

**UNIVERSITY OF RIJEKA
FACULTY OF ECONOMICS**

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**PROBLEMS IN ORGANIZATION OF FOOD DONATION SYSTEM (ANALYSIS
OF SELECTED COUNTRIES)**

MASTER THESIS

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**PROBLEMS IN ORGANIZATION OF FOOD DONATION SYSTEM (ANALYSIS
OF SELECTED COUNTRIES)**

MASTER THESIS

Subject: Organizational Theory

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Summary

Food donation organization in Europe and States are made of Food banks and food pantries. Every county possess several Food banks, food pantries and other charitable organizations. Together, they combine a network of non profit charitable organizations. Their goal is to prevent food waste. Furthermore to prevent hunger and the deficit of food in a community as well as to prevent food waste, which is a threat for the environment and a big producer of not just waste, but also CO2 emission. In non profit organizations there is no production of a product, nor market with the buyers interested in a particular product or services. Due to that Food banks can not be compared with some of the usual organizational structures. Because of that there is a theoretical part about hybrid organizations which will explain more closely structure of food donation organizations and how they function. Some European countries such as Italy and France have set the laws which will enhance food donation. Italy is a neighbor country with the highest rate of awareness and contribution to reduce the waste of food. Especially comparing to Croatia that is in its very beginnings of making a food waste management programm and food donation organizations.

Key words:

Food donation organizations, food waste, food donation, organization structure

CONTENT

1. INTRODUCTION.....	1
1.1. Research problem and the subject of research.....	2
1.2. Working hypothesis.....	2
1.3. The purpose and goals of the research.....	2
1.4. Scientific methods.....	3
1.5. Basic terms and problems of food donation system.....	3
2. HYBRID ORGANIZATIONAL FORMS.....	5
2.1. Engaging in hybrid form.....	6
2.2. Governance Mechanisms.....	7
2.3. Determinants of the hybrid forms.....	8
2.4. Alliances as the most important form of hybrid organizations for non profit organizations.....	17
3. FOOD DONATION IN EUROPE.....	22
3.1. Food bank in Italy.....	22
3.2. Food donation.....	23
3.3 Food waste and pollution.....	24
3.4. Tax deduction on donated food.....	32
4. ANALYSIS OF FOOD DONATION ORGANIZATIONS.....	33
4.1. Analysis of food donation system in Italy.....	33

4.2. Analysis of food donation system in France.....	35
4.3. Analysis of food donation system in Croatia.....	41
5. CONCLUSION.....	45
REFERENCES.....	47
LIST OF CHARTS.....	50
LIST OF TABLES.....	50
LIST OF SCHEMES.....	50

INTRODUCTION

This thesis will elaborate problems in organization of food donation system. As an example it will be used France and Italy and with the help of their elaboration of system try to reinforce Croatian food donation system. Paper is divided into five sections, with its subsections. The first part explains basic terms that will be used in the paper. Furthermore it explains vision, goal and hypothesis.

Second chapter explains in more detailed organizational theory behind non profit organizations. Non profit organizations belong to hybrids forms of organization. Alliances are hybrid forms that can describe non profit organizations in more detailed manner. There are stated reasons why organizations decide to be a part of hybrid organizations, its problems and solutions to the problems, positive sides of entering into hybrid organizations and its drawbacks.

In chapter three it is written more about Food banks and how they function in order for readers to get more familiar with the subject and for better understanding of actual examples based on chosen countries. Considering that food donation, besides social part has also an economic side, there are featured benefits of donating food. Pollution is one of the major problems considering food waste, so in the further text it is stated how food waste affects environment and how can we prevent it. There are also noted benefits and information about tax deduction on donated food.

Fourth chapter deals with analysis of organizations of food donation systems in examples of France and Italy. France and Italy are chosen for this paper due to the fact that the France is a pioneer in most of the laws in Europe considering preventing food waste and encourages food donations. Italy follows its lead, but with different implementation of laws and incentives. It is interesting to compare these two countries, since they both have very

good system, that provide results, but with diversification in methods. Croatian food donation system wants to build organizational structure using theirs as a role model. In the further text it will stated what laws, regulations and ideas can we apply and how can we adjust them for our country.

1.1 Research problem and the subject of research

The research problem is: What is the organizational form of food donation organizations? How can we prevent food waste and redirected the excess of food towards food donation organizations, set by examples of Italy and France.

The subject of the research is what are the consequences of food waste and how should we prevent it. Also, how to implement and initiate food donation system in Croatia.

1.2. Working hypothesis

Based on already highlighted research problem and the subject of research, it can be concluded that working hypothesis is firstly to establish organizational form of food donation organizations, than to find out, what problems are behind food waste and how to reduce it and redirect it towards social organizations based on the examples of Italy and France. In the last chapter about Croatian food donation system, some ideas and suggestions will be exposed.

1.3. The purpose and goals of the research

The purpose of this paper is to raise an awareness of food waste and explain the actual width of the problem, which goes far beyond than just to make food donation. Goal of the

research is to introduce the numbers, how big the food waste problem is and to convey some methods, which can be applicable in every day life, and it is not just a problem of big companies, it is a problem of every household. Some of the questions that are answered through the thesis.

- 1.) What is food organization and how does it function?
- 2.) What is a Food Bank?
- 3.) What is the organizational structure of food donation organizations?
- 4.) What problems are connected with the food waste?
- 5.) What are the solutions and incentives with which we can reduce food waste?

1.4. Scientific methods

This research is done through the usage of different scientific methods, such as method of analysis, method of data gathering, and the method of statistical analysis. The master thesis is constructed through empirical approach and is supported with analysis of existing statistical data and evidence. It relies on available data from the European Commission.

1.5. Basic terms and problems of food donation system

First of all let's explain the plain definition of the food donation system. What organizations for food donations are? What is their mission and vision? Food donation system is a process led by food donation organizations that are collecting food from businesses and individuals or from the ones with excess of goods, storage it in Food

pantries or Food Banks and forward to the Food Banks and finally redirect it towards people in community that have a deficit of particular goods.

Their mission is to feed as much as people possible and throughout a good system exterminate the hunger, since there is so much food waste from households or from restaurants, stores and hotels that a good management of food and redirection from that garbage towards people in need. It is like any other part of Economics, there is a demand and a supply, but the advantage is that in this case, production is not necessary, because there is already a huge amount of food waste and excess of food.

Their vision is best described by one of the world biggest food donation organizations „Food donation connection“ That has subsidiaries in the USA, Canada, UK and going global with their programs in Spain, France, Mexico, Puerto Rico, Hong Kong and Australia.: “When they had all had enough to eat, Jesus said to his disciples, "Gather the pieces that are left over. Let nothing be wasted." John 6:12 .

Food Banks also have an important role in the process. Furthermore, it is not just the problem that some people have a shortage of food, but all these food that ends up in trash cans as a waste, it is polluting the environment and it is a huge producer of the CO2 emission. This paper explains what are the best techniques and laws used by Croatians neighbor countries- Italy and France, in preventing the food waste. In order to better understanding of organizational form of organizations in food donation system, since it is specific and how they work it will be shown in the in the text below through chapter of organizational hybrid forms.

2. HYBRID ORGANIZATIONAL FORMS

In the following text hybrid organizational forms will be explained in more detail. Hybrid forms include alliances, joint ventures, networks, franchising and business groups. Hybrid organizational forms are important for this paper because non profit organizations do not have a regular structure and with the help of hybrid forms, the structure of non profit organizations mentioned in the paper will be more clear.

A hybrid organization is an organization that combines elements, value systems, social impact and generates profit from various society sectors. Division of society sectors: public sector, private sector and voluntary sector. A hybrid form of organization is best described by Oliver Williamson (1991) who introduced the concept of a "hybrid form" in transaction cost economics. A hybrid form can be defined as "a set of organizations such that coordination between those organizations takes place by means of the price mechanism and various other coordination mechanisms simultaneously". (Williamson,1991)

Based on the available data Borys and Jemison made a classification of different types of hybrid organizational groups consisting of its purpose, boundary determination, value creation and stability mechanisms. This classification is further used in future to provide studies in organization theory research area. (Menard, 1996)

Hybrid forms are still consider as unusual, because they are not precisely defined, however, they are very useful, considering that we can not put every organizational form in particular textbook definition. Furthermore, hybrid forms show their efficiency through economy of scope and a good supervising system, which will punish an adverse behavior. They also distinct from other organizational forms that are usually mentioned in the textbooks about

Microeconomics that on one side, there are firms that are producing goods or offering services and on the other side are markets where producers and consumers interact.

