities - we did not, but what speaks (is) the reaction of people to various activities. I think that we have long-term results of our programs, because still, from the context of Bosnian and Herzegovinian society, when something lasts voluntarily for 13 years, when something is non-profitable, and people volunteer within that... I think that this is the reason why some results are long-lasting.”

- Representative of the religious community

Finally, the third type of civil society organization - **developing organizations** - refers to the highest level of professional acting: provision of institutional support to other organizations. Almost a third of the surveyed organizations primarily deal with philanthropy in this manner. As with fundraising, the difference between more and less networked organizations is noticeable here, but it is less expressed. During the last year, every fourth developing CSO (27%) provided institutional support to even a double-digit number of associations of citizens. The aid was provided by 3% of surveyed developing organizations only to one association, and in the greatest number of cases (44%) one developing organization provided aid from two to five associations of citizens. As this is the case of a convenient sample, it would not be appropriate to apply the generalization to a whole civil sector. However, these data certainly provide a close image of CSO operating and suggest the direction in which future research should be conducted. The dynamics of development of the civil sector of Bosnia and Herzegovina can be established

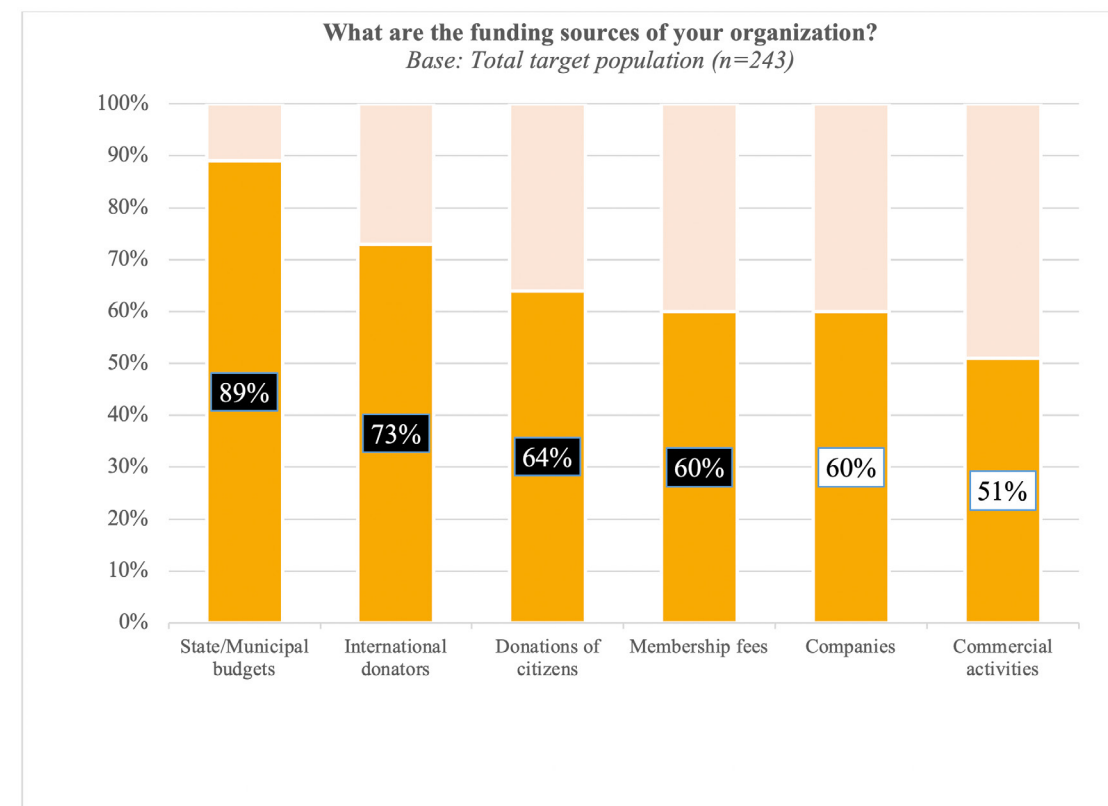
through a precise assessment of the number of developing CSOs and their beneficiaries. For now, one thing is certain: top organizations are present, **umbrella organizations are present**, and their work enables the development of intersectoral cooperation and strengthening capacities of the civil sector in Bosnia and Herzegovina.

“We act in the area of our canton, but we are connected with almost all associations in Bosnia and Herzegovina. We are connected with 20 associations that deal with similar issues through organizations in Sarajevo. Apart from our canton, we are available in the whole BIH, without division on entities and we are very proud of that.”

- Representative of the organization for the improvement of women’s position

Sources of funding

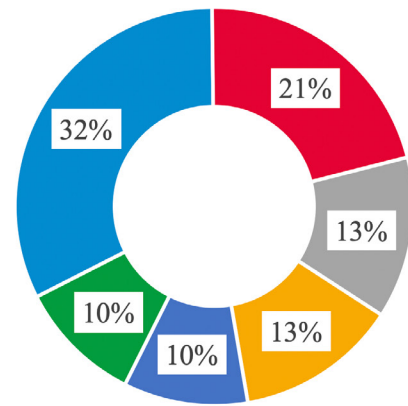
In the last report of the CSO Sustainability Index (USAID 2023), the civil sector of Bosnia and Herzegovina was evaluated as financially unsustainable and **extremely dependable on the aid of the international community**. Findings of the current study direct to a similar conclusion. 73% of surveyed CSOs are being funded through grants from international organizations, whereby these donations, on average, make up a third of the total donated funds. Apart from that, the most present source of funding is state and municipal budgets, from which even 89% of surveyed organizations are being funded, whereby these funds make up a fifth of all CSO available funds. When it comes to other funding forms, 64% of the surveyed CSOs rely on the donations of citizens, 60% on contributions of their members and the same number on giving by companies. Every second surveyed civil society organization makes some income through commercial services provided on the market.



Please state the share of every funding source so that the sum makes 100%.

Base: Total target population (n=243)

- International donors
- State/Municipal budgets
- Donations of citizens
- Membership fees
- Companies
- Commercial activities



Thus, it seems that the problem of civil society organizations' funding is not in diversification of funding, because, according to the data, 60% of the surveyed organizations directly communicate with companies, while even 51% of non-profit organizations part of their socially beneficial activities fund by the money earned on the market. Instead of the lack of different models of funding, the problem seems to be **in the insufficient rootedness of organizations in the local communities in which they act.** Support obtained by the civil sector from a community in which they act and which primarily refers to the donations of citizens and companies, in total makes only a quarter of all, already insufficient funds to work with. As the in-depth interviews reveal, the **challenge of communication** represents a special obstacle in rapprochement with the local community. On one hand, it is very hard to find an adequate modality of transparent reporting on used funds to ordinary citizens-donors. On the other hand, representatives of the civil sector often lack skills in corporate communication which is implied in the business world. The problem of the lack of rootedness of organizations in local communities requires an urgent intervention because, as it is visible, the intention of international donors is not to keep the civil sector dependable, which can be anticipated by less available grants directed for support to local associations and foundations.

"Although there was Corona, 2020 was very successful in terms of projects in humanitarian aid, but now there is a lot, a lot less of these. Honestly, It is much more difficult to get financial sources. It helped us a lot that we received information by Network for Peace about where to apply every day."

... Now there are not many applications where we can write. There are some applications but those are not the ones in which a small local association can act. Those are mostly funds of the European Union or something that is for some large organizations."
- Representative of the organization for the improvement of women's position

"Earlier, there were many more EU projects that supported this field. However, now there is less and less money available for the provision of services for socially disadvantaged because it is considered that they are under the liability of the state and that those issues need to be solved systematically."
- Representative of the local foundation

The unfavorable financial position in which most of the Bosnian and Herzegovinian CSOs are placed is additionally burdened by **clientelism forms** of redistribution of public funds and **lack of strategic access to fundraising.** Findings of in-depth interviews suggest that there is an intransparent work of state institutions, especially in procedures of awarding public funds. However, without underestimating the significance of clientelism and corruption, this issue is not additionally examined because it exceeds the scope of the current study. Instead, we were interested in the extent to which CSOs approach the fundraising issue in a planned and systematic manner.

Based on the answers of respondents, every third surveyed organization has a person who exclusively deals with fundraising. However, according to the in-depth interviews, this is actually the manager who, among all other issues, is also authorized for this issue too.

If it is the case of more persons doing this job, then fundraising is just one of many obligations of the employees. A slightly better state is found when it comes to the codification of this practice. So, almost half of the surveyed organizations adopted the Fundraising Strategy. However, there is also a danger of overestimating the significance of the survey data. According to the in-depth interviews, many organizations define funding aspects in their internal Rulebooks, some of them also have a non-formal strategic approach, but there are rare organizations with an adopted document that deals exclusively with this matter. There are examples of good practice but they refer to already well-established organizations.

"As far as the local crowdfunding is concerned, we do it together with volunteers, but somehow, I am the coordinator of that group of volunteers. I am the manager, but I work everything else a bit."
- Representative of the association of citizens

"We have a strategy, we have a database of our donors, and we regularly visit websites to check open calls for applications."
- Representative of the association for the improvement of the position of LGBTI+ persons

" There is a fundraising strategy and there is a document. Top management adopts it on an annual level. The strategy does not determine forms of fundraising, does not specify donors, but they are divided based on these approaches: what are the donated funds, what are non-donated funds"
- Representative of the local foundation

Organizations with stable funds remain committed to their initial mission whereas organizations with unstable sources of funding adjust in different ways to unfavorable material conditions. Among other things, organizations expand their scope to those areas that open up new funding opportunities, which consequently put them at risk of moving away from the initial mission. Alternatively, organizations show readiness to leave their zone of purely activist engagement, competing in the market of goods and services. **The commercialization of non-profit work** has thus become a reality for half of the surveyed CSOs, which can produce twofold consequences. On one hand, the commercialization of non-profit activities can improve CSO work models and encourage cooperation with the business sector.

On the other hand, there is a fear that dependence on international donors will be replaced by dependence on the market reward mechanisms, which will not be a sufficient source of funding for many CSOs. Currently, the sales of goods and services on the market account for about 10% of the income of non-profit organizations. By increasing this share, the responsibility of state and local authorities for the development of the non-profit sector is reduced.

"...apart from that, we have our own greenhouse production within our organization, we have our dairy which is a separate legal person through which we have certain contributions through which we provide basic income."

- Representative of the local international foundation

Unfavorable material circumstances are not only an important determinant from the point of view of individual organizations but also from the point of view of the civil sector as a whole. In-depth interviews show that circumstances of material scarcity lead to the breakdown of cooperation and trust within the sector, especially when it comes to women's associations. During fundraising activities, **there is an occurrence of competition between associations** that normally cooperate harmoniously, which infringes trust within the sector and negatively influences the work results, which are often joint. However, there are also examples in which women's associations not only generate their own income but also the income of the beneficiaries of their programs, which is certainly a desirable direction for the development

"I would like to single out the example of the economic strengthening of women in which we had a program in rural areas during the last year: After completing the training, women were donated raw materials for the continuation of their work. They established their association and continuously continued to produce products that they were trained for during their education."

CORPORATE PHILANTHROPY

"It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently." Warren Buffett.

