



## COMMUNITY FOUNDATIONS AND DEMOCRACY IN EUROPE

**What are the effects of shrinking spaces for the freedom of action of community foundations? What does it mean for the commitment of citizens if the possibilities for political, social, or institutional development and involvement are narrowing down in democratic societies? How can the young community foundation movement hold its ground, despite all the obstacles that governments put in their way?**

**This paper provides answers from colleagues in Hungary, Poland, Russia, Romania and Slovakia.**

Community foundations offer the opportunity to citizens to get involved in their local society and to contribute shaping it according to their ideas. They are open for everybody who is interested and therefore symbolise the democratisation of the very notion of foundations and of philanthropy. As such they can help shape their community and encourage forms of participatory democracy. However they need to gain and maintain respect and credibility within the public sector and in the media. This becomes more challenging as the political environment becomes more polarised, and as the space for civil society becomes squeezed. These conditions, while challenging, can also offer an opportunity to highlight the positive role that independent civil society organisations can play, and in particular how community foundations can build social, physical and financial capital to enable people to have a stake-holding in their own communities and to address local issues themselves. The phenomenon of ‘shrinking space for civil society’ has been cited in many Central and Eastern European countries. What does it mean in practice?

Anja Böllhoff, Co-ordinating Director, ECFI, and Axel Halling, Alliance of Community Foundations, Germany, interviewed staff from community foundations and support organisations in Hungary, Poland, Romania, Russia and Slovakia in order to get a sense of closing space from people on the ground. An article based on these interviews was published in [Stiftungswelt](#) in May. Summaries of these interviews are presented below.

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## HUNGARY

Hungary is a country where the movement for community foundations started in 2011. The Ferencváros Community Foundation is the oldest community foundation. Now there are 4 community foundations operating in Hungary which has 9.8 m inhabitants.

The Roots and Wings Foundation was established in 2014 to foster the development of communities, philanthropy and the media in Hungary. Roots and Wings' work focuses on the Community Foundation Support Programme with the goal to empower people to act for the common good.



Tamás Scaruski, Executive Director of Roots and Wings Foundation reports on how he sees the worsening conditions for non-for-profit organisations.

### **How do the democratic and political circumstances, on a national and local level, influence the existence and work of community foundations in Hungary?**

The Roots & Wings Foundation mobilises resources from abroad and nationally to support community foundations across Hungary as good platforms to inspire people to create a more just society at the local level. Our work takes place in an increasingly polarised political context, we are exposed to and working with major political and societal forces which is both a challenge and an opportunity. On one hand major political forces proactively and successfully undermine the credibility and question the value of independent NGOs and independent civic action in general, on the other hand there is a significant part of society that sees independent NGOs and civic action as an agency to build a society and a country they would like to live in, including making them the foundation of political opposition to the current government.

### **What political difficulties do community foundations have to face in everyday life?**

For us at the Roots & Wings Foundation one of the most difficult tasks is to maintain our credibility and stay true to our values, while also ensuring that our supporters and partners are not subjected to political pressure, discriminated or simply put at disadvantage, just because they work with an independent foundation supported from abroad. For instance, it is increasingly difficult for us at the national level to attract and retain major private and corporate donors. If they do take the risk of funding our work, most of them would like to stay anonymous as they fear that their business activities or other important areas of their life will be the target of “official” repression. If we cannot credit them for their support, we

lose the chance of using them as role models for others who might dare to follow, but not lead.

Similar difficulties are faced by young community foundations too. To address complex social, environmental and economic problems facing local citizens would need new forms of inter-organisational collaboration and engagement in joint working partnerships across sectors to effect change. Fear, distrust and political labelling are strong forces preventing that.

**How could community foundations in Hungary profit from connections and co-operation with other community foundations in Europe?**

The greatest value of European cooperation is breaking isolation, showing solidarity as well as providing positive stimuli to Hungarian community foundations to demonstrate in practice, to a growing number of people, the value of their work. This can be done through joint campaigns, study visits, adapting methods to our context, international projects - the possibilities are numerous.

