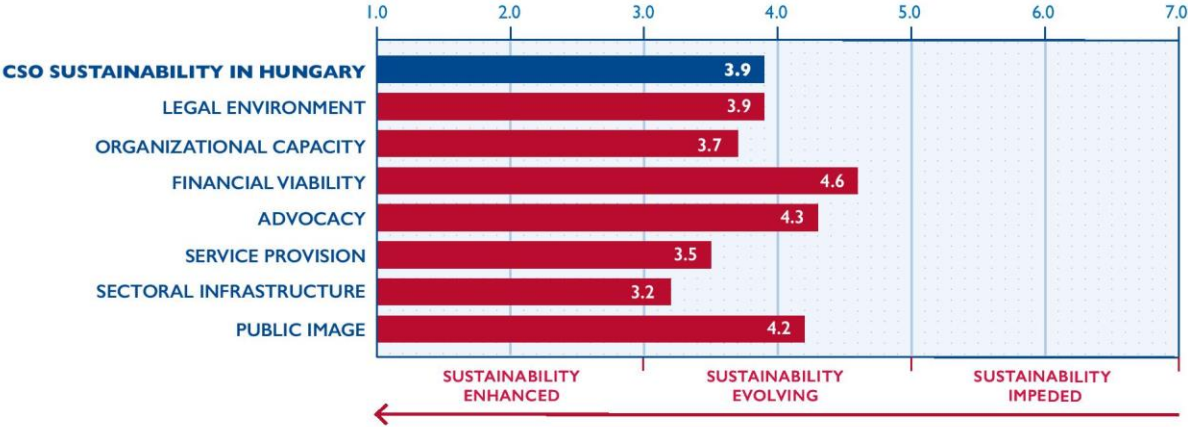


HUNGARY

Capital: Budapest
Population: 9,728,337
GDP per capita (PPP): \$32,945
Human Development Index: Very High (0.854)
Freedom in the World: Partly Free (69/100)

OVERALL CSO SUSTAINABILITY: 3.9



The situation in Hungary—as in the rest of the world—in 2020 was dominated by the impact of the COVID-19 pandemic. The first few cases of the virus were reported in the country in late February. Bowing to public pressure, the government closed schools and introduced lockdown measures in mid-March that remained in effect until early June. The lockdown helped limit the health impacts of the first wave of the pandemic to about 100 new cases a day and less than 600 deaths total through the summer. However, the economic impacts were severe, with gross domestic product (GDP) decreasing by 13.6 percent in the second quarter alone. In late March, the parliament adopted the so-called Authorization Act, which included a set of emergency COVID-19 measures that criminalized the spread of misinformation and allowed the government to rule by decree without any time limits or other constraints. This led to renewed international criticism of the government. However, despite international interpretations that parliament was suspended, the assembly continued to operate normally throughout the year.

After a fairly peaceful summer, the number of new COVID-19 cases started to increase rapidly at the end of August, a trend that continued unabated until almost the end of the year. Fearing further economic downturn, the government was reluctant to introduce significant new measures or limitations other than compulsory mask-wearing in shops and public transportation for several months. A more comprehensive set of measures, including another effective lockdown, was only announced in the second week of November. By this time, the death toll has risen to 100 a day—a trend that continued through December—and more than 6,000 people were hospitalized.

The government used both lockdown periods to pursue its own political and economic goals. A variety of questionable pieces of legislation were passed—both as decrees and amendments approved by parliament—that had no relevance to the crisis, including an amendment of the Constitution. Several of these measures targeted lesbian, gay, bisexual, transgender, and intersex (LGBTI) people, including a ban on legal gender recognition, and a provision effectively prohibiting same-sex couples from adopting children, both of which were adopted despite protests at home and abroad. Other decrees privatized public assets, such as real estate, by transferring their ownership to churches, businesses, and government-established foundations, especially in the area of higher education. Throughout the pandemic, the government’s approach was characterized by a lack of transparency. Towards the end of the year, the government also clashed with the leadership of the European Union (EU), threatening to veto the approval of the next seven-year budget period and the new recovery fund due to disagreement over proposed rule of law conditionalities linked to the funds.

