

LEGAL AND POLITICAL ENVIRONMENT OF THE NGOs IN HUNGARY

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Hungary had some traditions in the development of NGOs in the liberal era of the Austrian-Hungarian Empire during the 19th century. The 20th century brought to Hungary and to the East-Central European region the challenge of totalitarian and autocratic regimes which produced an unfavourable legal and political framework for the civic development. Unstable environment, changing political preferences and dispreferences, political and administrative restrictions and manipulations destroyed some of the results of networking, social capital building and civic skills of the 19th century. The development of civil society and of NGOs diverged; meanwhile civil society was put into the catacomb in the totalitarian/authoritarian regimes, some of the non-political, life style type NGOs could develop further if they did not have any disturbing message for the legitimacy of the suppressive regimes. (Some of the totalitarian/authoritarian regimes built upon „pseudo civic organizations”, which were masqueraded to „Non Governmental Organisations” as the typical trade unions, women’s association, youth association, minority association of the Communist system.)

After regime transition in Hungary and the region since 1989, both in the transition and the consolidation period NGOs and civic groups enjoy positive discrimination to regain their social and cultural terrain which was lost during the turbulent history of the 20th century. The general attitude of the new regime is positive, affirmative and helpful towards NGOs and the legal and political conditions are often changed, reformed to the „better”. A general difference between the conditions of NGOs and civil society in stable Western democracies and post totalitarian/authoritarian regimes of former Communist countries is the higher amount of innovation in the latter group compared to the former, but a much bigger efficiency of the stable regulations in the former group compared to the latter. Conditions in some of the Western democracies for NGOs are stable, legitimate and efficient in the long run, conditions in new democracies are in steady flux, and therefore their legitimacy and efficiency is under pressure.

State and history of legal and political conditions for NGOs and civil society are changing fast in Hungary since regime transition. A development of experimenting to find a better solution is the main characteristic of the development of public policies towards civil society. Another feature within this experimental process is to find a „best practice” from the Western world, mainly from the EU, and implement such models as partnership, PPP or open method of coordination, or transparency e.g. civic participation. The different Western models are taken as know-how for the own development, and sometimes it is unclear whether they are sustainable solutions implemented in a very different social and cultural context. A process of learning by doing is developed, which is characterised by a pattern of searching models-discussing alternatives-implement solution-evaluate results- correct the model. This cycles last between 3-5 years, and we have not reached yet a maturation and stabilisation of particular models for longer run. Another main feature of the process remaking the legal and political environment for NGOs in Hungary is to fight the lasting legacy of the totalitarian/authoritarian past, which resulted in lack of civic participation, destroyed the culture of solidarity and philanthropy and discouraged people to participate in any collective and group processes, and established a culture of fear. For this sake different methods, institutions and processes are developed which all aim the same, to reconstitute the legitimacy of civic activism within NGOs. We may put forward the idea of giving some percentage of income tax of the citizen's by their autonomous decision to NGOs, the different institutions which secure the transparency of local authorities' decisions and include civic organisations into decision making and implementation processes institutionalising civic control, the positive incentives of voluntary work etc. There are many steps taken on different levels to fight the legacy of the past which is not reached yet, but important steps were taken. A coordinated economic and public policy is needed to develop this process further, which was supported by the EU accession, however, many different economic and political problems are there which sometimes put aside the issues of civil society and NGOs, and seem to favour pure neo-liberal and monetaristic economic development policies. There is a contradiction between the fast economic development policy following the neo-liberal pattern and the social and cultural requirements and costs of building civil society and NGO-friendly environment, but until recently sustainable compromises were found to settle this tension.

Process of national support for NGOs: empowerment or only financial aid?

The governmental support for the financing of NGO activities was an inevitable precondition to the reconstruction and the empowerment of the non-profit sector and the civil society. This is a general contradiction of post-Communist transitions toward democracy that the process of remaking autonomy for different social sectors and functions is mainly governed and managed by governmental policies and authorities. The previous system centralised and etatised social functions, thus social groups were losing their capacities of autonomous self-government. Government policies and government agencies implementing them are needed to build the new market economy, new education and cultural system as well as a sustainable sector of NGOs. The relevance of this task was accepted as well by governments of the Left as well as of the Right but with different intensity, emphasis and methods. However, the general political support for civil society and NGOs was not endangered by any political changes and transformations in Hungary which is a positive development compared to post-Communist countries like former Russia or Yugoslavia.

The first centre–right government led by József Antall had to cope with the issue of collectivised property of NGOs during Communist time and find a solution to alternative financing. Shortly they rejected recuperation of former collectivised properties and introduced a practice of remission of tax in case of private donations to foundations and other NGOs. The rejection of recuperation was a part of a more general decision about privatisation/reprivatisation of former collectivised properties. After many political fights, the centre–right coalition rejected the reprivatisation alternative and accepted the in Hungary already in the Communist time practiced process of privatisation. The only exceptions are the Churches whose properties and income losses are recuperated by the government in a very long run, a process which should lead to the revitalisation of social, educational and ecclesiastical functions of the Churches, which was before the Communist time central in the Hungarian NGO sector. This process of recuperation is still unfinished, and even its duration and content was reconciled by Churches and latter governments. Although the Churches in Hungary are still far away to restore their positions they once had in the social, educational and cultural field, we have to stress that they are the only organisations who got the chance to do it. All other NGOs, associations, foundations, corporations, cooperatives trade unions, municipalities lost their confiscated properties for ever, for them there is no restitution or recuperation, despite the fact that their properties were collectivised.

To secure finance for development of NGOs the first centre-right government established a generous system of tax remission. This system lasted for some years, but it had to be restricted and corrected because of the wide practice of tax manipulation which was a result of the regulation meant to support NGOs. The idea behind was good and healthy, to open up communication and engagement channels between the enriching citizens, the new middle classes and capitalists and give them a chance to donate some of their resources for public good managed by NGOs with some positive incentives to economize on tax duties. However, the practice turned out to be as a widely use of tax remission without real NGO support, pseudo foundations etc. were created to reduce tax duties and to secure control over the donated money further on. The basic idea was well developed and sane, to establish connections between citizens and NGOs with governmental help and incentive, but private interests used the regulation to gain more profit than to support non-profit activities.

The next basic concept, the initiative of the second social-liberal government led by Gyula Horn was built upon the original idea, but implemented it with different techniques and methodology. The relationship between citizens and NGOs was furthermore transmitted by tax policy, by the way of giving private persons a chance to decide on 1% of their yearly income tax to donate for registered NGOs. The transfer was carried out by governmental agencies. This regulation turned out to be more longer lasting than the system of tax remission but it had to be developed further and as a consequence, other regulations had to be made. First of all, criteria of proper beneficiaries had to be defined first and furthermore. Different categories of public benefit had to be defined to make the circle of beneficiaries clear for the donors, for the taxpayers.

Beyond the legal procedures a transparency has been made for the donors on the map of civic organizations competing for their donations. This was helped by different think tanks, itself foundations or the democratic press and media generally, however, the media coverage and the information for taxpayers generally on the possible circle of the beneficiaries was a structural problem, which could be secured more and more by the years had gone, but the theoretical requirement of equal chance of donors to make their proper decision and of beneficiaries to compete with equal chance for the support remained on the level of liberal utopia of a transparent and critical publicity far away from the socio-political realities.

