STATUS OF THIRD SECTOR ENTITIES IN THE STATE AND SOCIETY

POSTAVENIE SUBJEKTOV TRETIHO SEKTORA V ŠTÁTE A SPOLOČNOSTI

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I. Introduction

Already the ancient Greek philosopher Aristotle claimed at the time of his life that man is a social creature who can realize himself in various activities with other people through communication and language. However, in relation to other people, a person must behave in accordance with certain rules that are the basis of law-making in society⁽¹⁾. This statement is supported by the well-known and by modern society adopted and accepted „*Ubi homo, ibi societas; ibi societas, ibi ius*“⁽²⁾. Society as such is perceived by many authors from various points of view. In the broadest sense, it is synonymous with humanity as a whole, in the narrowest sense, it is a group of people living in a certain territory, which is controlled by political power based on social norms sanctioned

by law. Events in society can be determined by the existence of various organizations and entities that operate in the territory of the state. In terms of management and financing of the activities of these entities, we divide them into public sector entities (first sector), private sector entities (second sector) and non-profit sector entities (third sector)⁽³⁾. The non-profit sector may consist of organizations whose object of activity is either universal, public benefit or mutually beneficial services. The existence of these organizations guarantees citizens the right to associate. This right belongs to them thanks to the existence of the constitution of a democratic state, while the Slovak Republic is no exception. “The Slovak Republic is a sovereign, democratic and legal state.”⁽⁴⁾

⁽¹⁾ Fábry et al. 2019.

⁽²⁾ Where a (civil) society is, there is the law. M. T. Cicero (106-43 p. n. l).

⁽³⁾ Brozmanová-Gregorová et al. 2009.

⁽⁴⁾ Art. 1 par. 1, the first section of the Act no. 460/1992 Coll. Constitu-

Abstract (EN)

The basic definition of the third sector comes from the sectoral division of the Slovak economy. The sectoral breakdown of the economy operates with concepts such as the public sector, the private sector, and the third sector⁽¹⁾. Civil society represents the third sector of society that exists alongside the state and the market. The third sector is a commonly used term for all non-governmental organizations in the Slovak Republic. Their legal form may vary. This sector is characterized by the existence of organizations that have a formal structure, non-state character, do not aim to make a profit, are independent, operate on a self-governing basis and are voluntary. The existence of non-governmental organizations and their participation in the life of society characterizes every civil society. One type of such organizations are non-profit organizations, the scope of which is regulated by the Act no. 213/1997 Coll. on Non-profit Organizations Providing Services of General Interest, as amended. They represent non-governmental non-profit organizations operating in civil society. The register of these legal entities operating in the territory of the Slovak Republic is provided by the Ministry of the Interior of the Slovak Republic. The aim of this paper is to point out the importance of the existence and

⁽¹⁾ Fábry et al. 2019.

scope of non-profit organizations in civil society, to analyze the legal forms of their functioning, through analysis of current legislation, available literary sources with emphasis on analysis of development and employment in non-profit organizations providing public services in the territory of the Slovak Republic in the defined period from 2016 to 2018. According to the latest available data as of 31 December 2018⁽²⁾, there were 66 926 non-profit organizations registered and operating in the Slovak Republic, employing an average of 39 706 employees, while there were 3 272 of non-profit organizations providing services of general interest. The system of remuneration of employees of non-profit organizations is regulated by legislation in two ways. If the non-profit organization is not established by law, municipality, higher territorial unit or state, then it is possible to apply Act no. 311/2001 Coll. Labor Code as amended. Otherwise, if the non-profit organization is established by law, which means that the employee performs work in accordance with the law in the public interest, the procedure for his remuneration is in accordance with the Act no. 553/2003 Coll. on Remuneration of Certain Employees in the Performance of Work in the Public Interest and on Amendments to Certain Acts, as amended.

⁽²⁾ Where a (civil) society is, there is the law. M. T. Cicero (106-43 p. n. l).