The globalization of the market and the increasing exploitation of non-renewable human and natural resources also led to a change in the perception of the role of economic entities in society. Fifty years after the publication of Milton Friedman's famous text: "The social responsibility of business is to increase profits", the New York Times published an article entitled: "Greed is good. Except when it's bad"³². This article perfectly reflects the change of ideological paradigm - **from the minimalist role of business entities to the development of the concept of corporate citizenship**. Nowadays, it is almost universally accepted that companies are expected not only to do no harm but also to take a proactive approach to investing in the welfare of the community in which they operate. It remains a controversial question to what extent companies actually meet these expectations. Many of them have adjusted to these expectations by adopting **greenwashing** practices, i.e. using the model of corporate social responsibility (CSR) and corporate philanthropy for purely marketing purposes. On the other hand, research practice shows that even in the region of the Western Balkans there are companies that, through their socially responsible operations, still make a significant contribution to the development of an inclusive society, far beyond the expectations of the public (Vuković & Gligorić, 2022).

In Bosnia and Herzegovina, **the business sector donates the most** recorded funds (Demir, 2022), **but enjoys the worst reputation** compared to other participants of the philanthropic ecosystem (see: Individual philanthropy). In this sense, the initiatives for networking of responsible companies and the codification of the ethical standards of their business represent an important step in the promotion of social responsibility. *Directory of good practices of corporate social responsibility* was launched by the Global Agreement Network in 2012, but there has been almost no mention of this initiative since then³³. Nine years later, the KULT Institute and the Association of Employers of the Federation of Bosnia and Herzegovina published the *Charter on Respecting*

Human Rights in Business, which, since then, has been signed by over 80 companies³⁴.

With this charter, company managers expressed their intention to adhere to the principles formulated through 15 points of (un)desirable business practices in their business. Finally, the last in a series of major initiatives is the establishment of the Philanthropic Forum of Bosnia and Herzegovina, which serves as an institutional platform for cross-sector cooperation specifically in the field of philanthropy, i.e. when it comes to companies, in the field of corporate philanthropy.

Corporate philanthropy is a narrower term than corporate social responsibility, but in the business environment of Bosnia and Herzegovina, the two phenomena are intertwined. Given that the concept of corporate citizenship is still underdeveloped, the subject of the current study included all socially responsible activities of companies, including philanthropy. Thus, through a survey and in-depth interviews with representatives of the business sector, instead of philanthropy, the concept of CSR or ESG was communicated more often (see the beginning of the chapter). Without examining the intention and motivation of business entities, the research team primarily dealt with understanding of the concept corporate social responsibility, fields in which companies are engaged, institutional barriers, and cooperation with civil society organizations.

Understanding the concept of corporate social responsibility

The concept of corporate social responsibility was **adopted in the business operation of large companies**, whereas small business entities mainly use it passively, i.e. it is understood but not applied. Large companies primarily connect CSR with environmentally aware business or sustainable development goals (SDG). After mentioning English abbreviations - CSR/ESG - representatives of large companies immediately speak

of **guidelines** and very clearly formalized corporate strategy.

Marketing is directly connected with the responsible business, conceptualized as the marketing of the common good in that sense. Terms **greenwashing** and **socialwashing** are not familiar to most representatives of small companies, whereas representatives of large companies, who are familiar with CSR/ESG principles, are familiar with the meaning of these terms too.

"Greenwashing is aimed and provided incorrect information that leads to the formation of public opinion on a certain topic, especially when it is about the green factors."

- Representative of the global retail chain

Fields of corporate social responsibility

A distinct characteristic of corporate philanthropy is reflected in the capacities of the business sector. Resources owned by companies exceed beyond resources of ordinary citizens and civil society organizations. In that sense, it could be expected that corporate philanthropy is more exploited through development than the humanitarian dimension.

However, although the data indicate that companies provide a significant portion of donations through development projects in communities in which they do business, the dominant field of their philanthropic engagement is **humanitarian work**.

In the scope of developing programs, most of the surveyed companies deal with environmental protection (71%) and the promotion of young talents (61%). Gender equality, sports, and improvement of business climate are topics that approximately half of the surveyed sector deals with. Topics of science, arts and culture are slightly less present, while less than a third of surveyed companies employ members of the vulnerable population categories, actively improve international business cooperation and donate for religious purposes.

The low representation of international cooperation programs is not surprising when it is taken into account that the programs are implemented in most cases in the **local communities** (89%). Then, the frequency of the program decreases linearly as the geographic scope expands – 54% of the surveyed companies operate on a regional level, 38% on a national and 20%

on an international level.

In the scope of their socially responsible activities, almost all surveyed companies donate money or their own products (96%). Of unconventional donating sources, pro bono services are provided by every second (50%), and volunteering actions of the employees are organized by every fourth surveyed company (27%). Annual donation value of the money or goods extremely varies, whereby over half of companies donated less than 50,000 BAM in the last year.

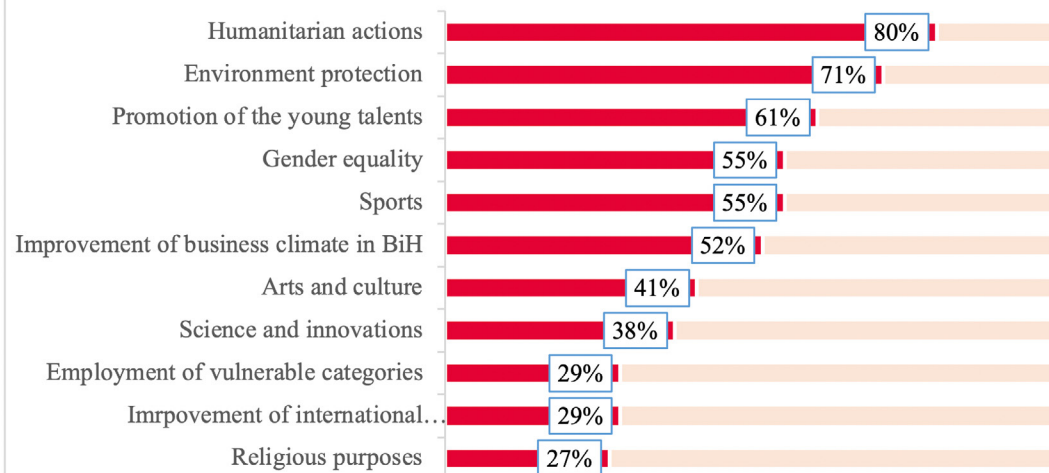
³²See: <https://www.nytimes.com/2020/09/13/business/dealbook/milton-friedman-essay-anniversary.html>

³³See: <https://ba.ekapija.com/news/657433/prezentiran-direktorij-dobrih-praksi-drustveno-odgovornog-poslovanja-u-bih>

³⁴See: <https://snagalokalnog.ba/10-godina-od-usvajanja-vodecih-nacela-o-poslovanju-i-ljudskim-pravima-ujedinjenih-nacija/>

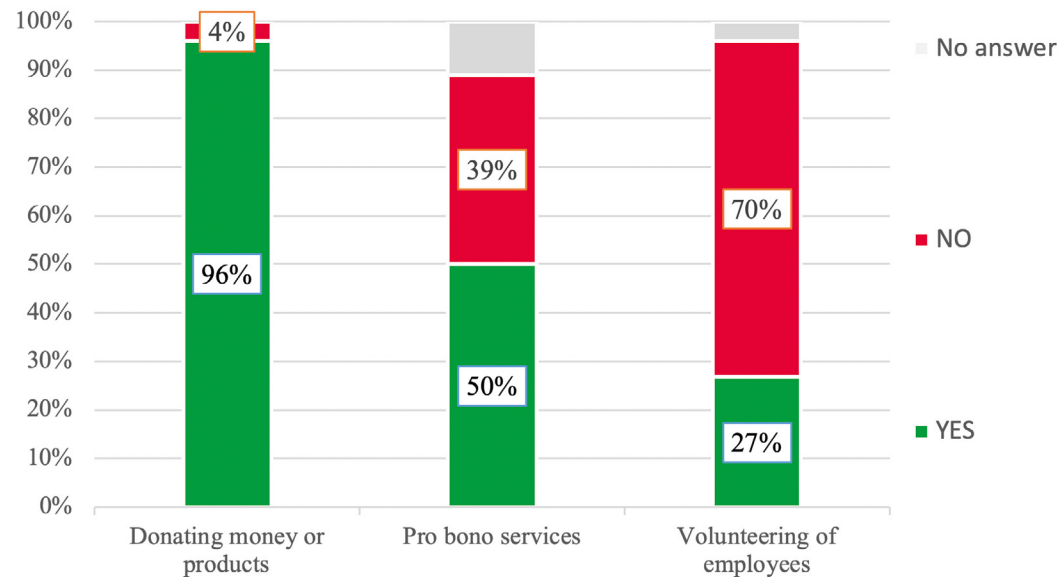
In which fields does your company implement corporate social responsibility programs?

Base: Total target population (n=56)



Types of philanthropic engagement

Base: Total target population (n=56)



Institutionalization of corporate social responsibility

The level of institutionalization of corporate social responsibility in the business sector of Bosnia and Herzegovina is still in the **initial development phases**. In a sample of socially responsible companies, 43% of respondents stated that their company has a formulated strategy of CSR, whereas 9% do not know if the strategy exists. The remaining 48% of respondents explicitly state that their company does not have an adopted strategy. In accordance with that, it is not surprising that the position for corporate social responsibility can be found only at 18% of the surveyed companies. In the remaining companies, this business is mainly left to the PR and marketing services.

The process of deciding about corporate social responsibility programs and corporate activities goes from totally spontaneous, ad hoc reactions to the submitted requests for aid, to relatively institutionalized mechanisms which implies a special structuring of the annual budgets. Spontaneous deciding is the dominant model in small companies, whereas the procedural approach can be found in large companies, with the note that there are also some significant variations.

"The management makes decision on distribution of funds but the donation budget is not determined in advance. We decide to whom we will donate funds on the basis of request or appeal. The fields of donating are not determined in advance. We would not donate funds in cases when the request is suspicious and when we cannot get real facts that the aid is necessary. How much will be donated depends the most on the business success."

- Representative of a large company

"The budget is determined in advance and it is determined on an annual level. There is an exact amount that the company can donate. There are certainly extraordinary circumstances to which we can respond."

Generally seen, a significant **difference between large and small companies** is noticeable, which is to the greatest extent conditioned by the (non) existence of the financial, organizational, personnel, and other resources that can be directed to socially responsible activities. This conclusion is reflected in different domains, starting with familiarity with the term and its possible abuse (greenwashing/socialwashing),

clearly defined areas of CSR/ESG activities, the institutionalization of the decision-making process on CSR/ESG projects, and measuring of their performance. Regarding performance measurement, representatives of large companies state that they measure the performances of their programs, while small companies do not. However, not a single company presented the methodology by which they measure their performances. It remains uncertain whether they have a developed methodology of performance measurement or the interviewer did not sufficiently investigate this issue or the "performance measurement" is taken for granted, while a robust methodology essentially does not exist.