Analyses on the experiences of yearly campaign (Vajda 2000, Kuti 2003) stated, that bigger and richer, urban/metropolitan/global rooted organisations got much more from the donations as the smaller, poor, local/parochial/national oriented NGOs. As a result the existing structure of unequal chances for support was reproduced by the new regulation which meant to dissolve or diminish

them. Another structural problem was the vast majority of citizen's who did not make any decision – despite the simplicity of the process and the mobilizing governmental and civic campaigns – on the 1% of their income tax at all. As calculations were made on the basis of tax statistics, a huge amount of money remained without any decision of the taxpayers at the central budget. The first idea was to keep these sums for public benefit programmes of the government as youth, women, or disabled policies. The technique of 1 % yearly tax decision made it also possible for citizens unable to identify a certain beneficiary to devote their 1% for these public benefit government programmes, and the amount not distributed by individual decisions was also transferred to them. However, this praxis contradicted the original idea to create relation networks, identifications between the taxpayers, the citizens and the citizen's public initiatives, the NGOs and reproduced the planning redistribution of the former Communist system, instead of enhancing growing autonomy for citizens and NGOs .

Based upon this experience, longer lasting discussions started, how to build up a system, which enables the NGOs to decide upon the 1% “stucked” in the governmental budget in lack of the taxpayers’ decision. For the next step to further develop the fiscal environment of NGOs the key problem - which was resolved by the second social-liberal government led by Péter Medgyessy -, was establishing the National Civic Fund, where representatives of the NGOs and the government may decide upon the distribution of the calculated 1% of the income tax not directed to NGOs by taxpayers’ decision. The National Civic Fund is a corporate scheme, where financial applications and project initiatives of NGOs are decided upon according to territorial and functional criteria. The idea of NCF was originally put on the agenda in connection with the establishment of a National Civic Representative Body, which should have been the main and unique corporation based upon a delegation of NGOs and of other civic organizations representing the civic sector in every respect, in all relations with the governmental bodies. The same circle of facilitators worked out a detailed electoral procedure to set up the interest representation body which initiated the organizations and procedures of the NCF. For a sustainable functioning of the NCF the stable interest representation body could serve as a good basis, because the one could be built upon the other.

However, for different reasons, among them a wide rejection of the side of the NGOs and their networks toward a corporate representation of the sector the establishment of the interest representation is delayed until now, meanwhile the NCF is functioning since 2003. Without a stable representative body to control its activities, the decisions of the NCF are under criticism both from the side of the governmental circles and the NGOs. A member of the Social-liberal government, Kinga Göncz criticised the decisions of the NCF to prefer the net-

works of the organizations where the NGO's electors are coming from, and not providing equal chances for all proposals. The argument of a structural bias upon vested interests was put forward, which reproduce the structural inequalities within the Hungarian NGO sector. The criticism of political bias was there as well, blaming the NCF as the construction of the social-liberal oriented NGOs neglecting the NGOs affiliated with centre-right. A general problem turned out to be the governmental character of the NCF as financial restrictions of the whole of the public sector were applied upon the budget of the NCF in 2005, meanwhile NGOs maintained that the Fund should be autonomous, and not underlying the actual governmental fiscal policy. The idea and challenge to establish a national representative corporate body of the NGO sector is still on the agenda in Hungary, partly to be a basis for the better functioning of NCF, but there seems to be no clear prospect for it at the moment. Meanwhile the in 2006 re-elected social liberal government led by Ferenc Gyurcsány maintained its readiness and openness to accept a single body of representation of the NGO sector in relations to the government, the NGOs itself are divided. Both centre-right and liberal oriented NGOs are scared by the idea of socialist corporatism and feel to be put back into the Communist past where forced political and administrative integrations preserved over civic autonomy. The counter-argument refers to some Western models of corporate regime where the NGO's autonomy and partnership with governmental agencies are provided.

To be the beneficiary of the 1 % income tax based upon the legitimacy of the public benefit character produced discussions and conflict about the "NGO citizenship"; who belongs to this category, upon what criteria and who should be or will be excluded? The original proposal was built upon the classical concept of "Civil Society Organisation" of the 18-19th century, based upon John Locke and Benjamin Constant; churches are not different from any other NGOs, civic initiatives, so taxpayers may decide upon their 1% also for a church, like for any other NGO. The proposal provoked a harsh criticism and protest of the established Churches who maintained to be different by status from other types of NGOs. They argued the different legal regulation upon the Church statute compared to the NGO statute in Hungary which gives Churches a privileged statute. Many criticized, especially from the center-right this peculiar character of the Church statute defined by rather liberal criteria which made it possible according to the partisans of this argument, that different private organisations may enjoy a privileged status in Hungary. Both center-right governments of Antall and the later led by Viktor Orbán proposed to make the criteria of Church status in Hungary narrower and more exclusive, but the law on religious freedom and churches is only to alter upon a two-third majority and the social-liberal oppositions did not agree upon the restriction of a liberal law.

However, within the issue of the 1% tax donation, the big, established Churches took the position not being ready to accept a role within the general laic NGO sector, but to maintain a special procedure for churches. Their argument was also supported by the fact, that the custom of paying church tax is tending to disappear in Hungary, meanwhile before Communism Church tax was collected with governmental aid. During Communist time belonging to the Church was a risky position and after transition identification raised, however, the old type of associational, ecclesiastical pillars were dissolved as well the readiness to provide regular financial contribution to the Church as a special tax. On the other hand, Socialists may felt guilty for the suppression of Church autonomy during the last decades, so they were ready for compromise - even against their liberal coalition partners, who maintained in this as well as in other conflicts with the churches their liberal philosophy of regarding and handling churches as other NGOs – and after the first declaration of 1% where Churches were still among the level of other beneficiary NGOs – a second scheme was introduced, providing special status for the according to Church law established and registered Churches; citizens were and are allowed to decide upon another 1% of their yearly income tax and distribute that among the established churches, independently from the other 1% distributed among public benefit NGOs. With this compromise Churches are separated from the general financing and self-governing procedures and bodies of NGOs. However, foundations, associations and other NGOs related to the Churches are still part of it.

Financial systems for the NGO sector are important in Hungary for the empowerment of the civil sector. After Communism, the system and culture of private giving and philanthropy were destroyed as well as their Church based structures. With the decision of no recuperation for Civil Society Organisations except Churches there were no other sources left than foreign aid, which was of crucial importance during the 90s, and governmental aid e.g. governmental policies to help mobilise private support from and outside Hungary. The further development of governmental aid, of governmental support and of management for private aid raised considerably the role of private and also of governmental financing, meanwhile foreign aid and assistance diminished, and with NATO, OECD and EU accession Hungary became part of the circle of donor states within Europe and the World System. The percentage of governmental financial support is still below the average of the welfare democracies and analysts still encourage or demand more and more government support in order to finance the functions which were and are given up by governmental agencies and are overtaken by NGOs in culture, welfare, education etc. Surprisingly the cry for more government support is one of the red lines of discussions on NGO finances after regime transition, and meanwhile the same time the demand for

self-government and autonomy is there. To find a compromise between the two is the task of the schemes developed to finance NGOs in Hungary based upon internal resources and encouraging private initiatives. The systems of tax remission and tax donation could be seen as huge macro-systems of citizens' re-education for philanthropy and to develop their readiness to participate in and to cooperate with the NGOs. On the other hand this "re-schooling society" process is based upon legal and political, e.g. governmental relationships which are always based upon the changing political opportunity structures, which affect the governmental policy of NGO financing. The present system is a "top down" scheme, although the basic idea was "bottom up" based upon liberal philosophy, the autonomous decision of tax payers should secure the financing of the NGOs in Hungary and reduce governmental budget redistributing tax money for the civil society.