Keywords (EN)

civil society, third sector, non-governmental organizations, non-profit organizations, financing

Kľúčové slová (SK)

občianska spoločnosť, tretí sektor, mimovládne neziskové organizácie, financovanie

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Critical perspective perceives democracy to be a government of ignorance, as neither those who govern nor those who vote know what is really good and what is bad for the state.⁽⁵⁾ A society that is independent of the state and which is characterized by developed social, economic, legal, cultural, but also political relations between its individual members is referred to as "civil society"⁽⁶⁾. Specifically, it is the civic sector, which is the third sector, whose goal is not to make a profit, but the realization of a certain interest, whether it is a higher interest, public interest, general interest, or partial, group or individual interest⁽⁷⁾. Civil society is built on a voluntary and largely pluralistic basis. Nevertheless, there is a high degree of organization and interconnection of civil society structures operating within its individual sectors in Slovakia. Existing umbrella and coordinating institutions bring together a significant number of organizations from the relevant civil society sector. In some cases, however, the real representativeness and real impact of such institutions is questionable. The presented paper points to the existence of non-profit organizations in the Slovak Republic (SR), as a part of civil society. Non-profit organizations are legal entities, whose purpose is to provide services of general interest under predetermined and equal conditions for all users and whose profit must not be used for the benefit of their founders, members of bodies or their employees, but must be used in its entirety to provide services of general interest⁽⁸⁾.

II. Material and Methods

Establishment, creation, dissolution, termination, position of bodies and management of non-profit organizations providing services of general interest are regulated by the valid wording of Act no. 213/1997 Coll. on Non-profit Organizations Providing Services of General Interest.

The main goal of this paper is to acquaint the reader with

tion as amended.

⁽⁵⁾ Plichtová – Šestáková. 2018.

⁽⁶⁾ Mesežnikov. 1995.

⁽⁷⁾ Ministry of Interior SR (2020)

⁽⁸⁾ Ministry of Interior SR (2020)

the scope of the existence of non-profit organizations in the Slovak Republic with emphasis on non-profit organizations providing services of general interest. The aim of this paper is to point out the importance of the existence and scope of non-profit organizations in civil society, analysis of the various legal forms of their functioning, through analysis of current legislation, available literary sources with emphasis on analysis of development and employment in non-profit organizations providing public services in the territory of the Slovak Republic in the defined period from 2016 to 2018.

Partial objectives of the paper include an analysis of the legislation of the Slovak Republic, which enshrines the position and activities of non-governmental organizations as leading representatives of the third sector, analysis of the number of non-profit organizations in the Slovak Republic (its development is processed for the period from 2016 to 2018), their employees and the development of donations and contributions, which were in the period from 2016 to 2018 remitted to non-profit organizations in Slovakia. The paper tries to continuously monitor, analyze the position, activities and financing of the basic subjects of the third sector by the method of analysis, deduction and use of grammatical and logical interpretation.

From a methodological point of view, the fulfilment of the goal can be achieved through the analysis of the valid legislative of the Slovak Republic, available from the public system SLOV-LEX and literary sources of domestic and foreign authors. Data from the Statistical Office of the Slovak Republic for the years 2016 to 2018 serve as a base for the above-mentioned development analysis.

III. Results and Discussion

1 The Concept and Meaning of the Third Sector

In most countries, society is made up of three sectors: private, public and non-profit, which coexist and influence and complement each other. The prosperity of the non-profit sector is

Abstrakt (sk)

Základné vymedzenie tretieho sektora pochádza zo sektorového rozdelenia hospodárstva Slovenska. Sektorové členenie ekonomiky operuje s pojmami, ako sú verejný sektor, súkromný sektor, tretí sektor. Občianska spoločnosť predstavuje tretí sektor spoločnosti, ktorý existuje popri štáte a trhu. Tretí sektor je všeobecne zaužívané označenie pre všetky mimovládne organizácie v Slovenskej republike. Ich právna forma môže byť rôzna. Tento sektor sa vyznačuje existenciou organizácií, ktoré majú formálnu štruktúru, neštátny charakter, nemajú za cieľ vytvárať zisk, sú nezávislé, fungujú na samosprávnom princípe a majú dobrovoľný charakter. Existencia mimovládnych organizácií a ich podieľanie sa na živote spoločnosti charakterizuje každú občiansku spoločnosť. Jednou z takýchto organizácií sú aj nezábokové/neziskové organizácie, ktorých pôsobnosť upravuje zákon č. 213/1997 Z. z. o neziskových organizáciách poskytujúcich všeobecne prospešné služby v platnom znení, sú jednou z foriem mimovládnych neziskových organizácií, pôsobiach v občianskej spoločnosti. Register týchto právnických osôb pôsobiach na území Slovenskej republiky zabezpečuje Ministerstvo vnútra Slovenskej republiky. Cieľom predkladaného príspevku je poukázať na dôležitosť existencie a pôsobnosti nezábokových neziskových organizácií v občianskej spoločnosti, analýzu podob jednotlivých právnych foriem