## POLAND

Poland is a country where the movement for Community Foundations started in 1998. The Snow Mountain Community Foundation was the first community foundation. Now there are 25 Community Foundations operating in Poland with 37.9m inhabitants.

The Academy for the Development of Philanthropy in Poland, established in 1998, is focusing on establishing new community foundations despite the challenging political situation in Poland.



Pawel Lukasiak, Executive Director of the Academy for the Development of Philanthropy in Poland reports on how he sees the worsening conditions for non-for-profit organisations.

**How do the democratic and political circumstances, on a national and local level, influence the existence and work of community foundations in your country?**

In my opinion as far as the local level is concerned there are no crucial changes; in the last elections local authorities (2018) have been elected mostly among local, independent committees. Political parties were more active and elected in big cities.

**What political difficulties do community foundations have to face in everyday life?**

The division between people supporting two main political parties is very deep, relationships became very tense. The climax of this conflict was the murder of President of Gdańsk, Paweł Adamowicz, during the charity event in January 2019. After this tragedy (of course it too early for any studies on that) people answered with extreme generosity to the Great Orchestra of Christmas Charity, but also to other organisations. However, it will be extremely difficult both for community foundations, and other NGOs, to remain neutral in these circumstances.

**How could community foundations in Poland profit from connections and co-operation to other Community foundations in Europe?**

In my opinion the most important thing is to show newly elected local authorities that community foundations are popular, effective, and widely recognised organisations in Europe and America and that they are significant institutions building civil society and local communities. Community foundations may also benefit from exchanging experiences and the best practices.

## ROMANIA

Romania is a country where the movement for community foundations started in 2008. The oldest community foundations are in Cluj and Odorhei. Now there are 16 community foundations operating in Romania which has a population of 19.6m inhabitants.

The Association for Community Relations (ARC) was established in 2001 with the goal to bolster philanthropic awareness in Romanian society. One of ARC's main programs was the National Programme for Community Foundations Development to help build the movement by providing grants and technical assistance.

Rucsandra Pop, Programme Director, National Development Program for Community Foundations, ARC and Ciprian Ciocan, Executive Director of Sibiu Community Foundation, report on how they see the worsening conditions for non-for-profit organisations.



### **How do the democratic and political circumstances, on a national and local level, influence the existence and work of community foundations in Romania?**

*Rucsandra Pop:* In the last couple of years, there were numerous turbulences in the legal framework - there were changes in the sponsorship law, in the law of the associations and foundation, and the Government has imposed new ways of controlling the fiscal facilities. Public policies are also changing. This unstable environment is generating confusion both at the level of non-profit organisations that need to adapt to all those changes and also at the level of the businesses funding different programs in the non-profit world. For example, from April 1<sup>st</sup> 2019, all non-profit organisations need to register with the national fiscal authorities in order to be eligible for funding from companies. 10 days before this new system will be in place, there still no methodology regarding this register and this will freeze the activity of many NGOs, community foundations included. What we experience is that the act of donating is becoming more a political than a civic act, and this is valid for individual donors and businesses as well. But not all the businesses have the courage to do what could be perceived as taking a political stance. Another problem is that due to instability and a massive wave of protests, many people in the sector are experiencing burn out or are leaving the country.

*Ciprian Ciocan:* The influence is both positive and negative. The negative effect is that people are less inclined to get involved in community-based projects and more engaged in political activism, and this makes our work more difficult, it puts

more pressure on us. It is both a matter of time resources and financial resources that start to be directed towards more political cause, towards supporting new political movements. The positive effect is that the political instability activates people in the community - people need to get involved, to see that they can change things for the better. As a result, the society will be stronger and more resilient.

### **What political difficulties do community foundations have to face in everyday life?**

*Rucsandra Pop:* The co-operation between national authorities and civic sector is becoming more and more difficult. The dialogue is tainted by a lack of trust from both sides, and this minimises the influence of think tanks and organisations that were consulted on various strategic issues, like the community foundations. This also has an impact on the local organisations offering solutions where the state does not have the proper infrastructure. For instance, this is affecting social services massively. Recently, Bucharest Municipality has cut the funding for the only NGO which was offering shelter for the victims of domestic violence.