"Only financial aid" proved to be the basis of power structures within the NGO sector based upon the flow of resources within the scheme to different beneficiaries where the circle of beneficiaries and the rules of the donation are set up and controlled by governmental agencies. Despite the fact that actors of the civil society were consulted and included into the process of the establishment of NCF, this system remained a corporate structure, where governmental rules define and make actors. "Rules make actors, actors make rules" is a general characteristic of post-communist transitions, which is implemented in the field of NGOs as well. In a corporatist system affiliation between governmental agencies and NGO actors will modify the results of the free resource mobilisation campaigns, which is the organising rule of the pluralist and liberal ideal type of NGO financing systems like the NGO regime of the US. EU and European national models tend to incorporate more corporatist solutions.

The Hungarian NGO financing regime is a compromise between the pluralist-liberal and the corporatist system, whereas latter is the dominant element based upon sociocultural traditions and the requirements of EU accession. Compared to West European models, the Churches have a very special position in Hungary set into a position by governmental policies to regain their lost role within civil society, but being at the present still far away from the level of Church positions in most of the West European democracies. Another characteristic feature is the relevance of municipal self-governments as partners for civic organisations, who have to act in a centralised system without regionalisation and federalism, unlike many West European democracies. Despite of the still great importance of public-private relationships within the NGO financing scheme in Hungary, the role of private and of corporate sources as well as the relevance of local self-governments is growing and NGOs are acting in a multi-layered environment of the global/EU/national policy/local pol-

icity/corporate citizenship and private donors as actors to be considered in their resource mobilisation strategies.

Information about the model of cooperation of NGOs, public and private sector

The challenge of regime transition put different demands towards NGOs and civil society. The change of social and economic structures produced demands for the non-profit service providing instead of centralised-etatised service providing. The central and state providers diminished rush, but the emergence or re-emergence of sustainable civic structures lasted longer. As mentioned above different governmental decisions tried to help to give chance for a new civic sector to overtake former state functions. In 1993 the institutions of public benefit foundation (közalapítvány), the public body (köztestület), and the public benefit company (közhasznú társaság) were introduced into Hungarian civil law to define the role of non-profit organisations having public benefit character and to ensure them different legal and economic advantages to support their activities. In 1996-1997 different taxation privileges were given to the categories of public benefit or the special public benefit (kiemelkedően közhasznú) organisations and they received government owned immobilia under specific circumstances. This way public and fiscal policy instruments were established to secure the development of actors which may fill the gap between social and economic demands for social services and governmental provision of them. This process was interpreted as overtaking of responsibilities from the diminishing and reducing public administration by the emerging new nonprofit sector. The governments regarded and defined the civic sector as “partner” according to EU policy, and established different governmental bodies to communicate and to institutionalise a dialogue with the civil society. The 2002 “Governmental Civic Strategy” tried to give a comprehensive interpretation and articulation of the public–private partnership. It included an overview of economic, legal and fiscal relations between government, public administration and nonprofit sector, fixed the frames for communication and cooperation, the inclusion of civic actors into policy-making and decision-making.

The trend of development of civic –governmental relations is an extension and intensification with a general goodwill of the changing governments enriching the institutions and procedures of these partnerships. The government support was 16% of the sectors income, and 39% in 2002, and the part of private support was reduced in this period from 22% to 13%. However, as all analysts state, the governmental support of the civic sector still does not reach the level of the developed countries. The service providing of nonprofits is emerging on the level of different public policies. There is a significant higher relevance of

nonprofit organisations in the culture and leisure, but recently the functions of education, social-welfare and community development gained more terrain. There is a problem regarding the relations of public –private sector in the higher significance of resource providing of central governmental agencies and policies, meanwhile local public administration is less relevant in providing sources for nonprofit organisations. This may be altered by the planned reform of public administration in Hungary, which aims to reshape the territorial units in direction of EU-conform regional and decentralised administration.

Another problem related to local administration is, that the local self-governments often initiated the establishment of public benefit foundations and companies to privatise their resources and activities this way. Within the Hungarian nonprofit sector a high percentage of the organisations is practically a type of “another arm” of the local self-government. This produces problems for the establishment of the self-government and interest representation of the sector, where this type of pseudo-NGOs are tried to be excluded from the framework. A reform of Hungarian non profit law aims to make sharper differences between the autonomous and administration-dependent organisations.

According to statistics, the role and percentage of private donations diminished among the income of the Hungarian organisations and the role of government resources raised. Especially the foreign donations were characteristic in Hungary during the 90s, which role was replaced by governmental and EU financing. The public-private relations show a differentiated pattern regarding the different localities. Generally, the small and medium local administrations realise that their interest is going into the direction of the establishment of a functioning local civil network, but their policy is very different to make it. In some of the smaller self-governments sometimes even civic organisations gained representation in community councils and influenced the community development, meanwhile in other places the existing legal forms and forums of networking are not in use. There are no clear structures, but one may generally state a more civic friendly policy in Western Hungary than in the Eastern part of the country. New impetus for civic and governmental partnership was given by EU-accession with the establishment of regional development councils and the cooptation of civic organisations into the preparation of the National Development Plan. However, comparative analyses has shown that on both levels the civic activity and especially the efficiency of these activities in Hungary is lower than in Western Europe, and do not realise the existing legal and political possibilities and alternatives for civic participation in policy making and development. In Hungary, as a new EU member country both sides, the governmental and civic actors have to learn how to use the possibilities of the new institutional and procedural framework to realise public-private partnerships in an innovative and productive way. The institutional and legal framework is there but the experience and culture of cooperation is still not developed fully.

László Harsányi, one of the leading analysts of the non profit sector in Hungary modelled this dilemma of Hungarian civil society on the edge of EU accession as in a transition from a remaking the former and destroyed civil society into the development for a contemporary, on global and EU-level integrated network, I reproduce some of his thesis as follows:

“Established legal framework vs. contradictions of the legal framework
 Developing civic sector vs. missing interest representation of the sector
 Raising service provision vs. not fully adequate financing structures
 Established networks and cooperation vs. political rivalisation and concurrence
 Implementing EU norms and policies vs. non adequate use of the new legal and institutional forms
 Raising state subsidy and subsidiarity vs. political dependency and etatisation”.
 (Harsányi, 2004, 125-126)

Kuti and Sebestyén, leading analysts and activists of the Hungarian nonprofit sector and civil society modelled the relations to the public sector and private sector as follows: “Hungarians have constantly tried to enlarge the market of welfare services...Since nonprofit service provision and the establishment of foundations were legalized, several NPOs have been created in order to meet the unsatisfied demand or at least to alleviate the shortage. Until recently, it has been quite rare for private entrepreneurs to establish service-providing nonprofit organizations in Hungary. The initiators have been either the potential clients (e.g. unemployed people, parents of handicapped children etc.) or enthusiastic professionals (e.g. teachers, librarians, social workers, artists etc.) – both lacking managerial skills and sufficient money to invest. The future development of the existing service-providing NPOs and the establishment of new ones depend heavily on government policy, including regulation, direct and indirect support, and contracting-out arrangements. ... Public authorities are well aware of the necessity to modernize and restructure the provision of nonprofit and for-profit organizations. The intensive government participation in the establishment of nonprofit service providers (mainly public benefit companies and public law foundations) and the indirect support to the third sector though tax regulations are based on an ideology that regards nonprofit organizations as consistent parts of the modern three-sector economy.” (Kuti-Sebestyén, 2004, 669-670.)

