



**LILLY FAMILY
SCHOOL OF PHILANTHROPY**
INDIANA UNIVERSITY

The 2025 Global Philanthropy Environment Index Slovakia

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QUICK FACTS

Legal forms of philanthropic organizations included in the law: Association, Benefit Corporation, Endowment, Foundation, Public benefit organization (private non-profit organization providing public benefit services)

Five main social issues addressed by these organizations: Arts and Culture, Environmental, Religion, Youth and Family, Sport

Average time established by law to register a philanthropic organization: 0–30 days

Average cost for registering a philanthropic organization: USD 70

Government levels primarily regulating the incorporation of philanthropic organizations: State governments

PHILANTHROPIC ENVIRONMENT SCORES

Year	Ease of operating a PO	Tax incentives	Cross-border philanthropic flows	Political environment	Economic environment	Socio-cultural environment	Overall score
2025 GPEI	4.60	4.24	4.25	2.90	3.50	3.30	3.80
2022 GPEI	4.40	4.20	4.05	3.40	3.50	3.30	3.81
2018 GPEI	4.27	3.70	4.05	3.10	N/A	3.00	3.62

Source: Indiana University Lilly Family School of Philanthropy, 2025 *Global Philanthropy Environment Index*

¹ Authors of the 2025 GPEI report are providing updated narratives and scores to the 2022 GPEI report.”

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KEY FINDINGS

I. Formation/Registration, Operations, Dissolution of a Philanthropic Organization (PO)

The three indicator questions in this section pertain to the laws and regulations governing philanthropic organizations (POs). The scoring questions for this category cover three aspects of regulations: (A) formation and registration; (B) operations; and (C) dissolution.

Question One: To what extent can individuals form and incorporate the organizations defined?

Score: 4.8

The right to associate with others is guaranteed in the Constitution of the Slovak Republic (Article 29/1) and individuals are generally able to freely form philanthropic organizations (POs). There are no restrictions on any categories of founders; however, the founder must have no criminal record and no debts to the state. Organizations are required to obtain legal personality and for some legal forms, like foundations, there is a required minimum capital or assets in value of USD 7,165. The law for each legal form requires a registration fee, but at a reasonable level, ranging from USD 70 – 110 depending on the legal form of the PO. The fee is halved if the registration is done via e-government portal Slovensko.sk. Registration of POs is rather easy.

For more information, please see the 2022 GPEI Slovakia Country Report available here: <https://hdl.handle.net/1805/28256>

Question Two: To what extent are POs free to operate without excessive government interference?

Score: 4.5

The law allows for sufficient discretion in setting the structure and governance of the POs; there is a framework of what types of bodies the given legal form should have within their organizational structure. The areas of PO activities can be very broad. For example, the Public Benefit Organizations Law, officially known as the Law on Non-profit Organizations providing generally beneficial services (Act No. 213/1997, amended: Law No. 35/2002), outlines the activities of POs but leaves room for flexibility. Reporting requirements differ. Every PO must submit a tax return, but some legal forms, such as public benefit organizations and foundations, must also submit an annual report to a public registry. Depending on the income, there are audit requirements, which is a high expense that is not covered by grants.

For more information, please see the 2022 GPEI Slovakia Country Report available here: <https://hdl.handle.net/1805/28256>

Question Three: To what extent is there government discretion in shutting down POs?

Score: 4.5

There has been no change since 2022. For more information, please see the 2022 GPEI Slovakia Country Report available here: <https://hdl.handle.net/1805/28256>

II. Domestic Tax and Fiscal Issues

The two questions in this section pertain to laws and regulations governing the fiscal constraints of giving and receiving donations domestically.

Question Four: To what extent is the tax system favorable to making charitable donations?

Score: 4

In Slovakia, it is possible to designate up to two percent (for corporations) and up to three percent (for individuals) of income tax to a PO. Often this source of funding is mistakenly perceived as a donation. In this case, however, it is indirect financial support from the state and therefore does not represent a form of charity, philanthropy, or donation.

For more information, please see the 2022 GPEI Slovakia Country Report available here: <https://hdl.handle.net/1805/28256>

Question Five: To what extent is the tax system favorable to POs in receiving charitable donations?