At home, the government left vulnerable social groups, including the rural poor, homeless, and people with disabilities, without any targeted support during the crisis. Furlough payments (“kurzarbeit”) for the hardest hit businesses were introduced quite late and had a fairly limited scope, as employers were required to meet a set of complicated criteria and the application procedures were difficult. According to reports in August, only around 225,000 out of a total of 4.5 million employees benefited from this assistance, while the number of unemployed

increased by 100,000 compared to the previous year. The government also failed to extend the scope of social benefits, including the length of the unemployment benefit, which is just three months, the shortest in the EU.

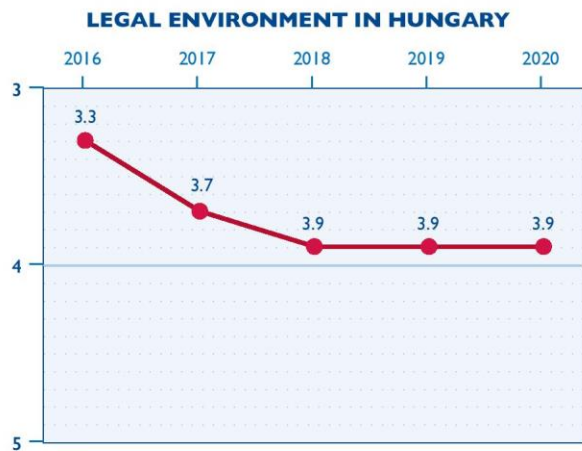
Under these circumstances, local governments and civil society assumed most of the responsibility for assisting those hardest hit during the crisis. But while the burden on municipalities grew significantly, the central government reduced their sources of income by freezing local taxes or re-directing them to the national budget. These measures affected opposition-led local governments the most, seemingly in retaliation for the successes achieved during the October 2019 elections. One example is that of a contested industrial investment planned in Göd, a small town near Budapest. After the new mayor expressed his opposition to the plan, the government issued a decree declaring it an investment of “national importance,” effectively taking away the municipality’s right to participate in the decision-making process in any way (resulting in significant public protests), and redirecting future tax income from the plant from the local to the county level.

Besides municipalities, CSOs were also quick to respond to the crisis, mobilizing considerable resources. Most organizations that could remain operational under the circumstances refocused their activities towards the pandemic in one way or another.

Overall CSO sustainability remained unchanged in 2020, although three dimensions—organizational capacity, financial viability, and sectoral infrastructure—recorded slight deteriorations mainly due to the impacts of the COVID-19 pandemic and the related governmental policies, which neglected civil society. While financial viability continues to be the weakest dimension of CSO sustainability in Hungary, advocacy and public image also continued to be quite constrained.

According to the latest data published by the Central Statistical Office, in 2019 there were slightly less than 61,000 nonprofit organizations, a decrease of 600 compared to the previous year. The proportion of associations, foundations, and other types of organizations in the total remained unchanged at approximately 34,000, 19,000, and 8,000, respectively. The total income of associations and foundations in 2019 was HUF 900 billion (\$ 3.1 billion), an 8 percent increase compared to 2018; however, this trend probably reversed in 2020 as a result of the pandemic and related cuts in public funding.

LEGAL ENVIRONMENT: 3.9



The overall legal environment governing civil society in Hungary was affected by both positive and negative developments in 2020, leaving the overall score for this dimension unchanged.

The CSO registration process is generally smooth. The electronic/online registration system has become more routine and the overall process has become faster. However, the practices of individual regional courts continue to differ somewhat, resulting in some uncertainty and unpredictability in the system. In response to the pandemic, special decrees made virtual board meetings and assemblies simpler and extended the reporting deadlines for CSOs. Otherwise, the core legislation governing CSO operations did not change.