Regarding the role of the private sector in developing civil society and non-profit sector, research has shown similar patterns in former Communist countries, where the legacy of the past is a threshold to be overtaken. During Communist times economy was under political control and had to follow the requirements of social policy, “social economy”, “cooperatives” became this way the holy cows of the Communist social and political ideology. This tradition kills the welfare responsibility and social economy initiatives in the former

Communist countries, where entrepreneurs and enterprises follow their narrow economic and fiscal interests and neglect social and moral responsibilities of the economy. The philanthropy tradition was annihilated within the economy of societal planning and socialised property. This development occurred in Eastern Europe after 1989, meanwhile in the globalised capitalism the “corporate citizenship”, the “reflexive modernisation”, “Third Way”, “social economy” and other similar concepts established values, traditions and institutions of engagement of the private sector within the development of civil society and the nonprofit sector. Meanwhile, in former Communist countries “cooperatives” are rejected as survivors of Stalinist tradition, in some of the leading contemporary capitalist economies they are established and prestigious actors of the economy.

The corporate and private blindness of new capitalism towards social and ethic demands is broken up by governmental regulations, international, especially EU standards, and activities of global actors as multinational enterprises importing their corporate strategies into former Communist countries and of global and international NGOs, networked into “Global civil society”. Research carried out by Eva Kuti and others on “corporate citizenship” in Hungary (Kuti 2005) stated some general characteristics of private activities within the civic sector on the turn of the century; more than two third of Hungarian enterprises are ready to support nonprofit organizations. In most of the cases (77%) the beneficiaries initiated the donation and not the enterprise. The enterprises have no stable relations with the beneficiaries. There are many “subjective” factors in the decisions to support nonprofit organizations, the personality and preferences of the leaders, the local context of the activities of the enterprise play an important role, there is a lack of consistent strategies of philanthropy. Mostly ethical considerations play a role as in the classical model of philanthropy and personalized decisions are important instead of an involvement of nonprofit support into an integrated strategy of the enterprise. The readiness of support is raised parallel to the improvement of the economic performance of the given enterprise. As part of this research project, Mihály Laki has shown the existence of social responsibility among new Hungarian entrepreneurs, who are ready to support nonprofit activities, but lack of organisations, traditions and transparency within the sector do not help to realise their intentions in an efficient way. (Kuti 2005, 83-103.)

Eva Kuti concluded analysing the relations of the nonprofit sector and the private economy: “All actors (civic, private and government) have to unite forces and keep together, to help the existing goodwill to be realised into a more efficient and intensive cooperation between private sector and nonprofit sector”. (Kuti, 2005,72.)

However, there is a promising trend, as Anna Mária Bartal stated “there is a restructuring of the resources coming from private foundations, the sum of foreign aid diminished, but the sum of corporate donations was raised”. (Bartal, 2005, 284.) She analysed the role of voluntary work too, an important chain in bounding the sector to the private sphere. Her conclusion is as follows: “In Hungary, 5-6% of the adults participate in voluntary activities. In 2003, 64 % of NPOS (33 698) received voluntary work as support, and 26% of them regularly. ...Most of the voluntary work was done in the field of public security (21%), sport and recreation (27%), and in social services. “ (Bartal, 2005, 284.)

The public sector is playing a dominant and initiative role within its relations with the nonprofit sector and civil society. Despite the fact of further development in relation of the private sector to the nonprofit sector, we may state that the Communist past and the general economic and social problems slowed down the participation of the private sector in the process of remaking the civil society in Hungary. EU accession and development of welfare economy may open new ways in the relations of the private sector and the nonprofit sector. The governmental support is developing, but its perspectives are uncertain, as far as the Third Way-oriented social liberal policy is dominating it has both alternatives as towards more social economy as well as to more privatisation. A sustainable development of the Hungarian civil society and nonprofit sector should be based upon a widening private activity in the field. The governmental activism is meant to serve this purpose, which had some effects, but they are far away from being sufficient for a stable and efficient Third Sector development in Hungary, where experiences with etatisation in the Communist past make economy and private sphere suspicious towards governmental activism to mobilise private resources for public purposes.

Contradictions between legal and political framework and administrative behaviour regarding public policy towards civil society

Criticism on the existing system of public-NPO partnership is based upon the fact that such wide and intensive partnership never existed in Hungary before. As far as relations are widened and deepened, the problems and the misuse of the institutions will occur. Partnership has to be learned by the administration without an own tradition. There are communication problems between the actors of the field. As the biggest problems are seen in the cutting of the state budget, which will be tried by the administration to be implemented also on the field of the support for the NPOs, there is more communication and stable foras for problem solving demanded by the autonomous organisations. Another point of critique is the lack of transparency within supporting decisions. Civil society

organisations protested that an important part of state subsidy is going to organisations established by the administration and not real NGOs. The state support is going to organizations with “top down” character. Another point of criticism is the privileged role of the churches. The preferences to organisations with church and administration relations endanger the neutrality of public policy in the field of the NGO support.

The general criticism is going into the direction of effective governmental control on government and NPO partnership. However, there is a lack of such type of organisation and professionals within public administration which could function according to the specific criteria of the issues related to the civic sector. The bureaucratic rationality of state control should be transformed into issue-specific sensibility toward the civil society. There is a democratic deficit regarding the public policy toward civic issues on the level of local self-governments, too. Local self-governments look upon civic initiatives as “useful idiots” and they include them into the administrative processes just used as legitimising actors. This is embodied in the annual “hearings” where the laic, civic organisations are not able to provide a critical civic control on the local administration agencies. The agencies, which should be partners of civil society, are bureaucratic professional bodies stucked into the administrative control and lacking capacities of civic communication. Local administration does not seem to communicate with local civic society in the framework of a partnership policy of “top down” character. However, these problems do not occur everywhere, and there are plenty of positive models for the partnership relations between civic organisations and local self-governments.

The role of non-governmental organisations in the social policy and welfare services

The social policy field is one of the public policies where governmental actors and non-governmental organisations cooperate in a wide range of issues and activities. The recent (2006 June) programme of second Gyurcsány-led social-liberal government identified the main field of social policy within providing more justice and integration for poor children, Roma, disabled and for the unemployed. Another official document defining social policy stresses the importance of old age people care, too. After 1989 at welfare less government activity and more market and nonprofit-solidarity mechanism was the trend. In Hungary, Churches cope with the social issues slower than in Poland, because the Churches in Hungary were much more marginalised and much less active beyond pure religious activities during Communist times than in Poland. However, the welfare activity of Hungarian Churches extended since system transition, but the role of denominational nonprofit organisations was more charac-

teristic. At the beginnings the Soros Foundation and other foreign based or international organisations played a remarkable role, but later the Hungary based Church and civic organisations strengthened their welfare activities and got more and more terrain. Meanwhile foreign donors seek other newcomer countries of post-Soviet or post-Yugoslav areas.