Score: 4

Revenues from sale of products and services linked to a PO's main activities are tax-exempt, which also includes membership fees. However, if these activities are considered entrepreneurial (i.e., not linked to the main activities of POs), they are fully taxed. Most of Slovak POs can have an unrelated or side commercial activity, but the non-distribution constraint still applies—if these activities generate any profit, the profit must be used in line with the statute of the POs and for public benefit purposes. Non-investment funds cannot have any commercial activities.

For more information, please see the 2022 GPEI Slovakia Country Report available here: <https://hdl.handle.net/1805/28256>

III. Cross-Border Philanthropic Flows

The two questions in this section concern laws and regulations governing the fiscal constraints of giving and receiving cross-border donations. The scoring for these questions pertains to the donor and receiving entities.

Question Six: To what extent is the legal regulatory environment favorable to sending cross-border donations?

Score: 4.2

There are no fiscal limits nor benefits for individuals or corporations making charitable donations from Slovakia to other countries (Strečanský, 2000/2022). There is also no obligation to record in the accounts whether donations and contributions going abroad are accounted for in the same way as

those going to organizations in Slovakia. In fact, it is not even possible to trace how much money goes abroad.

The biggest component of cross-border charitable donations is part of the official development assistance (ODA) as defined by the Organisation for Economic Co-operation and Development (OECD). ODA can be provided bilaterally, such as from the donor country to the development actor, which can be local government, self-government, civil society organization; or multilaterally, by transferring funds to international institutions such as the European Union (EU), the United Nations (UN), or the OECD, which focus on development aid. The OECD regularly updates the list of developing countries whereby ODA is calculated only for these countries (OECD, 2024).

More money for POs comes from ODA, especially around multilateral cooperation. One of the key actors of development cooperation are POs, whose position in the system can vary and can perform different activities, such as fundraising in the donor country, recruiting volunteers, raising awareness, implementing global and development education activities, creating partnerships with various actors, human rights protection, monitoring and evaluation, or research on the direct implementation of projects in partner countries (Ministerstvo vnútra, 2020).

Question Seven: To what extent is the legal regulatory environment favorable to receiving cross-border donations?

Score: 4.3

There are no additional costs to POs to receive cross-border financial charitable donations; however, they may need to prove their charitable status and if pertinent tax treaty (e.g., double taxation prevention treaty) articles apply.

There is funding from foreign public sources, such as the European Economic Area (EEA) Financial Mechanism, through which Norway, Liechtenstein, and Iceland contribute to reducing economic and social disparities in the EEA. Part of this Financial Mechanism is the Active Citizens Fund (ACF), which supports Slovak POs in involving citizens in government decision-making and in the creation of public policies in the effort to create better conditions for good governance, protect human rights, the provision of civic education, and improving the position of vulnerable groups in society. Special attention is paid to young people and their participation in public events.

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IV. Political Environment

The four indicator questions in the next three sections concern the political context, economic conditions, and socio-cultural characteristics that influence the environment for philanthropy.

Question Eight: To what extent is the political environment favorable for philanthropy?

Score: 2.9

As stated in the 2022 report, “The political and economic system does not fully recognize the POs as actors and agents of social change that can significantly contribute to address the public issues Slovakia is facing, such as social inclusion, quality of education, humanization of social services, human rights protection, and corruption” (Strečanský, 2022: 6). Meanwhile, Slovakian civil society does not engage directly in politics nor compete for political power (Svidroňová, 2020). However, at the state and local level, governments do turn to POs for expertise and credible information (Bogorin et al, 2019). Government officials often expect such support free of charge or at below market rates (Smolijaninovaitė et al., 2019; Svidroňová, 2020).

The latest parliamentary election campaigns in 2023 saw many parties built on slogans like “Not a cent for NGOs” or “Stop the greedy NGOs.” In the 2023 elections, basically the same parties regained the power as in 2016–2020 and so the attitude towards POs changed again. Some steps already taken, as recently as 2024, include:

- The Ministry of Justice canceled subsidies in the government-sponsored human rights program for POs, in order to limit the funding of watchdog organizations;
- A proposal to label the POs whose source of income from abroad exceeds EUR 5,000 per year to be called "organizations with foreign support," as a means to characterize POs as political wreckers financed from abroad; and
- A proposal to abolish the tax assignment to POs.

