

The Nonprofit Information and Training Centre (NIOK) Foundation has closely followed and supported the operation and the spread of the percentage system from the very beginning in Hungary as well as in other countries. Thanks to the support of the Sasakawa Peace Foundation it became possible to conduct research in 2006-2007 within the framework of the Percentage Philanthropy Project, by summarising the experiences of the last decade in two countries to analyse the nature of percentage designation, the characteristics of its functioning, and its effects on a culture of giving and on the NGO sector.

The summarising conclusions of the research are included in this publication. Hungarian and Slovakian experts in this field wrote studies analysing the working and the effects of percentage designation concerning various areas. Summaries of the background analyses can be read in this publication and full versions are available online at [www.onepercent.hu](http://www.onepercent.hu), where further information on this particular topic and the research can also be found. The comparative analysis of this publication was written by the staff of NIOK based on the background analyses and their findings.

On the basis of our research it can be stated that percentage designation is an effective tool to develop a culture of giving and the NGO sector although several limiting factors have to be taken into consideration.

Percentage designation was well received in both Hungary and Slovakia. Since its introduction, the number of participants has risen in both countries: the number of givers as well as the number of beneficiaries joining the system has increased. At the same time the sum of money given to the sector by means of percentage designation has also clearly grown.

Percentage designation helps the NGO sector and potential givers to realise the significance and usefulness of designation as well as the functioning and the elements of the process of giving. Examining the process from the perspectives of both NGOs and individual givers we reached the same conclusion: that percentage designation works similarly to donation as a whole and to its other forms. Consequently, it appears to be suitable to render the acts of giving and attracting donations accepted and used in everyday practice in societies that have implemented it. This is also confirmed by the finding that, during the time when percentage designation has been in operation, other forms of donations have also been increasing, the growth of which and its growing significance were reported by NGOs and individuals, and which was also shown in the official statistics. Percentage designation has not eclipsed individual or business giving, nor has it diminished the weight and importance of their donations. There were signs observed concerning actors from the governmental side that, other measures in support of donation were pushed into the background in the course of the application of percentage designation. It has to be noted that participating in percentage designation is not a realistic option for every NGO: the main types of NGOs successful in this area can be identified, as can those for whom this form of giving is out of reach.

In addition, percentage designation also helps improve communication, the formation of effective and diverse interaction between givers and beneficiaries. This also makes the NGO sector and its work more embedded in society and can help increase public awareness and approval of the NGO sector.

These effects and several further ones are discussed by this publication from the perspectives of politicians, givers and beneficiaries. We trust that our findings will further the development of donation and the NGO sector and that our analyses will be useful to all committed NGO members and civil servants interested in this topic.