Cultures of Giving Country Profile

Ukraine

Zagoriy Foundation 2022
About WINGS

WINGS is a network of more than 190 philanthropy associations, networks, academic institutions, support organisations, and funders in 58 countries around the world whose purpose is to strengthen, promote and provide leadership on the development of philanthropy and social investment.

About this report

This report has been prepared for the WINGS Cultures of Giving Working Group by Zagoriy Foundation. The WINGS Cultures of Giving Working Group explores and shares the many different types and ways philanthropy exists in the WINGS network as well as the diverse cultures of giving around the world.

The members of the Cultures of Giving Working Group have created a series of country profiles that provide a general overview of the culture(s) of philanthropy in different countries. While this report may include a historical backdrop, the information included reflects a snapshot in time. The author draws on multiple sources, which may include secondary literature, surveys and/or information gathered from colleagues in the sector. Given the challenges of preparing such a broad overview, this publication should not be construed as either definitive or exhaustive. The contents of this report and any opinions expressed are the authors own. They should not be taken to reflect the views of WINGS, the Cultures of Giving Working Group, or any others who supported WINGS in this project.
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To know more about WINGS or the Cultures of Giving Working Group please contact info@wingsweb.org or visit www.wingsweb.org
Section I: Country context
UKRAINE

Ukraine has undergone a long state-building process lasting centuries of territorial fragmentation; however, the modern Ukrainian borders were formed after obtaining its sovereignty in 1991. For the last 30 years, Ukraine has worked to underscore its democratic aspirations and integrity with European values.

The 2004 revolution was the first significant challenge for Ukrainian society, and a turning point in its modern history, the political and economic crises served as an impetus for forming public consciousness. For example, during the Revolution of Dignity (2014), public organisations served as a driving force in uniting efforts to provide charitable assistance. At the same time, the occupation of Crimea and the protracted war with Russia in eastern Ukraine have deepened the economic and social crisis, increasing the demand for aid.

Social data

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Population</td>
<td>41.1 million (as of February 2022)&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>Major Ethnic Groups</td>
<td>Ukrainian 77.8%, Russian 17.3%, Belarusian 0.6%, Moldovan 0.5%, Crimean Tatar 0.5%, Bulgarian 0.4%, Hungarian 0.3%, Romanian 0.3%, Polish 0.3%, Jewish 0.2%, other 1.8%&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
<tr>
<td>Indigenous Ethnic Groups</td>
<td>Ukrainians, Crimean Tatars, Krymchaks, Karaite, Gagauzes</td>
</tr>
<tr>
<td>Major Languages</td>
<td>Ukrainian (official) 67.5%, Russian 29.6%, Crimean Tatar 0.48%</td>
</tr>
<tr>
<td>Government Structure</td>
<td>Religion in Ukraine (2018): Eastern Orthodox 67.3%, Unaffiliated 11.0%, Greek Catholic 9.4%, Unspecified Christian 7.7%, Protestant 2.2%, Latin Catholic 0.8%, Jewish 0.4%&lt;sup&gt;3&lt;/sup&gt;</td>
</tr>
<tr>
<td>Life Expectancy</td>
<td>68.10 for male, 78 for female (2018)&lt;sup&gt;4&lt;/sup&gt;</td>
</tr>
<tr>
<td>Human Development Index</td>
<td>0.750&lt;sup&gt;5&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

<sup>2</sup> IndexMundi, ‘Ukraine Demographics Profile’, https://www.indexmundi.com/ukraine/demographics_profile.html
### Governance data

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Population</td>
<td>41.1 million (as of February 2022)&lt;sup&gt;6&lt;/sup&gt;</td>
</tr>
<tr>
<td>Capital</td>
<td>Kyiv</td>
</tr>
<tr>
<td>Largest city</td>
<td>Kyiv, Kharkiv, Odesa, Dnipro, Lviv</td>
</tr>
<tr>
<td>Administrative divisions</td>
<td>24 oblasts (regions), 1 autonomous republic</td>
</tr>
<tr>
<td>Government structure</td>
<td>Unitary semi-presidential constitutional republic</td>
</tr>
</tbody>
</table>

