

# What is the Czechs' attitude to giving?

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## **Abstract**

The topic of philanthropy and giving has been receiving attention internationally for several decades. Like other areas of nonprofit studies, philanthropy has been observed and examined from a variety of perspectives, including economics.

There is, however, a lack of theoretical and empirical work in this area in the Czech Republic. At the moment, we don't have information about trends or people's motivations. We can only guess at people's behaviour from some ad hoc research or a one-off survey that was made eighteen years ago.

That is why I intend to carry out a new representative survey in the Czech Republic. Before I start the big survey, I decided to do a small pre-research probe into people's attitudes to altruism, philanthropy and giving. A small questionnaire of fifteen questions testing people's attitudes to giving was used in the survey, which was implemented with the help of students from the Department of Public Economics of Masaryk University.

Even though our sample was not fully representative, the answers from 359 respondents that the students collected have generated interesting findings about people's views and attitudes. The data were collected by 89 students between February and April 2009.

At this moment, we are thus able to answer such questions as the following from the questionnaire: How do people value giving in contemporary society? Do they think that fund-raising organisations are transparent? Who should support charities – individuals or government? Do people trust nonprofit organisations? Do people consider giving a moral obligation?

## Historical background

Before we start to speak about the Czech people's attitude to giving, it might be useful to outline the historical background of Czech philanthropy<sup>1</sup>. The historical development of the Czech nonprofit sector may help us to understand people's answers in our questionnaire.

The tradition of charity and voluntary association in „The Lands of the Czech Crown” is rich and old, dating back to the beginning of the Czech state in the 9<sup>th</sup> and 10<sup>th</sup> centuries. Its long evolution culminated in the latter half the 19<sup>th</sup> century and in the twenty years of the first Czechoslovak Republic in the 1920's and 1930's, after which its evolution was disrupted by fifty years of totalitarian rule (1939-1989).

In the 19<sup>th</sup> century the Industrial Revolution started transforming the economic, social and demographic map of the Czech Lands, but also spawned a new class of dispossessed. The new wealth and power of the bourgeoisie gave rise to many new scientific, scholarly, literary, cultural and social institutions; the poverty and societal upheavals led to the establishment of workers' self defence and mutual aid. A most important process that contributed to an unprecedented boom in associational life in Czech society was the Czech National Revival (approx. 1770's – 1860's). Similar emancipation efforts in the German population and the competition and rivalry between the two national groups further contributed to the “associational boom”. By the end of the 19<sup>th</sup> century the Czech Lands had the largest number of charitable and voluntary organisations in the Austro-Hungarian Empire.

In the 20 years between the two World Wars the Czech Lands became part of a new Czechoslovak Republic. Czechoslovakia became one of the world's most advanced industrial-agrarian countries, and the Constitution of February 1920 had guaranteed that the new Republic would also be one of the few states in Europe to have a genuine parliamentary democracy. Consequently dynamic charitable and voluntary organisations flourished.

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<sup>1</sup> Cited from *Country – specific situation of the nonprofit sector in the Czech Republic*: Hyánek, V., Pospíšil, M., Rosenmayer, T., Department of Public Economics, Faculty of Economics and Administration, Masaryk University and Centre for Nonprofit Sector Research, 2007 and *History of the Czech Nonprofit Sector*: Pospíšil, M.

The dynamic development of nonprofit organisations came to an abrupt end when Hitler's *Wehrmacht* occupied what was left of the Czech Lands in March 1939. Under the German occupation (1939-1945), most nonprofits were banned and others were reorganised in order to serve the ideological purposes of the Nazi state. After World War II nonprofits renewed their activities, but their independent development was soon stopped again, this time by the Communist *coup d'état* in 1948. Like the Nazis before them, the Communist regime banned all independent activity. The assets of churches as well as of foundations and associations were confiscated and most of them were dissolved. The remaining associations were amalgamated into several so called 'mass social organisations' and with the new ones created by the communist regime they were unified under the umbrella of the infamous 'National Front', controlled by the Communist Party. The state monopolised the provision of public services, such as education, health and social care. These services were provided by governmental organisations. No voluntary organisations were permitted to exist outside the National Front, the membership in the National Front was considered to be the expression of the loyalty to the state (Frič and Goulli, 2001).