2.1. Engaging in hybrid form

First of all, for some parties it may be convenient to engage into a hybrid form due to the sharing rights which will extenuate parties to face with complexity. There are two dimensions of complexity. First problem that is easier to solve for organizations in hybrid forms, it is the ability to handle in an easier way a multiple connected and intertwined transactions. Complexity can also occur due to some changes in environment. Hybrid forms tolerate to its organizations to abandon, partially or completely some rights in order to remove particular uncertainties that are endangering project or a relationship between partners. Entering into a hybrid form involves potential threat of opportunistic behavior and undefined and unsecured relationships, situations where the quality of inputs vary and it is questionable. One of the problems occurs in business with unpredictable demands, such as technological changes. Despite all of the inconveniences stated above, organizations decides to be a part of hybrid organizations. Their decision is based on the flexible rules in hybrid forms, gaining revenues and sharing expenses. In order to prevent insecurities and unpredictable behavior they also use techniques such as joint governance, shared knowledge, buffer strategies, and common standards. (Menard,1996)

Although ,hybrid forms are still not define by one definition, companies usually engage into hybrid forms, because it is easier to solve problems, skip obstacles or even deal with financial situations and investments with a partner in a joint organization. Problems of hybrid forms are possibilities that partner does not take care of the quality of the product and wants to save in that way or there is always a threat of opportunistic behavior, especially without detailed contracts involved. These are reasonable threats, because there are no definitions, nor specific rules in hybrid organizations.

In my opinion hybrids are good solution in a case of small entrepreneurs, which will make through bureaucracy and cover expense easier if they partner up. Furthermore, I also think that hybrids are appropriate in situations where other classical forms does not work, such as in nonprofit organizations.

2.2. Governance Mechanisms

Monitoring has a crucial role in hybrid arrangements due to the threats of opportunistic behavior and free riding. Governance mechanisms helps to reduce all of the problems that emerge in hybrid organizations stated above. Main segments of governance mechanism are to choose the right partners, make solid relationships and develop punishment system.

Punishment system is important because of the constant threat from opportunistic behavior, which will be reduced if companies involved see that there are consequences and that the threat is credible. In order to establish higher control level and to reduce information asymmetries among partners, there are several techniques that should be implemented. Those are integrated logistics, joint purchase procedures and shared transportation facilities. (Menard,1996)

The most important factors for Governance mechanisms to function are communication and social relationships. In order to reduce opportunistic behavior and asymmetry of information, partners should impose good communication between themselves and with the environment, through shared routines, standards that make communication easier and technology that allows translation of certain protocols at lower cost. It is important even more maintain social relations through sharing information, which helps to organize and tighten arrangements in hybrid organizations. (Menard,1996)

I believe that the most important tool in the governance mechanism is communication. Communication between organizations involved and communication with the environment, because that is the only way to get the information. Information provides feedback about a product for example, or the best solution of the problem, or which process should be implemented. Second one is punishments mechanism, since in hybrids, or any partnership, there is a distinct threat of opportunistic behavior, and if partners are aware that it is more efficient to follow the rules than to slack or not respect the contract, threat of opportunistic behavior and free riding will be reduced.

2.3. Determinants of the hybrid forms

Considering that hybrid forms are not examined area, there are a lot of different interpretations and the decision of a company and its structure depends on a multiple factor. Most of the data and information of hybrid forms are collected from empirical researches.

According to Williamson many of empirical tests have shown that the role of the specificity of assets has a key factor in the trade-off among modes of organizations. (Menard,1996)

In the text below it is shown how through investment decisions, companies are creating high degree of mutual dependence and by that higher risk of opportunistic behavior.

As we already mentioned the biggest deficiency that organizations see while entering the hybrid organizational forms is the opportunistic behavior. Opportunistic behavior is closely related with investments specificity in mutual investments. Investment specificity is an investment that “ties two parties”. It is the investment which is not usual and usually can not be recovered or used in other projects, it is redeployed and always asks for additional investment in asset, production process or employees. When there is a higher risk of opportunistic behavior, than the span and intensity of control is also higher. Main goal of partners that are organizing transactions in a hybrid form is to make investments that will produce long term relation based on mutual dependence and wellbeing, while property

rights and decision-making remain clear and unchanged. To accomplish that, there are two, most widespread strategies. (Menard, 1996)

First scenario is that each partner develops its own assets. The connection between partners is then based on their complementariness, although each partner also has part of separate investments. The second scenario is that partners decide to gather resources and make joint investments. (Menard, 1996)

The first strategy was analyzed by transaction-cost economists. They emphasized the importance of long term contractual relationship in complementary investments. At the beginning, most of the researches were based on bilateral contracts. Bilateral contract in an agreement between two parties means that both parties are obligated to a certain act that needs to be fulfilled.

One of the first examples that can be found is written by Palay (1985). Topic of the research was arrangements between rail carriers and automakers. Another pioneer in studying relationships in bilateral contracts was Joskow (1985), whose work is based on the contractual relationship linking electricity plants and coal mines. Menard(1996) expands the analysis from bilateral to multilateral contracts in his paper on a complex chain of mutually dependent firms with highly complementary assets in the French label system. Multilateral contract, unlike bilateral is based on agreement among three or more parties.

Contrary to the first organizational theories, alternative organizational forms, that are known today, can vary from low level of dependency, flexible, without detailed contracts and low administrative costs towards completely institutionalized control mechanisms achieved by establishing ownership rights

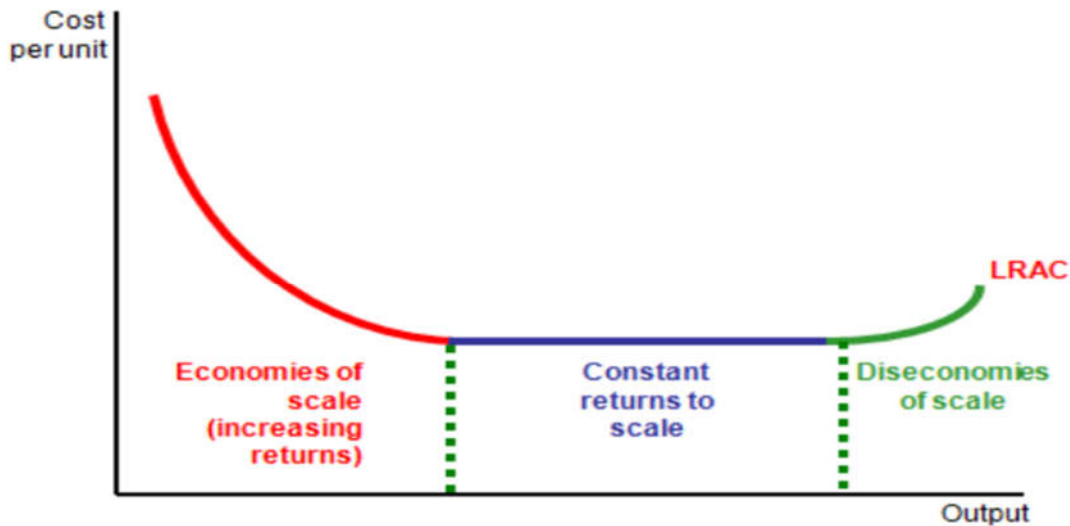
. While standard formulation designate the arm's length relationship between partners as the most suitable arrangement in organization for competitive markets, more challenging formulation would demand formal contracting. Arm's length relationship states for the partnership that is not tightly connected with rules or contracts.

In a case of a long term partnership, environmental or institutional insecurity, the best solution is ownership relation due to its proficiency in planning.

“Efficiency is achieved when the optimal institutional arrangement is chosen for a specific situation.” (Kaštelan Mrak, Vretenar, Jardas Antić, 2016)

The second strategy is based on mutual investments, which is typical for development and transfer of products among organizations which have different minimum efficiency scales. Minimum efficiency scale is the lowest output level where a firm can produce a product, in a way that its long term costs are minimized. (Menard, 1996)

Chart 1: Represents the minimum efficiency scale



Source: available at: <https://www.tutor2u.net/economics/blog/unit-3-micro-revision-on-scale-economies-and-mes>

These two strategies are very different. First strategies leaves enough space for organization to decide which hybrid form will take. Whether that is a contract based relationship or a relationship that is closer to integration. It is based on the amount of complementariness and how intensive they are. The second strategy makes a relationship of mutual dependence and importance. Dependent relationships make a variety of opportunities for opportunistic behavior. In favors of opportunistic behavior also goes incomplete contracts that do not ensure its parties enough, and do not cover majority of failures. Due to the risk of opportunistic behavior among companies, forms of private government develop for coordinating and policing the relationship, shift the form of highly mutual dependent partnership, closer to integration and drifted from contract-based agreements. (Menard, 1996)

In the examples stated above in the text investment in physical assets were considered. Econometric researches based on the influence of specific assets on arrangements between companies are inspired by the paradigmatic analysis of vertical integration, with an emphasis on the role of physical capital (site specificity, physical specificity, dedicated assets). (Menard, 1996)