ich fungovania, a to prostredníctvom analýzy platnej legislatívy, dostupných literárnych zdrojov s dôrazom na analýzu vývoja a zamestnanosti v neziskových organizáciách, poskytujúcich verejnoprospešné služby na území Slovenskej republiky vo vymedzenom období rokov 2016 až 2018. Podľa posledných dostupných údajov k 31.12.2018 bolo na území SR registrovaných a pôsobiach 66 926 nezábokových organizácií, v ktorých pracovalo v priemere 39 706 zamestnancov, pričom konkrétne neziskových organizácií, poskytujúcich verejnoprospešné služby existujúcich k uvedenému dátumu bolo 3 272. Systém odmeňovania zamestnancov nezábokových, teda neziskových organizácií je legislatívne upravovaný dvoma spôsobmi. V prípade, že nezisková organizácia nie je zriadená zákonom, obcou, vyšším územným celkom alebo štátom, tak pri odmeňovaní zamestnancov je možné aplikovať zákon č. 311/2001 Z. z. Zákonník práce v platnom znení. V opačnom prípade, ak je nezisková organizácia zriadená zákonom, čiže zamestnanec vykonáva prácu v zmysle zákona vo verejnom záujme, postupuje sa pri jeho odmeňovaní podľa zákona č. 553/2003 Z. z. o odmeňovaní niektorých zamestnancov pri výkone práce vo verejnom záujme a o zmene a doplnení niektorých zákonov v znení neskorších predpisov.

affected by the volume and quality of changes expanding its area of operation.

The term third sector refers to the organized sphere of free human behaviour and voluntary association located between the state, the market and the family. The researched area includes a wide range of human activities, while the main common features include organization, private character and legally individual, common or public benefit goals, which do not restrict the rights of citizens and are not aimed at achieving profit⁽⁹⁾. Other names are also used to indicate the diversity of third sector activities, highlighting different aspects of the issue. The term third sector emphasizes the fact that it is a sector that operates in the space between the state and the market. The term non-profit sector describes the absence of a profit motive, while the achieved profit is returned to other public benefit programs⁽¹⁰⁾. The third sector does not yet have a fixed place in the Constitution of the Slovak Republic and this designation is used for a certain institutionalized framework of our society's life⁽¹¹⁾. It is the non-profit sector that creates many opportunities for the implementation of various public benefit activities. The work of non-profit organizations is often underestimated and these organizations have to fight for their place in society.

The Slovak Republic needs a public sector of a good quality, as a product of public policy of the state, which will ensure quality and well-functioning systems of education, health care and social security within the framework of effective management of public resources. Only a well-functioning and sufficiently efficient public sector can effectively support the qualitative development of society, the socio-economic balance and the life security of the population⁽¹²⁾. However, these goals cannot be achieved automatically, or simply and easily, only with the effort and finances of the state. Civil society, based on citizens, which is one of the defining features of the state and its specific subjects, makes voluntary and responsible efforts to achieve these goals. The state, therefore, supports non-profit organizations as subjects of broad civil society, because in many cases they replace and relieve the state from their activities as they provide services that have a public benefit character.

2 Legal Regulation of the Position and Method of Financing Non-governmental Non-profit Organizations

The basic legal framework for the establishment of non-governmental non-profit organizations is formed by four laws, which stipulate the possibility of the establishment of associations, foundations, non-investment funds and non-profit organizations providing services of general interest.

According to the Act. no. 83/1990 Coll. on the Association of Citizens, as amended, citizens have the right to associate freely.

⁽⁹⁾ Skovajsa, M. – Dohnalová, M. (2010)

⁽¹⁰⁾ Čihovská, V. et al. (1999)

⁽¹¹⁾ Holúbková, T. (2011)

⁽¹²⁾ Government Office of the SR. 2018. Úloha štátu a verejného sektora. Online

They can form associations, companies, unions, movements, clubs and other civic associations, as well as trade unions. Associations may not perform the function of state bodies, unless a special law provides otherwise. They may not direct public authorities and impose obligations on citizens who are not members. The association is established by registration. The proposal for registration is submitted to the Ministry of the Interior of the Slovak Republic. Associations are obligatorily registered in the register of non-governmental non-profit organizations.