In spite of harsh repression, some independent citizen initiative as well as opposition to the communist regime did exist, but remained fragmented and weak. Both the early scattered opposition of the 1950's and the mightier reform movement of the Prague Spring in the 1960's were put down by force, and so after 1968 occupation of the country by the Soviet Union, cultural activists and civic leaders had to find new ways of independent existence and opposition to the regime. They found it in the parallel polis of independent cultural initiatives, *samizdat* publishing, underground church and underground university and in the defence of human and civil rights initiated and inspired by Charter 77.

In spite of the admirable work of the cultural activists and the opposition leaders, independent voluntary sector remained small and isolated from the rest of the society. It was not until the second half of the 1980's, after Gorbachev had started his reforms in Moscow that people started awakening again. The isolated opposition groups were intensifying their dialogue with the rest of society, a new generation of young people was beginning to speak up, and the Catholic Church finally turned

around to confront the regime. In 1989 people's long-suppressed frustration finally burst open and made the communist regime collapse within one week.

With a few exceptions, such as the various self-help activities situated in local communities, the era of socialism has left behind (in terms of giving and volunteering generally) a negative heritage. The concept of "charity" was discredited in the eyes of ordinary people and for most people voluntary work became synonymous with the enforced extra work demanded of the population in order to "fulfil the five-year plan" or to "accelerate the building of socialism".

In the course of the past nineteen years (1990-2009), the nonprofit sector in the Czech Republic has experienced a dramatic transformation in the conditions of transition from a totalitarian regime to parliamentary democracy. How did charity and voluntary action respond to the new freedom? 'Explosively' is perhaps the best word to describe what happened. There were only 537 (mass) organisations in existence at the end of the communist years; by the end of 1991 there were 21,000, in 1999 there were 60,000, today there are perhaps 90,000 (ICN, 2005).

### **Perception of nonprofit organisations**

There was an extensive research project focused on giving and volunteering in the Czech Republic carried out in 2001. This research was the only one so far in the area of individual philanthropy. The important fact is that it obtained useful data about people's motivations, attitudes and giving activities.

If we speak about the people's attitudes to giving, we have to begin with the general perception in the public of nonprofit organisations. According to the data from 2001, nonprofit organisations have a reputation of credible organisations that provide quality services. The perception of nonprofit organisations is not uniform. The main factor that characterizes the differences in the perception of nonprofit organisations is the meaningfulness of their existence as a response to the interests of individuals and society. The Czech public is divided mainly into those who believe in its social meaningfulness and those who do not.

The positive characteristics of nonprofit organisations as perceived by people are related to philanthropic activities and services provided to citizens. Charitable efforts

to help those in need (this feature is attributed to NGOs from 79 % population) and the ability to create a sense of solidarity among people (75 %) dominates between positive characteristics. The next positive characteristics are: expansion of individuals' freedom (60 %), solutions to fatal consequences of market economy (58 %), preventing the spread of selfishness (53 %), helping people in the fight against bureaucracy of government offices (43 %).

Negative images of the nonprofit organisations are connected with those organisations that don't offer any specific services, but rather represent different group interests and ideas. NGOs are often accused of being established to fulfil the ambitions of their founders rather than serving the public (this view is shared by 52 % of respondents), or that it doesn't make sense to engage in them because they are unable to change things (39 %). This is followed by: NGOs are set up primarily for their own benefit (34 %), most foundations are "impostor" organisations (29 %) and NGOs interfere in politics (21 %).

This short resume of some findings from the research shows that although NGOs didn't have opportunity to present themselves for several decades, to inspire the public towards charity and philanthropy, or to build their place in society, the public opinion of nonprofit organisations is altogether positive.

### **The attitudes to giving**

The above mentioned were the results from the research carried out in 2001. The new data from 2009 support these findings. First of all, I will introduce the background of the research.

The research in philanthropy consists mostly of a set of basic questions: What do we know about the people who give money to nonprofit organisations? How much do individuals give to charity today? What are the main ways in which the public gives to charity? Why do people give to charity? Which causes does the public support? Etc. The aim of the new research (2009) wasn't to provide up-to-date information in each of these areas.