Apart from physical assets, human asset has a crucial role in representation of the structure of hybrid forms and the way of functioning of hybrid forms. Human asset has an important role, due to their tendency to free-ride. Problem of free-riding is featured in franchise system. Franchisor needs to select and monitor franchisees properly in order to avoid free riding. Due to that they impose restrictive contractual provisions and authoritative devices in the guidance of the relationship. (Dnes,1996),(Raynaud,1997), (Lafontaine and Shaw, 1999)

When companies signed the agreement and gain a significant degree of mutual dependence in their physical assets, requires considerable amount of investments due to managers training in order to provide them with knowledge and skills, so that they can monitor arrangements. Time and effort is needed for the employees to gain and apply knowledge that is specific for that company. (Palay,1985)

There is one more type of specific investments beside human asset, that is important for determining hybrid form. That is the reputation obtained through the name of the brand quality and capital control. In a case of a collective trademarks, where the most important thing for the success of a particular product or a service is a quality of that product or service. High degree of control over quality will prevent chances for opportunism. If the

success and the quality of a product depend on human assets in order to maintain high quality of the brand and its reputation, the most important part of the investment is the one in human capital and its education, training and network-specific competences of partners. (Brown,1984), (Dwyer and Oh,1988),(John and Weitz,1988), (Fein and Anderson,1997), (Fearne,1998)

Hybrid organizations are convenient for the organizations, due to the advantages that organizations gain from partnership. This refers particularly on mutual investments. With mutual investments, goes mutual dependence. The level of dependency is determined by the ability to design a system that will secure financial investment and determine how to share expected costs.

With higher level of dependency it also goes unsecure relationships and risk of opportunism. In order to avoid risk of opportunism and build more stable partnership, organizations can use these different dimensions. Firstly, if some partners are autonomous and independent in decision making process, although they are in integrate partnership that imposes inconveniences for the ones who are in charge of monitoring the process. (Eccles,1981), (Menard, 1996).

Furthermore, organizations enter hybrid forms and except mutual dependence, because it generates profit and lower the costs of transactions. Because of the benefits of the hybrid forms, organizations involved protect its gains through mechanism that can protect their investment and preserve stability of partnership.

One of the mechanisms used is also finding the right means for solving disagreements between parties, especially ones concerning appropriabilities. (Pisano, Russo, and (Teece 1988), (Oxley 1997), (Gulati and Singh,1998).

One of the major issues in hybrid forms is centralization and appropriation between partners. These problems grow with the investment specification. In hybrid forms partners need to develop coordination, due to that interdependent investments of partners are needed. While ownership remains separate, intensity of interdependence dictates the degree of formalization and centralization in the mode of governance required for coordinating and checking partners that are legally independent and due to that it is shown which hybrid forms is chosen. (Menard,1998), (Junger,2001)

Uncertainty is one of the factors that dictate hybrid arrangements. The level of uncertainty affects transaction that should be obtained. Uncertainty is considered secondary according to the specific investment. Without specific investment and uncertainty that causes at least a minimal degree of mutual dependence in assets, there would be no hybrid arrangements. Hybrids operate as a buffer, with risk sharing as a central motivation. (Menard,1996)

With the help of uncertainty we can determine the type of internal coordination that is implemented. The more uncertainty is significant and constant, it appears higher risk of opportunistic behavior and by that coordination is more centralized.(Menard,1996), (Raynaud, 1997), (Nooteboom,1999)

Uncertainty in hybrid forms can emerge due to the inquired input, expected output or even from the entire process. (Fearne,1998) Uncertainty arises in hybrid firms due to multiple reasons. It is connected with a human capital. It can emerge as a low quality of products which will harm the brand, or as a free-riding of employees. Both problems can be prevented with quality control of production and the supervising system of employees. (Eccles,1981),(Brousseau and Rallet, 1995)

With the help of detailed contracts that cover all of the externalities and unpredictable events, opportunism and uncertainty can be reduced. The problem is that partners choose hybrid form because of the flexibility. Uncertainty can also emerge from the supplier side, if one does not have determined obligations or commitment. Risk is even higher if a supplier input is difficult to trace, for example: animal food.

Insecurities considering production are connected with difficulties in assessing whether the finished product is made according to the contract and whether it will satisfy the clients and the market preferences. Insecurities also occur if the producers are not flexible according to variable demand. Some parameters have been developed in order to measure factors of uncertainty stated above. Its assignment is to measure these factors and to establish their effects on the governance mode adopted by hybrids: market-share stability, industry volume, forecast accuracy, predictability based on demand variability. (Anderson and Schmittlein,1984) ,(John and Weitz, 1988), (Lafontaine and Slade,1997), (Ghosh and John,1999)

It is difficult to determine responsibilities and reasons of failure and losses in hybrid forms because partners do not share all resources, but only one part. Gained compatibilities are partial, because partners share only a part of resources and their joint investments and activities are overlapping with individual. Due to that and the legal autonomy of the partner, planning becomes precarious and it is not possible to trace the problem, causes of failure and mistakes, nor to identify responsibilities. (Menard, 1996)

These results lead to a conflict among partners, especially when they need to share costly outcomes of business failures. These problems occur, especially when it comes to specific human skills and complex technology. Complex technologies and specific human skills are usually connected with R&D projects and with these to assets it is difficult to have rules

without any flexibility for claiming profit or paying unexpected costs. These problems occur in businesses that involve innovation. (Ghosh and John, 1999)

Uncertainty can also be a result of the external factors that are meaningful for the arrangement. Most of organizations prefer hybrid forms of organization over markets or integration, due to the role of institutional environment, which is flexible and does not have as many rules.

Since this subject has not been researched enough, it does not have a lot of tests, propositions nor specific analysis based on this relationships and how they function. (North,1981,1990,1991) advocate that rules should be imposed in order to understand the connections, partnerships, relations and due to that, understand how to choose the best possible way to organize transactions. (Williamson,1991) as in most of the cases went a bit further, considering micro level, and introduces possibility of shifts in parameters that could explain changes in the mode of governance. (Menard, 1996)

Hybrid organizations are desirable form of organizations because, there are no specified rules and the structure is flexible. There are also no any barriers to entry imposed. Hybrids also make easier to companies to create partnership and with that more easily overcome obstacles and gain success. As in everything there is also, “the other side of the coin”. All of the benefits can also be downsides of hybrids. There is high level of free riding and opportunistic behavior, which can be solved with detailed contracts and communication and sharing information. Since detailed contracts are contradictory, considering that most of the organizations involve into hybrids because of the degree of freedom, in my opinion the best solution to reduce free riding and opportunisms are communication between partners and environments and sharing goals.

The term „business model“ may have many applications. Borrowing a little from several approaches, can be define a business model as a specific formal organizational arrangement establishing the lines of coordination and the spread of resources and activities. (Kaštelan Mrak,Vretenar,Sokolić, 2016)

2.4. Alliances as the most important form of hybrid organizations for non profit organizations

Since there is no competition in organizations of food donation systems the most appropriate organizational form is alliance, about which it will be written in more detail further in the text.

It can be characterized as “relatively enduring inter-firm cooperative arrangements, involving flows and linkages that utilize resources and/or governance structures from autonomous organizations, for the joint accomplishment of individual goals linked to the corporate mission of each sponsoring firm. (Parke,1993)

Organizations preserve their main assets distinct and they control related property rights. Alliances are quite usual as a hybrid form when there is involved development or transfer of technologies (Stuart 1998, Baker, Gibbons and Murphy, 2002)

One of the most popular empirical studies that explained alliances is based on airlines. Their ability to coordinate flight schedules, maintenance, reservation, special offers such as frequent-flyer programs and in most of the cases tariffs, using contracts to coordinate and build relational trust, which particularly matters when duration imposes continuing

adjustments, making spot or short term agreements of the market type inappropriate. . (Holmstorm and Roberts, 1998)

In my opinion it is example that describes core of the alliances and how they function.

In-depth study made on 1570 alliances over 20 years (1970–1989) among U.S., Japanese, and European firms in the biopharmaceutical, new-materials, and automobile sectors, showed the importance of anticipated coordination costs and the role of contractual hazards and European firms in the biopharmaceutical, new-materials, and automobile sectors was made by (Gulati and Singhm1998). This study emphasizes the importance of anticipated coordination costs and the role of contractual hazards in the choice of a governance structure. This is confirmed by other studies (Henneart,1988, Oxly,1999); (Menard, 2004). Henneart and Oxly where testing the role of the institutional environment, especially the regime of property rights and its role, while choosing between non equity and equity (joint venture) forms of alliances.

Alliances are spread among R&D projects. A test has been conducted on biotech and pharmaceutical firms. Testing was based on 12,500 contracts from 1973 to 2001. The results showed that top twelve biotech firms and pharmaceutical firms are directly involved in over 32 % of the alliances in the sector. (Baker,2008)

Companies with a large amount of alliances and a lot of ties between partners are related to R&D projects. It falls 55 % of the contracts under alliances involved in R&D projects. (Ryall & Sampson, 2006).