*Ciprian Ciocan:* We did not encounter major difficulties in implementing our programs, as in our county the major institutions are not controlled by the ruling party. The local political leaders are very open towards the civil society. We have access to the community agenda and we have transparent funding mechanisms that we can access. Sibiu Community Foundation has always received support from the local authorities, also due to the big impact we have in the community. Sibiu Marathon, for example, is a major sporting and fundraising event and we had all the support we could get. As long as our requests are reasonable, the response has always been positive. Even though we had a strong voice in defending the democratic values we were seen and treated as a partner in the community. But we can see how the legislative instability is affecting our grantees, for whom it is becoming more difficult to get funding and operate in a sustainable manner. And, of course, we are disturbed in our day to day activity by the climate of uncertainty. There are also bureaucratic decisions that are making our work more difficult. Some come for European level, like the new GDPR regulations, others from the national level, such as the national implementation of anti-money laundry policies. We understand the importance of these regulations, but for a small organisation these are very difficult to implement, and they are adding an extra layer of burden on our staff and our budget.

### **How could the community foundations in Romania profit from connections and co-operation with other community foundations in Europe?**

*Rucsandra Pop:* First of all, there is obviously the area of inspiration and exchanging best practices. The Romanian community foundation movement has grown enormously in the last few years and we are in the lucky position where we are not only recipients of knowledge, but we feel we have things to offer in

exchange to the international community. For Romanian community foundations, peer learning opportunities, study visits, participation in conferences, or the chance to co-organise events with other community foundations from Europe and with support organisations, are very important experiences. They create a common space for reflection and a place to create social change through local philanthropy mechanisms. Another area where we feel that we are stronger together is, obviously, communication. Our voice can be better heard when the messages about philanthropy and civic engagement that we are sending out to the big European political families or to the European bodies is a common one. We can better show the impact of the civic sector in general and of the community foundations in particular, if we communicate as a European movement. A strong civic movement in each of our countries creates a stronger Europe, with citizens that build better and more resilient communities for themselves and for the others. And last, but not least, even though donations in Romania - both from individuals and from businesses - have reached a record level in the last few years, in order to have sustainable community foundations there is still a need for strategic funding. Major foundations that have a bold vision and understand the value of strategic philanthropy can represent a way to counter-balance the challenges that the community foundations and the organisations they are working with are facing, or will face, in the near future.

*Ciprian Ciocan:* Being exposed to different learning events and conferences and having the chance to see how community foundations abroad operate, has always been a source of inspiration. We usually see what others are doing and try to adapt their models to our community. Any contact with the other community foundations generates a spark. Also, being in contact with similar organisations is telling us that we are on the right track. It's a productive way to evaluate our work by comparison with other countries with a tradition in community philanthropy, because it helps us see how fast we grew.

## RUSSIA

Russia is a country where the community foundation movement started in 1998. The Tolyatti City Foundation was the first Community foundation. Now there are 70 Community Foundations operating in Russia with 144 m inhabitants.

The Charities Aid Foundation (CAF) Russia, established in 1993, is the national organisation which supports a thriving and independent civil society by pioneering effective and sustainable ways of giving. CAF Russia has worked closely with community foundations.

Maria Chertok, Director, CAF Russia, reports on how she sees the conditions for non-for-profit organisations.



“One of the factors for community foundation development in Russia, particularly in remote and non-industrial areas, is people’s realisation that the government would not solve their problems for them. This is how forgotten places with little hope become centers of community activism - they simply don’t have other ways of making their life better. Seeing assets, where governments see only problems and liabilities, is a characteristic feature of communities where community foundations have been successful. In most places, community foundations have full support from local governments because they help to ease social problems and create a positive framework for citizens’ engagement. Still it is not easy for community foundation leaders to preserve their independence and put community in the centre of their work, rather than simply respond to the requests of local governments that tend to present themselves as a voice of the community.

Community foundations have become a school of participation for their communities where people learn how to articulate their vision of better life, mobilise resources towards their vision, and decide on their use collectively. Working together across social, ethnic, generational divisions and building trust within their community is a core democratic principle Russian community foundations foster.

