



2019 CIVIL SOCIETY ORGANIZATION SUSTAINABILITY INDEX

Hungary

July 2020

Cover Photo: Members of the Beresan Youth Bank present their achievements at the 2018 Annual Civil Society Development Forum, an event organized by Ednannia with support from USAID. The Forum is the largest national platform for learning, communication, and experience sharing among nonprofit organizations in Ukraine, typically bringing together approximately 2,500 participants from the non-profit and private sectors, donor community, media, governmental bodies, and local authorities.

Photo Credit: Ednannia, Ukraine

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For Hungary
July 2020

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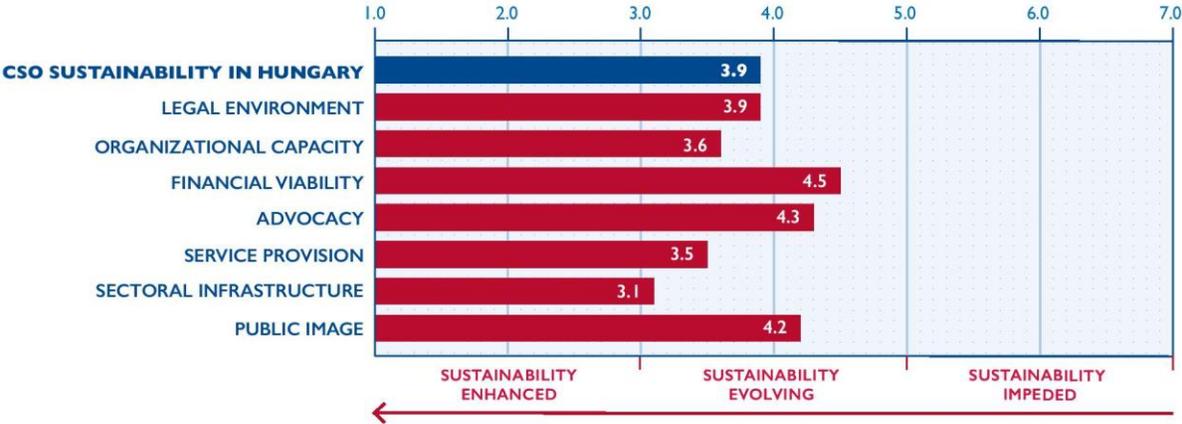
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HUNGARY

Capital: Budapest
Population: 9,771,827
GDP per capita (PPP): \$29,600
Human Development Index: Very High (0.845)
Freedom in the World: Partly Free (70/100)

OVERALL CSO SUSTAINABILITY: 3.9



Two elections dominated public life in Hungary in 2019. In May, as elsewhere in the European Union (EU), European elections were held, while in October citizens voted for mayors and local assemblies. As predicted, the governing party Fidesz won the former with 52 percent of the vote. However, new forces within the opposition, including Democratic Coalition, a leftist party led by ex-Prime Minister Ferenc Gyurcsány, and Momentum, a new political group formed by young liberal intellectuals, gained traction, while the “traditional” Socialist Party as well as right-wing Jobbik lagged behind. In contrast, the local elections brought surprising results. Joint opposition candidates won not only in Budapest and the majority of its twenty-three districts, but also in about half of the biggest countryside towns (including Pécs, Szeged, and Miskolc) and a number of smaller settlements, especially in the Budapest metropolitan area. In most such cases, the opposition now holds the post of mayor, as well as a majority in the local assemblies for the next five years.

A key factor in this victory was that the otherwise very fragmented opposition was able to agree on consensus candidates in most places, turning the election into a one-to-one competition between Fidesz and its opponents. In several places (including the 8th and 9th districts in Budapest and Pécs), the successful opposition candidates were independent people with civil society backgrounds rather than party functionaries, and their campaigns were based on direct people-to-people organizing tools and methods. Candidates from local CSOs achieved similar successes in smaller settlements. Civil society also played an active role in monitoring the elections.