In alliances there is a highly concentrate possibility of free riding or opportunism. Due to that, crucial role in business making has a choice of the right partners. Research that was made on 166 organizations evenly distributed in the US (54), Europe (46) and Japan (66), and operating in three industrial sectors (new materials, industrial automation, and

automotive products), using data from 1980 to 1989 showed what was important for a sense of trust among partners. Repeated interaction among partners and trusted information from previous interaction is crucial in a selection process (since hybrid organizations, do not have high barriers to entry).(Gulati and Gargiulo 1999).

Trust and openness among partners depend on many factors. Some of them are stated in the text below:

- The level of obscurity considering sources of payment
- The level of repetition of sources providing payment
- The level of imitation of resources that will join
- The availability of the similar partners
- The accessibility to capabilities they offer and
- Specificities of the institutional environment.

Hybrids flexibility stays limited by provisions that determine which resources should be pooled, what decision should be made and what rules should be imposed. Result of contractual constraints:

- non-linear pricing
- royalties
- minimum prices
- quotas
- exclusive territories
- exclusive distribution
- packages, and other commitments are integral components in selecting and monitoring partners

(Rey & Tirole, 1986; Menard, 1996; 2007).

Extensive analysis that includes 166 alliances pointed out that companies like to work more with partners that are already interacting with other partners and due to that benefit from informational advantages and mitigating control concerns. Furthermore if partners have common goals, the same expectations, make joint decisions and obey the same rules, all of these leads to prevention of free-riding. Gulati (1995)

Trust in hybrid organization is based on the ability of both parties to fulfill its contracts and obligations, no matter which obstacles and inconveniences they stumble upon. Trust between partners can occur based on a prior history of working together, based on the expectation for the future or it is based on both assumptions. Thorelli (1986)

Solutions for dealing with free riding and opportunism are threats and contracts, which will be explained in the text below.

Threats are successful means if the expected losses from being ousted exceed the gains of free-riding (Klein, 1996), and if the mode of governance allows such radical sanctions. The implementation of a 'private court' to control and penalize deviant millers illustrates the complex devices that may be needed to make threats effective. However, threats remain an ambiguous tool. First, a threat is often a one shot game. Second, it signals conflicts and difficulties in solving problems, which might tarnish reputation and challenge future partnerships. Third, ousting deviants challenge the existence of hybrids since they cannot rely on a central 'entrepreneur' to monitor such decisions. Contracts may help disciplining free-riders, e.g., imposing penalties or defining conditions. This could signal a difference between relational contracts among firms and within firms: in hybrids, reneging threatens the very existence of the agreement; within firms, hierarchy provides the means for dealing with the situation. (Menard,2004)

It is written more about alliances out of all hybrid organizations, because alliances have the structure that suits the best to non profit organizations. It does not have strict rules and regulations nor imposed barriers to entry. Those are the biggest benefits from entering alliance, along with, sharing costs and higher gains. Alliance form also has its downsides. Those are threats of opportunistic behavior and free riding. Solutions to that problems can be mutual trust, imposing detailed contracts or communication and setting the same goals. Personally, I think that contracts are contradictory, because the main feature of hybrid is flexibility, with detailed contract, that flexibility is lost.

3. FOOD DONATION IN EUROPE

Food bank is a non-profit, charitable organization that distributes food to those that are in need for food. After the sources are collected, there are stored in Food banks, than distributed across the area, towards people in need. The first European Food bank was founded in France in 1984, while the first Italian food bank was established in 1989. Food banks became more common in Europe from the 2008, since the crisis began. Most of European Food banks are run by civil society without government assistance. Even between Food banks there is a supply and demand. Every area in a particular country has a Food bank, but all together make an alliance; Food network. Due to that, they also transfer the food between the banks. For example if bank in one area has a surplus of one product, but is in deficit of the other, they exchange those products.

Considering that this topic is still not researched and that it does not have an efficient amount of literature, there is a number of definitions and interpretations that do not coincide. Apart from the Food bank, there is another term frequently used and that is food pantry. In some sources it is used as a synonym to Food banks, in some it has a role of a storage space like home pantries, and from there food is distributed towards Food banks. In some cases it has a role as a Food bank and as a food storage, from where individuals can take needed product. In this paper food pantry is used as a synonym for Food banks, because it is stated like one in most of the articles and sources.

3.1. Food bank in Italy

Today Food Bank Foundation Onlus coordinates the Food Bank Network made of 21 Food Bank Associations located in: Abruzzi, Calabria, Campania, Emilia Romagna, Friuli Venezia Giulia, Lazio, Liguria, Lombardy, Marche, Piedmont, Piedmont – Alessandria, Puglia, Puglia – Foggia, Sardinia, Sicily, Sicily – Palermo, Tuscany, and Trentino . It is affiliated with Compagnia delle Opere – Opere Sociali and is a member of

the Fédération Européenne des Banques Alimentaires (FEBA), which represents 22 countries. Since 2003 has collaborated for the development of Food Banks in Argentina, Brazil, Chile, Paraguay, Peru and Uruguay. The mission of Banco Alimentare consists in the recovery of surplus food (safe edible food that cannot be put on the market for different reasons and would be destined to destruction) coming from the European Union (through AGEA), agriculture, food companies, retail and collective catering (Siticibo programme). This food is distributed for free to affiliated charitable organizations that operate in Italy helping and assisting poor and marginalized people.

The most visible gesture of charity in the country is the Giornata Nazionale della Colletta Alimentare (GNCA, National Food Collection Day), when thousands of volunteers in supermarkets throughout Italy propose to customers to do a shopping for people in need. In the first edition of 1997 1,600 tons of food products were collected; over the last year almost 10,000 tons of food products have been collected thanks to the commitment of more than 135.000 volunteers for the whole day. The GNCA takes place on the last Saturday of November, together with the Food Banks belonging to the Fédération Européenne des Banques Alimentaires.

The Associazione Nazionale Alpini, the Società di San Vincenzo de Paoli, the Compagnia delle Opere – Opere Sociali and the Italian Army collaborate to the GNCA, together with many associations that benefit from the daily activity of Banco Alimentare. For years many members of the movement of Communion and Liberation are actively involved in this educational gesture to charity.

3.2. Food Donation

People as individuals and governments of various countries are becoming more and more aware of the importance of food donations. Donation of food is not only a charity or help for the people in need. Food donation becomes an important part in economy and law regulations. There are two major problems in every country. In 21.st century people are

hungry and in need despite development and globalization. On the other side, there are tons of food that is turned into waste and polluting the environment. That should be unacceptable! Every day more and more countries and individuals are aware of the paradox. Countries are even spared of producing food for donation, their purpose, should only be good management and redirecting from the place where the excess is, towards the place where shortage is. Donation of food saves money, time and electricity. Food that is produced, but not consumed, goes to waste. It pollutes the environment, and all the labour, time, electricity that was invested in the production also goes to waste. Companies also do not need to pay transport and destruction of the products, but it is just collected by Food banks, or other non profit organization. Food donation is tax deductible if it is donated to non profit organizations and not individuals, but in most of the countries there are contracts or at least IT connection between non profit organizations and stores. Most countries have arranged food donation system with Food banks, which means that Food banks or other nonprofit organizations concern about the transportation and it goes on their expense. Companies can also get a tax reduction on assets, if they borrow a truck for example for transportation to some non profit organization. Most stores donate food that are near the expiration date, or even after the expiration date on some products. That is one more advantage of food donation, because stores need to deal with inventory excess, and products that do not have a valid expiration date, or products that can be consumed, but the packaging is damaged. All of these represent a problem for a control and inspections, which makes stores easier to get rid of the products through Food banks. Charity is also always a good promotion for some company and will add to the company's reputation in the community.

3.3 Food waste and pollution

Activities connected with food service are the biggest producers of food waste. According to LeanPath Inc. food waste is divided on pre-consumer waste and post-consumer waste.

LeanPath Inc is a software which helps business that are dealing with food to prevent the waste.