INTERSECTORAL CO-OPERATION

The philanthropic ecosystem consists of an intertwining of socially engaged participants from the civil, business, and state sector. Citizens are inside this triangle. Whether they are in the role of donors or beneficiaries of donations, citizens are always the main bearers of philanthropic actions. However, without non-profit organizations, the enthusiasm of citizens would remain unarticulated, while without corporate participants, economic resources remain unused. In such a constellation, state institutions play an indispensable role in establishing the rules of the game and encouraging the active participation of citizens and companies in local communities. As the philanthropic ecosystem can exist only with the cooperation of all its factors, cross-sector cooperation creates the effect of a **dispersive prism** through which the sum of philanthropic actions becomes a social phenomenon of strategic importance.

In Bosnia and Herzegovina, humanitarian actions have the greatest mobilizing potential, but there are also institutional preconditions for the development of intersectoral cooperation within the program of developing philanthropy. These programs include online platforms for fundraising and corporate volunteering, digital tools for data exchange, diaspora networking projects and associations for the promotion of philanthropy. To what extent are representatives of civil society and the business sector familiar with these programs and what are the potentials of their mutual cooperation, we examined through a survey and in-depth interviews.

Familiarity with philanthropic platforms

We used in-depth interviews with representatives of the civil and business sectors, among other things, to gain insight into the familiarity with the existence of four relevant platforms for their philanthropic engagement: doniraj.ba, volontiraj.ba, givingbalkans.org, and Philanthropic Forum.

Doniraj.ba is an online platform for raising funds in order to fund socially beneficial activities of citizens and civil society organizations. The platform is extremely significant for civil society organizations because it allows them to connect with the community, raise funds and promote their work. On the other hand, the platform is also useful for the donors because it provides a tool for quick and easy investment in the philanthropic activities of their choice. However, regardless of its significance, most of the interviewed civil sector representatives have never used the platform.

Volontiraj.ba is an online platform for networking in the civil and business sector in the programs of corporate volunteering. The platform has an extremely important significance for the development of intersectoral cooperation because it functions according to the supply and demand model i.e. it connects interested companies with organizations that need support at work. However, regardless of the innovativeness of this networking model, it seems that the platform does not work at its full capacity. Most of the business sector representatives are not familiar with the platform, and therefore they did not use it.

CSO representatives are more familiar with the platform, but only a few of them had a chance to use it.

Givingbalkans.org is a unique online database of all philanthropic actions reported by regional media. The database offers data about the number of donating instances and values segmented according to types of donors, recipients, beneficiaries, and purposes for which it is donated. It seems that the usage value of this database is not sufficiently recognized in the civil sector of Bosnia and Herzegovina. Only half of the interviewees is familiar with the database, whereby rarely anyone used these data.

Philanthropic forum is an association of individuals, organizations, and companies that deal with philanthropy. At the moment of preparation of this publication, Forum includes 6 member foundations and 21 company members. It seems that the Philanthropic forum is in its work more oriented to corporate philanthropy than the philanthropy of organizations. Representatives of the business sector are more familiar with their work than representatives of the civil sector. Among the interviewed, there are also representatives of companies that are members of the Forum. Their satisfaction with the work of the Forum is moderately positive. Most of them agree about the significance of this initiative for the development of the philanthropic ecosystem, although some members expect more activities.

Intersectoral cooperation between civil and business sector

Based on the statements of respondents, cooperation between the civil and business sector in Bosnia and Herzegovina is **quite widespread**. Among the surveyed CSO representatives, even 69% of them state that their organization had cooperation with companies. These findings are confirmed by the representatives of the business sector, among which 63% of them confirm cooperation with civil society organizations. The cooperation was mostly in short-term and periodic support to associations in the implementation of their activities. Experiences of associations are mainly positive, except when it comes to political issues. In those cases, representatives of the civil sector state their dissatisfaction by the lack of public support, in their opinion, for the pressing social issues.

The humanitarian type of cooperation is the dominant type of cooperation between associations and companies, such as donating certain products to vulnerable populations. Apart from this type of cooperation, a small number of surveyed associations have cooperated with companies in the form of monetary donations or implementation of philanthropic programs over a longer period of time. The significance of intersectoral cooperation is not only reflected by donations, but also by the provision of free services/time, so some associations emphasize the significance of getting **free premises** for the organization of events or **writing off levies** in cases when the association is a user of the company's services.

"We requested Elektroprivreda not to pay the electricity as a business entity, and they released us because we are a humanitarian organization. That is a positive example"

- Representative of an association for the improvement of women's position

It is usually **the associations that are proactive** in the process of establishing intersectoral cooperation. In a small number of cases, it is the companies that initiated the cooperation. Representatives of associations that established cooperation with the companies send their message to other associations that they should contact the representatives of companies without any fear, clearly represent their work, and ask for partnership which can be useful for the companies too if they cherish the same values.

"We had a cooperation with the company that has its own volunteering club, and they included their own volunteers to our action. One day they visited us, as they knew that we were working on a reconstruction of our yard, and they paid a significant amount of money. They wanted to contribute differently too, and then they mowed the lawn, cleaned up the trash and painted the fence. It was an activity that refreshed our everyday."

- Representative of an association for the improvement of women's position

"It is not a shame to ask. We were really in deep thought that it is a shame, it is as if we are begging for something from someone. We use someone's life story/hardships to get something and then we really hesitated and avoided to do that. However, when one starts from a real need that is for the persons that you ask for, then you can overcome that feeling of shame and somehow personal - that you do not ask for yourselves, but for the welfare of a group of people i.e. the welfare of the community."

- Representative of an association for the improvement of women's position

Associations that did not have any cooperation with companies show their interest if the company values match with the values of the association. In that sense, CSO representatives mostly express positive attitudes toward companies, except when it is the case of multinational companies, especially those that exploit natural resources. In those cases, representatives of associations **face the dilemma**: to rely on the donations of undesirable partners or postpone philanthropic work until the appropriate conditions are met.

"We had a lot of offers from the local companies that deal with oil sales to donate a certain portion of funds. Although it was not an ideal situation then, we decided to refuse such offers because we think that it can cause problems on a long-term basis. We fight against such things that this company does, and on the other side we are taking their funds - I think that it is totally crazy. I believe that every company needs to be socially responsible."

- Representative of an association for environmental protection

The influence of the tax policy on the engagement of organizations and companies

State tax policy can encourage philanthropy development in two ways: through tax deductions and tax incentives. Public opinion research suggests that fiscal incentives of individual philanthropy do not represent a significant motivation for most citizens. When it comes to companies, it seems that the situation is similar - 27% of the surveyed persons state that their company uses incentives, whereby rare companies through their donations exceed the amount of 3% of total income (maximum amount of tax deduction).

On the other hand, civil society representatives almost unanimously express their dissatisfaction with tax policy towards non-profit organizations. It is a general view that the taxes on salary and travel expenses are high. Also, there is a challenge to the impossibility of frequent signing of the **Temporary Service Contract**, whereby organizations are often unable to make the **Employment Contract** because they need staff for time-limited activities. During the interview, it was stated that they are not satisfied with how the tax money is used, and the lack of communication with the representatives of state and local authorities. The CSO representatives believe that, according to the current situation, they should have the possibility of influencing the decisions on the use of taxes collected from the funds that were raised from the foreign donors.

“We now pay contributions for all these people that participated in our activities, which is not a small amount of money.”

- Representative of an association for the improvement of the position of the Romani people

“When you look at the amounts that we pay for all those taxes and contributions on an annual basis, it is far from what we get from city, cantonal, federal authorities, i.e. through those public calls.”

- Representative of the humanitarian organization

FUNDING PHILANTHROPIC ACTIVITIES OF NON-PROFIT ORGANIZATIONS THROUGH BUDGET IN LSGUs

Jasmin Halebić

This section represents the findings of the research based on the collection and processing of data on funding non-profit organizations¹ that deal with humanitarian and philanthropic work in Bosnia and Herzegovina covering the period of three years: 2019, 2021, and 2022. This mainly includes the same non-profit organizations, including the Red Cross, Merhamet, Caritas, and Dobrotvor which act on the territory of Bosnia and Herzegovina, as well as some local humanitarian organizations.² Budget funds are the funding source.³ The data were collected by sending special requests for access to information in accordance with the Law on Free Access to Information⁴ as well as by checking the official websites of the LSGUs. The request was mostly sent by e-mail, and by regular post service in several cases. At the time of production of this report⁵, the data were still in the process of collection, inspection, and analysis. Therefore, the findings presented in this section can be considered as the preliminary research results. The part of the analysis that refers to ten LSGUs is represented here.⁶

Findings of the research

Average funding amount of non-profit organizations⁷ on annual level is 2.6 million BAM (the left scale), whereas the average annual funding amount of non-profit organizations per 1,000 citizens amounts approximately 57,000 BAM (the right scale).

Looking at the next graph, it is noticeable that the funding of non-profit organizations is quite uniform in 2019 and 2021, with a significant increase in funding in the next year, 2022. The increase in funding of non-profit organizations in 2022 compared to 2021 is about 0.9 million BAM or more than 40%.

¹The Rulebook on Budget Accounting in the Federation of Bosnia and Herzegovina and the Rulebook on Budgetary Classifications, Account Content and Application of the Chart of Accounts for Budget Users in the Republic of Srpska are the documents that regulate the manner of bookkeeping of budget payments towards non-profit organizations.

²Local humanitarian organizations are non-profit organizations established as associations and foundations that operate at the territory of local self-government.

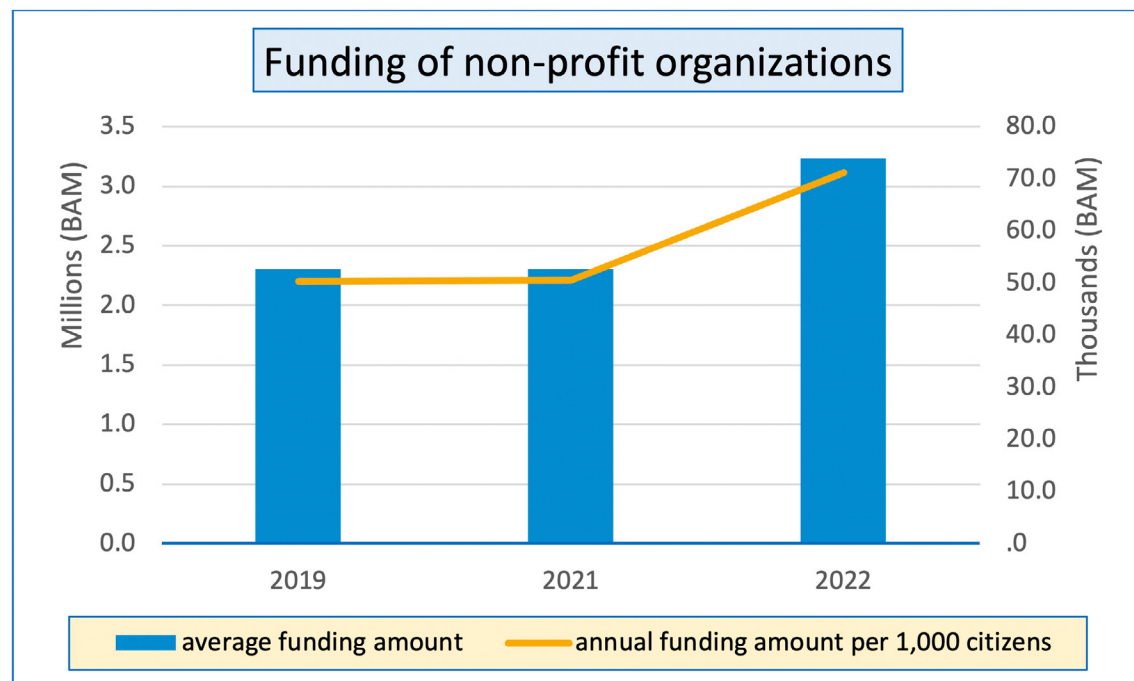
³Funding of non-profit organizations is planned within budget whereas in certain cases of lacking the funds, additional funds, such as the budgetary reserve funds are also used.