The new local governments mostly started their terms in a promising manner, indicating an openness to dialogue with and participation of civil society. In November 2019, for example, the mayor of Budapest convened CSOs working in areas such as housing and climate change to discuss possible areas of future cooperation. However, over the past several years, the government has seriously curtailed the responsibilities and autonomy of municipalities, so the new assemblies have limited room to maneuver.

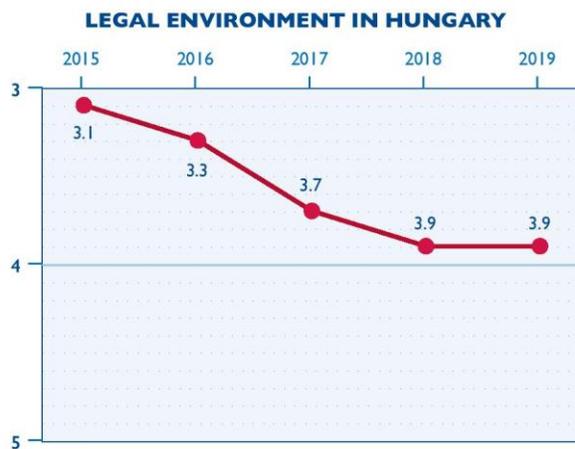
Mass demonstrations that started towards the end of 2018 to oppose new overtime rules in the labor law dissipated after January without any tangible results, although many employers have chosen not to apply the new overtime options. Later in the year, numerous protests were organized to oppose government plans to increase direct state control over universities and the Academy of Sciences, but these had no results. In early autumn, the network of research institutes under the academy’s umbrella was reorganized under a new state body chaired by loyal functionaries and with restructured public funding mechanisms. In the area of public education, professionals and teachers objected to the new draft national curriculum, which was produced in a secretive manner. Towards the end of the year, more protests and demonstrations were organized to oppose unexpected plans to increase direct government control by re-organizing the governance structure of the National Cultural Fund and the appointment of theatre directors. This time the government partially backtracked, amending the legislation slightly.

Notwithstanding the above, 2019 was a relatively peaceful year for civil society, especially compared to the turbulence of the previous two years. The only dimension recording a change in score in 2019 was advocacy,

which improved slightly as civic activism, including around the municipal elections, increased. However, the government continued to have a generally hostile attitude towards CSO advocacy.

The size and composition of the sector did not change in 2019. According to the latest data published by the Central Statistical Office, in 2018 there were approximately 61,000 nonprofit organizations. Approximately 54,000 of these are associations (34,000) and foundations (approximately 20,000), while the other 7,000 comprise nonprofit companies, chambers, and similar entities that are considered to be nonprofits. CSOs pursuing cultural, sports, and leisure activities are the most prominent, each accounting for 16 percent of the total, while 13 percent of CSOs focus on education. The percentage of CSOs with public benefit status increased slightly from 20 to 22 percent.

LEGAL ENVIRONMENT: 3.9



In general, the legal environment in which civil society operated in 2019 remained unchanged compared to the previous year.

The registration of CSOs has become somewhat smoother now that the online system is fully functional. However, different regions, and even individual registering judges, continue to use different practices, which causes delays or complications in some cases. Dissolving an organization continues to be a cumbersome process.

Restrictive legislation passed in the previous two years remains in effect, and existing rules regulate the operations of CSOs down to minuscule details. The 2017 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. Religious and sports organizations are exempt from this act. The Stop Soros package, passed in mid-2018, criminalizes support to immigration (which includes providing legal aid to asylum seekers, as well as “propaganda” depicting immigration in a positive light), with the possibility of jail time for persons engaging in such activities. While neither of these laws have been implemented in practice and no CSOs have suffered any direct consequences for violating their provisions, they continue to pose a threat to civil society. Legal processes challenging these laws at the European Court of Justice (Luxembourg) and the European Court of Human Rights (Strasbourg) initiated in previous years are still pending, with progress expected in the former in 2020.