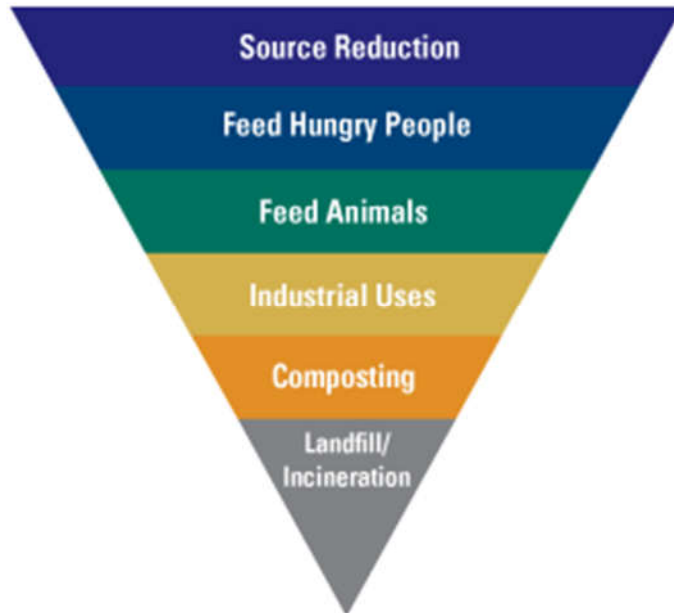
It is not just important to donate, but it is also important to reduce the waste and utilize production or process of making food. According to LeanPath Inc. 4 to 10% of foodservice food that is purchased ends up as a pre-consumer waste. Pre-consumer waste includes leftovers, while preparing; in restaurants or hotels, than, wrong orders, food that was not done properly (burned or ruined while cooking), leftovers, or even overproduction of food. In order to reduce food waste, businesses that are in foodservice should control both pre-consumer waste and post-consumer waste.

Pre-consumer waste can be controlled with carefully tracking the waste, and exact amount and portions in recipes and a good estimation of selling. The easiest way is to record certain amount of time everything that is thrown away and by that control the portions and recipes.

Post-consumer waste can be controlled by portion sizes, menu for children, different side dishes-because that makes the most of post-consumer food, doggy bags and half-portions. There is a new trend in Italy and UK, chefs are making new dishes, only using the leftovers.

These techniques stated in the previous paragraph are more appropriate for households and restaurants. There is a new technology that helps to reduce food waste for large-scale and non- commercial operation. It is a system called LeanPath Inc. and it is a part of the program for preventing food waste. Its efficiency is already proven and it works with a help of hardware and software to track and analyze food waste. By tracking food waste, they can adjust orders and usage of food and reduce the waste. With the help of reduction program, reusing of food and recycling become a regular practice. Although, the best way to reduce waste is to stop creating or, at least minimize it, but if there is waste, it should be use in the best way. The EPA has created a food waste hierarchy to help people make the best use of food waste. (<http://sustainablefoodservice.com/cat/food-donation.htm>)

Scheme 1: Food waste hierarchy



Scheme 1. Source available at: (<http://sustainablefoodservice.com/cat/food-donation.htm>)

Every year there is 90 million tons of food waste generated in the European Union. Table in the further text is based on the data on food waste generation from Eurostat. It provides data for Manufacturing, Household and ‘Other Sectors’ for all member states and the base year for the table is 2006. Based on the table below it can be seen that EU27, study shows that annual food generation is 89Mt, or 179kg per capita. (Eurostat,2006)

Table1:

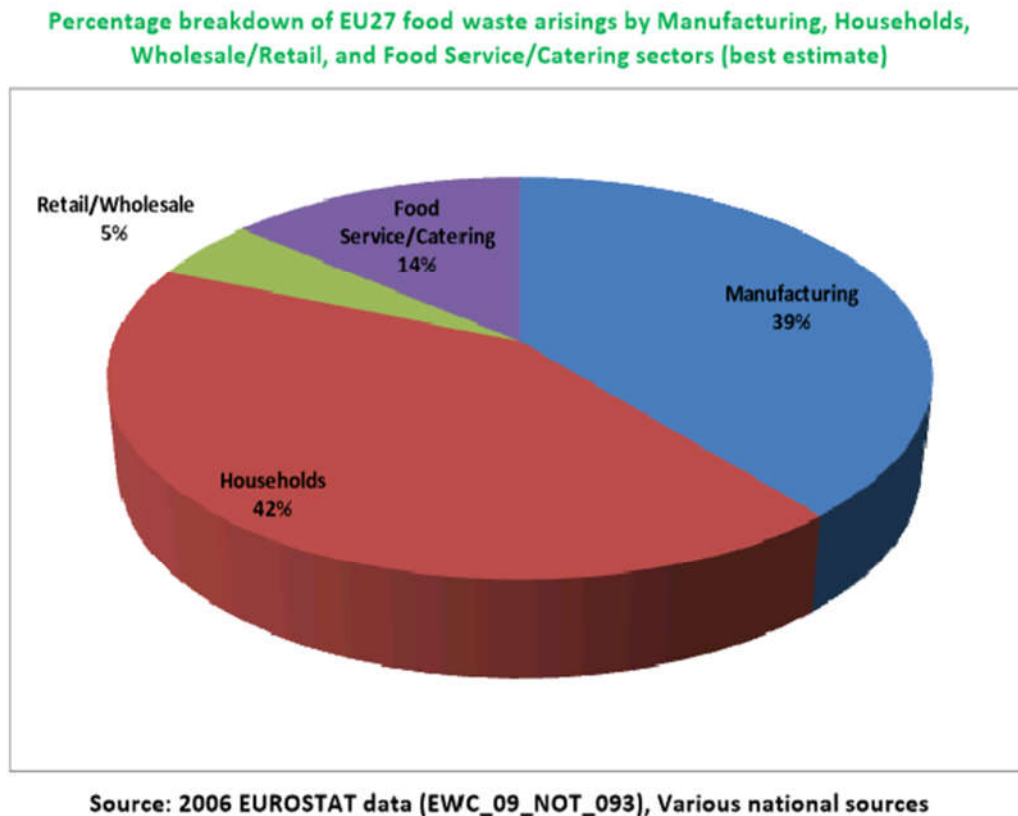
Total Food Waste Generation in EU MS: Best estimate by Member State

	Manufacturing	Households	Other sectors	Total
EU27	34 755 711	37 701 761	16 820 000	89 277 472
Austria	570 544	784 570	502 000	1 858 000
Belgium	2 311 847	934 760	945 000	4 192 000
Bulgaria	358 687	288 315	27 000	674 000
Cyprus	186 917	47 819	21 000	256 000
Czech Republic	361 813	254 124	113 000	729 000
Denmark	101 646	494 914	45 000	642 000
Estonia	237 257	82 236	36 000	355 000
Finland	590 442	214 796	208 000	1 013 000
France	626 000	6 322 944	2 129 000	9 078 000
Germany	1 848 881	7 676 471	862 000	10 387 000
Greece	73 081	412 758	2 000	488 000
Hungary	1 157 419	394 952	306 000	1 858 000
Ireland	465 945	292 326	293 000	1 051 000
Italy	5 662 838	2 706 793	408 000	8 778 000
Latvia	125 635	78 983	11 000	216 000
Lithuania	222 205	111 160	248 000	581 000
Luxembourg	2 665	62 538	31 000	97 000
Malta	271	22 115	3 000	25 000
Netherlands	6 412 330	1 837 599	1 206 000	9 456 000
Poland	6 566 060	2 049 844	356 000	8 972 000
Portugal	632 395	385 063	374 000	1 391 000
Romania	487 751	696 794	1 089 000	2 274 000
Slovakia	347 773	135 854	105 000	589 000
Slovenia	42 072	72 481	65 000	179 000
Spain	2 170 910	2 136 551	3 388 000	7 696 000
Sweden	601 327	905 000	547 000	2 053 000
United Kingdom	2 591 000	8 300 000	3 500 000	14 391 000

Source: 2006 EUROSTAT data (EWC_09_NOT_093), Various national sources

Source available at: http://ec.europa.eu/environment/eussd/pdf/bio_foodwaste_report.pdf

Chart 2:



Source: available at: http://ec.europa.eu/environment/eussd/pdf/bio_foodwaste_report.pdf

As it is shown in the table and in the chart households are the biggest food waste producers among manufacturing and “others”, which represents retail and food service.

Households are producing 42% of the total food waste, which is 38Mt, an average of about 76kg per capita. Manufacturing food waste was estimated at almost 35 Mt per year in the EU27 (70kg per capita). The smallest amount is taken by “other sector”. It is divided on

retail and food service sector. Retail /wholesale sector has a food waste close to 8 kg per capita, which represents approximately 4.4 Mt for the EU27 . Food service sector, also part of the “other sector” and it has a food waste on average around 25kg per capita for EU27, at 12.3 Mt for the EU27.