⁴As a reply to the request for free access to information regarding the detailed data on giving for non-government organizations, especially those that deal with humanitarian work, LSGUs delivered various explanations: a hyperlink to the official website; an answer that the data are trade secret, and available only to the state regulatory authorities; that only the direct inspection is possible or copying and delivering, whereby copying is to be paid 0.20 BAM per page if the document contains over 10 pages; data are available within the report on budget enforcement and it is published in the Official Gazette; up to the answer that the delivery of detailed information requires additional time and employment of additional human resources.

⁵First half of June 2023.

⁶Research sample is larger and includes 25 LSGUs from both entities and the Brčko District.

⁷Non-profit organizations are sports and youth, ethnic and religious, political, humanitarian organizations and associations, then organizations for affirmation and protection of rights of specific groups: women, children, refugees, and displaced persons, war veterans, and persons with disabilities, as well as organizations in the field of health and social protection, education, science and culture, economic and trade cooperation and similar.

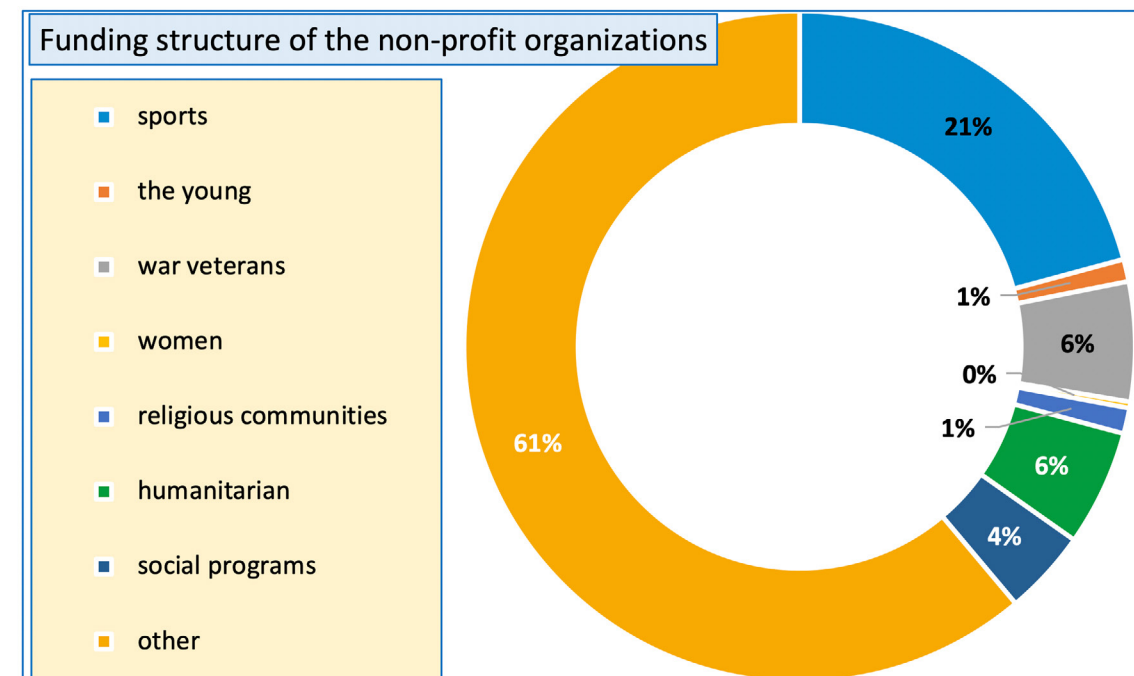


Source: data collected by the project, processed by the author.

Humanitarian activities of non-profit organizations, as probably the largest part of philanthropy, are funded by budget funds together with the activities of other non-profit organizations.⁸ The following graph represents the budget funding structure of the non-profit organizations in which it is visible that the largest portion of funding goes to sports (21%), veteran categories (6%), and humanitarian organizations (6%). A great portion of funding is marked by category **other non-profit organizations** (61%). Since LSGUs⁹ is funding a whole range of other organizations with a wide spectrum of activities, on the example of a typical LSGU it is explored in more detail which non-profit organizations belong to this category. According to the information, the category of other includes organizations from the following fields: science and research, education, environment protection, arts and culture, health, human rights, political parties, as well as organizations that deal with persons with disabilities.

⁸Accounting codes used for recording financing humanitarian organizations by the budget are 614300 in the Federation of Bosnia and Herzegovina and 415200 in the Republic of Srpska.

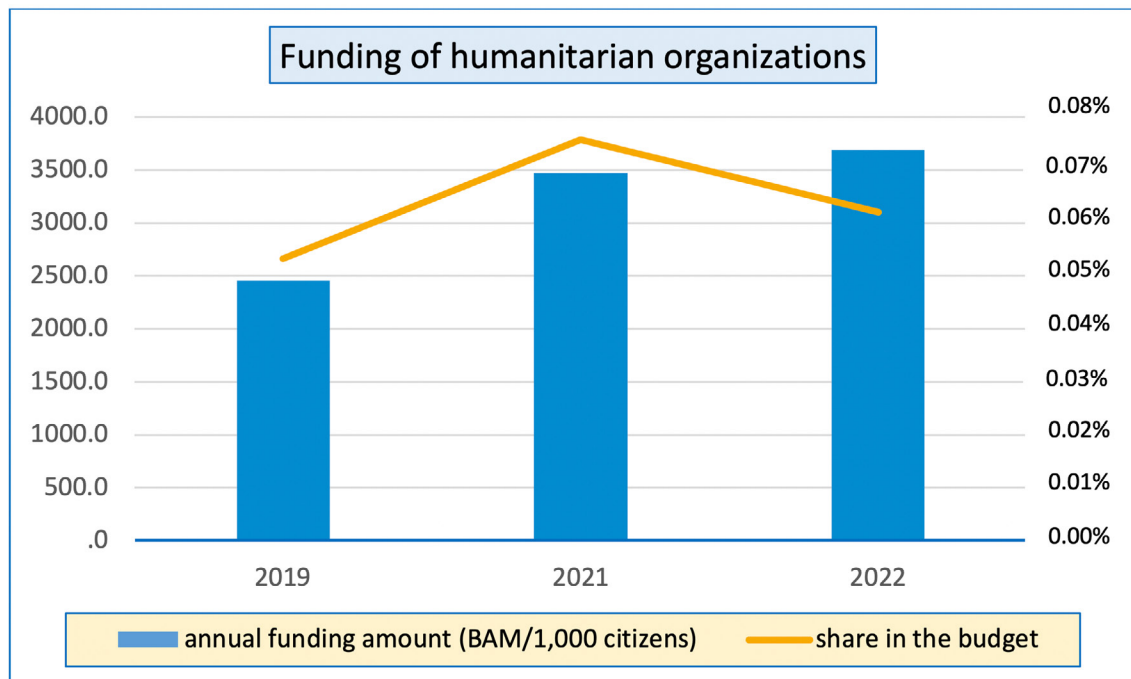
⁹To achieve a deeper focus of the analysis, out of the sample we chose one LSGU marked as the closest to the average LSGU according to the criteria of population and budget amount. Through analysis of the budget execution and specific LSGU, analytic probing of the funding structure of non-profit organizations was conducted.



Source: data collected by the project, processed by the author.

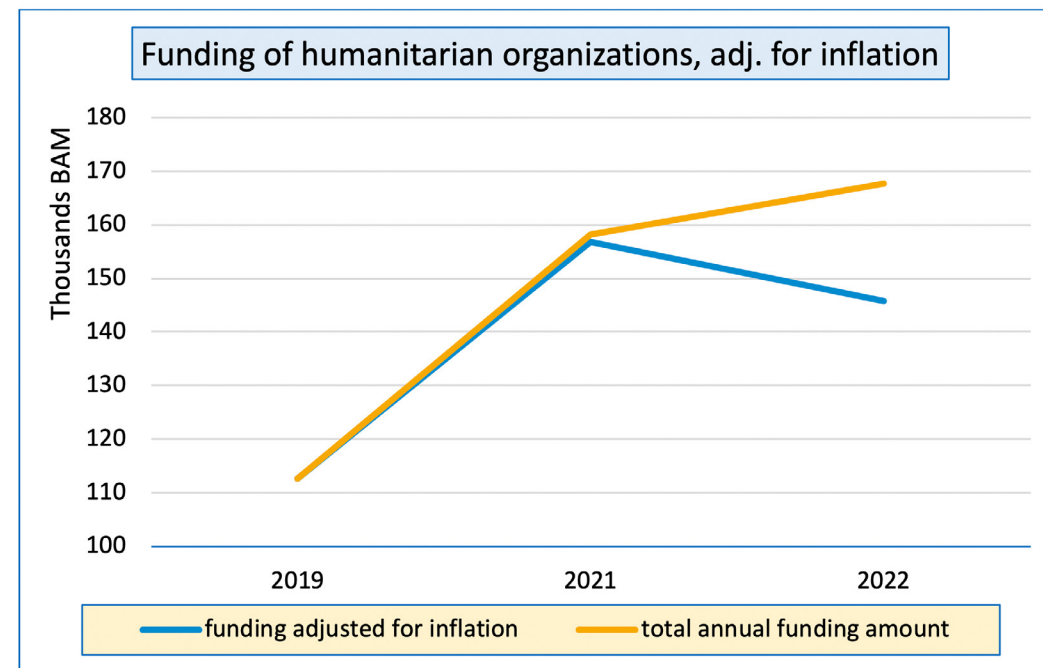
In terms of funding of activities of humanitarian organizations, an increase in the total funding amount was noticed, starting from an average of 113,000 BAM in 2019 up to 168,000 BAM in 2022. When the funding amounts are compared to the total population, which is shown on the following graph (the left scale), there is an obvious change in 2021 in comparison to the pre-pandemic 2019. Apart from the objectively increased needs of the population for humanitarian and philanthropic services during and after the pandemic Covid-19, the decrease of the average population¹⁰ additionally influences the resulting growth of funding per citizen. It is interesting that the funding of humanitarian organizations observed as a budget portion on a sample of 10 LSGUs (the right scale) at first rises from 2019 to 2021 (from 0.053% towards 0.076%), and then falls in the following year (to 0.062%).