According to Act no. 34/2002 Coll. on Foundations and on the amendment of the Civil Code, as amended, a foundation is established as a special-purpose association of property that serves to support a public benefit purpose. For the purposes of the foundation's legal regulation, the public benefit purpose means in particular the development and protection of spiritual and cultural values, the realization and protection of human rights or other humanitarian goals, the protection and creation of the environment, the preservation of natural values, health protection, protection of children's and youth rights, scientific development, education, physical education and the provision of individually designed humanitarian aid for an individual or a group of persons who are in danger of death or in need of urgent assistance in the event of a natural disaster. The foundation is a legal entity that is also registered in the register of non-governmental non-profit organizations. Foundations may also perform other activities in accordance with the public benefit purpose of the foundation and with the implementation of the foundation's activities. The endowment activity is mainly the provision of monetary and non-monetary funds from the foundation's property to third parties.

According to Act no. 147/1997 Coll. on Non-investment Funds and on the amendment of the Act of the National Council of the Slovak Republic no. 207/1996 Coll. The fund is a non-profit legal entity that brings together funds intended for the fulfilment of a public benefit purpose or individually determined humanitarian aid for an individual or a group of persons who have found themselves in danger of death or need urgent assistance in the event of a natural disaster.

The development and protection of spiritual values, the protection of human rights, the protection and creation of the environment, the preservation of natural and cultural values, the protection and promotion of health and education, and the development of social services is considered to be of general interest. The fund's assets consist of the founders' deposits and other funds, which are mainly monetary gifts and contributions from individuals or legal entities, income from organizing cultural, educational, social or sporting events, income from the sale of own literature supporting the purpose of the fund and other statutory income.

According to Act no. 213/1997 Coll. on Non-profit Organizations Providing Services of General Interest, as amended (hereinafter referred to as a non-profit organization), a non-profit organization is a legal entity established for the purpose of providing services of general interest under predetermined and equal conditions for all users. The profit of a non-profit organization may not be used for the benefit of the founders, members of the bodies or its employees, but must be used in its entirety to provide services of general interest. For the

purposes of this Act, services of general interest include the provision of health care, the provision of social assistance and humanitarian care, research, development, scientific and technical services and information services, the creation and protection of the environment and the protection of public health, services to support regional development and employment, but also other objectives that the above-mentioned third sector entities meet. The scope of services of general interest can be extended by a non-profit organization, as the law defines it only by an exemplary calculation. A non-profit organization can be established by a natural person, a legal entity or the state. The non-profit organization ensures its activities and manages its property and may also use state property or territorial self-government property in accordance with special regulations. The property of the non-profit organization consists of deposits of the founders, income from own activities, income from business activities after taxation, inheritance and gifts from natural persons and legal entities.

The non-profit organization can also be provided with subsidies from the state budget, the state fund budget and the municipality budget. A non-profit organization may conduct business in accordance with special regulations provided that this activity achieves a more efficient use of its assets and does not jeopardize the quality, scope and availability of the services for which it was established. A non-profit organization may not participate in the business of other persons and may not enter into a silent partnership agreement. The resources of a non-profit organization may not be used to finance the activities of political parties and political movements or to benefit a candidate for elected office. The basic principle of funding non-governmental non-profit organizations is multi-source. Its essence lies in the use of several sources of income in order to ensure independence from a single financial source, which could lead to the demise of a non-governmental non-profit organization. The state has various tools at its disposal through which it can contribute to the co-financing of non-profit organizations by direct or indirect support⁽¹³⁾. Direct support to non-governmental non-profit organizations is support from budget revenues, which is complemented by support from extra-budgetary revenues⁽¹⁴⁾.

Significant indirect support is the allocation of 2% of the share of paid personal and corporate tax. The share of the paid tax up to the amount of 2% is the taxpayer, who is a natural or legal person, entitled to remit the legal person designated by him. The share of the paid tax can be provided to the recipient, which is also a civic association, foundation, non-investment fund, non-profit organization providing services of general interest and in this way to realize the use of the share of paid tax for special purposes⁽¹⁵⁾. The possibility to assign 2% of corporate income tax is a special mechanism of support for non-governmental organizations. The allocation of 2% tax gives the donor a legal opportunity to decide to whom the funds will be transferred. It is thus an indirect state support for non-governmental organizations by providing a part of the taxes that would otherwise end up in the state budget. The 2% allocation

interferes with the cooperation of the non-profit and business sectors⁽¹⁶⁾. A non-governmental non-profit organization can use its own capacities to create and obtain resources, which is done through self-financing, most often in the form of business. However, we do not classify it among business entities in the sense of the law, because its activity does not fulfil the legal features of business⁽¹⁷⁾, its mission is different.