The attitude of the current government tends to worsen the relations between the state and the third sector, driven by the negative and often hateful speeches of the ruling parties towards POs.

Question Nine: To what extent are public policies and practices favorable for philanthropy?

Score: 2.9

The government does not encourage philanthropic culture or values. There is still a lot of old school thinking with some state and local government bureaucrats who do not appreciate the potential of POs in contributing to welfare services and public good. Most of the ministries have a subsidy program for POs who must apply every year to get some funding for their activities.

An analysis of 21 institutions that provide subsidies for POs conducted in 2019–2020 reviewed all subsidy schemes of the ministries and evaluated them in terms of efficiency, transparency, and effectiveness (Murray Svidroňová & Mertinková, 2021). The results indicated that efficiency and effectiveness were mostly at a “good to “very good” level. But in transparency, only four institutions had a “very good” rating and most of the ministries were at “good” level and below.

There are no government initiatives that would allow or promote access to information, services, training, or networking opportunities for POs. The Council of the Government of the Slovak Republic for Non-Governmental Non-Profit Organisations (CG NGNPO) has been functioning for several years as an advisory body to the government to create a space for discussion and cooperation between the state and POs, but the application of its recommendations in practice is dependent on government representatives. The Office of the Government Plenipotentiary for Civil Society Development plays an important role in building relations between POs and the state. Its main agenda includes participation. However, after the change of government, this office has also undergone significant changes, and it is not clear what role it will have in the future. In 2022, the

government adopted the Strategy of Civil Society Development in Slovakia for the years 2022–2023, which defines the priorities for the development of civil society as well as several tasks for the state in this area. However, there are no financial resources allocated for its implementation and the current government has already canceled several tasks.

V. Economic Environment

Question Ten: To what extent is the economic context favorable for philanthropy?

Score: 3.5

The current economic conditions have deteriorated because of the COVID-19 pandemic and subsequent energy crises that increased energy prices. Although the economy has grown in the years following the 5 percent drop in gross domestic product (GDP) in 2020 (post-COVID-19 year), 3/4ths of the increase in GDP over the past three years was driven by price growth and only 1/4 attributed to growth in the real economy, which might be a problem in upcoming years.

According to the World Giving Index, in 2023, Slovakia ranked 118th position among the 142 countries worldwide. Only 25 percent of adult respondents donated money, which only shows the reality—the GDP might have grown but the standard of living and the real economy has not.

Changes in economic performance directly affect the financial standing of many POs. For example, the percentage tax designation counts as one of the sources of income for 52 percent of active POs (Ministerstvo vnútra SR, 2020). In 2020, there was a decrease in the amount of assigned tax by nearly EUR 20 million to EUR 53 million. Yet in 2021, it had increased to EUR 87 million and the rising trend continues; in 2023, the assigned tax amount was a record EUR 94 million

Besides the tax assignment, crowdfunding as a source of support for POs is on the rise. There are several donation and crowdfunding portals focused on supporting public benefit projects. In 2022, the amount collected through these portals was nearly EUR 16.5 million, as compared to only EUR 9.3 million in 2021. This rise might have been caused by the conflict in Ukraine, as many projects and causes on the portals have been dedicated to this issue. On the other hand, subsidies from public budgets to POs are expected to decrease due to the political situation in the country (the abovementioned attitude of the current government to POs). From this point of view, there are no expected effective laws and programs to prevent corruption or economic growth that may affect the development of philanthropy.

VI. Socio-Cultural Environment

Question Eleven: To what extent are socio-cultural values and practices favorable for philanthropy?

Score: 3.3

Christian ethics informs cultural practices and traditional expressions of philanthropy, providing a moral imperative to offer help when there is a need (Strečanský, 2022). There are no barriers to participating in philanthropic activities based on gender, ethnicity, sexual orientation, culture, age, nationality, or religion. Based on recent research on giving by Brozmanová and Murray (2023), the

social profile of donors is quite stable. Women are inclined to donations as compared with men; people with higher education; economically active people, white-collar workers, entrepreneurs and the self-employed; higher income households; religious individuals; and people who are members of organizations are also more inclined to give.