### Economic data

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP per capita (USD)</td>
<td>$ 3741.06 (2020)&lt;sup&gt;7&lt;/sup&gt;</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>10.6% (January 2022)&lt;sup&gt;8&lt;/sup&gt;</td>
</tr>
<tr>
<td>Inflation Rate</td>
<td>10% (January 2022)&lt;sup&gt;9&lt;/sup&gt;</td>
</tr>
<tr>
<td>Government Debt to GDP</td>
<td>48.9% (Dec 2021)&lt;sup&gt;10&lt;/sup&gt;</td>
</tr>
<tr>
<td>Currency</td>
<td>Hryvnya (UAH)</td>
</tr>
</tbody>
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Section II: The philanthropic landscape
Culture of philanthropy

The culture of mass giving in Ukraine distinctly developed after the Revolution of Dignity (2014), which proved that people are capable of supporting and funding both selective initiatives as well as macro projects. At the same time, society has demonstrated the ability to rapidly expand the structural component of giving through volunteer networks and charitable organisations, as well as developing advanced infrastructure for helping others and interaction between givers.

According to the study *Charitable Giving as Viewed by Ukrainians in 2021*\(^{11}\), 67% of Ukrainians have practised giving over the past year. Of these, 87% have been involved in charitable activities in one form or another throughout their lives. Ukrainians actively demonstrate *ad hoc* giving on a mundane level. Large majority of the population claim they give financial donations or do volunteering work on a regular basis. At present, charitable giving in the form of material or financial donations is dominant in Ukraine. During 2021, every second Ukrainian (56%) provided financial support to people in need. The average donated amount was UAH 398.00/quarter (nearly USD 13.98) per one adult Ukrainian or UAH 758.00/quarter (nearly USD 27.3) per one charitable giver.

Perception of charitable giving

There is a strong positive perception of charitable giving in Ukraine. Experts believe that unselfish, caring, and proactive support in any shape or form is at the heart of charitable giving. Members of charitable organisations see giving as willingness to make sacrifices and serve the society. The third sector in Ukraine also plays a significant role in supporting the government in solving urgent social problems; however, current amounts of charitable assistance may not cover all needs.

Experts note positive changes in the development of charitable giving, namely:

- Raised awareness among the Ukrainians
- Giving became trendy, therefore, Corporate Social Responsibility increased in businesses
- Positive development of institutionalisation in charitable giving
- The range of charitable giving is still quite chaotic in Ukraine; the growth rate remains moderate.

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The key attributes of today’s charitable giving are:

- Lack of regulations and coordination both at the legislative level and within professional associations.
- Lack of examples on how charitable organisations interact with people, beneficiaries, businesses, the government, and media.

Experts and representatives of charitable organisations have a shared opinion that giving in Ukraine is mainly focused on health, namely access to medicines and surgical services. However, within this category, incoming funds are not equally distributed. The majority of the support goes to children with serious illnesses, some of it goes to retired people, and what is left – goes to the adult population. Charitable sector professionals believe that social protection and health require significant support these days, especially during the Covid-19 pandemic.

In addition to the above, having compared the presence and relevance of charitable giving, there are other areas that require close attention. These are education, science, arts and culture, development of territorial communities, sports, and economic development.

**Institution building**

There are 18,519 charitable organisations and foundations registered in Ukraine, 1316 of them are based in the non-government controlled areas in the east of Ukraine. Only 3,638 of all organisations had an online presence during the past year. Of all registered organisations, only 20-25% have been active in the last year.

Experts assess the current level of institution building for charitable giving as quite weak. The major reasons are:

- Short life span of most NGOs and charitable organisations
- Lack of consistent charitable practice among people and businesses
- Lack of coordination and teamwork between charitable organisations

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12 The areas in Ukraine occupied by the Russian Federation due to the annexation of Crimea and the war in the east of Ukraine.

● Lack of professional associations
● Poor coordination between givers and beneficiaries
● Lack of interaction between charitable organisations and the State\textsuperscript{14}

One of the main factors of public distrust of charitable foundations in Ukraine is the perception that such organisations operate to gain profits and other benefits, such as money laundering and their founders’ reputation fixing. This concern is often expressed by the media and businesses, lowering public incentives to support charitable organisations.

**Attitudes towards charitable foundations within the sector**

Sector experts positively estimate the work of charitable foundations; they find it to be important and beneficial. The level of trust for charitable foundations is conditional; largely depending on the founders and key donors supporting specific foundations. International charitable foundations, institutions created by Ukrainian diaspora, or public initiatives are the most trusted by employees of charitable foundations.