The difference between the business of an entrepreneur or a trading company and the business of a non-profit organization is mainly in the way the profit is used. The non-governmental non-profit organization finances from the profit the activities by which it fulfils its non-profit public benefit goals. Non-governmental non-profit organizations perform entrepreneurial activities because funds from grants, subsidies or donations are pre-tied to certain projects and activities, and funds obtained from self-financing from business are untied and can be used based on the needs and decisions of non-governmental non-profit organizations⁽¹⁸⁾. The ban on business activity is enshrined for non-investment funds.

3 Comparison of the Development of the Number of Non-profit Organizations Providing Services of General Interest and Their Employment in the Period from 2016 to 2018

Act no. 213/1997 Coll. on Non-profit Organizations Providing Services of General Interest, as amended, regulates the establishment, dissolution, termination, position of bodies and management of non-profit organizations providing services of general interest. One of the most significant amendments was amendment no. 35/2002, which introduced into the law the definition of a non-profit organization so that both its basic defining features are clear, namely the provision of services of general interest as a subject of non-profit organization activity and non-profit as a basic criterion for the functioning of a non-profit organization. However, in the context of the activities of non-profit organizations, this is not the only legal norm that is related to the above.

The establishment of any single non-profit organization, which a natural person or legal entity or the state has the right to establish by a foundation deed signed by all founders is conditioned by its registration. A written proposal for the entry of a non-profit organization in the register must be submitted by the founder or a person authorized by him in writing within 60 days of the establishment of the non-profit organization. The authenticity of the petitioner's signature must be officially certified⁽¹⁹⁾.

If a non-profit organization is to provide services regulated by special regulations (e.g. Act no. 448/2008 Coll. on Social

⁽¹³⁾ Adolfová, I. 2009.

⁽¹⁴⁾ *Ibid.*

⁽¹⁵⁾ §50 section. 4 Act no. 595/2003 Coll.

⁽¹⁶⁾ Marček, E. 2005.

⁽¹⁷⁾ §2 section. 1 Act no. 513/1991 Coll. Business Code.

⁽¹⁸⁾ Adolfová, I. 2009.

⁽¹⁹⁾ §5 Act no. 213/1997 Coll.

Tab 1: Development of the number of non-profit organizations in the Slovak Republic (2016 to 2018)

Third sector	Year 2016	Year 2017	Year 2018
Non-profit organizations total:	60 128	64 136	66 926
Associations	40 386	43 544	45 938
Church organizations	3 471	3 489	3 508
Homeowners' associations	10 297	10 302	10 310
Non-profit organizations	2 186	3 071	3 272
Foundations	468	469	468
Interest associations of legal entities	973	984	1 026
Non-investment funds	524	518	504
Estates chambers	85	85	86
Non-profit organizations providing services of general interest	1 556	1 501	1 602
Other	182	173	212

Source: Own processing of the data from the Statistical Office of the SR (2016 – 2018)

Services and on the Amendment of Act no. 455/1991 Coll., on Trade Licensing (Trade Licensing Act), as amended, Act on the Protection, Support and Development of Public Health and on the amendment of certain acts as amended, Act no. 578/2004 Coll. on Health Care Providers, Health Care Workers, Professional Organizations in Health Care and on the amendment of certain laws as amended) is obliged to prove their fulfilment to the registration office within 30 days from the fulfilment of the conditions laid down by these special regulations.

The registry office shall issue a decision on registration and make an entry in the register if the foundation deed and the statute are in accordance with the law.

The registration of non-profit organizations in the public register of non-profit organizations is regulated by the wording of Act no. 346/2018 Coll. on the Register of Non-Governmental Non-Profit Organizations and on amendments to certain acts, as amended. This law also specifically regulates the fees associated with the registration of a non-profit organization, while it should be noted that the amount of the fee for a non-profit organization providing services of general interest is 66 €.