The general trend of social policy and welfare was a de-etatisation, but the functions provided by governmental agencies are inherited on a selective way by new types of organisations. The foundations are rather market based actors and they provide services for people who are able to pay for them. Churches and quasi-NGOs provide services for people with less social and economic capital. Generally a “welfare mix” was produced where traditional government-based organisations, market based organisations, self-help groupings, civic groups and Church based organisations coexist and build issue-specific networks between government, market, Churches and civil society organisations. There is a characteristic imbalance within the Hungarian welfare mix: a great number of civic organisations are active in the social field, but their main resources are their own social capital and voluntary work. Meanwhile a tiny group of government and Church dependent organisations function as QuaNGOs with a huge amount of economic and fiscal resources enjoying privileges in the relations to governmental agencies. The structure of the Hungarian nonprofit sector in the welfare field is far from being homogenous; it is a differentiated structure according to how far they are based upon real civic activities, government or Church support or on market mechanisms.

The ministries and other governmental agencies in the social field tried to develop a differentiated policy strategy to include civic organisations into their activities. The documents and priorities have changed, but they all stress the importance of civic activities as restitution of governmental activism. For this sake the actors of the policy field have to co-operate, and to ensure better capacities to perform the tasks of NGOs is an eminent interest of governmental actors. The civic participation and the co-operation with civic organisations have to be strengthened according to these official documents. There should be an optimal division of labour established among governmental and non-governmental agencies and organisations in the welfare field. A social dialogue has to be established to meet demands and resources in the social field. The institutionalisation of social dialogue received a general support by the EU-accession with the adaptation of EU-patterns of social dialogue.

However, the service providing NPOs inherited problems of the social policy field in Hungary from the governmental agencies, such as:

- Lack of resources related to the rising problems
- Problems with legitimacy

- Lack of experience
- Lack – or disappearance – of traditions
- Fastly changing tax and regulation environment

As Kuti and Sebestyén stated: “The arms’s length and subsidiarity principles are not rooted in Hungarian political culture. They are “imported”; they represent an attractive element of the recently developed vocabulary that, in the best case, fits in the ideology, but not in the behavioral patterns of the government... The question must be raised as to whether the NPOs engaging in service provision will not face the very same decline in legitimacy and confidence that the government as a service provider is suffering from. The responsibility of the NPOs is enormous. After the rather chaotic period of extensive growth, they should organise themselves, develop their own rules of ethical behaviour, establish their umbrella organisations, improve cooperation and information exchange within the sector, and significantly increase the professional quality of their activities. The need for professionalization is a very important challenge, and this is the point where the weakness of the sector is the most obvious. In short, after a flyin start, the further development of the nonprofit sector in Hungary depends on its ability to cope with the difficulties of consolidation and professionalization. To stabilize, to institutionalize the nonprofit mechanisms of problem-solving, to develop cooperation with government and business, and to still preserve the independence of the voluntary sector - these are the key issues facing the Hungarian civil society and all its (foreign or domestic) supporters in the years immediately ahead.” (Kuti- Sebestyén, 2004, 677-678)

The government does not maintain any more after system transition to be the only and main actor in the social field, but it pretends to be a provider of justice and information and coordination among the different actors on the field. There is a tendency to establish contractual relations with nonprofit organisations by governmental agencies both on central and local government levels. One of the characteristic features of the social field is the strong presence of interest representation organisations of the citizens, which have to be included into the making and implementation of the decisions.

The main categories of civic organisations of the field are the service providers and wealth redistributors, who overtake service or philanthropic tasks, and the interest representation organisations that are included into decision making and implementation. The presence and strength of interest representation and of service providing NGOs is very much differentiated in the complex fields of social, health and welfare policy.

The documents of the governmental bodies differentiate among the functions which can be performed within the cooperation with NGOs by the different organisations as follows:

- Articulation of needs, views of the social service dependent people, aggregation of their criticism, innovation, to give prognoses and indication on sectoral and local crises and important problems
- To provide services which should be performed by governmental agencies and bodies, organising services on the specific welfare and health issues
- To provide information on health and social issues, to teach and train problem solving and self-help
- To organise new types of social services, to help the innovation of the policy field, providing education and training
- Lobbying for special issues and categories of problems, or for special treatment practices, or policy alternatives
- To organise self-help groups, communities and networks of people with the same problems on the field to help to self-help
- To help to provide legal services for the dependent people by organising common interest articulation, to control the quality of the governmental and nongovernmental services
- To organise resources as well in personal, cultural and material terms for the performance of the welfare and social tasks

The governmental bodies played in Hungary the conscious role of the agents of transition in the transformation towards a welfare mix, to secure de-etatisation and ensuring help to self-help on the field. The role of nonprofit organisations changed from the government supported newcomers to established actors cooperating with governmental bodies. The expanding role of nonprofit and nongovernmental organisations included the alternative towards more democracy and participation on the field and breaking up of the traditional hierarchic and paternalistic structures, which defined the role of the all-mighty state and of the dependent and disabled people. However, more democracy in the welfare mix by civic activism involved more uncertainty, and less stability as the existence and functioning of the former etatistic structures.

Instead of centrally provided and homogenous services a high differentiation developed according to the issue-specific field and according to regional and local patterns as well. The differentiation of the civic involvement was much differentiated according to the issues and localities. The governmental bodies have still to watch to provide more or less equal chances on the different policy

fields of the welfare and according to the structure of different localities to provide a unified category of social citizenship in Hungary. However, the existence of a welfare mix involves the positive alternative to maximalise the chances and minimalise the risk of the new welfare mix. To ensure this, actors of government, business, and interest representation as service provider non-profits have to communicate, to build network and cooperation with each other on each field.

Social issues were tackled by a different way and organisation was changed frequently during the changing governments. The social field had changing and differentiated governmental organisations in the different governments of the Left and the Right after system transition, but the need to co-operate with non-governmental actors remained, as well the issue to ensure and implement equal status and chances for each citizen in the welfare and health.

Of course the new tasks of the social field were the ones playing an avant-garde role within the government-non-government dialogue and co-operation as unemployment, drugs, homeless and refugee issues. Meanwhile the traditional social services and health followed the new patterns slower. This pattern of unequal development was programmed with the organisational innovation capacities and condition, in order that within traditional services longer established formal-bureaucratic structures, practices and professional interests to be established. Meanwhile the new social problems of the system transition involved new and more flexible and transparent structures, new personal, knowledge and practices and followed the Western models easier and faster in order not to have precedents within the Communist system. This way especially the traditional fields of welfare and health resisted, including the more co-operative structures towards nonprofit organisations. Meanwhile the new fields opened up fast or were established as such from the very beginning as including the communication and co-operation with nonprofit organisations. Church and market based organisations were also more open up in this regard than the traditional governmental bodies.

The governmental programmes defined the role of non governmental organisations as partners on all the fields of social policy in different roles, as follows:

- To participate in the discussion and preparation of legal norms and policy programmes
- To participate within the distribution of state subsidies and of different material benefits
- To control the service providing in the welfare field
- To provide information of the field for the decision making bodies
- To participate in the interest representation and the social dialogue

According to the different functions there are differentiated types of nongovernmental organisations included as foundations, public good foundations, associations, civic organisations, Churches, interest representation organisations, organisations with local character. In the field of social policy, the civic participation and communication have different profiles regarding central governmental agencies and agencies of the local government. Umbrella organisations and international or national organisations are involved in the former, grass roots local actors, self-help groups, civic initiatives on the latter field. Meanwhile on governmental level the involvement in policy-making and preparation of legal norms was characteristic, on local level more substantial issues of caring and organisation were put on the forefront of co-operation of local self-governments and civic groups.