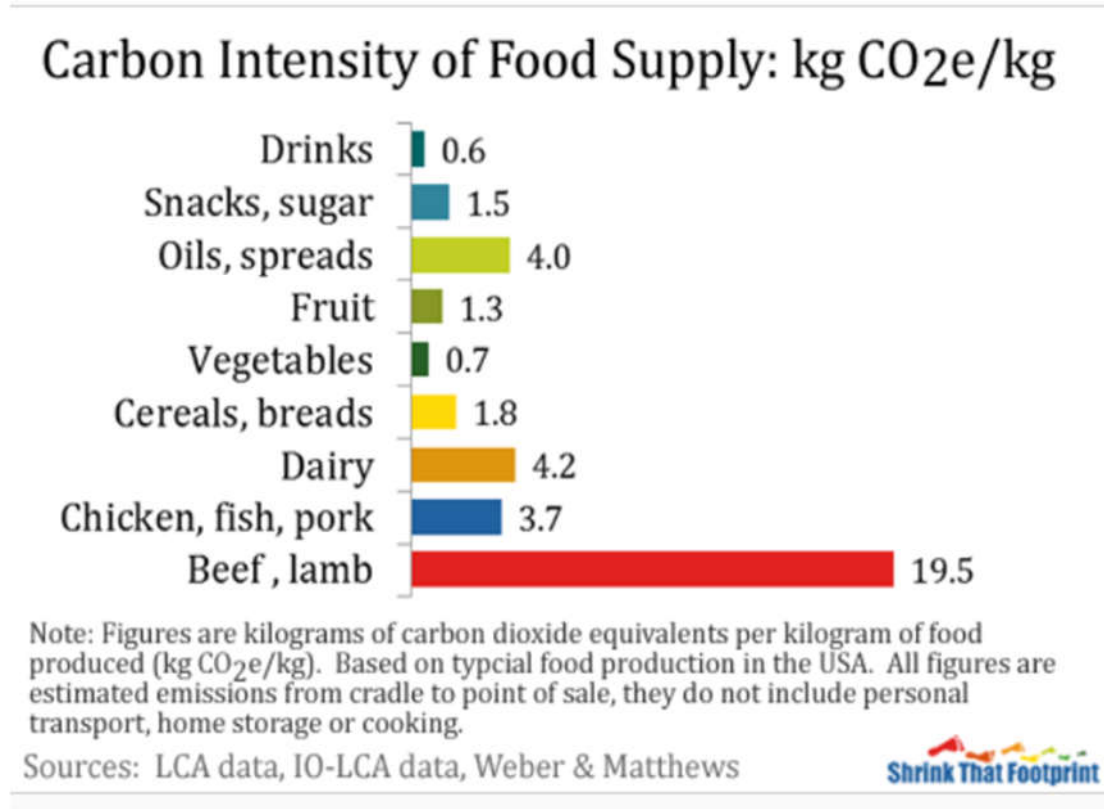
(http://ec.europa.eu/environment/eussd/pdf/bio_foodwaste_report.pdf)

When food, becomes food waste, it not just, costly to transport or want only that a large amount of people do not have anything to eat and are under social help and huge amount of food ends up in trash cans. Above all this food waste causes pollution. Food waste produces Carbon dioxide equivalency CO₂ EQ. It represents a mixture and amount of greenhouse gas, the amount of CO₂ that would have the same global warming potential (GWP), when measured over a specified timescale (generally, 100 years).

Source :(https://en.wikipedia.org/wiki/Carbon_dioxide_equivalent)

Below in the text it is the scheme that represents carbon intensity of food supply, in order to present real values and connect it to our food consumption.

Scheme 2: Carbon intensity of food supply



Source: available at: <https://uvachemistry.com/2015/10/21/pizza-math-and-ecology/>

One of the highest ranked causes of pollution is already mentioned; the carbon footprint, that comes from the food that is produced, but it is not eaten and it ends up as waste. EU is third greenhouse emitter, just behind USA and China, with 3.3 billion tons of greenhouse gases.

Blue water footprint is consumption of resources and evaporation of fresh water. Waste of food affects blue water footprint in amount of 250 cubic kilometers (km³), globally.

Food waste, contained the food that is produced but not eaten, takes 1.4 billion hectares of land. That is representation of almost 30 percent of the land that is used in agriculture in the world. 54 percent of the food waste is made during the production and storage, and 46 percent is made during the second stage at distribution and consumption stage. (http://ec.europa.eu/environment/eussd/pdf/bio_foodwaste_report.pdf)

Considering that awareness for preventing food waste increases, these are some of the initiatives and advices for prevent food waste.

In the EU most of the initiatives to bring people to consciousness about the food waste is based on education and literature, tools that give people guidelines how to prevent waste. One of the initiatives includes training programs. Training programs are made for the employees in food service. It includes prevention skills, how to prevent waste, and how to use everything in cooking.

Part of the program is to encourage households to keep track on their waste and due to their findings reduce it. One of the initiatives is also to turn food waste into a different product, for example: making fish chips out of the fish waste from manufacturing sector.

Prevention strategies for reducing food waste:

Labeling- Most people are not familiar with the terms (“best before”, “use by”, “sell by”, “display until”). Due to that there are a lot of cases where perfectly good food is thrown away and becomes part of the food waste.

Storage- It imposes a problem in households as in stores. Because of the inadequate storage conditions and neglecting instructions and labels, how to storage properly, most of the food ends up in trash. If the food is storage properly, edible life of products can be notably extended.

Portion sizes- portion sizes have two different meaning. Portion sizes in restaurants denote smaller portion, variety of portion choices, such as children menu or portion in half a size.

While portion size in households refers to the packaging of products. Smaller packaging are maybe more convenient, but they also mean, more waste. Big packaging can be applicable, with the good storage techniques, and waste is minimized, regarding food and waste that would encounter from packaging materials.

Source:(http://ec.europa.eu/environment/eussd/pdf/bio_foodwaste_report.pdf)

The most important factor in food waste management program is the prevention of food waste. As it is shown in the table, food waste is not just a problem of food services, but also households. It is also stated in the scheme how food waste should be properly treated in order that is used the most of it. Emphasizes should be on not creating waste and that can be achieved through meal planning, portion sizing or food preservation.

3.4. Tax deduction on donated food

Tax deduction is one of the benefits from the donation of food, but it is applicable, only when donating to qualified charities. Tax deduction can not be made, if the food is given on a private initiative, but he most goes through qualified charities. Qualified charities includes: (religious organizations, nonprofit charitable organizations and nonprofit hospitals). If a person is in doubt if some charity is qualified or not it can always check on online database (IRS). In order to get a tax deduction, one should have a receipt from the organization, stated the name of the organization, description of donation, date of the transaction and whether organization has given something in return.

4. ANALYSIS OF FOOD DONATION ORGANIZATIONS

After the theoretical part, in the further text it will be shown organizational problems of food donation organizations and in what way they function. What are their goals and what did they achieve in their countries considering food waste and food donation. First example is based on Croatian neighbor country-Italy. Although these food donation system of countries serves as a guideline for Croatia, it will also be shown, in the text below the comparison between these countries and why some aspect can not be applied to Croatian system and what parts of the system should be custom to Croatian environment, laws and occasions.

4.1. Analysis of food donation system in Italy

In 2016 Italy was the second European country (first place was taken by France) to enforce the law which bans supermarkets throwing away unsold food. Italy wants to tackle its 12 billion euros waste problem and 5 million tons of food being waste. At the moment they are recovering 550 million of tons of excess food and redirecting it to the Food banks per year. Their goal is to reach 1 million tons of food recovered in one year for the people in need.

Italy is focused on making easier to companies and farmers to donate food and to change their behavior with various incentives. One of those is tax reduction on garbage. It depends on the amount of donated food. Italy also made more convenient for companies to donate food because they can donate even if it is past its sell-by date, furthermore, the law allows farmers to transfer products to charities at without imposing extra cost from if that item has not been sold. The law also allows companies to donate food that has been mislabeled as

long as it does not impose any safety risk. With these laws, Italian government is trying to make donations more convenient to the companies, than to waste.

They are not just focused on companies and production, but also on reducing waste as individuals and they are trying to mark a “doggy bag”- (leftovers from the restaurants) as something positive, changing its name to the “family bag”. This is also a huge leap in changing cultural habits, because those requests in Italy where very rare. “This good habit is the result of a cultural shift among those with upper-middle incomes – they want to conserve food not only out of need, but out of respect.

One of the biggest ambassadors for reducing food waste is also one of the best world chefs- Massimo Bottura. He made an initiative and collaborates with a Catholic charity. His idea was to open an experimental soup kitchen, during the Milan expo, with the food that has not been eaten. The goal was to raise awareness about the food waste and how much food is thrown away. Estimation is that they have saved fifteen tons of food and fed homeless people with it, but without this campaign, that food would end up as a waste.

The law raised the amount that can be donated from €5,000 to €15,000. Government will also invest into research and production of recyclable packaging. The agricultural ministry will invest €1million of assets in research. Main goals of the research will be innovative ways of packing food in order to save it from spoiling during the transportation and to extend its expiration date. Important parts of the investment will also be a public campaign, which purpose will be to inform people how and why to reduce the waste of food.