The register of non-governmental non-profit organizations represents a reliable, up-to-date and unified source register of non-governmental non-profit organizations whose registration is carried out in the Ministry of the Interior of the Slovak Republic. The register of non-governmental non-profit organizations acts as a logically unified and data-consistent source of data on all citizens' associations, non-profit organizations providing services of general interest, foundations and non-investment funds. In this way, it is possible to obtain comprehensive data on non-governmental non-profit organizations in one place with the possibility of immediate and reliable identification of a legal entity⁽²⁰⁾.

One of the goals of non-profit organizations, as we have already mentioned, is to provide services of general interest. Public benefit services can be provided in non-profit organizations by employees, employees by agreement or volunteers. They can be remunerated for exercising this competence in two ways. The first case concerns the remuneration of an em-

ployee working in the public interest in accordance with the Act no. 553/2003 Coll. on the Remuneration of Certain Employees in the Performance of Work in the Public Interest and on the amendment of certain acts as amended (§1 of the given Act specifies which employees are concerned). In the second case, it is the remuneration of employees who work in a non-profit organization, which is not established by law, municipality, higher territorial unit or state. In this case, the remuneration of employees is carried out in accordance with the Act no. 311/2001 Coll. Labour Code as amended.

According to the available data of the Statistical Office of the Slovak Republic, Table 1 expresses the development of the number of small non-profit organizations that were established in the territory of the Slovak Republic in the period 2016 – 2018.

From the Table 1 it is possible to identify that the number of entities in the third sector has been growing in recent years. According to the latest available data of the Statistical Office of the Slovak Republic, the number of non-profit organizations in the Slovak Republic increased by 49,68% in 2018 compared to 2016, while the number of non-profit organizations providing services of general interest increased by 2,95%. The emergence and growth of the number of entities in the third sector dates back to the events of November 1989, when the political system and the economic system changed and a vibrant civil society emerged. The growth trend of these entities and organizations is directly related to the events of November 1989, when the democratic system of government came to the fore, as the basis for the formation of civil society⁽²¹⁾. Some non-profit organizations existed before 1989, but only in small numbers. These were, for example, the Slovak Red Cross, the Academy of Education, and Živena. From 1989, more than 6 000 private non-profit organizations were registered until 1993, and more than 12 000 until 1996. Subsequently, however, state interventions in the conditions of the establishment of non-profit organizations and the setting of financial limits for their existence took place. This decision of the then state power caused, but only for a certain time, a decrease in the number of pri-

⁽²⁰⁾ Explanatory memorandum to the Act no. 346/2018 Coll.

⁽²¹⁾ Kuvíková – Švidroňová (2010)

Tab 2: Third sector by number of employees and number of hours worked by volunteers (development from 2016 to 2018)

Third sector	Indicator	Year 2016	Year 2017	Year 2018
Total statistics for the Slovak Republic	Average registered number of employees	38 999	40 085	39 706
	Employees employed by agreement	52 176	35 089	43 586
	Volunteers	343 566	240 341	176 530
	Hours worked by volunteers	18 812 775	15 351 189	10 234 009
Non-profit organizations	Average registered number of employees	2 358	2 551	2 669
	Employees employed by agreement	2 508	3 365	6 508
	Volunteers	15 475	18 125	3 601
	Hours worked by volunteers	1 133 335	1 394 729	233 352
Non-profit organizations providing services of general interest	Average registered number of employees	2 027	1 448	1 584
	Employees employed by agreement	2 663	916	3 817
	Volunteers	2 718	3 941	2 107
	Hours worked by volunteers	244 247	221 512	197 218

Source: Own processing of the data from the Statistical Office of the SR (2016 – 2018)

vate non-profit organizations, but not for long. The change in political positions following the 1998 elections re-established the liberalization of regulations governing the existence and development of the third sector and created relatively favourable legislation and economic conditions for the development of this sector.

According to the data of the Statistical Office of the Slovak Republic, the following Table 2 expresses the development of the number of employees who performed work activities in the third sector in the period 2016–2018. The table also shows the number of hours worked by volunteers in the third sector.

Although the number of entities in the third sector increased (Table 1), the number of employees in this sector fluctuated. Table 2 shows the number of employees employed by agreement and volunteers in the third sector in the period from 2016 to 2018. Their interest in performing this activity decreased in the period under review, which is also reflected in the number of hours worked by volunteers in this sector. This may be due to the fact that employment in this sector does not bring such financial benefits as employment in the private sector. Many people choose to work in the third sector after overcoming various life situations, such as overcoming serious health problems, after long-term treatment and, in many cases, after changing the perception of human values by reassessing life priorities.