In a notable development, on June 18, the European Court of Justice (ECJ) ruled that the 2017 Act on Foreign-Funded Organizations¹ was in breach of EU law on several counts, including for restricting the freedom of assembly, the right to privacy, and the free movement of capital in the EU. While the court decision obligates the Hungarian government to repeal the legislation, this had not happened by the time of writing. Instead, beginning in September, Tempus Public Foundation, the national agency managing the EU’s Erasmus+ program in Hungary, started requesting its CSO applicants and select grantees

¹ The Act on Foreign-Funded Organizations obligates CSOs receiving more than HUF 7.2 million (approximately \$25,500) from non-Hungarian sources to register and include the words “foreign funded” on their websites and publications.

to submit declarations stating that they conform with the provisions of the foreign-funded legislation as a compulsory precondition of contracting. Several affected organizations publicly protested this measure, with no result. The Hungarian government's lack of action to repeal or amend the foreign-funded legislation in the face of the ECJ ruling will likely trigger another infringement procedure by the European Commission in the near future. Meanwhile, the 2018 Stop Soros legislation, which criminalizes support to immigration (which includes providing legal aid to asylum seekers, as well as "propaganda" depicting immigration in a positive light), continues to pend before the EU court, where it has been awaiting a ruling since summer 2019. While CSOs have not suffered any direct consequences for violating the provisions of these two pieces of legislation (with the exception of the Tempus requirement), they continue to pose a threat to civil society.

Some other legislation indirectly affecting CSO operations was also changed during the year, partly in response to the pandemic. During the spring and autumn lockdowns, a total ban on assemblies was imposed, making any protest effectively illegal (see more in Advocacy). Also, the deadlines for public agencies to respond to freedom of information requests were extended from fifteen to forty-five days, rendering most such efforts obsolete in the fast-changing situation.

In summer, an amendment to the Act on Adult Education raised some concerns among CSOs. The rather obliquely formulated provisions seemed to extend the act's purview to all training-like activities organized by civil society, obligating them to register detailed information about their events, including the list of participants, with the relevant state agency. Just days before the amendment entered into force, the responsible ministry issued some guidance that clarified that typical CSO trainings, which are occasional and short-term, do not need to be registered, thus dissipating most concerns. Those CSOs that organize trainings on a more systematic basis and have registered have not reported any practical problems yet.

The media smear campaigns against CSOs observed in previous years continued in 2020, though at a somewhat lower intensity and with more focus on human rights—especially LGBTI organizations—towards the end of the year. Otherwise, CSOs suffered no direct harassment from the government during the year.

There was little change in CSOs' taxation in 2020. The legislation on administrative levies changed, narrowing the circle of exempted organizations from all CSOs to only those with public benefit status. At the same time, in response to the pandemic, the value-added tax on in-kind donations was abolished, though because of the required administration, it benefited only those that received large amounts of such support. Taxpayers continue to have the option of assigning 1 percent of their income tax to a CSO.

CSOs are still allowed to raise funds freely, earn income, and enter into contracts. CSOs can accept funds from foreign donors, although this may lead to stigmatization according to the "foreign-funded" legislation.

Local legal capacity did not change in 2020. A few CSOs—particularly the Hungarian Civil Liberties Union (HCLU) and Global Network of Public Interest Law (PILnet)—continue to provide quality legal services, but the demand is greater than the supply. Such services are still more readily available in Budapest, although HCLU has started the process of opening local offices in major countryside towns.

ORGANIZATIONAL CAPACITY: 3.7

The pandemic and its consequences had a profound effect on CSOs' organizational capacity in 2020, mostly in a negative direction. Existing gaps between large, urban-based professional organizations and small, weak, under-resourced local groups became more pronounced, with the "middle-class" of civil society (mid-sized organizations in rural towns) disappearing almost completely. According to the latest official statistics, in 2019, more than 70 percent of CSOs operated with annual budgets less than 5 million HUF (\$17,250); this ratio has remained unchanged for a number of years and is likely to hold steady in 2020 as well.

While overall organizational capacity suffered, some advances were made in constituency building. A growing number of organizations—primarily larger, professional organizations—consciously nurtured their circles of supporters, maintained databases, and circulated newsletters in 2020, and the social crisis brought about by the pandemic inspired many new people to volunteer. However, it remains to be seen whether CSOs can sustain this surge and retain their new supporters over the long run or if this will disappear once things return to "normal."