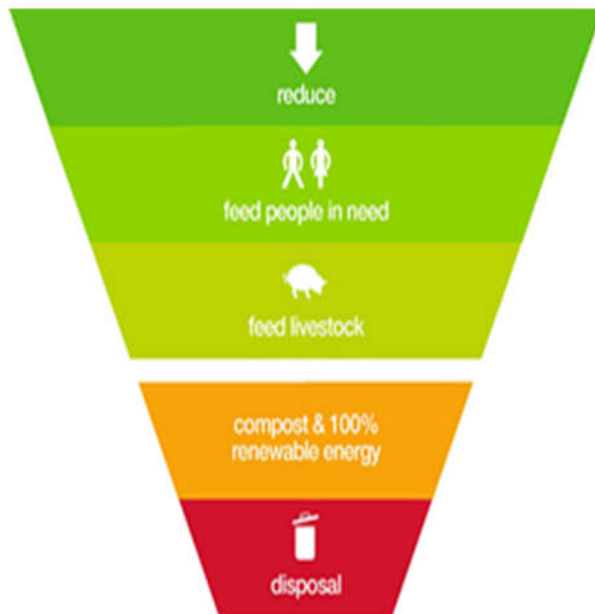
Positive side of Italy campaign is that they are not only concentrated on stores and big organizations, but also on households and the way how people in everyday life can reduce waste. Their policy is also not based on punishment and fines, as French policy. That is because Italy wants to inspire and encourage stores and household to take care of the environment and to help in the process of reducing waste and transfer that excess to the

ones that have lack of food. Their goal is to make this as a way of life, not as a rule or apart of the law.

4.2. Analysis of food donation system in France

In comparison to Italy, France went one step further and in 2016 French parliament unanimously voted ban of food waste in big supermarkets. With that, they outlaw the destruction of unsold food. This act makes France first country in the world to ban supermarket waste and to force large retailers to donate unsold food – or they will face a fine of 3,750 euros. New law does not want that anything goes to waste, in order to that companies need to prevent food waste firstly with donation unsold, but edible food to charity. Unsold food can also be used for fuel and energy purposes.

Scheme 3: excess of food and how should be processed



Source: Eurofoodbank: FEBA

New French law obligates supermarkets, bigger than 4,304 square feet to sign contracts with non profit organizations or Food banks, in pass the all the excess food. Obligation of the non profit organizations and Food banks is to collect, stock and redistribute collected food. These tasks will demand bigger storage spaces and more volunteers. Considering that France throws away 20 to 30 kilograms of food per person per year, which costs the country €12-20 billion annually, these measures are more rigid than in other analysis of countries.

Considering, Jacques Bailet, the head of a network of French Food banks called Banques Alimentaires the most important value of the new law will be diversity of food that will be available in Food banks and non profit organizations. For example: They have a deficit of meat and a lack of fruit and vegetables, and by this law they can make nutritional balance for donated food.

According to the European Commission one-third of all food produced worldwide for humans goes to waste. France went a step further and made a proposition to the French senate for the new law. The idea is that all restaurants and state facilities such as; prisons, hospitals, schools, use at least 40 % of the food that is grown in local area. Food, as well must be from that season, so for example: strawberries can not be served in winter. It also needs to be grown organically and certified as ecologically sustainable. Definition “local” is still not determined, but it is presumed that for fruits and vegetables local will mean in radius of 30 km, while for food that needs to be processed before consumption local will have a definition of radius of a 100 km. Meat and grains belongs to food that needs to be processed

France realized that a law that obligates companies to donate food will not solve the problem itself. It is crucial to educate people and to give them a habit of product utilization and raise the awareness about food waste. They started with a program for the youngest. France introduced new program in schools, which will teach children about the food waste and how to avoid it. The purpose of the new laws, programs and initiatives in France is to restructure food donation organizations and food donation system. They want to help local economy and local producers by acquiring all restaurants and state facilities to use at least 40% of local food. Their goal is not just to support the country in economic way, but also to bring the healthiest food as possible to the market at the lowest price. Because of that French government also wants to reduce the length of the supply chain from the producer to the consumer. In this particular case, France wants to provide organic food, with as lowest possible amount of processing; and shorten the path from the farmer towards the end consumer. One of the problems in French stores was that the foods that do not have the

wright shape and standardize look is thrown away. Market campaign was made to advertise food that is healthy and correct, but with unusual form. Part of the promotion is to lower the price of that food. They even made an application for mobile phones where is possible to check in want stores, what food is on the discount. By that, people eat healthy food, at lower price, and waste is reduced.

Every year, 300 million tons of food is wasted worldwide, and 24 percent of this waste is fruits and vegetables. The problem is that irregular in size or form products go to waste, but are perfectly good in taste. Since from the harvest to sale, 40 percent of the production volume of French agriculture was being destroyed for not conforming to norms of fruit and vegetable standards.(Organic authority, Emily Monaco,2014).They needed to find a way how to use these products that are correct, but does not achieve appearance standards. In this campaign French chain of supermarkets, third largest in France, had an important role. They sell non standardized fruits and vegetables, that would usually be thrown away, at a 30 percent reduced price of their standardize counterparts. The supermarket also manufactured juices and soups that show how tasty non standardized products can be. The initiative was launched in March of 2014 and in the first two days, 2.1 tons of fruits and vegetables per store on average were sold. One of the initiatives in new food waste management program is encouragement for restaurants to offer “doggy bags” to its customers.

These are some of the factors contributing to food waste considering The European Commission:

- Insufficient shopping and meal planning and promotions like "buy one get one free" leading to too much food being purchased or prepared.
- Misunderstandings about the meaning of "best before" and "use by" date labels leading to edible foods being thrown away.
- Standardized portion sizes in restaurants and canteens

- Difficulty in anticipating the number of customers (a problem for catering services)
 - Stock management issues for manufacturers and retailers
 - Overproduction or lack of demand for certain products at certain times of the year; product and packaging damage (farmers and food manufacturing)
 - Inadequate storage/transport at all stages of the food chain.
- (source: Sofie van der Meulen, Axon Lawyer, Food waste and donation policies in France and the Netherlands)

Europe In 2011 the European Commission released a "Roadmap to a Resource Efficient Europe" in which a commitment was incorporated to waste 50% less food by 2020. In 2014, the European Commission adopted a proposal to amend a number of waste Directives, along with a reduction of food waste of at least 30% by 2025, as part of the package 'circular economy'. However, in its 2015 work program, the Commission has announced that it would withdraw its legislative proposal on waste targets and replace it by end of year with a new, more ambitious proposal to promote circular economy. The withdrawal of the proposal was formalized and the Commission is currently reflecting on the scope of the new proposal to promote circular economy including actions to prevent food waste. Furthermore, the research project 'FUSIONS', a four-year EU FP7 research project was launched in 2012 and is still not finished. As consumers cause a lot of food waste, the website 'klikepedia' was created. It offers consumers ideas and recipes for leftovers and food products consumers usually throw away.

Guidelines on the donation of food products Donation of food products falls under the food legislation like any other food product. There is no derogation because the food is donated. Several guidelines of the French administration give good directions on how to donate food products in practice.

- Donated food product should be safe, compliant and fair. Products that are likely to create a safety risk should be excluded (i.e. raw meat and sea food, non-prepacked foods, strongly damaged packaging, etc.).
- Donations do not exempt the donator and the recipient to comply with their food law obligations (i.e. traceability, recall or withdrawal). In this respect, the association receiving the food should be sufficiently organized to ensure the hygiene and the traceability of the products and should be able to manage a food crisis like any other food operator.
- The donation of mislabeled products is a sensitive issue. It should be exceptional and tolerated only if 1) the missing or wrong information does not relate to the safety of the product (i.e. allergen information missing), 2) the correct information is provided on separated documents in any case and 3) the recipient makes this information available to people at the time of donation.
- It is not possible to donate expired "use by date" products (this is a criminal offense in France). "Best before date" products can be donated after the expiration of their durability date if they are loyal and do not present any safety risk. Guidelines for the donation of expired "best before date" products have been issued by the Belgian authorities, but not endorsed by the French authorities.
- It is recommended to issue a delivery note to keep the traceability of the donated products and prove the existence and timing of the transfer of property from the donator to the recipient.
- Lastly, the French authorities recommended signing a contract with the recipient of the donated food in order to determine each party's obligations and the organization to be put in place.

4.3. Analysis of food donation system in Croatia

In 2015 Croatian non profit association by the name of Food Network, decided to follow the example of European countries such as Italy, Belgium and France and remove taxes on donated food in order to enhance the donation of stores, trade chains, bakeries and restaurants. Law was not friendly towards donators and Croatia was a country where it was cheaper to throw away food, than to donate it. In a country where four hundred thousand tons of food ends up as waste and where every fifth citizen is endangered of being indigent. Donation of food was an enigma. People did not know how to donate? To whom; since we do not have bigger organizations nor networks that are dealing with food donations. Who takes the safety risk for food? The problem is not a lack of food, because there is a huge amount going to waste, the problem is that soup kitchens are empty. One of the laws is also that donated food must be in between 90 and 7 days before the expiration date, which was also important for the members of the Food network, to avoid discrimination in the start. In the following text it will be written more about Croatian organizations for food donation.