Generally speaking, pressure on civil society—including the smear campaigns orchestrated by the dominant pro-government media and leading politicians over the past few years—eased somewhat in 2019. However, specific organizations and those focused on certain issues continued to be subject to harassment. Aurora, a community center in the 8th district of Budapest that houses a number of CSOs and provides space for events on topics ranging from housing to drug use to issues affecting the lesbian, gay, bisexual, transgender, and intersex (LGBTI) community, was especially targeted. The previous mayor repeatedly tried to close it down using a variety of tools and tactics, including imposing limits on its opening hours and attempting to buy the building that the center leases. With the Power of Humanity Foundation in Pécs experienced similar problems. Fortunately, the opposition won the local elections in both places, bringing great relief to the organizations concerned. In 2019, LGBTI organizations were targeted not only by government-orchestrated smear campaigns, but—in a new development—extremist, right-wing groups physically interrupted some of their events. Independent theatre troupes, which often criticize or mock the government, suffered from reduced financing after some of the tax benefits they received were abolished (see Financial Viability section for more information), and recently proposed changes further threaten their existence. Continuing centralization of the public education system allows less deviation from the compulsory national curriculum, thereby threatening to curb the work of alternative schools, which often operate as foundations, including those that teach marginalized children and those with special needs.

A new Act on the Freedom of Assembly was passed in autumn 2018. According to watchdog groups, implementation of the new law during the many demonstrations organized in 2019 was mixed. The law provides more room for interpretation to the police, and there were examples in which they imposed unjustified restrictions on assemblies, which were later overturned by court rulings.

Taxation of CSOs remained largely unchanged in 2019. Taxpayers continue to have the option of assigning 1 percent of their income tax to a CSO. From 2020 onwards, only public benefit organizations will enjoy exemption from local taxes, as opposed to all CSOs as is the case now. In mid-2018, a legislative package was enacted that introduced a 25 percent tax on the income of organizations supporting immigration. Early in the year, the tax authority engaged a few CSOs working on these issues in consultative processes about this tax, but this did not lead to any further actions.

CSOs' access to financial resources did not change either. CSOs are still allowed to raise funds freely, earn income, and enter into contracts. CSOs can accept funds from foreign donors, but this may lead to stigmatization according to the "foreign-funded" legislation. This has led some CSOs to not seek funding from international donors to avoid potential problems.

The availability of legal aid varies significantly between the capital and the countryside. While an increasing number of pro bono services are available, these are often concentrated in Budapest, and there is still a shortage of lawyers with expertise in CSO law. Hungarian Civil Liberties Union (HCLU) and Global Network for Public Interest Law (PILnet) are the most active organizations in this field.

ORGANIZATIONAL CAPACITY: 3.6

The CSO sector's organizational capacity did not change significantly in 2019. There continue to be large discrepancies in capacity between bigger, more institutionalized CSOs in urban areas and smaller, rural CSOs. Most CSOs lack the resources and often fail to prioritize efforts to increase their capacities.

In general, CSOs' constituency building efforts continue to be quite weak. While informal movements of teachers and students organized several large demonstrations in 2019, they were unable to transform this support into more stable constituencies. During the year, a number of CSOs were able to mobilize constituencies successfully, especially prior to the local elections in October. Primarily through the use of tools and tactics of off- and online organizing, they managed to build both volunteer activist groups and broader bases, with their efforts paying off in the election results. This level of civic activism in election campaigns was unprecedented in Hungary and can serve as an important lesson for future efforts to strengthen Hungarian civil society.

