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The 2022 Global Philanthropy Environment Index Greece

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QUICK FACTS

Legal forms of philanthropic organizations included in the law: Association, Foundation, Civil Non-Profit Company, Collection Committee, Union, Other Legal Entities of Private Law (Social Associational Enterprises (*KOINSEP*)), Legal Entities of Public Law (Church, Chambers of Commerce), Cooperative (Civil Cooperative of Exclusive Purpose (Energy Community))

Five main social issues addressed by these organizations: Basic Needs, Food, Youth and Family, Arts and Culture, International Causes

Average time established by law to register a philanthropic organization: More than 90 days

Average cost for registering a philanthropic organization: USD 500

Besides the initiation of energy communities as a new type of philanthropic organization (PO) in 2018 (according to Law 4513) and the partial modification of five main social issues due to multiple crises, there have been no other changes since 2018. For more information, please see the 2018 Greece Country Report available here: <https://scholarworks.iupui.edu/handle/1805/16742>

Government levels primarily regulating the incorporation of philanthropic organizations: Central/Federal Government

Philanthropic Environment Scores:

Year	Ease of Operating a PO	Tax Incentives	Cross-Border Philanthropic Flows	Political Environment	Economic Environment	Socio-Cultural Environment	Overall Score
2022 GPEI	4.63	4.00	3.75	3.30	3.10	2.40	3.53
2018 GPEI	4.63	4.00	3.60	3.30	N.A.	2.40	3.59

Source: Indiana University Lilly Family School of Philanthropy, 2022 *Global Philanthropy Environment Index*

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: 4.2

There has been no change since 2018. For more information, please see the 2018 Greece Country Report available here: <https://scholarworks.iupui.edu/handle/1805/16742>

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

Score: 4.9

There has been no change since 2018. For more information, please see the 2018 Greece Country Report available here: <https://scholarworks.iupui.edu/handle/1805/16742>

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

Score: 4.8

There has been no change since 2018. For more information, please see the 2018 Greece Country Report available here: <https://scholarworks.iupui.edu/handle/1805/16742>

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: 4.1

In December 2019, the tax framework for donations to POs was improved through an increase from 10 percent to 20 percent of the tax deduction on amounts given in the form of voluntary monetary donations. This applies to specific cases of POs that are clearly defined in the tax law, provided that these donations exceed the amount of EUR 100 (USD 122) during each tax year. The total amount of donations cannot exceed five percent of taxable income. In practice, the maximum tax deduction for donors reaches 0.5 percent of taxable income on average. This is a positive change in general, but the donors still have to face the red tape of the tax authority processes in order to receive this

deduction. For more information, please see the 2018 Greece Country Report available here: <https://scholarworks.iupui.edu/handle/1805/16742>

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

Score: 3.9

As mentioned in the 2018 Greece Country Report, since 2010, Greece has imposed a very low gift and inheritance tax rate of 0.5 percent to POs. But according to the 2018 Law 4583, POs, which receive such donations and are also liable to pay tax, are obliged to follow a more complicated procedure that includes the submission of extended paperwork to the tax authority. This process is more complicated when the donation comes from abroad. According to the same law, even when the donation comes from abroad, the donor is obliged to have a tax identification number in Greece.

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: 4.0

In September 2019, capital controls were lifted, allowing the free movement of money in and out of the country for the first time in over four years. However, there is no publicly available information about the impact of this change on cross-border donations.

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

Score: 3.5

The available information about this topic is still very limited. As indicated in Question 5, according to the 2018 Law 4583, the donor and receiving entities are obliged to have a tax identification number in Greece in order to legally comply.

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: 3.0

There has been no change since 2018. For more information, please see the 2018 Greece Country Report available here: <https://scholarworks.iupui.edu/handle/1805/16742>

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

Score: 3.6

There has been no change since 2018. For more information, please see the 2018 Greece Country Report available here: <https://scholarworks.iupui.edu/handle/1805/16742>

V. Economic Environment

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

Score: 3.1

The lifting of the capital controls and gradual improvement of several macroeconomic indexes have helped the overall economic climate. However, alongside Greek society, the philanthropic sector has suffered from the consequences of multiple crises such as the economic crisis, the migration crisis, and now the COVID-19 pandemic crisis.

VI. Socio-Cultural Environment

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

Score: 2.4

There has been no change since 2018. For more information, please see the 2018 Greece Country Report available here: <https://scholarworks.iupui.edu/handle/1805/16742>

VII. Future of Philanthropy

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

Current state of the philanthropic sector

New informal philanthropic initiatives are developing, but there is no available information about these trends.

Three major recent events affecting the philanthropic landscape between January 2018 and December 2020

- 1) The COVID-19 pandemic crisis persisting since 2020.
- 2) The continuation of the migration crisis since 2015.
- 3) The lifting of capital controls since 2019.

Future development trends in the philanthropic landscape

The less developed nature of the philanthropic sector (in combination with the COVID-19 crisis) has led to diminished adoption of emerging forms of philanthropy. As indicated in the following recommendations, the Greek philanthropic sector has to first address some fundamental challenges.

Three key recommendations to improve the environment for philanthropy

- Creation of an official registry of POs;
- Develop and apply a clear and solid legal framework that will realistically define philanthropic activities and regulate all the aspects of the PO operation, including (tax regulations, funding rules, and volunteering; and
- Planning and provision of philanthropic/nonprofit management education.

VIII. Philanthropic Response to COVID-19

These questions are used to provide a general picture of the philanthropic response to the COVID-19 pandemic in this country and recommendations for improving cross-sectoral collaboration.

Areas where the nonprofit sector and philanthropy are playing a role in responding to COVID-19

- Monetary and in-kind donations of health/sanitary materials from foundations, companies, and individuals; and
- Psychological support, health services, building awareness, and the provision of sanitary material to poor people from nonprofits.

Innovation and new trends in the nonprofit sector and philanthropy related to COVID-19 responses

An innovative move by the Greek government is the initiation of an official volunteering program by the Ministry of Health, though there is no information about the results yet. One new trend in the field of nonprofit activities might be the increased focus on mental health and the provision of virtual psychological support services.

Impact of COVID-19 on the philanthropic environment

Because of the economic and migrant crises of previous years, many POs have changed their strategy and focused their activities on the mitigation of these crises in order to remain relevant and survive. POs are now called again to adjust to a new crisis. However, COVID-19 lockdowns and several restrictions that change day-by-day act as barriers to the immediate provision of philanthropic services. Moreover, the fact that the central government has taken over all the efforts of responding to the COVID-19 crisis leaves limited space for activating the philanthropic sector.

Anticipated impact of COVID-19 on the philanthropic environment in 2021

The COVID-19 pandemic will threaten the survival of many POs, especially in terms of funding opportunities. emerging role of private foundations will be enhanced and established.

References

Indiana University Lilly Family School of Philanthropy. (2018). *2018 Global Philanthropy Environment Index Greece Country Report*. Available at:
<https://scholarworks.iupui.edu/handle/1805/16742>