¹⁰The estimated population in the last ten analyzed SGUs was smaller in 2022 by about 0.8%, i.e. 3,700 citizens in comparison to 2019, according to the entity Institutes for Statistics.



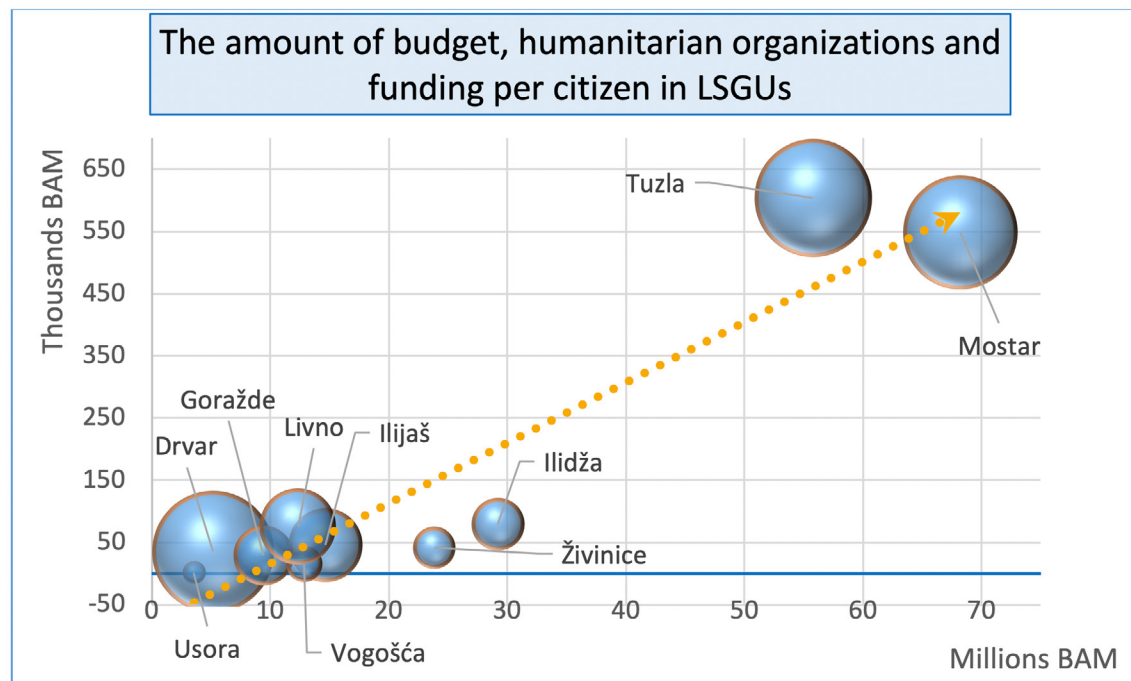
Source: data collected by the project, processed by the author.

High inflation has been present recently in the economy of Bosnia and Herzegovina. According to the data of the Agency for Statistics of Bosnia and Herzegovina, the inflation rate on the annual level in Bosnia and Herzegovina in 2022 was 14,8%. Therefore, funding of the humanitarian organizations from budget funds was analyzed and adjusted for the influence of inflation. The following graph shows the total funding of humanitarian organizations for ten LSGUs adjusted for the influence of inflation. It can be noticed that in 2019 and 2021 there was no significant difference between nominal funding and funding adjusted for inflation. Still, in the following 2022, a significant change in trend was obvious. While the budget allocations for the work of humanitarian organizations grow, still their real amounts are decreasing. When the small portion of funding humanitarian organizations in the budget structure is added to that, which was indicated earlier, it can be concluded that the real position of the humanitarian organizations in Bosnia and Herzegovina did not improve.



Source: data collected by the project, processed by the author.

The following graph shows an analysis of rates between the average annual budget amount (on a horizontal axis) and average annual allocations for humanitarian organizations in LSGUs (on a vertical axis). There is an apparent connection, represented by a growing trend line, which indicates that LSGUs with higher budget capacities allocate more funds for support of activities of the humanitarian organizations in their area. The size of the circle represents the amount of funding per citizen in every LSGU.



Source: data collected by the project, processed by the author.

Limitations in the research

KAs with every other research, certain limitations accompanied this research. We consider the recognized limitations to be a good basis and initial point to undertake steps for decision-makers with the aim of improvement in the field of work of humanitarian organizations. The most significant limitations are:

- the non-existence of the systematized information and data in the statistic agency publications regarding philanthropy,
- uneven manner of publishing data on budget enforcement for the public by the LSGUs on their official websites,
- the impossibility of delivering data in formats suitable for analysis (e.g. MS Excel),
- mistrust of LSGUs toward research on the topic of philanthropy and providing inadequate explanations for delays in delivery or refusal of providing data.

HOW TO CONTINUE FURTHER?

Recommendations for the development of the philanthropic ecosystem that emerged from the current study include fieldwork, institutional framework, and the future research. These recommendations primarily focus on the interest of the civil sector and the improvement of philanthropy of organizations, addressing the representatives of the civil sector, international donors, and future researchers.

Recommendations for the fieldwork

- Promotion of the philanthropy concept outside the civil sector
- Standardization of the active working transparency of the CSOs
- Promotion of philanthropic platforms
- Innovative recruiting of volunteers
- Informing TV viewers
- Organization of philanthropic actions for group participation
- Informing the public (online donating and tax deductions)
- Extension of the Philanthropic forum of Bosnia and Herzegovina

Recommendations for the development of the institutional framework

- Introduction of fiscal incentives for giving of individuals
- Introduction of fiscal incentives for services
- Legal norming of institutional grants
- Harmonization of regulations
- Systematic data collection
- Systematic data monitoring

Recommendations for the further research

- Divide humanitarian and developing philanthropy
- Investigate the subpopulation of the low-educated further
- Investigate the territory of the Brčko District BiH further
- Implement training of fieldwork researchers before starting the research

- Develop research of the public sector (indicators: number of organizations, number of employees, number of part-time employees, number of volunteers, number of beneficiaries, etc.)
- Investigate the role of the media further
- Investigate the diaspora potential further
- Investigate a methodology of measuring the efficiency of the donated funds further
- Investigate the topic of blood and organ donating further
- Investigate the non-coordinated philanthropy (e.g. donating on the street) further

Public opinion survey ANNEX 1: SAMPLE

<p>SEX Men: 49% Women: 51%</p> <p>TYPE OF SETTLEMENT City: 43% Village: 57%</p> <p>AGE 18 – 24: 11% 25 – 34: 18% 35 – 44 :17% 45 – 54: 19% 55 – 64: 17% 65+: 18%</p>
<p>EDUCATION Elementary school and no education: 15% Secondary school and currently studying: 59% Higher education: 22% Other: 4%</p>
<p>NATIONALITY Bosniak: 50% Croat: 12% Serb: 33% Other: 6%</p>
<p>RELIGION Catholic: 12% Orthodox: 32% Islamic: 51% Atheism: 2% Other: 3%</p>
<p>HOUSEHOLD INCOME Up to 450 BAM: 18% 451 BAM – 1000 BAM: 28% 1001 BAM – 1500 BAM: 15% 1501 BAM – 2000 BAM: 11% 2001 BAM – 3000 BAM: 9% Over 3000 BAM: 7% No answer: 12%</p>
<p>GEOGRAFIJA Una-Sana Canton: 7% Posavina Canton: 1% Tuzla Canton: 13% Zenica-Doboj Canton: 10% Bosnian Podrinje Canton: 1% Central Bosnia Canton: 7% Herzegovina-Neretva Canton: 6% West Herzegovina Canton: 3% Sarajevo Canton: 12% Livno Canton: 2% Banja Luka Region: 16% Doboj Region: 6% Bijeljina Region: 8% Pale Region: 4% Trebinje Region: 2% Brčko District BiH: 2%</p>

Survey of the civil sector

SIZE
Number of employees: 45%
One employee: 6%
2 – 5 employees: 24%
6 – 10 employees: 8%
11+ employees: 17%
POSITION
General Manager: 60%
Financial Manager: 1%
Program Manager: 7%
Project Coordinator: 25%
Project Assistant: 7%
FIELD OF ACTIVITY
Humanitarian work (health and social care): 18%
Aid and advocating better position of persons with disabilities: 18%
Education and advocating better position of the young: 12%
Environment protection: 9%
Education and advocating better position of women: 6%
Protection of the rights of minorities (ethnic, religious, sexual etc.): 4%
Improvement of relations between ethnic and religious groups: 4%
European integrations: 3%
Inspection and monitoring of the work of public institutions: 1%
Other: 25%
GEOGRAPHY
Una-Sana Canton: 11%
Posavina Canton: 1%
Tuzla Canton: 18%
Zenica-Doboj Canton: 8%
Bosnian Podrinje Canton: 1%
Central Bosnia Canton: 4%
Herzegovina-Neretva Canton: 12%
West-Herzegovina Canton: 0%
Canton Sarajevo: 20%
Canton 10: 2%
Banja Luka Region: 12%
Doboj-Bijeljina Region: 6%
Sarajevo-Zvornik Region: 4%
Trebinje-Foča Region: 1%
Brčko District BiH: 1%

Survey of the business sector

STATE OF ORIGIN
Bosnia and Herzegovina: 91%
EU states: 6%
West Balkan states : 2%
Other: 2%
SIZE
1 – 10 employees: 23%
10 – 49 employees: 15%
50 – 249 employees: 30%
250 – 500 employees: 23%
501 - 1000 employees: 2%
1001+ employees: 8%
POSITION
General Manager: 31%
Financial Manager: 10%
Program Manager: 23%
Project Coordinator: 29%
Project Assistant: 8%
FIELD OF ACTIVITY
Mining, forestry and agriculture: 0%
Industrial production: 21%
Energy economics: 2%
Construction and real estate: 6%
Logistics and distribution: 2%
Wholesale and retail trade: 11%
Telecommunications: 4%
Information technologies: 17%
Finance and administrative services: 8%
Tourism and hospitality industry: 2%
Education: 0%
Healthcare: 2%
Media, entertainment and communications: 8%
Other: 19%
GEOGRAPHY
Una-Sana Canton: 4%
Posavina Canton: 0%
Tuzla Canton: 11%
Zenica-Doboj Canton: 8%
Bosnian Podrinje Canton: 2%
Central Bosnia Canton: 0%
Herzegovina-Neretva Canton: 9%
West-Herzegovina Canton: 2%
Canton Sarajevo: 34%
Canton 10: 0%
Banja Luka Region: 23%
Doboj-Bijeljina Region: 0%
Sarajevo-Zvornik Region: 4%
Trebinje-Foča Region: 0%
Brčko District BiH: 4%

State	Humanitarian inter	OSI	LGBTIQ	Peace CSOs	Religious CSOs	Volunt-eering	Local Foundation	Roma People CSOs	Women's CSOs	SPORTs	Culture	Environ-ment	Animals	Companies	Total
Banja Luka	1	1	1	1	1	1	1	1	1	1	1	1	1	4	16
Bihac	1	2			2				1					2	8
Brcko	1						1	1				1		2	6
Mostar			1			2				1		1	1	1	6
Sarajevo	1	1	1	2	1	1	2	1		1	1	1	1	6	20
Tuzla			1	1			1	1	1				1	2	9
Zenica	1	1			1				1	1	1	1		2	9
Total	5	5	4	4	5	4	5	4	4	4	4	5	4	19	76