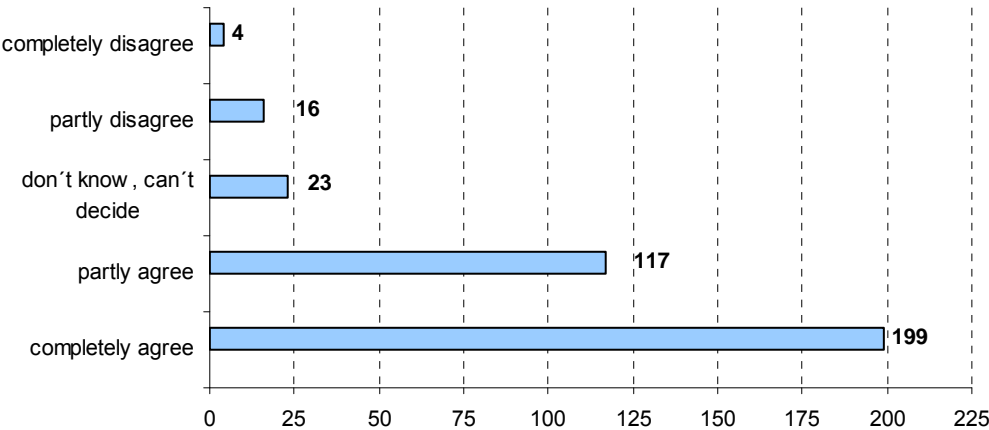
Before answering all these questions, we found it necessary to be familiar with the basic question: What is the Czech public's attitude to giving? (More precisely:

Individual giving to nonprofit organisations.) The small questionnaire gives answers to the following: How do people value giving in contemporary society? Do they think that fund-raising organisations are transparent? Who should support charities – individuals or government? Do people trust nonprofit organisations? Do people think giving is a moral obligation?

The data from 359 respondents was collected by students from the Department of Public Economics of Masaryk University in the Czech Republic.

The first important finding, which is the same for all respondents' answers, shows that people believe in the moral value of philanthropy. This view is held widely, 316 respondents (88 %) agree with the statement that: Giving money to people in need is morally right.

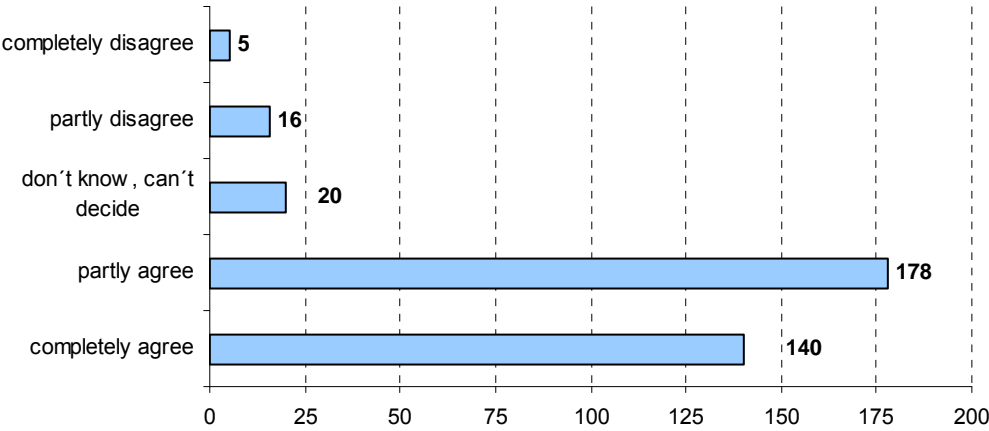
Figure 1: Giving money to people in need is morally right



These are the main characteristics of people who disagree (completely or partly) with this statement: 70 % of them are men, they have above-average income and there isn't a person younger than nineteen years in their household. We can't see any differences between believers and non-believers. 90 % of the respondents that disagree with this statement, however, would donate money if they could check the use of them.

The first set of few questions focused on NGOs and their importance in the area of philanthropy. The results show that the activities of NGOs are useful to society.