Strategic planning was made practically impossible by the pandemic, and organizations' plans had to be constantly revised in 2020. While many CSOs quickly mobilized to mitigate the effects of the crisis, this often took the form of ad hoc, immediate actions instead of longer-term efforts. Many organizations undertook activities that fall outside of their regular missions and objectives. For example, some advocacy organizations began to collect and distribute food donations.

Internal management structures in the sector remain generally weak. Only the largest few hundred organizations have clear structures and divisions of tasks and responsibilities. The pandemic forced some CSOs, especially those that could not continue their regular activities, to pay more attention to how they work and re-think their internal modes of operation. Newer organizations led by young people tend to take inspiration from the management methods of the business world, though the tools and methods of impact measurement are still not widely understood in the CSO sector.

CSO staffing suffered seriously as a result of the financial crisis stemming from the pandemic. While there are no comprehensive statistics available, surveys conducted in the spring by several actors, including Simpect, the Nonprofit Information and Education Center (NIOK) Foundation, and the Civilization coalition, indicate that as many as 30 percent of respondents had to lay off staff, as—despite government statements to the contrary—civil society was left out of the furlough schemes designed to help maintain employees through the lockdown. The longer-term effect of these cutbacks remains to be seen.

The picture regarding CSOs' technical advancement is mixed. While the transition to online operations and events accelerated learning and forced adaptation in this field, it also highlighted shortcomings in the sector. According to the surveys mentioned above, 40 to 50 percent of respondents moved their operations online quite smoothly, while the other half indicated that this transition raised insurmountable obstacles. While most CSOs have basic information technology equipment, including smartphones and laptops, and at least a Facebook page, these tools are often obsolete or insufficient in the face of increased demand. During the year, CSOs actively organized and participated in campaigns to collect and distribute equipment to support digital education while schools were closed. Cybersecurity is an issue that only the largest and most exposed organizations address.

ORGANIZATIONAL CAPACITY IN HUNGARY



FINANCIAL VIABILITY: 4.6



The crisis caused by the pandemic adversely affected the financial viability of CSOs. According to all of the above-mentioned surveys conducted among CSOs, approximately three-quarters of respondents suffered losses of income in the short term and expected more of the same in the longer term. The government did not provide any additional funding or relief to CSOs in response to the pandemic, and nonprofits were even excluded from the very limited furlough scheme introduced in April.

In 2020, the total budget of the National Cooperation Fund, the main public funding tool for CSOs, was increased to HUF 7.7 billion (approximately \$26.5 million) from the 2019 amount of HUF 5.5 billion (approximately \$18.3 million); a further increase to HUF

9.3 billion (approximately \$32 million) is promised for 2021. In 2020, CSOs operating in settlements smaller than 5,000 inhabitants could also access a new source of funding, the Village Civil Fund, which had a total budget of HUF

5 billion (approximately \$17.2 million). However, the government maintains control of the distribution of these funds, and the process remains opaque and biased towards loyal organizations that are often formed or led by local party functionaries, as opposed to independent CSOs. EU Structural Fund support has run out with the coming end of the current seven-year budget period, thus, there were no open calls available to CSOs in 2020. In contrast to earlier expectations, local governments, especially opposition-led ones which suffered heavy budget cutbacks under the guise of the pandemic, could not provide significant amounts of support to CSOs. For example, the 8th district of Budapest only allocated a total of HUF 7 million (approximately \$24,000) to CSOs during the year.

With public funding practically inaccessible, foreign support, especially grants provided by international philanthropic donors, remains crucial for many CSOs, particularly human rights, watchdog, and advocacy organizations. Several donors, including Civitates, Sigrid Rausing Trust, and Open Society Foundations, continued their ongoing funding programs in 2020. In addition, some new programs were launched during the year. For example, the Stronger Roots, Stronger Ties program supported by Porticus allocated approximately EUR 1 million in funding, while Mercator Foundation's Civil Europe program provided support of up to EUR 50,000 to a few different projects in Hungary; both of these initiatives focus on capacity and constituency building, especially targeting rural CSOs. The Hungarian government finally concluded the long-awaited agreement with the donors of the European Economic Area (EEA) and Norway Grants at the very end of the year.