A survey of J. Széman and L. Harsány: "Caught in the Net in Hungary and in Eastern Europe. Partnership in Local and welfare Policy" (2000) gave a comprehensive comparative picture of the state of welfare mix and government-non-governmental actors' relation. Their survey of the local level in Hungary shows that the nonprofit and the Churches received their partnership statute during the 90s in a slow process forming of the welfare mix on local level. There was a big difference among the types of localities, Hungary's capital, Budapest with suburban areas altogether about 2 million inhabitants - in a 10 million man country - played the avant-garde role in establishing ties with nonprofit organisations in local welfare and social-health issues, which was followed by some of the bigger cities according to the openness for innovation of their respective city leadership and management, and later smaller town and village councils followed them with differentiated flexibility. Intersectoral relations to solve social problems were strengthened as a general trend, but there are still very big differences of intensity in these contacts according to the types of settlements. Partnerships with foundations, associations, church and caritas or with interest representation organisations are mainly characteristic in the capital and the towns. In villages the partnership of the local self-governments was closed with foundations and the number of associations is much lower than in Budapest and other towns.

"Compared to the findings of a similar survey in 1995, considerable development can be observed in almost all fields and all forms of contact. The most spectacular change was in contacts between the local authorities and legal entities of churches. Compared to 1995, twice as many local authorities entered into contracts with church organisations. The proportion of contracts with church organisations is almost as high as contracting out with associations. This means that in recent years, together with foundations, the church, church-backed and charity organisations have become important actors in the nonprofit sector specialised in the solution of social problems; their activity represented

assistance for the local authorities that was worth to be regulated by a contract.” (Széman-Harsányi, 2000.110.)

“The greatest number of contracts continued to be signed in the area of foundations. Twice as many local authorities signed contracts with foundations as with associations, church organisations or businessmen...The local authorities could count on four actors: associations, foundations, church and charity organisations.” (op.cit.112.)

“Striking differences can be found in the regulated forms by settlement types. The more formal the relationship between nongovernmental organisations and the local authority, the less the form was found in smaller settlements. Three-quarters of the districts of Budapest, barely more than one third of the towns and only 17 per cent of the villages applied the practice of contracting out. In contrast, the somewhat “looser” agreements on co-operation were found in almost all the districts of Budapest, in 62 per cent of the towns and 40 percent of the villages. Tendering was practised in Budapest and towns to almost the same extent, while in the villages less than one fifth were able to introduce this form of competition among the nongovernmental organisations. Overall, the Budapest local authorities were in the best situation as regards co-operation, contracting and tendering alike, and the country towns also showed a positive picture in the matter of agreements on co-operation.” (op.cit. 113.)

According to the survey the local self-governments regarded the Church based organisations as their most important partners in the social field, and the social initiatives of the NGOs as the second most important. (op. cit. 117.) This is explained by the fact that the big Churches in Hungary are organised on a rather balanced way in all the regions of the country, meanwhile the distribution of the nonprofit organisations in the country is rather differentiated concentrating on the capital, the towns and the Western areas. There are characteristic differences between the capital, the towns and the villages as well as among the Eastern and the Western regions providing stable cooperation with civic organisations. The structural differences remained despite of the central regulation of partnership policy, which may be formalised by legal and policy framework, but the essence and substance of the cooperation and communication develops according to the surveys on the lines of the differentiation among settlement types, regional differences and sectoral differences. The differences on the other side, on the side of the civic organisations are huge as well. The bigger, more established Church and laic organisations preserved their eminent roles meaning the big organisations of the established Churches, or the Red Cross, and the Malteser Service, the smaller organisations develop according to the policy field and regional differences on a more or less sustainable way.

Sectoral differences were framed as follows in 1998: “Institutional help coming from the local authorities, the nonprofit sphere and the entrepreneurs was directed to the greatest extent (75 per cent) at the elderly. They were followed by the needy or poor (56 per cent). Lagging slightly behind, but still with a high proportion were children, youth, the handicapped, the health impaired and big families with difficulties. The homeless, the unemployed and ethnic minorities came after all these. At the very end of the line were alcoholics, addicts and psychiatric patients. Only one of the fourth to one fifth of the actors in the “three-pillar model” provided some kind of service for them. This low priority is very sad, because in all Hungarian settlements three main types of social tensions can be identified:

a/ problems related to the elderly

b/ unemployment

c/ problems related to the ethnic (Roma) minority.

Although there are differences of proportion among settlements, it is a fact that the two latter problems are not solved by any sector, neither separately nor through co-operation. Because of the trend of social ageing (i.e. high proportion of retirees) that has existed for some time the local authorities, civil organisations and entrepreneurs have concentrated much more in dealing with social tensions, both separately and jointly, on the elderly.” (op. cit. 136-137.)

Another survey of Széman-Harsányi: “Social Quartet. Civil actors in the social welfare field in four Hungarian towns”, Nonprofit Research Group (2000) compared the welfare mix of four different medium or small towns in Hungary from different regions. They summarise their findings as follows:

“The differences are striking...

The flexibility with ... civil organisations ... must be regarded as one of the most important results..

Another important result is that it was not only in crisis situations that the civil organisations appeared in solving the (social) problems...in many cases a preventive element also appeared...

It was also a significant result that the smaller settlements, too, the civil organisations are finding their feet and are beginning to build relations as partners not only with the local authorities, but also with other civil/nonprofit and market actors.

This way the civil organisations have acquired social capital that has enabled them to a certain extent to counterbalance the lack of sources faced by civil organisations operating in small towns.

The establishment of partner relations began between the civil organisations and the local authority, but it became quite obvious in the course of the research that the macro level, the state does not reach the smaller settlements. The ministries and national authorities played no part at all in the lives of civil organisations operating in the social field in any of the towns studied, while foreign organisations, church and religious organisations, the local authorities and their institutions, and other nonprofit organisations all had stronger contacts with the civil organisations in the social field.

It can be said that the investigation revealed a welfare model based on multiple sectors, a model in which the different actors are in continuous interaction with each other, constantly changing, entering into contracts and co-operation with the other actors.” (op. cit. 85-87.)