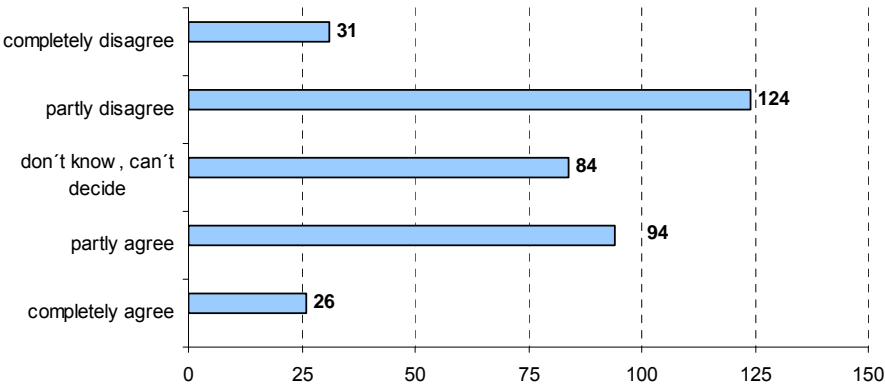
**Figure 2: The activities of NGOs are useful to society therefore it is right to support them**



People who disagree with this statement expressed distrust of nonprofit organisations in the following questions.

We don't find such unambiguous opinion on the following question. *Should NGOs be supported by firms and entrepreneurs?* Some respondents agree with this statement (33 %), a little more disagree (44 %). 23 % of respondents don't know. Why weren't so many people able to decide? Maybe the reason is simple. They think that the profit sector should support the nonprofit sector, but not exclusively, i.e. together with other sources, e.g. government and individuals. Another explanation can be the fact that people do not have a clear idea of NGOs should be financed.

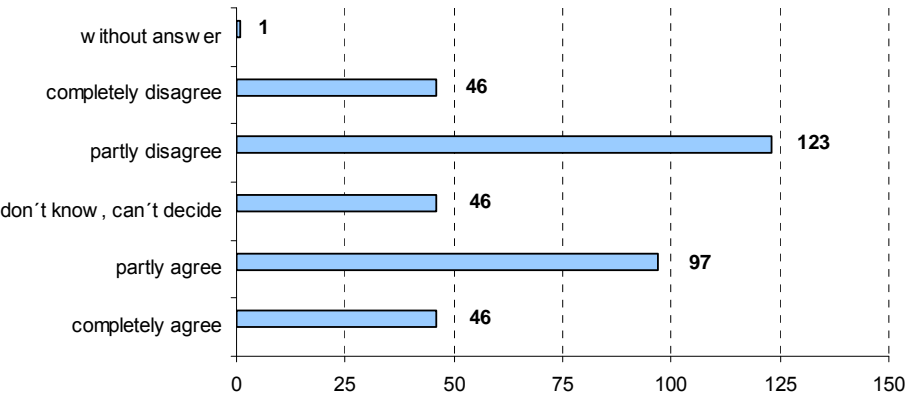
**Figure 3: NGOs do commendable work, but they should be financed by firms and entrepreneurs**



Another way of financing NGOs is that they should be funded by individuals involved in the particular organisations. But no it isn't true: 67 % of respondents disagree with this statement. The activities of, and the services provided by, NGOs are not intended to be used only by the staff or volunteers involved in the organisation.

And what role does the state have? Should NGOs be supported from public budgets? We decided to make this clear question more difficult. The claim was: NGOs should be fully independent of the state, the state shouldn't fund them. The respondents answered as we had expected. Nearly three-quarters disagree with this; they think the state should support NGOs. And why should the state do this? We claimed the following:

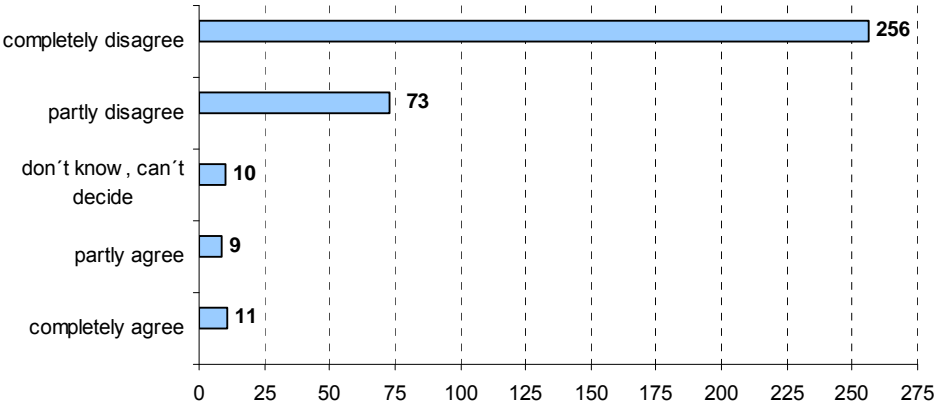
Figure 4: **The state should look after people who need help; that is why we pay taxes**



We can see the answer is not crystal-clear; people don't have strong opinions on this issue. More respondents (47 %) disagree with this statement. The state's decision (positive or negative) whether to support NGOs should not depend on the fact that everyone pays taxes.

Besides the fact that people are not united on the opinion related to financing NGOs, they disagree with the statement that charity has its place in 19<sup>th</sup> century and that we don't need philanthropy in modern society. 256 respondents disagree completely with this statement; it is the highest number of one answer to a question.

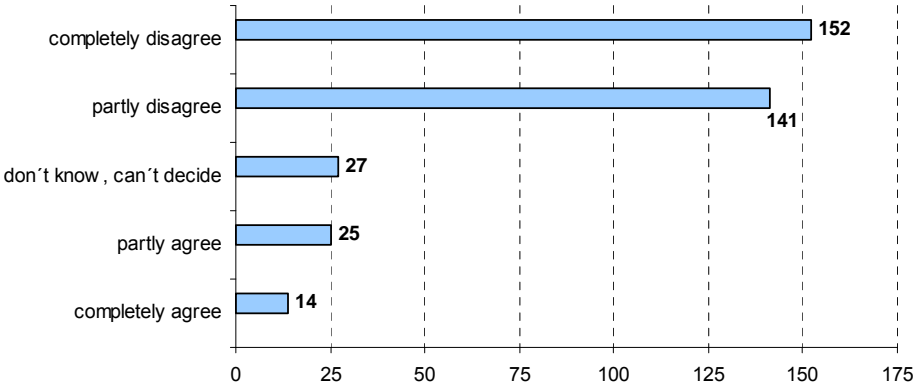
**Figure 5: Charity belongs to the 19<sup>th</sup> century; it isn't needed in modern society**



The second set of questions related to the transparency of NGOs. We have divided the topic of transparency into several questions. The first two similar claims and the answers can be seen in following two figures.

In the first figure we can see that transparency and trust in nonprofit organisations play an important role in people's attitudes. The respondents generally trust NGOs. It is interesting that the answer doesn't depend on the fact if the person is a donor (person who sometimes gives money to NGOs) or not.

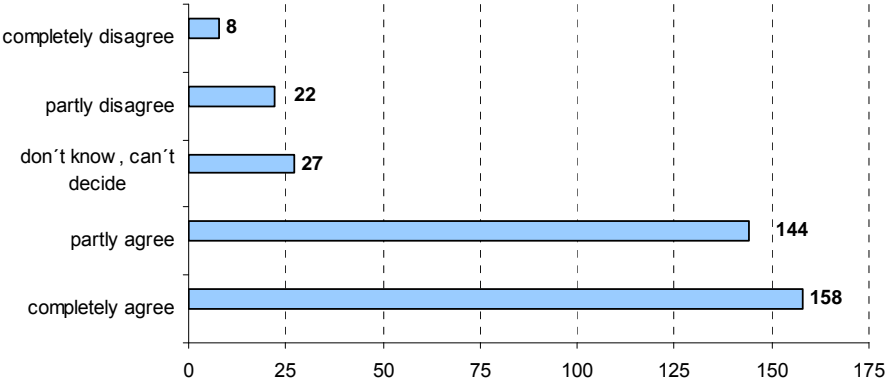
**Figure 6: I do not trust nonprofit organisations; therefore I won't give them any support**