\textsuperscript{14} This refers to the interaction of the third sector and the state overall, namely the formation of state policy in charity, regulation of legislation in this area, organisational and financial assistance to charitable initiatives, promotion of charity in the state strategy.
Graph 1. How trusted are charitable foundations? (as %)
*as viewed by employees of charitable organisations

Source\textsuperscript{15}: Zagoriy Foundation\textsuperscript{16}

\textsuperscript{15} All graphs are recreated from Zagoriy Foundation’s reports
\textsuperscript{16} Zagoriy Foundation, ‘Charitable Giving as Viewed by Ukrainians: What is It Like in 2019?’, December 2019,
Attitudes towards charitable foundations among the public

In the past year, charitable initiatives have seen significant professional growth. They attract experts’ attention and are noticed and remembered by the public. The tables below highlight the most popular charitable organisations among the Ukrainian public.

Graph 3. Top 10 well-known charitable foundations in Ukraine
*as viewed by employees of charitable organisations

Source: Zagoriy Foundation

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Graph 4. Which of these charitable foundations have you heard of? (options were suggested from a list of foundations)

Source: Zagoriy Foundation

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Sources of funding

The average Ukrainian is the main donor of charitable activities followed by large individual donors and businesses (see the graph below). Survey results conducted among charitable sector professionals revealed that 37% of organisations have applied for funding to private donors, and 25% applied to businesses.

Graph 5. Common source of funding of charitable organisations/foundations

Source: Zagoriy Foundation

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Individual giving

Most often, Ukrainians contribute to charity with their money. According to the survey *Charitable Giving as Viewed by Ukrainians in 2021*, 81% of givers offer assistance in the form of monetary donations. This includes transferring money to the accounts of those in need, contributions to foundations, and also to donation boxes\(^{20}\) or money given to people asking for aid in public places (see Table below).

Graph 6. How do Ukrainians get involved in charitable giving?

Method of charitable giving, % of givers (N=1344)

<table>
<thead>
<tr>
<th>Method of Charitable Giving</th>
<th>% of Givers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash/financial donation</td>
<td>81%</td>
</tr>
<tr>
<td>Donation of food, clothes, medicine, and other property</td>
<td>35%</td>
</tr>
<tr>
<td>Donation of services or other provisions of work</td>
<td>8%</td>
</tr>
<tr>
<td>Public collection of charitable donations</td>
<td>6%</td>
</tr>
<tr>
<td>Donation of income share</td>
<td>3%</td>
</tr>
<tr>
<td>Holding charity events</td>
<td>3%</td>
</tr>
<tr>
<td>Payment for services</td>
<td>2%</td>
</tr>
<tr>
<td>Providing asylum in one's own home</td>
<td>2%</td>
</tr>
<tr>
<td>Social entrepreneurship</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: Zagoriy Foundation\(^{21}\)

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\(^{20}\) “Boxes” here refers to canisters that organisations leave in public locations to request small donations.

Section III: Challenges
Factors deterring charity in Ukraine

Conditions of permanent crisis (war, coronavirus pandemic) impact the income of the Ukrainian population. This in turn restrains charity in the country. After all, the poorer the population and business sector, the fewer resources they can allocate to support others (please see Table below)

Graph 7. Barriers for charitable giving

Yellow refers to 2019, and grey refers to 2021

Lack of trust in the state is a second factor deterring charity. People do not trust the government officials (local or national), strangers or the media. Therefore, it is not surprising that people have doubts about the intentions of charitable organisations or individuals who ask for help.

Source: Zagoriy Foundation

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Trust in charitable organisations in Ukraine

Ukrainians have ambivalent attitudes to charitable organisations. In the survey quoted above, on a scale of 1 to 5, where 1 is full distrust and 5 is complete trust, the level of trust of Ukrainians towards charitable organisations is on average 2.6 (that is, this level is mediocre with a tendency to distrust).

The image of charitable foundations in Ukraine is negative rather than positive. The respondents “rather agree” with all the negative statements about charitable organisations and have doubts about the veracity of positive ones. The only advantage of charitable foundations that the respondents tend to agree with is that they fund large and costly projects. At the same time, the respondents do not believe in their transparency, impartiality, efficiency, and consider them to be too bureaucratic.

Respondents also indicate that they are unsure whether charitable foundations really provide assistance on a permanent basis, are open to cooperation with the public and understand the needs of society. Due to the distrust in charitable organisations and foundations, some Ukrainians are reluctant to donate money, are not ready to join their initiatives as volunteers and are even afraid to ask for help from them.

What can stimulate charity in Ukraine?

