

RESEARCH REPORT: NARRATIVES ON

CORPORATE PHILANTHROPY

Media Coverage of Chinese, Russian and Western Donations in Serbia

Research Report: Narratives on Corporate Philanthropy

Media Coverage of Chinese, Russian and Western Donations in Serbia

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Summary

The corporate philanthropy of companies from Russia and China on the one hand, and Europe on the other, is not portrayed in the same way in the Serbian media. An analysis of media sentiment applied to 2,476 articles on corporate philanthropy by a group of 38 companies shows that donations from companies from Russia and China are presented in a more positive manner compared to donations from companies from Europe.

The need for research

Politically, Serbia is still in a political position between East and West. On the one hand, the desire to join the EU has been publicly proclaimed, and on the other hand, close political relations with the Russian Federation and the People's Republic of China are nurtured. Such a political balancing act can create confusion among citizens and reduce support for European integration.

In public opinion polls, it is often the case that the perception of the closeness of political relations is transferred according to the principle of joint statements to other important details of international cooperation between states. Thus, China and Russia are at the top of the donor countries in the Serbian in public opinion, although the donations of these countries have not been recorded in significant amounts at all.¹

Public opinion is also influenced by media reporting, through the process of what it is reported and in what way. Therefore, we wanted to check whether the corporate philanthropy of companies from these countries is portrayed differently in the media.

Methodology

For the operationalization of the research, we decided to include companies from the Russian Federation and the People's Republic of China on the one hand, and the countries of North America and Europe, members of NATO and/or the EU, on the other. We created a sample of the largest companies originating from these countries that operate their business in Serbia to check whether there are differences in reporting on philanthropy.

A sample of companies owned by Russia or China was made on the basis of data from the Development Agency of Serbia, which lists the largest investments from selected countries, where we identified a total of 19 companies (of which 10 are Russian companies and 9 are Chinese). On the other hand, we have also made a list of 19 companies whose owners are from EU and/or NATO member states from the list of companies with the highest operating revenues, published by the Business Registers Agency. Only European companies are included in our sample. In total, we had a sample of 38 companies (19+19) in the research.

The next step was to download data from the press clipping database, which was collected on the basis of given keywords that include donations in the period from 01.01.2023 to 31.12.2023. In total, we found 2,476 media articles that had as a topic donations by the mentioned companies; Of these, 646 articles were related to donations from Russian and Chinese companies, and 1,830 articles were related to donations from European companies.

¹ According to a survey conducted in 2021. <https://europa.rs/gradjani-srbije-prepoznaju-eu-kao-najveceg-donatora/>

A total of 408 different media were represented in the press clipping database, which means an average of about 6 media releases per media. However, the representation of corporate philanthropy topics has varied from media to media. A large number of media have only 1 or 2 publications on these topics, while the most interested in these topics were the media Republika, Nedeljnik, Nova, Instore and Telegraf with over 70 publications each.

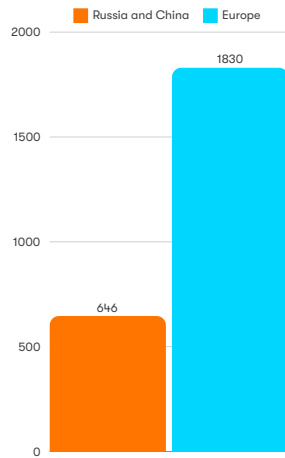


Figure 1: Number of media articles identified, by groups of companies' countries of origin.

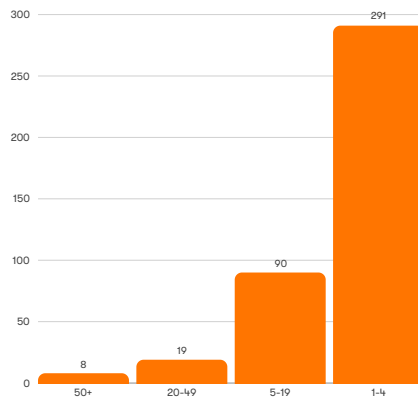


Figure 2: Number of media by number of posts.

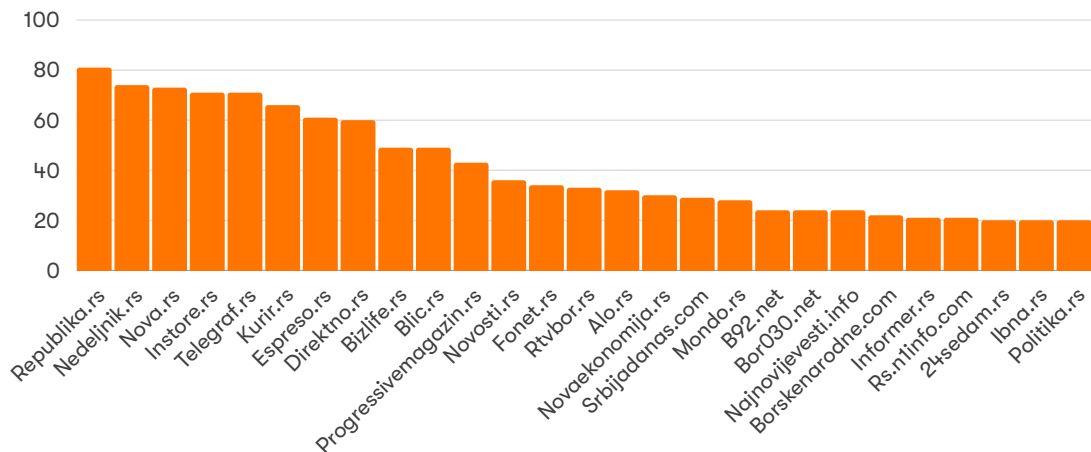


Figure 3: Media with at least 20 publications.