Questionnaire for public opinion survey

INTRODUCTION		Through this research, we want to learn about the state of philanthropy in Bosnia and Herzegovina. The questionnaire lasts about 30 minutes, and I kindly ask you for patience. Do not hesitate to say what you mean. There are no wrong answers. Once again, thank you for helping us to understand philanthropy better in this way.				X1
A UNDERSTANDING THE PHILANTHROPY						
A1	What comes first to your mind when you hear the word philanthropy? <i>PROG: [O]</i>	_____				Def1
Def1	Thank you for your answers. Please, keep in mind that there is no unique definition of philanthropy but for better understanding, we decided to use the following: When we say philanthropy, in this research we mean of <u>coordinated donations and volunteering of citizens and companies for the common good</u> . Specifically, we are interested in what you think about the widespread of donation in Bosnia and Herzegovina, and what is the reason that you donate or do not donate, whether in <u>money, goods, services or volunteering</u> i.e. donating your free time and work. Please keep in mind that, if necessary, I will repeat the definition for you in our further conversation. <i>SUR: It is very important that the respondent understands the definition! Repeat any part of the questionnaire, if necessary.</i>				B1	
B PERCEPTION OF WIDESPREAD OF PHILANTHROPY						
B1	According to your opinion, how much is philanthropy developed in Bosnia and Herzegovina, i.e. to what extent do people and companies donate for the purposes of the common good? Please use grades as at school, from 1 to 5, where 1 means that philanthropy is not developed at all, and 5 means that it is well-developed. <i>PROG: [S]</i>				B2	
	1- Not developed at all	2	3	4	5 - Well-developed	DK/Refuses
B2	What do you think, who donates the most, and who donates the least in Bosnia and Herzegovina? Please look at the list of donor types and rank from the largest to the smallest engagement. <i>SUR: Rank answers. Show card.</i> <i>PROG: Rank answers. Randomize answers [M]</i>				1. Ordinary citizens 2. Prominent individuals 3. Domestic foundations and non-government organizations 4. Foreign foundations and international organizations 5. Religious institutions 6. Private companies-enterprises 7. State companies-enterprises	
C EXPERIENCE OF PARTICIPATION IN PHILANTHROPIC ACTIONS						
C2	In the last 3 years, i.e. from COVID-19 PANDEMIC OUTBREAK UNTIL TODAY, did you participate in any philanthropic actions i.e. donate or volunteer in actions organized for the common good through a formal or non-formal organization of citizens/company? Formal organization can be a registered association of citizens or a company, whereas non-formal organization can be a non-registered association of neighbors, acquaintances, friends and similar. <i>SUR: Read the question slowly and understandably. Repeat, if necessary.</i> <i>PROG: [S]</i>				1. Yes 2. No	
C2a	Why you did not participate in philanthropic actions in the last 3 years? What are your main reasons? Please state first the most important reason, and then the other reasons too. <i>SUR: Do not read answers! Write the first reason separately from the other reasons. If the respondent does not know the answer, offer them already written answers.</i> <i>PROG: Ask if C2=2 [O]</i>				First reason: _____ 1. I think that we cannot solve the problem through philanthropic actions. 2. I have no trust in philanthropic actions and their initiators. 3. I have no sufficient information about philanthropic actions. 4. I have no sufficient time to participate in philanthropic actions.	
					Other reasons: _____ 1. I think that we cannot solve the problem through philanthropic actions. 2. I have no trust in philanthropic actions and their initiators. 3. I have no sufficient information about philanthropic actions. 4. I have no sufficient time to participate in philanthropic actions.	
						D1

SUR: Read items one by one. PROG: Ask if D1#1. Randomize answers [S]		not participate	not participate	participate	would participate	
	1. Humanitarian actions for the aid of the endangered categories of population (the poor, ill, refugees and displaced persons, people struck by natural disasters)	1	2	3	4	9
	2. Education (Renewal of education institutions, scholarships for talented pupils)	1	2	3	4	9
	3. Religious purposes (construction of religious buildings and other religious purposes)	1	2	3	4	9
	4. Scientific research and projects	1	2	3	4	9
	5. Human rights protection (actions by which the attention is drawn to the rights of a group or individual)	1	2	3	4	9
	6. Health protection (renewal of health institutions, procurement of medical equipment)	1	2	3	4	9
	7. Environment protection (living environment, air, water and other similar pollution)	1	2	3	4	9
	8. Arts and culture	1	2	3	4	9
	9. Sports	1	2	3	4	9
	10. Programs that advocate the establishment of good relations between ethnic and religious groups	1	2	3	4	9
D5	If you would participate in philanthropic actions within the period of one year, how would you be ready to provide aid? PROG: Ask if D1#1 [M]	1. By volunteering (donating time) 2. By my free professional services (donating professional work) 3. By donating goods/material goods 4. By donating money 95. Something else: _____				D7
D7	What is the maximum amount of money that you would allocate for a single action in which you would like to participate? SUR: Do not read answers! A respondent circles the answer from the list. PROG: Ask if D5=4 [S]	1. Less than 5 BAM 2. From 5 to 10 BAM 3. From 11 to 50 BAM 4. From 51 BAM to 100 BAM 5. From 101 BAM to 500 BAM 6. From 501 BAM to 1000 BAM 7. More than 1000 BAM DK (does not know - do not read)/ NA (refuses to answer - do not read)				D7a
D7a	How many philanthropic actions would you be able to support by this amount during the next year? SUR: Do not read answers! A respondent circles the answer from the list. PROG: [S]	1. One action 2. Two to five actions 3. Over five actions DK/NA				D8

D8	Would you be ready to donate small amounts of money but in more donating actions or would you give a larger amount of money once but just for one donating action? PROG: [S]	1. Smaller amount of money but to more donating actions 2. A larger amount once but just for one DK (does not know - do not read)/ NA (refuses to answer - do not read)	D9
D9	How probable is it that you would donate more if there were a possibility that all the donations that all your donations are booked as an expenditure and through that at least a little decrease in your income tax? PROG: [S]	1. I would certainly not donate more/regardless of tax deduction 2. I would probably not donate more/regardless of tax deduction 3. I would probably donate more/if I would get tax deduction 4. I would certainly donate more/if I would get tax deduction DK/Refuses (Do not read)	E1
E MOTIVATION			
E1	When you decide if you will participate in an action directed for the common good, do you first choose: SUR: One answer PROG: Ask if C2#2 and D1#1 [S].	1. Action related to the local community, that will benefit the people close to you. 2. Action of general nature, that will benefit a wide range of people. DK/Refuses (Do not read)	E2
E2	When it comes to money donating, which of the following ways of money donating are you familiar with? PROG: [M]	1. Payment on a bank account 2. Calling the humanitarian phone number 3. Via Internet (card payment) 4. Buying a certain product 5. Buying a ticket for a humanitarian event 6. Monthly subscription i.e. standing order in the bank by which you can direct a part of your earnings for supporting action that you chose 95. Something else: _____ DK/Refuses (Do not read)	E2a E3a E3b E2a
E2a	And which way would suit you the most? PROG: [S]	1. Payment on a bank account 2. Calling the humanitarian phone number 3. Via Internet (card payment) 4. Buying a certain product 5. Buying a ticket for a humanitarian event 6. Monthly subscription i.e. standing order in the bank by which you can direct a part of your earnings for supporting action that you chose 95. Something else: _____ DK/Refuses (Do not read)	F0
E3a	As you are familiar with the donations via the humanitarian phone number, can you remember any humanitarian number that is used in Bosnia and Herzegovina? Do you know which organization is the initiator of this number? PROG: Ask if E2=2 [S]	Humanitarian number: _____ DK/Refuses (Do not read) Organization: _____ DK/Refuses (Do not read)	F0
E3b	As you are familiar with the donations via internet, can you remember any internet platform (site) that enables online donating? Do you know which organization is initiator of this platform? PROG: Ask if E2=3 [S]	Platform: _____ DK/Refuses (Do not read) Organization: _____ DK/Refuses (Do not read)	F0
F TRUST			
F0	Civil society organizations are organizations that advocate the protection of human rights and fight against ethnic, religious, sexual, and discrimination of other minorities. Which of the following attitudes is the closest to yours? PROG: [S]	1. Civil society organizations have a positive impact on the prosperity of BiH 2. Civil society organizations have a negative impact on the prosperity of BiH 3. Civil society organizations do not have a positive or negative impact on prosperity of BiH DK (does not know - do not read)/ NA (refuses to answer - do not read)	F1
F1	To what extent is it important for you that your help is directed through the organization registered for a certain field of the common good (such as health and social care, human rights protection, environment protection, etc.)? SUR: One answer. Show card. PROG: [S]	4. Not important at all 5. Partially it is not important 6. It is not important or unimportant 7. Partially it is important 8. It is very important DK/Refuses	F2

F2	If you were to support fundraising initiatives by the following organizations and institutions, which ones would you support first? Which ones would you rank as first? As second? As third? <i>SUR: Show card</i> <i>PROG: Randomize answers. Rank three answers [M]</i>				
		First answer	Second answer	Third answer	
	1. Humanitarian organizations	1	1	1	
	2. Civil society organizations and local foundations that advocate human rights protection (against ethnic, religious, sexual and discrimination of other minorities)	2	2	2	
	3. Personal initiatives (initiated and led by individuals)	3	3	3	
	4. Public institutions (hospitals, schools, theaters, museums etc.)	4	4	4	
	5. Sports clubs	5	5	5	
	6. Municipalities/Local self-governments	6	6	6	
	7. Private companies-enterprises	7	7	7	
	8. State companies-enterprises	8	8	8	
	9. Religious communities (or one of them)	9	9	9	
	10. Foreign foundations and international organizations	10	10	10	
	11. Foundations of domestic companies or wealthy individuals	11	11	11	
					F3
F3	And when you participate in a philanthropic action i.e. you donate or volunteer in actions organized for the common good, how important is it for you to get the information on how much money was raised, how was it used and was the aim of that action accomplished? <i>SUR: One answer. Show card.</i> <i>PROG: [S]</i>	1. It is not important at all 2. It is partially not important 3. It is not important or unimportant 4. It is partially important 5. It is very important <i>DK/Refuses</i>			F4
F4	How often, according to your opinion, are funds raised in philanthropic actions i.e. actions organized for the common good abused? <i>SUR: One answer. Show card.</i> <i>PROG: [S]</i>	1. Never 2. Rarely 3. Occasionally 4. Often 5. Always			G1
G PERCEPTION OF THE GIVING EFFECT					
G1	To what extent is donating by individuals, ordinary people, according to your opinion significant, and how much it can help society? <i>SUR: One answer. Show card.</i> <i>PROG: [S]</i>	1. It is not significant at all 2. It is partially not significant 3. It is not significant or insignificant 4. It is partially significant 5. It is very significant			G2
G2	Which of the following claims reflects best your attitude regarding the donating of individuals for the common good? <i>SUR: One answer. Show card.</i> <i>PROG: [S]</i>	1. Only the rich individuals can allocate sufficiently big amounts of money so that the contribution is significant. 2. Ordinary people can only partially help, but that is not always sufficient. 3. If everyone would give as much as they can, no matter how little it is, a sufficient amount that would help changes for improvement could be raised.			G3
H INFORMATION AND COOPERATION WITH FOUNDATIONS					
H1	Are you familiar with any foundations or humanitarian organizations that implement philanthropic actions i.e. donating or volunteering actions for the common good on the territory of Bosnia and Herzegovina? <i>PROG: Ask everything [S]</i>	1. Yes			H2
		2. No			H3
H2	Which foundations and organizations are you familiar with? <i>PROG: Ask if H1=1 [O]</i>	1. _____ 2. _____ 3. _____ 4. _____ 5. _____			H3
H3	What do you think, to what extent foundations and humanitarian organizations that organize actions for the common good should be funded by donations of ordinary citizens, and to what extent by rich individuals and companies? <i>SUR: One answer. Show card.</i> <i>PROG: [S]</i>	1. Foundations and humanitarian organizations should not be funded through donations by citizens at all, but primarily by rich individuals and companies. 2. Foundations and humanitarian organizations should be partially funded through donations by citizens, and partially by rich individuals and companies.			H4