Considering the factors that determine the development of charity in Ukraine, there are a number of conditions that would facilitate its acceleration:

- Improved living standards may encourage Ukrainians to focus on and offer support to those facing problems.
- Aware and engaged citizens – implementation of educational programmes, cooperation with schools, promotion of charity, and social advertising.
- Openness, integrity, and transparency in the work of charitable foundations, including their reporting practices. Demonstration of achievements and results of charitable foundations. Increasing engagement between philanthropists and beneficiaries.
- Raising awareness about foundations’ activities and encouraging support for them by identifying clear messages about existing needs and ways to meet them.

While most respondents believe that one of the conditions for the development of charity in Ukraine is to improve living standards of the population, other data from the
UKRAINE

survey showed that willingness to help depends on several factors other than the well-being of an individual citizen. These factors include the level of social capital in the society/community, the level of social responsibility, and the requests, communication and initiatives taken by charitable foundations to mobilise the public. According to the respondents, the main factor in stimulating charity is the availability of a ‘charity agent’ who is trusted – that is, an organisation which would take initiative, launch charitable projects, actively communicate about them, report on the progress, offer the opportunity to see results, and be focused on addressing problems relevant to people. Therefore, increasing trust in such agents will help increase trust in charity as a whole.

Graph 8. Level of agreement with statements on a 5-point scale
1 – strongly disagree, and 5 – strong agree

Source: Zagoriy Foundation

Section IV: Impact of Covid-19
The coronavirus pandemic, in particular the strict lockdown, has affected every area of life in Ukraine. Charitable behaviour is no exception. According to the survey *Charity in times of coronavirus*²⁴, the current situation has both positive and negative consequences.

**Positive developments**

There has been a surge of charitable and volunteer initiatives in Ukraine. The new challenges provoked by the crisis have contributed to the advancement of the volunteer movement that seemed to be gradually declining after it reached its peak back in 2014 during the Revolution of Dignity. International donors and national business entities have also supported efforts to counter the impact of Covid-19.

People have more free time, and many are committed to devoting this time to volunteer activities. Today, those who were active in 2014 – the experienced ones – are returning to volunteering. After the 2020 crisis, it is anticipated that there will be more experienced volunteers and philanthropists in Ukraine.

**Negative consequences**

The economic downturn that accompanies the crisis has led to lowering incomes and rising unemployment in the country. As a result, the demand for humanitarian assistance has risen sharply, while the donations from the population and small businesses – that have often been used for these purposes – are rapidly declining.

Philanthropists and charitable organisations had to purchase additional items such as PPE (personal protective equipment) for their employees and beneficiaries. As these items have risen in price, the final beneficiaries receive less cash assistance.

There are concerns about declining donations in the future, as there is a very high risk that the capacity and willingness of businesses and the population will be exhausted after the crisis, especially given excessively high charitable giving through the pandemic.

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There has been a significant shift in the priorities of donors. There is increased funding for projects aimed at overcoming the effects of the coronavirus pandemic, which in turn leads to underfunding of projects aimed at other goals: culture, education, community development, etc. The pressure on the charitable sector is growing, while the resources – both financial and human – are limited.

The spread of non-systemic initiatives causes a kind of chaos. Most charitable organisations had to change the usual algorithms and modalities of operation that they had developed over the years – this relates to fundraising, communication, and forms of assistance provided. Some assistance is currently not available for reasons beyond the control of the foundations. For example, organisations dealing with legal aid could not operate effectively due to the suspension of courts. At the beginning of the first lockdown, in March 2020, most courts issued orders restricting the access of non-litigants to court hearings, limiting the work of offices and access to case materials, and recommending that parties file motions to adjourn court hearings to a later date. There were also widespread cases of adjournment of court hearings without a new trial date. However, after realising that the pandemic would last, the state regulators have had to speed up the implementation of the e-court system launched before the pandemic, thus resuming litigation.

Some activities, such as training, consultations, advocacy campaigns, had to be transferred into an online format, which is not always an effective and reliable way. Overall, volunteer groups rather than charitable organisations, have become more active. The crisis has not become an impetus for institutional development.

In the context of the Covid-19 crisis, the third sector has faced new challenges:

- Charitable organisations record an increase in the number of requests for protection against Covid-19.
- Beneficiaries need more social support – employment or resettlement assistance, basic assistance in addressing housing needs.
- There is also an increased need for psychological assistance in people.
- Smaller charities talk about the need to diversify financial revenues and to change the established financial modalities.
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