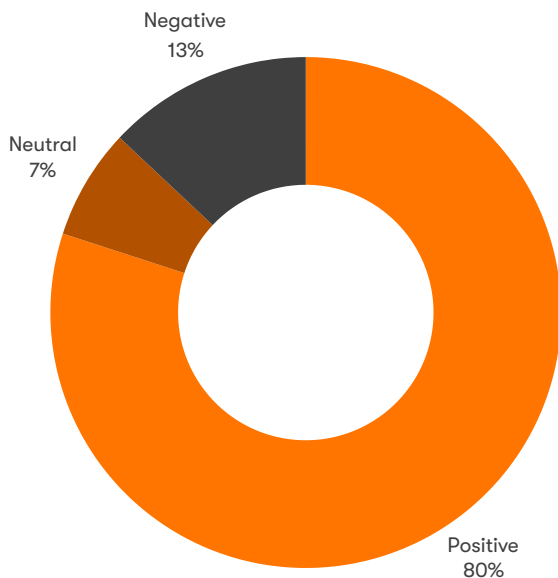


Figure 3: Sentiment of media articles for companies from Russia and China

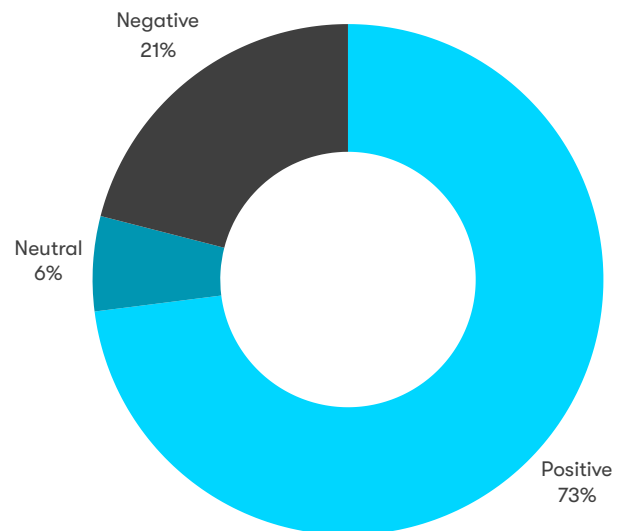


Figure 4: Sentiment of media articles for companies from Europe

To check whether this is due to coincidence, we used the ANOVA test as one of the standard tools in statistical reasoning. The results of the ANOVA test are shown in the following table.

ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	5503590	3	1834530	21.29583841	0.006380113	6.591382125
Within Groups	344580	4	86145			
Total	5848170	7				

Figure 5: Results of statistical analysis

These results show that there is a statistically significant difference ($p < 0.01$) in how the philanthropy of Russian and Chinese companies is reported on the one hand, and European companies on the other. In other words, the philanthropy of Russian and Chinese companies is structurally more often written about in a positive light than it is the case with European companies, and this is not a consequence of coincidence, but a structural feature of media reporting in Serbia.

Case Study: NIS Donation to the Budget

One of the important donor initiatives in 2023 was a donation of 60 million EUR from NIS Gazprom Neft. In the field of corporate philanthropy, this is the largest single donation recorded so far since organized monitoring of philanthropy in the Western Balkans started in 2013. In addition to the size itself, this donation differs from others by the beneficiary of the funds – while in practice, the most common beneficiaries are non-governmental organizations and individual state institutions (such as schools, hospitals or social welfare centers) or even direct beneficiaries (individuals or families), in this case the funds are paid directly into the state budget.

Bearing in mind this outlier of NIS's donation in relation to the observed donor practice, it is important to describe the context in which it was realized: during 2022, there was an energy crisis in Europe due to geopolitical relations between Russia on the one hand and the European Union on the other, after the Russian aggression against Ukraine.

As a result, the supply of affordable Russian energy products to the European market was interrupted, which led to a supply shock and, consequently, a temporary rise in the price of energy products. As a result, many energy companies have experienced a large increase in profits that have occurred independently of their operations. A number of European countries have since introduced temporary changes to tax rules that directly targeted companies with increased profits from the energy sector, facing the discontent of citizens who were exposed to high prices of fuel, electricity and heating.⁴

Serbia is one of the few European countries that has not introduced such a tax on extra profits, despite the record-high recorded profit of NIS in Serbia. The issue of a one-time donation of EUR 60 million from NIS to the state budget should therefore be viewed in this key, as a kind of tacit agreement on the replacement of the tax on extra profit with a voluntary donation in a certain amount, and not just as a voluntary donation.

Uniform Reporting

There is a feedback loop between the media and public opinion: the media write about what people want to know, but they also have an impact on the formation of public opinion through what information they present and in what way they do it. That is why it is so important that philanthropy, including corporate philanthropy, is written about in a quality and balanced way. It is in this light that the results of this research should be considered.

Uneven media coverage in this domain can have negative consequences for the development of corporate philanthropy, as it reduces the incentive for companies to help the community through corporate social responsibility programs.

A more negative presentation of corporate philanthropy originating from European countries, according to the principle of joint statements, can also influence the creation of more negative attitudes towards the West, more precisely the EU or individual European countries, and thus reduce support for Serbia's membership in the EU and the processes of social reforms that are a necessary prerequisite for this.

On the contrary, a more strategically positive presentation of corporate philanthropy by companies from Russia and China supports the existing narrative of Serbia's close cooperation with these countries, as a possible substitute for cooperation with the European Union.

⁴ Tax Foundation. What European Countries Are Doing about Windfall Profit Taxes. <https://taxfoundation.org/data/all/eu/windfall-tax-europe-2023/>



This research is supported through the Digital Activism Program by Tech Soup Global.

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