		3. Foundations and humanitarian organizations should be largely funded by donations of citizens, and not by rich individuals and companies.			
H4	And would you be ready to give money to a foundation or humanitarian organization that invests in the common good, to distribute it further? <i>PROG: [S]</i>	1. Yes 2. No <i>DK Does not know, indecisive (Do not read)</i>			H5 H4a H5
H4a	Why you would not give money to a foundation or humanitarian organization? <i>SUR: One answer. Do not read the answers!</i> <i>PROG: ASK IF H4=2 [O]</i>	1. I do not have trust in the work of foundations and/or humanitarian organizations. 2. I would like to decide on my own whom to help. 3. Because of a bad financial status.			H7
H5	Regardless of whether you would like or not to give money to a foundation or humanitarian organization, what could be the advantages of such a way of giving for the common good? <i>SUR: One answer. Do not read the answers!</i> <i>PROG: [O]</i>	1. I would not have to invest efforts and time, because someone else would do it for me. 2. I am not sure whom I should give, this way professionals would decide. 3. I can be sure that the money will reach where it is necessary.			H8
H6	If you would decide to give money for the common good via a foundation or humanitarian organization, that would further take care of the distribution of that money, how often would you like to be informed about the actions in which the money was invested? <i>SUR: One answer. Show card.</i> <i>PROG: [S]</i>	1. I do not feel any need to be informed. 2. I want to be informed from time to time. 3. I want to receive regular reports on how the money was distributed.			H9
MEMBERSHIP					
H9	Do you belong or are you a member of...? <i>SUR: Ask about every item separately.</i> <i>PROG: [S]</i>				
		Yes	No	DK/Refuses (Do not read)	
	Trade union	1	2	DK/Refuses (Do not read)	
	A professional association (doctors, lawyers, teachers, engineers or similar)	1	2	DK/Refuses (Do not read)	
	Association of citizens	1	2	DK/Refuses (Do not read)	
	Non-government, non-profit organization	1	2	DK/Refuses (Do not read)	
	Association of Tradesmen, Chamber of Commerce	1	2	DK/Refuses (Do not read)	
	A club, society	1	2	DK/Refuses (Do not read)	
	Religious community, organization, group or similar.	1	2	DK/Refuses (Do not read)	
	Humanitarian organization	1	2	DK/Refuses (Do not read)	
	Education, scientific organization or organization for culture and similar	1	2	DK/Refuses (Do not read)	
	The anagement board of an organization, company or similar	1	2	DK/Refuses (Do not read)	
I SOURCES OF INFORMING					
I1	Through which source do you find out most frequently about the philanthropic actions and volunteering actions organized for the common good? <i>SUR: One answer. Show card.</i> <i>PROG: Randomize items [S]</i>	1. On television 2. On the radio 3. In the printed media (newspapers, magazines) 4. On internet portals 5. Over social media (Facebook, Twitter, Instagram...) 6. Over electronic mail (e-mail, newsletter) 7. Through post/payment slips attached 8. Through ads on the street (billboards, noticeboards) 9. Directly from initiators, organizers of actions 10. I hear from my family members, friends 95. <i>Something else:</i> _____			I2
I2	And from which sources would you like to be informed the most about philanthropic actions i.e. donating and volunteering actions organized for the common good? <i>SUR: One answer. Show card.</i> <i>PROG: Randomize items [S]</i>	1. On television 2. On the radio 3. In the printed media (newspapers, magazines) 4. On internet portals			I3

		5. Over social media (Facebook, Twitter, Instagram...) 6. Through electronic mail (e-mail, newsletter) 7. Through post/payment slips attached 8. Through ads on the street (billboards, noticeboards) 9. Directly from initiators, organizers of actions 10. I hear from my family members, friends 95. <i>Something else:</i> _____	
13	For the end, what would initiate you the most to participate in philanthropic actions more, i.e. donate or volunteer in the actions for the common good? <i>SUR: One answer. Show card.</i> <i>PROG: [S]</i>	1. If I would receive information in a timely manner 2. If I would receive regular notifications on the results of actions 3. If I could get tax deductions by donating (decrease of the income tax at the end of the year) 4. If there was a possibility of online donating 5. If my friends would also participate 95. <i>Something else:</i> _____	Dem

Questionnaire / Guide for interviewing the civil sector

INTRODUCTION

Introduction of the moderator and Association Network for Building Peace:

My name is (NAME OF THE MODERATOR) and today I represent the Association for peacebuilding, in the role of researcher. Network for Building Peace has existed since 2010 and it counts 225 members today. It consists of various civil society organizations: educational institutions, eco organizations, interreligious organizations, media organizations, organizations that promote peace, deal with political issues, human rights, and rights of the persons with disability and similar.

Representation of the research:

Network for Building Peace implements research on philanthropy in Bosnia and Herzegovina. Through this interview, we want to learn more about your experiences and needs when it comes to engagement within the community and attitude toward donors. We are interested to hear your honest opinion and there are no correct and incorrect answers. The interview will last about 40 minutes, after which, as a sign of gratefulness you will get a voucher for a set of accessories that will be delivered to you afterwards. The research results will be presented in June, and you will be informed in a timely manner about it.

Before we start, a few important notes:

please speak loud enough so we can hear each other.

I do not want to take more time than necessary, so please do not get offended or angry if I interrupt you at some point so that we can continue and go through all the questions.

These conversations are being recorded because I will not be able to remember everything we discuss, but everything recorded remains strictly confidential. Neither will it be published anywhere, nor will anyone's name be mentioned. In case we quote some part of our conversation in the final report, which you will receive for inspection, your name and the name of your company will not be mentioned.

Turn on recording:

Recording is on, and if you agree, we can start.

CONDITION

Did you or your colleagues receive a survey sent by the Network for Building Peace? Did you or some of your colleagues fill the survey?

- If YES - I will ask you the same questions that you had in the survey and we will go through each question separately.
- If NO - I suggest that we do the survey together. Questionnaire is short and it will serve as a basis for further conversation.

SURVEY

1. What is philanthropy in your opinion? Can you provide an example of philanthropy?

1.1. How would you differentiate between humanitarian work and philanthropy?

Please keep in mind that there is no single definition of philanthropy, but for the purpose of better understanding, we have opted for the following: When we say philanthropy, in this research we mean on donating, volunteering, and organizing citizens and companies for the common good. The common good can be humanitarian (health and social care) or strategic (education, infrastructure, strengthening the civil sector, etc.).

2. In which fields does your organization implement non-profit activities? Please list all the fields you are involved in.

2.1. Have you so far/ Will you expand the scope of your work in the near future?

2.2. How many activities do you organize annually?

3. On which levels you implemented all your mentioned activities? List all the levels on which you implement non-profit activities.

3.1. If it is LOCAL/REGIONAL - Did you implement these activities mostly in rural, urban, or mixed areas? How long did they mostly last (a few weeks/months/years)? Did you cooperate with other associations/local authorities/companies? Were the reactions of the local community positive, negative, or neutral or there were no reactions? Did you measure the activity performance? Was the effect positive, negative, or neutral on the local community? Was the effect long-lasting, medium-lasting, or short-lasting? Can you name an example of activities?

3.2. If it is NATIONAL/INTERNATIONAL - Did activities include the whole Bosnia and Herzegovina, entity or parts of entities? How long did they last mostly (a few weeks/months/years)? Did you cooperate with other associations/local authorities/companies? Were the reactions of the local community positive, negative, or neutral or there were no reactions? Did you measure the activity performance? Was the effect positive, negative, or neutral on the local community? Was the effect long-lasting, medium-lasting, or short-lasting? Can you name an example of activities?

4. In WHICH ways do you implement the abovementioned activities?

* We ask for ALL in our interviews, in a survey for the most frequent!

If CROWDFUNDING - Ask 5. If VOLUNTEERING - Ask 6.

If CAPACITY DEVELOPMENT - Ask 7.

5. How much funds were raised by your organization for philanthropic purposes in 2022? Under philanthropic purposes, we mean aid provided to citizens or investments in the community.

5.1. For which purposes did you raise funds?

5.2. In which ways did you raise funds?

5.3. What was the donor's structure like?

5.4. Did you publish the data somewhere?

5.5. How much were you satisfied with the process? What obstacles did you face? What could help you in raising funds next year?

Are you familiar with the platform Doniraj.ba where all organizations can apply for online fundraising? Have you ever used this platform?

Have you heard about the platform GivingBalkans.org where you can find data about donors and recipients in the region? Have you ever used this platform?

6. How many volunteers can your organization count on at this moment?

6.1. Do you need more volunteers?

6.2. How do people volunteer in your association/What kind of volunteering is this?

6.3. What kind of volunteer profiles do you have available? How much it depends on the field of volunteering/ time of the year/other factors?

6.4. How do you recruit volunteers? Where do you publish calls? Do you offer some incentives (e.g. certificates) for volunteering? Do you have a selection of volunteers?

6.5. What are the main challenges that you face during the implementation of your volunteering actions? Are there some legal obstacles that you face?

Have you heard about the platform Volontiraj.ba that promotes corporate volunteering? Have you ever used the platform?

7. How many civil society organizations and/or civil initiatives did your organization support in 2022?

7.1. Can you describe how did the cooperation happen? Did they contact you or you contacted them?

7.2. For what purposes did you provide support?

7.3. How did you provide support?

7.4. Do you measure the effects of provided support?

7.5. How much are you satisfied with the cooperation?

8. What are the sources of funding for your organization? Please state the share of every source so that it totally makes 100%.

8.1. If NATIONAL/INTERNATIONAL - How do you receive funds? Do you apply to calls? How difficult is it to get funds? Is this support sufficient? Did it change over the years?

8.2. IF DONATIONS OF CITIZENS - How do citizens donate? How do you communicate with them?

8.3. If COMMERCIAL ACTIVITIES - What activities are those? Who are the clients? How do you get them? Are you planning to improve the level of your services on the market?

Do you provide information about the used funds to your donors? To which type of donors YES, and to which type of donors NO?