Food Network is the association (Dialogue Center for Culture), founded in 2013, which launched the initiative "Freeing the donation of VAT" and the "Food Network" platform, which brings together 10 civil society organizations and religious organizations (Social Grocery Varazdin). They are headed by the President of the Association and by the statute they have a secretary and vice-president of the association. Platform The food network is a platform for civilian and church organizations engaged in advocacy activities and food distribution activities for socially vulnerable members of society.

In 2015, the organization launched the initiative "Freeing the donation of VAT", which in December 2015 led to the release of VAT food by amending the Ministry of Finance's VAT regulation and by passing the Ordinance on donating food to the Ministry of Agriculture.

They have established a food network to monitor and establish an effective food donation system in the Republic of Croatia.

Their goal is to work with them together and to establish an effective national food donation system. The state, more precisely; the Ministry of Agriculture is the responsible body for monitoring and the efficiency of donating food and they are "natural" partners in achieving that goal. Caritas and the Red Cross are distributors as well as Social Self-Services (soup kitchens). Therefore, it is in our interest to set up a system that will have all distributors as equal partners.

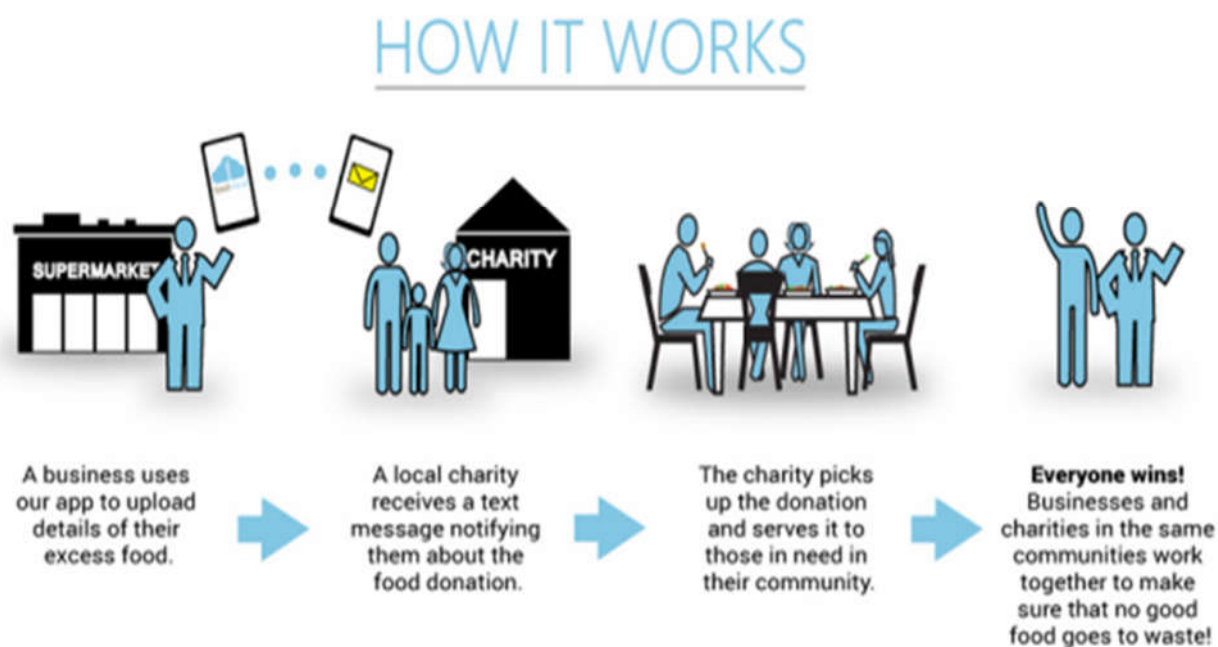
According to some research, Italy is a country that has an excellent solution to the food donation system - the Central Food Bank and the provincial (county) Food Banks. Many countries in the EU have been dealing with this issue for many decades and have largely gone to address this issue. Although, system with one central Food bank and a lot of county Food banks functions in Italy, but the question is, is it good for Croatia? Croatia is highly centralized country with tremendous differences among counties. Zagreb, the capital of Croatia, has more working places, variety of Universities, more social events, better health care, highest rate of donations in their non profit organizations and a wider range of entertainment. Since most of the Croatian companies, have warehouses in Zagreb, Food bank in Zagreb would be packed, while Food banks in parts of Slavonia or Dalmatia, would be empty. France has even more rigid system, which is even less applicable in Croatia, in my opinion.

In France the law imposes penalties and fines if bigger companies do not donate or throw the food. In Croatia that would just mean even bigger pollution, because food would be thrown in even less appropriate places. There is an example of mandarins thrown in Neretva. Tons of mandarins where illegally dumped, because removal of excess of mandarins, would be too expensive. In my opinion that would be a more common sight if Croatia looks up to French system.

Food production in the Republic of Croatia is a topic, much wider than the donation itself. As far as donations are concerned – there is too much food produced and that is shown by all indicators of food waste in Croatia (it is estimate around 400,000 tons of in food produced ends up in garbage). So, the main point of donating is that food before the expiration date is donated, instead, waiting to the expirations date an then thrown away.

Establishment of a long-term sustainable and efficient food donation system, in cooperation with the Ministry of Agriculture, Faculty of Economics and IT companies. Main goal is to make donations as convenient as possible to the companies. Because of that Food Network wants to establish IT system, where companies can just announce how much excess of food they have to donate and that is everything that they need to do. This is connected with other goal that organization has, and that is to have an available transportation for the food donation. Organization also has an ambitious plan to change the structure of Croatian food system in order to be more similar to Italian model. First step is to establish Food bank in every region, with main Food bank in capital city, forming a Food bank network. In this project state will have the biggest role, since every Food bank needs its warehouse. As it was mentioned earlier in the paper, centralization of Food banks network is not the best solution for Croatia, because it is already highly centralized by itself. It is already clear that that the problem will emerge that Zagreb will have the biggest amount of donated food, and particular counties in Slavonia and Dalmatia will be in shortage. That problem should not be encouraged with centralization.

Scheme 4: Representation of the IT system



Source: FoodCloud (IT system)

Scheme 4 stated above is the representation of IT system, that is already in use in Europe, but still not in Croatia. It is created to make easier for stores to apply excess of food. Stores and Food bank are connected, and if some stores has an excess of food, they just write how much and which product is in surplus. Food banks arrange everything among themselves and pick up the food.

5. CONCLUSION

Food donation organizations in Europe are formed of Food banks and other charitable organizations that are situated in every county. Together, they combine a network of charitable organizations. Food network functions in a way, considering that all non profit organizations are connected, and that they originally operate in their own county, Food network serves for communication and exchange of goods, depending on the community needs. Non profit organization do not have a classic form of organizations, because of that in the paper was elaborated a hybrid organizational form with special emphasize on alliances, which are mostly related to the form of non profit organizations. Hybrid forms are familiar and desirable for organization due to their lack of contracts and rules, and higher rate of flexibility. Furthermore, hybrid forms do not have imposed barriers to entry. Partners can choose what kind of structure they want that their hybrid organization has. It varies from highly institutionalize with detailed contracts, to hybrids with low cost and partners on arm-length relationship. Drawbacks of hybrid forms are high risk of opportunistic behavior, which is also connected with the problem of uncertainty undefined and unsecured relationship and free riding. Governance mechanism helps to reduce threats through monitoring, punishment system and choosing the suitable partners. One of the most important factors of governance mechanism is social relationship, between partners and with the environment. As it was already mentioned there are two ways of conducting partnership in hybrid forms. First scenario is that each partner has its own assets and the connection between partners is based only on their complementarities. Second scenario is based on long term relationships and joint investment. First partnership is prone to disputes due to the fact that it is hard to trace in that relationship who is responsible for failure in projects, so both of the side will have to pay.

The level of dependency in hybrid organizational form depends on the mutual investments. Although, mutual dependence is accepted because it brings profit, partners are prone to use mechanisms in order to protect their investment and still preserve partnership. In the thesis are described examples of Food banks of France, Italy and Croatia. France is the pioneer considering food donation and preventing food waste. Italy always follows, but also adjusts

the laws to itself. France imposes laws, bans and fines, while Italy does not want to force people. Italy wants to make a habit of food donation and environment preservation. Croatia does not have food donation system, but it wants to make a system based on a model of France and Italy. Although French and Italian systems are successful, food donation organization in Croatia should be adopted to Croatian laws, regulations and structure.

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LIST OF CHARTS:

Chart 1: Represents the minimum efficiency scale; page 11

Chart 2: Food waste generation in EU MS; page 28

LIST OF SCHEMES:

Scheme 1: Food waste hierarchy; page 26

Scheme 2: Carbon intensity of food supply; page 30

Scheme 3: Excess of food and how should be processed; page 36

Scheme 4: Representation of the IT system; page 44

LIST OF TABLES:

Represents the percentage of food waste in EU 27; page 27

IZJAVA

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