In the second figure we can see that people distinguish between trust in NGOs and transparency in the use of collected money. The decision to give money significantly

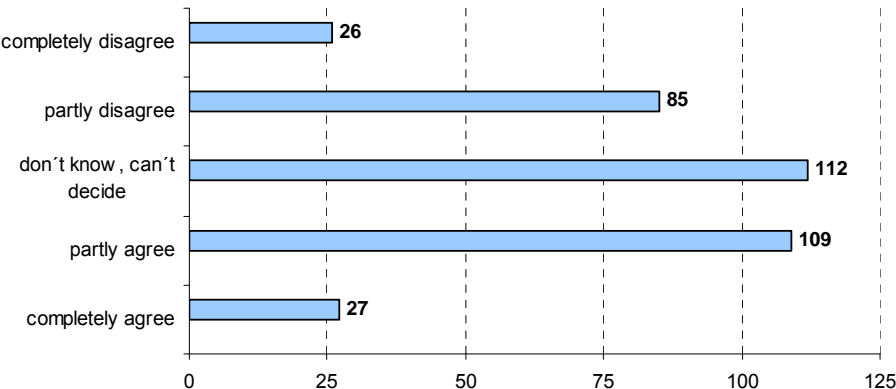
depends on the opportunity to check the use of the donated money. The wish to be able to check the use of donated money does not imply a lack of confidence in NGOs. The same number of people couldn't decide, as in the previous question.

**Figure 7: I would make a gift to an NGO if I could check the use of the money**



As is obvious from the results so far, the respondents trust NGOs. They are less sure, however, if they are to decide whether they trust NGOs or the government. 32 % of respondents couldn't decide if they agree/disagree with this statement. A very small part of respondents was prepared to agree or disagree completely. The results are shown in the following figure.

**Figure 8: I trust NGOs more than the state; that is why I am happy to support them**

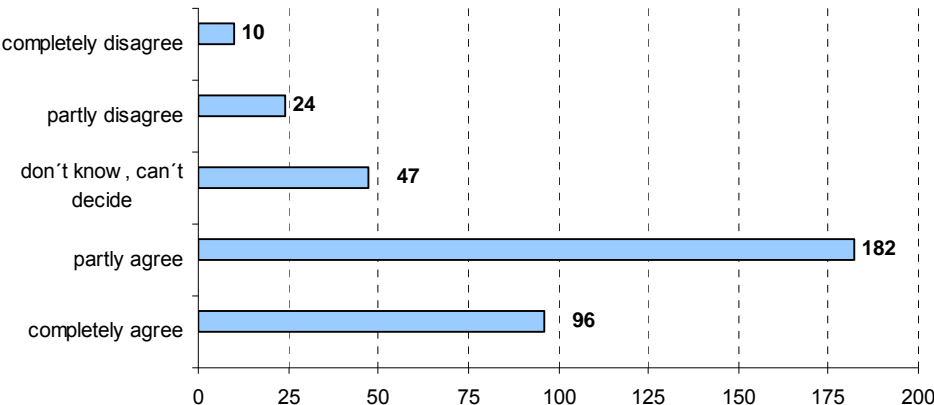


We can interpret these results in two ways. First, the respondents can't compare their trust in NGOs and state; second, if they trust NGOs more than the state, it isn't the reason to support them, to give them money.

People trust NGOs and giving money is for most of them a moral obligation. If they don't want to give money, the reason is hidden in the lack of transparency. One idea comes to mind. What if people consider NGOs to be transparent but in spite of this they don't give them money because they consider them to be amateurs. We offered the following statement. *I would never give to an NGO because they are a bunch of amateurs.* The result was clear. 87 % of respondents disagree (completely or partly) with this statement.

One third of respondents think that if we want to help someone, or to support some activities, we should give our money directly to the beneficiaries. If we provide money through nonprofit organisations, part of this money is consumed by them – spent as overheads. This opinion was confirmed by answers to another question, which you can see in the last figure.

**Figure 9: It is reasonable to give money to nonprofit organisations because thanks to their expertise they can help better than an individual**



## **Concluding thoughts**

As mentioned at the beginning of this paper above, the aim of the referenced research was to examine what were the values and attitudes of the Czech public to giving to nonprofit organisations. The aim wasn't to collect empirical data about the number, frequency and amount of donations but to carry out a small first probe into people's altruistic behaviour.