CSOs reported mixed experience with corporate giving in 2020. In spring, several companies suspended their traditional small grant schemes. For example, Tesco and Lafarge both halted their programs before relaunching them in the fall. Companies also provided significant, mostly in-kind, donations to help those affected by the crisis. This kind of support was concentrated and directed at major charities, such as the Red Cross.

At the same time, private giving to those left vulnerable by the crisis surged, with many organizations launching donation campaigns providing food aid, hygienic supplies, and equipment for digital education to thousands of needy families. NIOK Foundation reported a ten-fold increase in the amounts collected through the adjukossze.hu crowdsourcing platform in March, and an eighteen-fold increase in April compared to the year before. But this surge gradually disappeared after the restrictions were lifted in June, and no comparable enthusiasm was observed during the second wave. CSOs are becoming more professional at raising online donations—the most widespread fundraising tool during the lockdown—but also increasingly use other creative tools, such as collections by “ambassadors,” Giving Tuesday, etc. After several years of steady decline, in 2020 the overall amount donated through the 1 percent mechanism increased (by approximately HUF 800 million, approximately \$2.7 million), as did the number of persons who assigned 1 percent of their personal income tax to a CSO. This increase was likely driven by the fact that the collection period coincided with the first wave of the pandemic.

Earned income still does not comprise a significant source of income for most CSOs. While the number of organizations that produce merchandise and maintain webshops (for example offering artistic products made by disadvantaged people) seems to be growing, managing these endeavors takes a lot of effort and resources. Some social enterprises are becoming financially more sustainable, but this is still not widespread.

With the exception of government-friendly quasi-NGOs, most CSOs work in a transparent manner, at least on a basic level, as they are required by law to produce and publish annual reports and accounts. A change in general invoicing regulations introduced in 2020, which makes the use of electronic invoicing programs and real-time access for the tax authority compulsory, is expected to further improve transparency. Nevertheless, generally only professional organizations, which are more exposed to potential attacks, maintain more sophisticated financial management systems.

ADVOCACY: 4.3

In 2020, CSO advocacy was influenced by opposing trends, resulting in a stagnant score.

In spite of existing legal provisions providing for public participation, both the central government and parliament remain unresponsive—and often downright hostile—to any criticism or proposals coming from “outside.” During the lockdown periods, freedoms of assembly and expression were temporarily restricted. In particular, the total ban on assemblies left little opportunity for people to express dissent. Online petitions, especially through the ahang.hu platform, were increasingly used, but had little or no effect on decision-makers, despite collecting as many as 100,000 signatures in response to some major national issues, especially against the emergency restrictions

adversely impacting rule of law standards. When two independent members of parliament (MPs) organized a series of vehicle demonstrations with cars circling and honking in a downtown roundabout, the police reacted by fining participants, citing either traffic rules or emergency restrictions.

The emergency law in spring also significantly increased the criminal penalty for spreading false information about the pandemic. However, rather than applying this clause against the emerging anti-virus movement, the police used it to intimidate a few private individuals who posted about the health system's shortcomings on their social media accounts by raiding their homes in the early hours; no indictments followed in any of these cases.

At the same time, many of the local governments elected in autumn 2019 displayed an openness toward the participation of and cooperation with civil society. At the beginning of the year, Budapest City Hall started developing a new concept for civic cooperation and organized various roundtables and participatory planning processes, however, these were disrupted by the pandemic. The local decree on civic cooperation was eventually approved in November, but compared to the initial goals and ambitions, the final version lacked progressive elements. Pécs city council similarly invited local CSOs to develop the civil strategy of the local government in cooperation with it. Some districts of Budapest and county seats such as Miskolc also created special units or offices responsible for citizen engagement and participation.