The CSO sector faces ongoing staffing problems that stem from its lack of stable funding and a broader labor shortage affecting all sectors in the country. Only stronger organizations are able to retain professional staff, while others employ one or two people at most. The success of CSO-backed candidates in the municipal elections exacerbated the staffing problems as experienced staff and activists left CSOs both for elected positions and to become civil servants in local governments. At the same time, as experienced professionals leave (or are laid off from) the central state administration, they often go to work for CSOs in the same field, thereby raising the prestige of employment in civil society. CSOs increasingly recruit volunteers and corporate volunteering programs are becoming more common. According to the latest official statistics, in 2018 Hungarian civil society employed 54,000 staff (43,000 full-time equivalent), approximately the same number as in 2018, and engaged approximately 380,000 volunteers who provided 45 million working hours.

Most organizations understand the importance and the basics of strategic planning and management, at least in theory. Only the strongest organizations, however, are able to implement professional strategic operations in



practice. Few organizations undertake efforts to measure their success and impact, as most simply lack the capacity or resources to carry out the necessary research. This is illustrated by the experience of the Impact Academy, a joint initiative of Civil Support and Ashoka. While ten selected organizations went through the Impact Academy's learning process for a year, just one or two were able to integrate impact measurement techniques in their operations.

As most organizations have very small core staffs (either paid or voluntary), they lack internal structures. Only the largest organizations, especially those routinely harassed by the government, have written internal policies or rules. At the same time, legislation demands a relatively high level of transparency from all CSOs, including the publication of annual reports.

In the age of ubiquitous smartphones and tablets, all active organizations use online tools and social media. Facebook continues to be the dominant social media platform in Hungary, although Instagram is becoming increasingly popular, especially among young people. CSOs use these tools with various levels of professionalism. Most organizations utilize basic technical equipment, which is often outdated and lags behind what is available in other sectors. New community spaces in Budapest (such as Civil Tech Hub) and major rural centers (as part of the Open Spaces network, see Sectoral Infrastructure section) support CSOs' digital development as well.

FINANCIAL VIABILITY: 4.5



CSOs' financial viability did not change significantly in 2019. According to the latest official statistics, the total income of Hungarian civil society grew to HUF 860 billion (approximately \$2.86 billion) in 2018, from HUF 700 billion (approximately \$2.5 billion) in 2017. This improvement, however, was offset by biases and inequalities in the access to funding sources. Sport and culture organizations receive the largest share of total income (13 and 16 percent, respectively), followed by urban/rural and economic development (13 and 9 percent), but most of the activities funded through the latter two are not truly civic activities, but nonprofit businesses. More than a third (37 percent) of all organizations continue to operate with budgets of less than HUF 500,000 (approximately \$1,667). CSOs in Budapest receive about half of the sector's total income,

CSOs in countryside towns receive another one-third, and CSOs working in smaller locations have the remaining 12 percent.

While 45 percent of the sector's overall income comes from public sources, including EU Structural Funds, critical, independent organizations disfavored by the government continue to be excluded from these. Independent cultural organizations were especially hard hit in 2019. The system of corporate tax benefits, an important source of income for these organizations, was abolished at the end of the previous year. A new grant system was introduced in 2019 to take its place, but it demonstrated a strong bias towards loyal, government-friendly organizations. In late 2019, the government announced a plan to re-organize the governance and distribution system of the National Cultural Fund, which has operated effectively for more than two decades. The proposed changes would have strengthened direct state control over the award of grants. After protests, the government dropped this plan, at least for the time being.

The budget of the National Cooperation Fund, the central state instrument supporting CSOs' operational costs, increased from HUF 5 to 5.5 billion (approximately \$16.7 to \$18.3 million) in 2019. While larger grants continue to be available, the fund introduced a new grant type involving simplified application procedures aimed at local organizations. However, organizations that apply to this call may receive only one grant of HUF 100,000 to 200,000 (approximately \$333 to 667) per year. The introduction of this new type of grant resulted in an increase in the overall number of grantees from approximately 8,000 to 12,000 CSOs.