This research precedes an extensive state-wide survey which will be realized at the end of this year. These two research projects are interconnected. Before we design the large project, through which we intend to collect the statistical data about individual giving, we wanted to have an insight into the philanthropic environment and the values and attitudes that inform people's philanthropic behaviour. If we know for example the average size of donated money per one person, we should know the internal values and attitudes of this person as well. The questions related to altruistic behaviour are as follows: Are people willing to help their neighbours in distress or do they rely on the state to tackle these issues? Are people willing to financially support NGOs? Are nonprofit organisations trustworthy in the eyes of the public? Do people believe that nonprofit organisations use the entrusted money properly, or are these organisations suspect of amateurism and inefficiency, or even worse?

There is a lack of theoretical and empirical work in this area. Especially in the Czech Republic we don't have many analyses of charitable behaviour that is inspired by altruistic motivations.

The most significant surveys realized in this area so far are the following:

- The nonprofit sector in the Czech Republic: results from the Johns Hopkins Comparative Nonprofit Project (2001)
- Giving and volunteering in the Czech Republic, P. Frič (2001). His research was repeated in 2004.

Now, with the findings from these surveys and from our current probe, what is it that we are able to say about Czechs' attitudes to giving?

Philanthropy had always been one of the "social phenomena" that was recognized and valued in Czech society for its social value and which was imbedded in tradition, associated with national pride and personal honour. Undoubtedly, it was a visible sign of success and prestige too. Philanthropy developed naturally and dynamically until the twentieth century, hand in hand with the development of society and on the basis of traditional values. It was perceived by the public as self-evident, integral, positive and prestigious part of social life that is worth working for in the long term and in a systematic way. But then, the fifty years of Nazism and Communism (1938-1989) demolished this long tradition.

Since 1989, philanthropy, like other moral and social values, has been returning to Czech society, albeit slowly, with difficulty and sometimes erratically. In comparison with its rich fabric in the pre-WWII First Republic, it is undoubtedly different in many respects. If it were to become again a natural and accepted social norm of our time, quantitative increase alone is not sufficient to sustain it.

Even though we only have sparse data from recent years, they suggest a considerable increase in individual philanthropic giving. This increased willingness to give seems most apparent in small, impulsive donations, by people who respond in an ad hoc way to shocking events beamed at them by the media (natural disasters and humanitarian tragedies), to large scale appeals popularised by the media (Children in Need, Cancer Day) or to street collections. To verify the reported increase and to identify the principal ways of giving is going to be one of the main tasks of the large survey later this year.

Our research probe realized in first half of 2009 suggests that we can observe some clear prevalent positions but also ambiguous attitudes that should be untangled by further research. In general, a large majority of respondents have a positive attitude to giving; people feel a moral obligation to support charitable purposes ("to help those in need"). Nearly 90 % of respondents agree that giving money to people in need is morally right. However, when it comes to who should help those in need, nonprofit organisations or the state, there appears some hesitation. People also say that nonprofit organisations are doing a good job and are on the whole trustworthy. They agree that they should be supported. But again, they are less sure whether they

should be supported by the state, by business or by individuals. They agree that people should support nonprofit organisations, but when they are to reach into their pockets, they demand all sorts of guarantees of the proper use of their money and increased transparency of the nonprofit organisations. That the perception of nonprofit organisations in the eyes of the public is very positive is an interesting finding if confronted with the fact suggested by some recent research (STEM, 2004) that only 47 % of the population makes at least one donation a year to a nonprofit organisation. And although people consider giving morally right, a lot of them never give, offering a variety of reasons why they don't want to give. We are intending to explore these reasons in the following research.

A positive finding is furthermore the prevailing view that nonprofit organisations are useful to society and that charity is needed in modern society. These findings may seem to be banal. Yes, they are, but their verification in a society recovering from the devastation of totalitarianism highly important. In a society where only a half of the population gives money to NGOs, it is essential to find the reasons why it is so little. The above mentioned research findings suggest that we are not to look for explanation in the area "importance of charity".

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