In spite of the adverse political environment, CSOs remained actively engaged in advocacy in 2020. The largest such effort during the year was the case of the University of Theatre and Film Arts. In the summer, the government reorganized the leadership of this institution, as well as that of other universities, effectively abolishing its autonomy and handing over all competences to the Board of Trustees of a newly established foundation, in which the university community is not represented. In response, the teachers went on strike and the students occupied the university buildings in downtown Budapest for seventy days, only giving up when the new lockdown was announced in November. Throughout this period, they also organized a number of creative and visible actions, the largest of which drew more than 10,000 protesters in a peaceful march. The spontaneous symbol of the blockade—red and white cordon strips used by the students—became a regular sight around the city. Still the government was not willing to fulfill the students' key demand: to consult and negotiate directly with the relevant minister instead of its 'puppet' appointees.

CSOs also achieved other smaller advocacy successes, for example, against waterfront infrastructure developments in several locations. This led to the creation of an informal coalition of local groups mobilized against individual projects in various locations, including Balaton, Fertő, Tata, and Velence lakes. The Civilization coalition coordinated many of the joint protest initiatives. Besides reacting to domestic issues, CSOs also expressed their solidarity with movements and protests abroad, including the anti-abortion movement in Poland and the democracy protests in Belarus.

Human rights organizations and their lawyers were instrumental in several high-profile court cases during the year. One of these guaranteed compensation to Roma people from Gyöngyöspata village who only had access to segregated, lower-quality education as children. Similarly, several court rulings provided material compensation to inmates for overcrowded and adverse prison conditions. In his annual speech held in February, the prime minister attacked these rulings as "money not rightfully earned" and "jail business" and called the plaintiffs' lawyers "members of the Soros network." Hungarian CSOs also contributed to some victories achieved in international courts, including the case on the Act on Foreign-Funded Organizations and another that outlawed the government's practice of holding asylum-seekers in so-called "transit zones."²

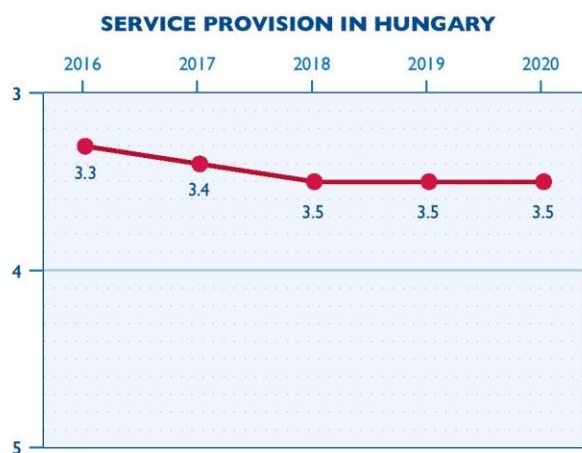
ADVOCACY IN HUNGARY



² Asylum seekers have not been allowed to enter the territory of Hungary since 2016, but instead have been directed to prison-like "transit zones" erected just outside the southern border. They could only submit their asylum requests from there. According to reports, authorities processed as few as two to three requests a day. In addition, the vast majority of cases were denied, and asylum seekers were forced to stay in the transit zones while their appeals were decided.

Lobbying for CSO law reform remained practically impossible and non-existent in 2020.

SERVICE PROVISION: 3.5



While CSO service provision was completely driven by the pandemic in 2020, the overall level of service provision did not change substantially.

In the past, CSOs provided a range of services, especially in the fields of health and social care, education, culture, and recreation, but now they are almost completely excluded from providing such services as they cannot compete for contracts or outsource state services, which are instead awarded exclusively to major church-based charities, such as the Order of Malta, Baptist Aid, and Caritas. In addition, under the pretext of the pandemic, the central government significantly reduced various income sources of municipalities (for example, abolishing local taxes), limiting the latter's opportunities to finance services locally, which is often done through CSOs. In

September, several schools serving disadvantaged children that are operated by well-known and often vocal CSOs—including the Real Pearl Foundation and 'Protection' Charitable Association—had their normative support unexpectedly cut back to half or even less, drawing public outcry (although the major church-based charities remained silent). This example also clearly shows how the government fails to acknowledge CSOs—other than a select few—as service providers.