The EU's Community-Led Local Development (CLLD) funding program became operational in 2019. Under this program, public funding—managed and distributed by municipalities—is available for CSOs and community development. By the end of the year, 360 grants had been awarded nationwide within this framework. However, while the available grant amounts are fairly small— HUF 1 to 8 million (approximately \$3,333 to \$26,667)—the administrative demands are similar to other EU grants. Many local CSOs cannot meet these demands and therefore do not even try. Towards the end of 2019, the government announced plans to introduce a Rural Civil Fund in 2020, although no details about what this fund would entail were shared. CSOs continue to be fairly dependent on municipal funding and are optimistic that the changes after the elections will increase transparency and impartiality in the distribution of this funding.

Organizations disfavored by the government are increasingly left to rely on crowdsourcing and micro-donations. A growing number of CSOs successfully raised funds in 2019 through mechanisms such as Giving Tuesday, charity runs, and online collections through crowdfunding portals such as adjukossze.hu. However, only professionally managed, visible organizations can collect significant and sustainable income from these sources. In a new development, remaining independent media outlets have started competing with CSOs for private donations: most of them have set up foundations and started to collect 1 percent income tax designations, as well.

The number of people who assigned 1 percent of their income tax to a CSO decreased from 1.7 million in 2018 to 1.6 million in 2019. However, the total amount received through this tool grew from HUF 8.225 billion (approximately \$27.5 million) to HUF 8.773 billion (approximately \$29.25 million), as salaries increased. At the same time, larger-scale domestic philanthropy is practically non-existent, despite the considerable private wealth accumulated over the past decade.

Most membership-based organizations collect fees, but these continue to be a marginal component of their overall income. Very few organizations, including social enterprises, have been able to develop a sustainable portfolio of marketable goods or services. Most social enterprises continue to need external funding either in the form of grants or investments to operate. Some investors and foundations push CSOs towards entrepreneurship, but experience shows that this may be counterproductive, as it drains capacities away from the organizations' core missions.

While there are no statistics about the magnitude of corporate funding, it seems to be growing, with grant programs being better adapted to the needs and circumstances of CSOs. Yet, companies still tend to avoid controversial themes and organizations, and support from local businesses strongly depends on personal relations.

While foreign funding accounts for a small proportion of the sector's overall income, it continues to be an important source of funding for watchdog and advocacy organizations, which are largely unable to receive public funds. Several international philanthropic donors, such as the Sigrid Rausing Trust, have recently increased their grant portfolios in Hungary. In 2019, Summa Artium launched a new cultural sponsorship program funded by Open Society Foundations to compensate for the corporate tax donations abolished in late 2018. With funding from a larger international family foundation, in 2019 Non-profit Information and Training Center (NIOK) initiated a grant program aimed at constituency building called Stronger Roots. The "foreign funded" act had a less chilling effect on the sector in 2019 than in 2018, though both donors and beneficiaries continued to exhibit some caution or reluctance. Due to unresolved disputes over how funding to civil society should be governed, the third financial period of the European Economic Area (EEA)/Norway Grants had still not been launched in Hungary by the end of the year, making it the only beneficiary country in this situation.

The most harassed CSOs probably have the most accurate and transparent financial management systems. Some of them have even started to use Customer Relationship Management (CRM) systems. While all organizations are legally obligated to publish their annual reports, these are often deficient or of low quality in the absence of professional staff and oversight.

ADVOCACY: 4.3

CSO advocacy improved slightly in 2019 as civic activism, including around the municipal elections, increased. However, the government continued to have a generally hostile attitude towards CSO advocacy.

Civic organizing around the municipal elections represented a new type of activism and engagement with stronger political involvement by CSOs and community groups. The successes achieved brought some hope and optimism in

an otherwise very depressed atmosphere, which can be the basis for future mobilization. The new local governments demonstrated more openness towards civil society. For example, 184 elected representatives in 60 settlements signed the This is the Minimum! pledge of transparency and anti-corruption initiated by Transparency International-Hungary, K-Monitor Association, and the *atlatszo.hu* investigative news portal.