How would you evaluate your capacity/skills in your organization for succesful cooperation with donors and fundraising?

9. Is there a person or team in your organization exclusively responsible for collection of funds (fundraising)?

9.1. If THERE IS - Is it a single position or a team?

9.2. How many years ago was this position (team) introduced?

9.3. Are you planning to extend the number of positions for fundraising this or next year?

9.4. If THERE IS NOT - Is there someone else in another position (team) that is responsible for fundraising? At what position (team)?

9.5. Are you planning to establish the position (team) this or next year?

10. Is there a Fundraising Strategy in your organization?

10.1. If YES - Is it formalized by an official written document?

10.2. How many years ago was the Strategy adopted?

10.3. Does the Strategy have a time limit? How many years?

10.4. Which body inside the organization adopts the Strategy?

10.5. Does the Strategy determine donors, fields and ways of fundraising? Which ones?

10.6. If the Strategy WAS NOT ADOPTED - Is the fundraising regulated by some other documents? Are you planning to adopt the Strategy this or next year?

11. Did your organization cooperate with companies until now?

11.1. If YES - What kind of cooperation is it? Can you describe how the cooperation happened? Did they contact you or you contacted them? Do you have any suggestions for associations in the development for cooperation with companies? And any suggestions for companies?

11.2. If NO - Did you consider cooperation with companies? Did you contact anyone before? Did anyone contact you? If someone would contact you, in which cases/under which conditions would you establish cooperation? And in which cases you would certainly not establish cooperation? Do you have any suggestions for companies about cooperation development with associations?

How much are you familiar with corporate philanthropy in Bosnia and Herzegovina? Can you name some socially responsible companies?

What are the main problems and challenges that you face with in the field of tax policy toward association of citizens and foundations? Just for the reminder, this interview will be anonymous.

Are you familiar with t Philanthropic forum of BiH? Is your organization a member of the Forum?

- If it IS a member of the Forum - How satisfied are you with the activities of the Forum? By which activities you ARE satisfide with/ and which activities you ARE NOT satisfied with? Just for the reminder, this interview will be anonymous.
- If it IS NOT a member of the Forum - Why? Just for a reminder, this interview will be anonymous.

CSO PROFILE

12. What is the main field of activity of your organization?

13. In which county is the seat of your organization?

14. How many employees are there in your organization? Contracted employees can have contracts for definite or indefinite periods of time but they differ from part-time associates.

CONCLUSION

We went through all the questions. Thank you for your cooperation. Before we start with the interview, I should ask you if you have any comments, questions or suggestions for the topic that we talked about today?

In the end, I would like to remind you that we will represent the results of this research in June, and we would like to see you at the presentation.

THE END

Questionnaire/Guide for interviewing the business sector

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Did you or your colleagues receive a survey sent by the Network for Building Peace? Did you or some of your colleagues fill out the survey?

- If YES - I will ask you the same questions that you had in the survey and we will go through each question.
- If NO - I suggest that we do the survey together. The questionnaire is short and it will serve as a basis for further conversation.

INTRODUCTION

What forms of corporate social responsibility are you familiar with?

Do you know what ESG Principles (Environment, Social, Governance) are?

- If YES - Does your company implement ESG Principles in your business? How?
- If YES - Does your company publish non-financial reports?

Are you familiar with greenwashing/socialwashing practices?

- If YES - Can you explain in your own words what this term refers to?
- If YES - Did you notice any greenwashing/socialwashing practices of some companies in BiH? Just for a reminder, this interview will be anonymous.

SURVEY

Please keep in mind that there is no single definition of corporate social responsibility but for better understanding, we decided to use this one:

CSR (Corporate Social Responsibility) and ESG (Environment Social and Corporate Governance) are business models that emphasize the social responsibility of companies. In this context, investors, shareholders, states, and consumers view companies as competitive and social participants, where apart from maximization of the profit, the focus is put on the influence that business has on wide social processes, such as environment protection, human rights protection, and philanthropic investment in community, etc.

2. In which fields does your company implement programs of corporate social responsibility?

2.1. Why exactly in those fields? How do you prioritize fields that you will deal with?

2.2. How do you make decisions on this issue in your company?

2.3. Can you briefly describe a CSR/ESG program that your company implemented? What did you do? How long? Who was the program intended for? What budget was allocated (totally or in percentages)? What is the outcome of the program? Do you measure performances? How satisfied are you?

2.4. Did you face any obstacles during program implementation until now? What do you think would facilitate program implementation for you?

2.5. Are there any differences in the way that you implemented CSR/ESG activities before the pandemic, during the pandemic and after the pandemic?

2.6. Are there any differences in the way that you implemented CSR/ESG activities before and during the war in Ukraine?

3. On which levels does your company implement programs of corporate social responsibility (CSR/ESG activities)?

3.1. If it is LOCAL/REGIONAL - Did you implement these activities mostly in rural, urban, or mixed areas? How long did they mostly last (a few weeks/months/years)? Did you cooperate with other associations/local authorities/companies? Were the reactions of the local community positive, negative, or neutral, or there were no reactions? Did you measure the activity performance? Was the effect positive, negative, or neutral on the local community? Was the effect long-lasting, medium-lasting, or short-lasting? Can you name an example of activities?

3.2. If it is NATIONAL/INTERNATIONAL - Did activities include the whole Bosnia and Herzegovina, entity or parts of entities? How long did they mostly last (a few weeks/months/years)? Did you cooperate with other associations/local authorities/companies? Were the reactions of the local community positive, negative, or neutral or there were no reactions? Did you measure the activity performance? Was the effect positive, negative, or neutral on the local community? Was the effect long-lasting, medium-lasting, or short-lasting? Can you name an example of activities?

4. Does your company have a formulated Corporate Social Responsibility (CSR/ESG) Strategy?

4.1. If YES - Is it formalized by an official written document?

4.2. How many years ago was the Strategy adopted?

4.3. Does the Strategy have a time limit? How many years?

4.4. Which body inside the organization adopts the Strategy?/ For multinational companies: To what extent does the parent company (or international board) influence on CSR Strategy?

4.5. Does the Strategy determine fields of corporate social responsibility? Which ones?

5. Is there a person (or department) in your company exclusively responsible for corporate social responsibility (CSR/ESG)?

5.1. If THERE IS - Is it a single position, more positions, or a department?

5.2. How many years ago was this position (department) introduced?

5.3. Are you planning to extend the number of positions (departments) for corporate social responsibility this or next year?

5.4. If THERE IS NOT - Is there someone else in another position (department) that is responsible for corporate social responsibility? At which position (department)?

5.5. Are you planning to establish the CSR/ESG position (department) this or next year?

6. Which sex is the person employed at the position (head of department) for corporate social responsibility?

6.2. What is the sex structure of the employees at higher positions of the company (most of the heads are men/ mostly women/there are equally men and women)?

6.3. What is the sex structure of the employees at lower positions of the company (most of the heads are men/ mostly women/there are equally men and women)?

7. Does your company donate money or its own products to philanthropic purposes? Under philanthropic purposes, we mean the provision of aid to citizens, associations, or public institutions.

By donating for philanthropic purposes, a company has the right to decrease expenditures up to 3% of total income in the current tax year.

7.2. Would you donate if tax deductions were higher than 3%?

8. What is the approximate value of your company's donations in 2022 (in money and/or goods)?

8.1. How do you decide how much to donate? Is the donation budget predetermined? Annually or quarterly?

8.2. How do you decide whom to donate funds to? Are donation areas predetermined?

8.3. Do you receive requests from citizens, associations, or foundations? How do you react? In what cases/ under what conditions do you donate? And in what cases would you definitely not donate?

8.4. What factors most depend on whether/how much you will donate in the current year (business success, perceived community needs, economic crises, natural disasters, joint approach in cooperation with the state and/or other companies, political circumstances, etc.)?

9. Does your company provide pro bono services (free professional services)?

9.1. If YES - In which areas do you provide pro bono services? How often? Who are the users of these services? How satisfied are you with those activities from the CSR aspect of the company's business? Can you describe an example of an activity?

9.2. If NO - Have you considered pro bono services as part of your CSR programs so far? Has anyone contacted you with a request yet? If someone would contact you, in what cases/under what conditions would you provide pro bono services? And in what cases would you certainly not provide pro bono services?

10. Does your company organize volunteering programs for its employees (during working hours)?

10.1. If YES - In which areas do you organize volunteering? How often? Who are the beneficiaries of these activities? How do you mobilize employees/ How much are the employees involved? What is their reaction/ How satisfied are they with the volunteering programs? How satisfied are you with those activities from the CSR aspect of the company's business? Can you describe an example of an activity?

10.2. If NO - Have you considered volunteering as part of your CSR programs so far? Has anyone contacted you with a request yet? If someone would contact you, in what cases/under what conditions would you organize volunteering for your employees? And in which cases would you certainly not organize your employees' volunteering? How do you think employees would react to the idea of volunteering (during working hours)?

Are you familiar with the Volontiraj.ba platform that promotes corporate volunteering? Have you used the platform?

11. Has your company provided strategic support to any civil society organization (association of citizens or civic foundation) so far?

11.1. If YES - What kind of support is it? Can you describe how the cooperation happened? Did they contact you or you contacted them? How long did the cooperation last/ will last? How satisfied are you with the cooperation? Do you plan to provide strategic support to another CSO? Do you have any suggestions for developing associations for cooperation with companies? And any suggestions for companies?

11.2. If NO - Did you consider the provision of support to a CSO? Did anyone contact you with the aim of cooperation? If someone would contact you, in which cases/under which conditions would you establish cooperation? And in which cases you would certainly not establish cooperation? Do you have any suggestions for companies about the development of cooperation with associations?

12. Does your company use tax deduction during donating? Donating for humanitarian, social, cultural, and sports purposes is tax recognized expenditure in the amount of up to 3% of total income in that tax year?

13. Does the amount that your company donates annually significantly exceed 3% of annual income (maximum tax deduction)?

13.1. Ask if YES and NO - Do you think that the threshold of 3% is appropriate for the incentive of corporate philanthropy?

How much are you familiar with corporate philanthropy in Bosnia and Herzegovina? Can you name some socially responsible companies?

CIVIL SECTOR

How much are you familiar with the civil sector in Bosnia and Herzegovina? Can you name some civil society organizations and what they do? And when it comes specifically to philanthropy?

Are you familiar with the Philanthropic forum of BiH? Is your company a member of the Forum?

- If the company IS a member of the Forum - How satisfied are you with the activities of the Forum? Which activities you ARE satisfied with/ and which activities you ARE NOT satisfied? Just for a reminder, this interview will be anonymous.

- If the company IS NOT a member of the Forum - Why? Just for a reminder, this interview will be anonymous.

COMPANY PROFILE

14. Which is the dominant sector of your company?

15. In which country was your company founded?

15. In which county is the seat of your company?

16. How many employees are there in your company?

CONCLUSION

We went through all the questions. Thank you for your cooperation. Before we start with the interview, I should ask you if you have any comments, questions, or suggestions for the topic that we talked about today?

In the end, I would like to remind you that we will represent the results of this research in June, and we would like to see you at the presentation.

THE END

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