Despite these systemic obstacles, many service-providing CSOs quickly adapted their work to the demands of the pandemic and were often among the first to address the social crises resulting from the lockdown. According to a survey conducted by the Civilization coalition in May among its broader membership, 40 percent of the eight-five CSOs that responded initiated new activities related to the pandemic. The most typical of these (comprising half of all new activities) was the collection of donations (financial and in-kind) and aid to support vulnerable groups, especially rural poor who were the first to lose their already uncertain incomes. Other organizations actively organized online education, disseminated information, and provided legal aid.

In the context of the pandemic, the needs were quite obvious and immediate. But even under normal circumstances, CSOs working in a given community usually have a clear understanding of needs and respond to those needs, despite the fact that systematic collection of relevant data and surveys are rare. CSOs provide services and products to a range of target groups without discrimination to the extent that their capacities allow. Most beneficiaries of CSO services are not in the position to pay for these services, particularly during the pandemic when CSO services were needed to prevent starvation and deprivation, for example in marginalized rural areas. Otherwise, cost recovery by CSOs for their services is partial at best. There is little to no interest from state institutions or businesses to buy the expertise or research of CSOs.

SECTORAL INFRASTRUCTURE: 3.2

The infrastructure supporting the civil sector weakened slightly in 2020.

In theory, the network of government-appointed and funded Civil Information Centers serves as the main intermediary support structure for CSOs. However, its performance is worsening. Loyalty, rather than expertise, seems to be the guiding principle in the selection of organizations to fulfill this role. In 2020, the longest-standing center in Pécs (in South Hungary), run by the House of Educators Association, was replaced by an unknown organization composed of party functionaries of the previous local government. At the same time, independent resource centers such as NIOK Foundation find it increasingly difficult to finance their services.

Regionally, the CSO hubs supported by the Open Society Foundations in Pécs and Debrecen, operated by the With the Power of Humanity Foundation and the Association of Alternative Communities, respectively, continued to provide training and community space to CSOs. In 2020, they also administered small grants programs to support crisis actions. Two community foundations—in Pécs and the 9th district of Budapest—remain active in the country. Carpathian Foundation-Hungary, working in the Northeastern region, was able to provide its partners with HUF 7 million (approximately \$24,000) in financial support, as well as additional in-kind support, during the pandemic.

Given the circumstances of the pandemic, CSOs had to organize trainings and similar activities online in 2020.

On one hand, this increased the availability of such services as training organizations were able to offer more opportunities and people could participate regardless of distance. On the other hand, after a while, the lack of personal encounters led to a certain fatigue, especially among representatives of smaller CSOs, who generally work on a voluntary basis and are less experienced in the use of online videoconferencing tools. Many training opportunities were provided that addressed topics such as CSO communication, fundraising, public participation, and active citizenship. Training was also available on topics related to the new circumstances of the pandemic, including organizing and facilitating virtual meetings, the use of various online tools, and online crowdsourcing. Other topics, such as management and entrepreneurship, were not really covered during the year.

Civilization remains the only active coalition convening CSOs from a variety of programmatic areas. While most of Civilization’s members are from Budapest, some are from other urban centers. Besides coordinating a variety of joint initiatives, including petitions opposing the conduct of the Tempus Public Foundation and the merging of the Equal Treatment Authority under the ombudsman’s office, members also held a joint, open-air press conference on the occasion of the ECJ ruling in June. Besides Civilization, thematic networks of CSOs exist in areas such as the environment and education. In addition, Open Spaces is a network of CSO community centers now active in eight cities.

Cross-sector cooperation remains quite weak. There are examples of CSO partnerships with specific media outlets or businesses (e.g., IKEA, see below), including in the context of the pandemic, while informal cooperation among trade unions and CSOs could be observed around issues of the public and the higher education. Partnerships with the government are determined along political and ideological lines, and independent CSOs generally cannot develop good working relationships with government counterparts.