Social policy is a model policy, where governmental agencies and nonprofit organisations have an established social dialogue and institutionalised cooperation on a policy field. Let us take the example of the unemployment, which was one of the new fields of social policy after system transition, which developed, consolidated and institutionalised according to EU-patterns in Hungary now after the EU-accession. At the very beginnings of Hungarian unemployment policy the importance of civic organisations was realised by the decision-makers. There was a need to “socialize” the employment-unemployment policy, to build up foundations for working with unemployed and help them keep chances to reenter the work again. At the beginnings even political parties supported such foundations, later their profile was rather electoral policy. Trade unions were on the forefront of the working with unemployed, regardless whether they came from the Communist system or were new church or civic based ones. The trade unions were strong both in the sectoral and the regional-local activities with unemployed people. They cooperated with local self-governments and with local branches of the employers organisations. There were a lot of associations established in the field or older associations, too. There were self-help groupings organised. However, the main actors on the field were the public policy supported quango foundations and EU programmes. They provided a wide range of reeducation and capacity building programmes, monitoring and other services in special branches, in regions or nation-wide for the unemployed. In 1998 an umbrella organisation was established for organisations helping the unemployed in Hungary. The main aim is the successful reintegration into the labour market, with special emphasis on the people with handicap, women, youth, older, Roma etc. The finances and resources come from public foundations, ministries, self-governments. Networking, administration and infrastructural services are provided for self-help groups. In 2003 a comprehensive database, an “Atlas” of Hungarian civic organisations in the field of unemployment was established, which tries to give a comprehensive

picture of this sub-sector. Education of advisers and social helpers is one of the central functions of the umbrella organisation, which tries to involve European experiences. They speak about a threefold network structure:

- Communication network of service providers and service users
- Cooperation of the advisors
- International professional networking

The summary of the activists on the problems of nonprofit organisations of the unemployment field is as follows:

“The challenge of the europeanisation is heavy for the network members, parallel to the scarcity of the own resources. Our nationwide network is able to respond to some of the regional challenges. We are able to develop the resource mobilisation capacity and efficiency of the work of the member organisations. ...Our network is not fully institutionalised and established yet, the permanent participation in domestic and EU tenders is the main source for our activities, to stabilise and consolidate our work and to develop the advisory network further .. our work has to be strengthened within and beyond the sector..” (Közjólét 2005/2. 114).¹

Another example may be the Roma issue, which is not just a Hungarian but a European problem, and as such there was from the beginnings international networking involved. As in case of unemployment we may give within this short sketch just a type of short intro, but no comprehensive picture of the very complex and fastly developing field.

„Autonómia Alapítvány” (founded: 1990) was one of the most succesful organizations bringing Western aid to Hungarian civil society and aiming to solve the specific problems of the self-organization of the Roma ethnic group in Hungary. The „Autonomy Foundation” (Autonómia Alapítvány) is officially translated into „Hungarian Foundation for Self-Reliance”. The reason, why this foundation serves as an example to characterize the new civil society initiatives

¹ Just writing this report I found in the yesterday daily “Népszabadság” an ad between the ads to the childrens Book Day and advertisement for Franchise for medical technique as follows: “Budapest Social Public Foundation (Fővárosi Szociális Közalapítvány) announces a public tender for Budapest based social organisations of civic character for following goals in 2006 with programmes that have to be planned for three years:

- 1./ Diminish prejudices again endangered groupings (Roma, homeless, unemployed, psychiatric ill) through
 - a. Public foras, discussions, gatherings
 - b. Methodological publications
 - c. Providing legal services”.

This is the typical way in which the social field gathers sources by public and EU tenders in Hungary.

and their relation to Western supporters of civic organisations in Hungary is as follows:

- distribute mainly Western support for Hungarian initiatives
- successful, well-known and acknowledged both in and outside Hungary
- using mainly American money, its activities are quite transparent according to US standards, and documented in English
- focus on the problem of Roma civic groups, so it has a clearcut thematic issue
- enjoy the trust of Phare Democracy Programme, distributing microproject support.

Autonómia Alapítvány regards its mission as to contribute to the emergence and support of civil society in Hungary. It focuses its activities on three areas, as follows:

1. **Poverty and ethnicity.** Providing grants and loans to support self-help initiatives, which enable Roma people and others to build economic and social autonomy.
2. **Environmental sustainability.** Supporting environmental projects, which involve local unemployed Roma people.
3. **Civil society.** Supporting the professional and sustainable development of emerging and established non-profit organisations.

Autonómia fulfils its mission in a number of ways:

- Providing grant and loans to projects on the basis of careful assesment and monitoring
- Developing projects through specialist support and advice provided by local 'monitors'
- Providing technical assistance to other donors, in particular the Phare programme of the European Union.
- Working jointly with other funders, such as with the Environmental Partnership.

The Foundation received support during the 90s from US foundations interested in promoting democracy and civil society in Central and Eastern Europe, and the number and generosity of those donors has been critical in ensuring the stability and success of Autonómia. Especially the Rockefeller Brother's Fund, the Ford Foundation and the Freudenberg Stiftung, then the German Marshall Fund, and the Charles Stewart Mott Foundation are to be mentioned here as its main supporters. Later multinational firms based also in Hungary, as Levi

Strauss Foundation appeared among the donors, and during the Social-Liberal government 1994-1998 so-called „public foundations”, foundations based on public law and money, focusing on stable government interests supported it as well (as the Foundation for National and Ethnic Minorities, the National Employment Fund, and even governmental offices as the Ministry of Culture). The management of the Phare Micro Projects in Hungary was given to the Autonomía by the standing Delegation of the European Community in Hungary between 1995-1997. This task involves the monitoring of running projects, collecting reports from the supported organizations, as well as announcing the new call for proposals, preparing the decisions of the Delegation, and monitoring the newly approved projects. According to the 1995 financial statements, the income of the foundation came cca 80% from Western donors and international organisations, as UNESCO and Phare, and cca 8% from Hungarian donors, and the rest from interest, repaid loans etc. The expenditures went mainly for projects as 358.000 USD (plus 510 000 USD donation for projects from the Phare budget) and 151.000 for operating costs. The board made a decision to create a reserve fund with a view to establishing an endowment for the foundation, in order to secure the long-term financial viability and independence. In 1996, 86% (appr. 228.000 USD) of the expenditures were spent for the „Poverty and Ethnicity” programme, 4% (10.000 USD) for „Environmental Sustainability”- the foundation cooperated in this issue with another organization called „**Environmental Partnership**”(Ökotárs Alapítvány) – and 7% (19.000 USD) for the „Civil society” programme. A special programme was launched, the „Tolerance Prize” which is given to media people, artists and journalists for their programmes or works on ethnic tolerance or against intolerance generally, given annually by a special body. 3% (7500 USD) of the project expenditures went in 1996 to this activity. The budget may be held as the biggest one among the Hungarian NGOs distributing Western resources for the development of the civil society in Hungary.

The Autonomía is focused on help for Roma on Hungarian territory, but similar to other NGOs distributing Western support, it launched a special programme for international, e.g. for East Central European networking and help. The **EUROMA** (1995-1997) project was developed following a seminar held by Autonomía on the situation of the Roma in Central and Eastern Europe. Participants included Roma organizations, intermediary bodies and donors, including the European Union. EUROMA was funded through the Phare Democracy Programme Ad-hoc scheme, operated by the European Commission. Autonomía provided support in managing the programme, which was conceived as a regional programme supporting self-help initiatives in Roma communities in Hungary, Bulgaria, Romania and Slovakia.

The programme had the following components:

1. Providing intensive **leadership and non-profit management training** for Roma leaders in all four countries.
2. Supporting existing **legal defence bureaux** for ethnic minorities in Bulgaria and Hungary and setting up legal defence bureaux for ethnic minorities in Romania and Slovakia.
3. Establishing a **Roma radio station** in Hungary.
4. Providing **media training** for Roma and non-Roma journalists and activists including programmes in Bulgaria, Romania, Slovakia.