However, distrust of POs and their use of finances are among the most significant barriers to donation. Given Slovakia's socialist past, where no third sector existed in a true sense, the democratic world expects it could take up to 60 years to build civil society as a pillar of democracy (Dahrendorf, 1990). However, this anticipated path is disrupted by the current government and many populist and extremist politicians who label POs as an enemy of the state. In such conditions the POs are fighting to gain and maintain the trust.

As a result, the general public is rather confused what philanthropic organizations actually do. However, positive trends can be seen, such as school programs supporting volunteering and civil activism and the rise of individual donations, thanks to the emergence of information communications technology (ICT) and online tools for giving, like crowdfunding and donations via text message (SMS). The field of philanthropy is promoted by the Center for Philanthropy that actively contributes to the development and cultivation of giving. Together with Matej Bel University, they research the state of philanthropy in Slovakia.

VII. Keywords and Recommendations for Philanthropy

These questions are used to provide a general picture of philanthropy in this country as well as recommendations to improve the philanthropic environment.

Three key recommendations to improve the environment for philanthropy

- Improve public education about philanthropy. For example, the Center for Philanthropy, together with Matej Bel University in Banská Bystrica, have started to research the state of philanthropy in Slovakia in 2021 and 2022. The results should be disseminated to educate the general public, existing givers, and potential donors to provide them with information and deeper understanding of the quality, reliability, and effectiveness of POs. However, in some cases, the data found in various systems and databases provide diametrically different values on amount of donations, number of foundations, and other metrics. Thus the reliability when accepting any conclusions about the state or trends of philanthropy in Slovakia is questionable.
- The public sector should recognize the strengths of POs in addressing the country's major challenges in social services, education, innovation, migration, corruption, Roma and other minority issues, human rights, the war in Ukraine, and poverty, among others. Instead of ignoring the POs, all levels of government should search for ways the philanthropic and public sectors can complement each other rather than substituting or competing.
- As stated in the 2022 report, we agree that "The philanthropic environment needs a balanced communication and presentations about the importance of private initiatives to the common good, not focused only on charity, but as a principle that is nurtured in different ways of public life without being represented as a comprehensive solution to governmental failure" (Strečanský, 2022: 11).

Lasting innovation or impacts in the nonprofit sector and philanthropy in response to the COVID-19 pandemic

- Increased collaboration between POs
- Online/digital giving
- Virtual or hybrid workplace

Issues or trends are emerging as significant to the nonprofit sector and philanthropy

- Adoption of artificial intelligence (AI)
- Crowdfunding
- Decline of democracy
- Professionalization of the nonprofit sector
- Civil society polarization

A steady rise in the number of donors and donations is observed through fundraising efforts, both offline and online. The importance of donation and crowdfunding platforms, such as *darujme.sk*, *StartLab.sk*, and *Donio*, is on the rise. After the onset of the Russia-Ukraine conflict, Slovak people, businesses, and civil society organizations came together in solidarity. Many volunteers helped at the Slovak-Ukrainian border and many more helped in centers all around Slovakia to collect money, food, and clothing. Brozmanova et al. (2023) show that POs and volunteers played a pivotal role in responding to the refugee crisis, providing humanitarian aid and supporting the integration of Ukrainian refugees in Slovakia. As noted by Strečanský (2022), philanthropy infrastructure organizations have been working collectively to enhance the sector's capacity in Slovakia, such as the Slovak Fundraising Centre, the Center for Philanthropy, the Association of Corporate Foundations and Funds, and the Pontis Foundation.

While research is being conducted on the state of philanthropy in Slovakia, it is quite difficult since there is no reliable open data sources and all giving data needs to be collected laboriously from annual reports of POs. There are several challenges connected with the rise of populist and extreme right politicians who deepen the polarization of civil society. The government elected in 2023 has already shown their distrustful attitude to the POs. For example:

- The Ministry of Justice canceled subsidies in the government-sponsored human rights program for POs, in order to limit the funding of watchdog organizations;
- A proposal to label the POs whose source of income from abroad exceeds EUR 5,000 per year to be called "organizations with foreign support," as a means to characterize POs as political wreckers financed from abroad; and
- A proposal to abolish the tax assignment to POs.

For the future philanthropic sector development, it remains crucial to raise awareness about philanthropy, to strengthen the organizational capacity of POs, and to encourage collaboration among POs and other stakeholders.

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