SECTORAL INFRASTRUCTURE IN HUNGARY

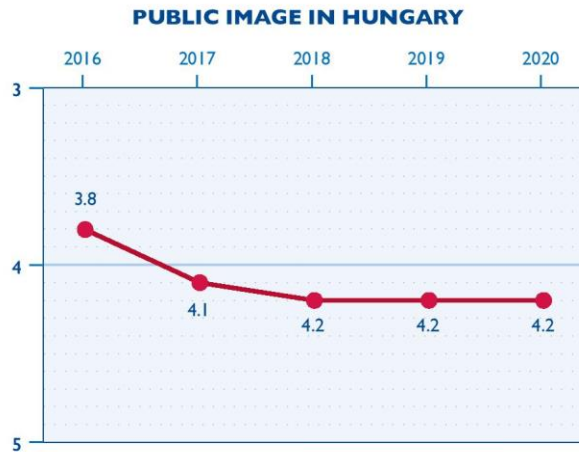


PUBLIC IMAGE: 4.2

Conflicting trends also affected the public image of CSOs in 2020, resulting in a stable score compared to last year.

As in previous years, the coverage of CSOs in 2020 was very much shaped by the Hungarian media landscape, which is dominated by outlets that only publish government propaganda; this includes the public television and radio, regional newspapers, radio stations, and many others. In 2020, media freedom and pluralism suffered another blow with the takeover of Index.hu, the leading independent news portal, by government-friendly businessmen, leading to the resignation of the complete editorial board (who later went on to establish a new portal, telex.hu). Index.hu continues to operate with a completely new staff and a significant change in the style of its reporting. This and similar changes further limited CSOs’ chances to convey their messages in a balanced manner, as pro-government media is engaged only in smear campaigns and vilification, which especially targeted human rights and LGBTI organizations in 2020.

At the beginning of the year, it looked like the court victories concerning the segregation of Roma pupils and prison conditions would be important themes in relation to civil society, as these were addressed by the prime minister himself. However, the pandemic took the spotlight away from civil society, and even the “usual” verbal attacks in pro-government media became less frequent during the lockdowns. Towards the end of the year, the



LGBTI community became the government’s next target with the legal changes that ban legal gender change and effectively prohibit same-sex couples from adopting children. In addition, the prime minister expressed verbal support for the highly publicized action of an extreme-right MP (representing the Our Homeland party) who put a children’s book titled *Fairyland Belongs to All* through a shredder. A variety of writers contributed to this publication by Labrisz Lesbian Association, which promotes the inclusion of “different” people, including gay and disabled people, as well as people of different racial backgrounds. Ironically, after the shredder scandal, sales of the book skyrocketed.

In contrast to the central government’s attitudes, the new municipalities elected in the fall of 2019 view CSOs

as partners and resources, and many of them employ people with civil society backgrounds in various positions. Also, in cities ruled by opposition parties, including Pécs, local newspapers and news portals provide CSOs with more extensive and positive coverage. There is little comprehensive information available regarding the business sector’s perception of CSOs, but it seems that while many businesses are still cautious about engaging controversial organizations, a growing number consider CSOs as equals. An example is IKEA’s partnership with NaNE, one of the leading women’s organizations.

As there are no new poll or survey results, it is impossible to say whether the still predominantly positive public perceptions of civil society changed in 2020. CSOs’ activities and efforts to mitigate the crisis stemming from the pandemic probably helped demonstrate the roles they play and the importance of their work to many people.

Given the absence of other options, CSOs are forced to communicate and use social media more professionally, though of course large differences among various organizations remain. Facebook continues to be the dominant channel, but some of the more professional organizations increasingly use Instagram and Twitter, the latter of which is directed more towards international audiences. The Civilization coalition conducted a joint online campaign, primarily on Facebook, titled “We Cooperate” in the spring that was aimed primarily at asking taxpayers to utilize the option to designate 1 percent of their income taxes to eligible CSOs; the campaign reached approximately 150,000 people. In the fall, another campaign called “We thank you” was organized with a video discussing the work and results CSOs achieved with people’s support; this video had been viewed almost 20,000 times at the time of writing this report.

CSO self-regulation did not change in 2020. While CSOs publish annual reports—as they are obligated to do by law—there are no broadly accepted written codes of conduct. The Body of Ethical Fundraising Organizations is still the only significant actor in this field; its membership has increased slightly over the years and currently includes forty-six organizations.

Disclaimer: *The opinions expressed herein are those of the panelists and other project researchers and do not necessarily reflect the views of USAID or FHI 360.*