According to the Statistical Office of the Slovak Republic, the third sector employs more women than men (more than 50% of women).

The financial sustainability of the non-profit sector is influenced by many factors. The sources of income of these entities are state resources, funds obtained from fees for their own activities, public collections, 2% of income tax and donations. The 2% income tax mechanism is considered to be an effective source of funding for the third sector from state support. The benefits of this mechanism for the non-profit sector are clear. It has been shown that a reduction in the taxes collected by the State by a possible percentage as a result of contributions will bring more resources to the third sector than corresponds to

the possible percentage of taxes paid⁽²²⁾.

The source of income of the third sector are also contributions and donations from other natural or legal persons operating in the territory of the Slovak Republic or abroad. This type of support can be remitted to non-profit organizations in monetary or non-monetary values. In 2016, third sector entities received donations and contributions in the amount of 300 621 743 €. Compared to 2018, these donations and contributions decreased by 3,01%, which means to the value of 288 854 306 €.

At present, the third sector does not expect them to increase; on the contrary, they are expected to decline in the future. The reason is the current crisis situation (associated with 2019 and the unexpectedly threatening year 2020), the end of which is still unpredictable and in the offing.

4 New dimensions of non-governmental non-profit organizations

Although the activity of the analysed non-governmental non-profit organizations in the sense of the text above focuses on the fulfilment of statutory public benefit objectives, the law leaves room for practice to extend the implementation of this public benefit objective to other, less mentioned areas of the state economy. Non-governmental non-profit organizations can and do work on campaigns for greater visibility of agriculture, healthy agricultural products, healthy food produced in accordance with environmental protection, healthy crop cultivation leading to climate change mitigation. Non-governmental organizations can make visible the facts about the inappropriate use of fertilizers in industrial agriculture, toxic chemicals, especially pesticides, which in turn pollute water and soil and again lead to further climate change. These agricultural initiatives aim at them and can lead to a reduction in the use of pesticides. Pesticides are primarily intended for killing pests and weeds, but have a major undesirable side effect. They also

⁽²²⁾ Ibid.

affect non-target organisms and pollute the environment. Farmers, their families and people living in close proximity to industrial agricultural areas are the most vulnerable groups in terms of the health effects of pesticides. Non-governmental non-profit organizations can help to achieve increased state support for organic farmers, or to achieve financial support for farmers in the transition to organic methods of crop production ⁽²³⁾.

Mutual cooperation between the third and the business sector creates an opportunity for the business sector to help the third sector, whether financially, with its own products and services, contracts, renting of premises or with its own employees. A business entity can provide financial and non-financial support to a non-profit organization. In return, the non-profit organization can provide information, joint projects and provide various services to the business entity, such as consultations, professional and methodical assistance under the contract, assistance in solving current issues of digitalisation of agriculture or training in alternative plant protection products. Cooperation can also be supported by such motives as tax incentives, visibility and image enhancement of both cooperating entities.

IV. Conclusions

30 years apart, 1989 brought many changes to society. One of them was a new perception of the position of the third sector in the state economy. Changes in societal events ensured that the third sector began to develop on the foundations of a democratic state. The third sector is an important part of the economic and political environment of any developed country. The basic motive for the activities of organizations belonging to this sector is not the return on investment, but always goodwill and effort to help. Any profits are invested back into the activities of the organization. The non-profit sector includes, for example, entities providing public services, entities working for their members, entities financing the activities of others, etc. Non-profit organizations operate in many areas of public benefit, such as social services, care for the disabled, social problem-solving, environmental protection, culture and the protection of cultural monuments, or community development. An important area of non-profit work is also the area of sports.

The legislative framework of non-profit organizations providing services of general interest is regulated by Act no. 213/1997 Coll. as amended.

In the conditions of the Slovak Republic, the development of the number of non-profit organizations in the period from 2016 to 2018 increased, while it should be noted that the number of employees working in them decreased slightly. The reason may be the fact of insufficient benefits from the performance of activities of non-profit organizations, unmotivating for a certain group of people, unless it is volunteering or own life decision. The third sector is financed in various forms. We pointed out the amount of donations and contributions to third sector entities in the defined time horizon. It seems important to point out that these sources of financing decreased slightly during the period under review, which may also result in the current crisis situation in society.

⁽²³⁾ Enviroportál. Informačný portál MŽP SR. 2020. Online.

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