Community foundations in Russia are incredibly well connected between themselves and have a unique experience of learning from each other. All the best practices that have been developed by individual community foundations get shared very quickly and adopted across the country. This is why it is so important that community foundations have the inflow of new ideas and methodologies of working in communities - what one community foundation learns would benefit the whole field. International experience has been an inspiration for many practices community foundations use, such as #GivingTuesday and Giving Circles, and the field will greatly benefit from more of it in the future.”

## SLOVAKIA

Slovakia is a country where the movement for Community Foundations started in 1994. The Healthy City Banska Bystrica was the first Community foundation. Now there are 8 Community Foundations operating in Slovakia which has 5.4m inhabitants.

Beata Hirt, Executive Director and founding member of the oldest Slovakian community foundation in Banska Bystrica, reports on how she sees the worsening conditions for non-profit organisations:



**How do the democratic and political circumstances, on a national and local level, influence the existence and work of community foundations in your country?**

Generally, there is not a very supportive environment for NGO development right now, no tax deductions for donors, and the current government creates the image of the non-profit sector as an enemy of our state, paid by foreign agents, like Mr. Soros. It is not so strong on the local level, but to some level it is visible. Therefore, it is very important for us to be absolutely transparent and inform the public about all our activities, and also to be very careful not to take sides in political fights, but at the same time to be clear about our values.

**What political difficulties do community foundations have to face in everyday life?**

We have to be very careful in everyday activities and fulfilling all administrative duties not to give to the state institutions any reason to start some legal process against us. We frequently have to explain to ordinary people - donors as well as grantees - that we are not working in anybody's interest, like any party or foreign groups, but only in the interest of developing our community, but of course we also keep our values, like equality, openness and inclusion. I believe that because we are seen as being in opposition to the current local leadership, we are not able to achieve and reach some group of donors.

**How could community foundation Banská Bystrica profit from connections and co-operation to other community foundations in Europe?**

Any international co-operation opens doors to larger world, to more good practice examples, experience exchange, learning from mistakes, and stimulating discussion and moves the whole movement forward and makes it larger and stronger. I also believe in a personal dimension of co-operation, having a personal relationship with our colleagues makes our work easier, motivates us, and make us more open and tolerant.

## ABOUT ECFI

ECFI (The European Community Foundation Initiative) is a collaborative initiative committed to strengthening and promoting the community foundation movement in Europe. ECFI is hosted by the German Association of Foundations (Bundesverband Deutscher Stiftungen) and is run in partnership with the Centre for Philanthropy (Centrum pre filantropiu) in Slovakia.

ECFI works with community foundations (CFs) and community foundation support organisations (CFSOs) primarily through facilitating and stimulating interactions to enable learning, knowledge-building and empowerment. ECFI is also engaged in the mapping and analysis of CF activities and in disseminating information that will facilitate development of the field. ECFI strives to be a central point of contact for wider engagement within the global community foundation movement.

### ECFI'S THEORY OF CHANGE

ECFI believes that creating spaces and opportunities for cross-national dialogues, relationship-building and sharing experiences and practices of community foundations and other philanthropy practitioners (on a variety of themes of global and cross-national importance) at various levels will impact the capacity, capability, connections and credibility within the community foundation movement. Specifically ECFI will:

- facilitate individual and organisational learning and expertise;

- inspire individuals and organisations to leadership and joint action;
- produce practice-based knowledge;
- empower CFs in dealing with difficult issues in their communities and own development trajectories;
- grow mutual solidarity and strengthen the CF field overall;
- complement face-to-face interactions with virtual spaces and online tools and resources.

### ECFI'S STRATEGIC PRIORITIES

1. Facilitating interaction and learning, sharing new knowledge and fostering collaboration among CFSOs in Europe to strengthen the support infrastructure
2. Inspiring and facilitating growth in the CF field in Europe
3. Stimulating CFs in Europe to exercise their community leadership role and collaborate on pressing issues, including inequality, migration and climate change
4. Building and sharing knowledge about the CF field in Europe
5. Leveraging financial resources and other support for the development of the CF field in Europe

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