One of the most important general involvements of Autonómia was the networking and assistance with the **Phare Democracy Programme (PDP) Micro Projects** programme. Considering that through EUROMA and Phare the foundation is networking and communicating with a wide range of initiatives, citizens groups and associations, it has become one of the main relay institutions between the web of the Hungarian civil society and the one of Western donors. Autonómia has been managing the Phare Micro-Projects Programme since 1995. The aim of the PDP of the European Union is to contribute to the consolidation of democratic societies by strengthening non-governmental organisations in Central and Eastern Europe. The Micro-Project programme supports grass-roots projects with grants of between 3000 and 10 000 ECU. The budget of 1996 in Hungary was 600 000 ECU, which attracted 367 applications, with total funding requested of almost 3 000 000 ECU. 87 projects received some grant. 40 of them are bound to the main issue participation of the citizen. 35 are launched for handicapped people, to correct inequalities in citizenship status. One of the most preferred target groups was in 1996 the youth with 17 projects, and to spread the knowledge about civic techniques among population 12 projects were launched that year. From the 1996 breed, the report of the Autonómia took the project „Fugitive tales”, as a success story for example. Fugitive tales was one of the first round of projects to be supported by PDP through Autonómia. The project was run by „Maszk Association” from the medium size university town Szeged, and aimed to raise awareness about the difficulties Bosnian refugees were facing in Hungary. Bosnian tales and children’s paintings were collected from refugees in Hungary. The resulting book was very well received in the public.

One of the leading members of the foundation spoke very disillusioned about the future of Hungarian and of Eastern civil societies, if Western programmes cut their activities in Hungary and in the region. Western donors, if they realize that there is no more war or civil war in a country, and the system is relatively stable, compared to more conflict-ridden areas, they may fastly shift their pro-

grammes toward the less well to do and democratized areas, to the East. It may be right from the point of view of the priority for helping to cover basic needs of a civil society, but in countries like Hungary, where the state of the civil society is beyond the first and preliminary steps, the Western support is still badly needed. According to this activist, the Western aid should flow further to stabilize the already existing web of civic initiatives, otherwise they will become dependent of the still omnipotent government and the political elite, because on the local level the civil society still misses its own resources, and the internal resource mobilization for civic initiatives still does not work well.

According to that time analyses of Éva Kuti (1998, 108-120.), the tax transfer of the annual personal income taxes according to the free decision of the taxpayers from the governmental budget to acknowledged civic organizations, foundations, associations etc. in 1997 was an important step to strengthen the ties between citizens and their initiatives and to fill the gap between the „incumbent phase” based upon Western aid and the developing self-reliance. According to Kuti, the role of Western donors, especially of influential Western organisations and of international organisations as such gave more prestige for civic organisations, if they were looked upon as targets of European Community programmes. So Phare money was not just worth of its value, but had a symbolic, prestige-growing relevance for the actors of the non-profit, non-governmental sector projects, who received it. This made Autonomía very important in Hungary, as far as it was involved in the process of distribution of the Phare money, as a trustworthy civic organisation, as a type of representative of the Hungarian civil society coopted in the international distribution procedure.

The philosophy of Autonomía tried to prefer the grass-roots organisation of the handicapped ethnic minority, of Roma in Hungary, and the local, spontaneous initiative generally to the well-organized and established NGOs. The 1997 director, Anna Csongor said „we support the locals, the grass-roots”. According to the rules of application” we prefer applicants, whose goal of membership is to actively participate in exploring their own basic problems and to work out a programme, to help to solve them, whose aim is to develop the democracy within the local society and in the own organisation”. Autonomía tried to establish 'horizontal' relationships with the projects it supports, relationships based upon mutual trust. The foundation stressed the relevance of trust in working with Roma, who have experienced prejudice and mistrust. The intention was to ensure that the projects are not passive recipients and that Autonomía does not operate as a paternalistic donor. Autonomía launched a team of monitors, who traveled to the projects to assess and support them in their own environment.

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Közjólét 2005/2.

SUMMARY

Legal and Political Environment of the NGOs in Hungary

MÁTÉ SZABÓ

During the era of the Austro-Hungarian Empire conditions were favourable for the operation of associations, foundations and other NGOs. In the Communist period a considerable part of those organizations were disbanded: foundations were banned and only certain sports, cultural and health-related associations could survive. At the time of the disintegration and subsequent fall of the Communist regime, non-governmental organizations experienced a renaissance. Both the legal regulations and public policy encouraged their re-emergence.

As from the middle of the 1990s, citizens may (but are not obliged to) donate one per cent of their income tax to a civil-society organization and another per cent to a Church. The National Civil Fund (NCF) was set up in 2003. It has competence over that part of the income tax revenue that could have been donated to some NGO but was not. Civil society organizations may submit an application for support to the NCF, and awards are made by a committee of governmental and NGO representatives.

Civil society organizations are having an active cooperation with institutions of the central government and local municipalities, and multinational corporations do a lively charity work. Unlike during the 1990s, nowadays the NGOs receive less direct support from abroad but various programmes of the European Union have had a favourable effect on growth of civil society both in Hungary and in other new accession states. Private donations to civil society are still relatively small and the governmental programmes are meant in part to compensate for that. In fact, there has been a growth in the state's involvement in supporting and cooperating with the civil society organizations.

RESÜMEE

Das juristische und politische Umfeld der Nichtregierungsorganisationen in Ungarn

MÁTÉ SZABÓ

In Ungarn hatten sich in der Zeit der Österreichisch-ungarischen Monarchie günstige Traditionen bezüglich des Betriebs von sogenannten NGOs, d.h. Vereine, Stiftungen usw., herausgebildet. In der Ära des Kommunismus wurde jedoch mit diesen Traditionen größtenteils gebrochen; die Form der Stiftungen funktionierte nicht, von den Vereinen konnten nur bestimmte gemeinnützige Sport-, Kultur- und Gesundheitsorganisationen bestehen bleiben. In der Zeit der Krise und des Untergangs des kommunistischen Regimes begann dann eine neue Entwicklungsphase der NGOs, als die rechtliche Regelung und die Regierungspolitik ihre Entwicklung und Institutionalisierung begünstigten.

In Ungarn bot sich den Staatsbürgern ab Mitte der neunziger Jahre die Möglichkeit, dass sie mit 1% ihrer Steuern zivile, und mit einem weiteren Prozent eine kirchliche Organisation unterstützen können. Später, nach der Jahrtausendwende, entstand das sogenannte Nationale Zivilfonds-Programm (Nemzeti Civil Alapprogram), das die Steuerbeträge verteilt, über die nicht verfügt wurde. Die Verteilung erfolgt in Zusammenarbeit mit den Vertretern der Regierung und der Zivilorganisationen unter den sich bewerbenden Zivilorganisationen.

Der Kreis der Partnerbeziehungen der örtlichen Regierungs- und Selbstverwaltungsorgane, sowie der Zivilorganisationen erweiterte sich genauso, wie die Rolle der multinationalen Firmen im Wohltätigkeits- und Spendenbereich. Die direkte ausländische Subventionierung der Zivilorganisationen ging größtenteils zurück, die verschiedenen Programme der EU üben jedoch einen bedeutenden Einfluss auf die Entwicklung der Zivilorganisationen in Ungarn und den anderen neuen Mitgliedstaaten aus. Der Anteil der privaten Unterstützungen ist immer noch verhältnismäßig gering – dies soll durch die diversen Regierungsprogramme ausgeglichen werden. Die Rolle der staatlichen Organe bei der Subventionierung der Zivilorganisationen und der Zusammenarbeit mit ihnen zeigt eine steigende Tendenz.