At the same time, CSOs were still largely unable to cooperate with the central government in 2019. While channels of participation are legally guaranteed, in practice they are routinely neglected. Consultations, if organized at all, are token, with all stakeholders knowing that they will have little or no impact on policy outcomes, or only engage loyal, government-friendly organizations.

A case in point was the online consultation on the national climate strategy in late November, which consisted of a very basic questionnaire published on the government’s website without any promotion and with a short deadline. After a news portal found out about it, almost 200,000 people completed the survey in a few days. When asked about the shortcomings, government officials effectively admitted that they were not interested in the results but had only conducted the survey because it was compulsory under EU law.

Under such circumstances, lobbying is rarely effective, with some rare exceptions related to fields such as the environment. Even if CSOs have good cooperation with lower levels of the state bureaucracy, the higher ranks often nullify any results. Also, the lower administrative levels often lack the capacity needed for meaningful engagement. Human rights and advocacy CSOs often have to go to court to enforce their rights, for example, through freedom of information cases.

While there were no spectacular advocacy successes in 2019, there were several smaller victories. These included initiatives to protect green areas in Budapest from construction, against the discrimination of Roma, and opposing the restructuring of the National Cultural Fund, discussed above. The *ahang.hu* digital campaign and petition platform played a role in most of these efforts. In the capital, informal movements of teachers and students organized several demonstrations around issues in public and higher education, as well as in defense of academic freedom. A large number of young people mobilized on climate change: in 2019, the Fridays for Future movement took off in Hungary, bringing thousands of teenagers to the streets. While the government initially tried to downplay the importance of the issue and the concerns of young people, towards the end of the year, it was forced to change its stance and started talking about climate measures more seriously.

Issue-based cooperation among CSOs remains rare. The network of green organizations remains operational but is not very visible in public discourse. Civilization is the only cross-cutting civil society coalition. Established three years ago, it brings more than thirty major CSOs together to defend the sector and exchange know-how. In 2019, it occasionally raised the need for CSO law reform, but did not take any concrete steps in this direction.

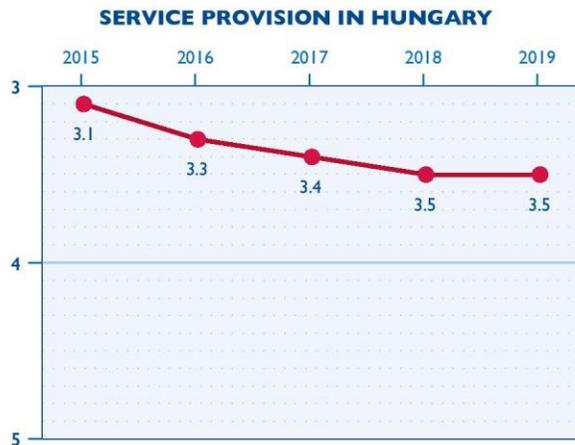
ADVOCACY IN HUNGARY



SERVICE PROVISION: 3.5

CSO service provision did not change significantly in 2019. Traditionally, service provision has been a strength of Hungarian civil society. However, there is little analysis or data covering this field. CSOs provide a range of services, especially in the social, cultural, education, health, and youth fields, often filling in gaps in the services provided by state institutions or structures. Social and economic inequalities continue to prevail in the country: one-fifth of the population lives in deep poverty and the poorest 30 percent raises half of all children with little or no help from the state. In this context, the services of CSOs remain crucial, especially in disadvantaged rural areas.

Over the past years, government contracting of services has strongly favored churches, church-based charities, and loyal organizations, thereby effectively excluding “traditional” CSOs from the service market. One example of this is a new complex Roma integration program launched in 2019 in thirty villages. The program, with HUF 10 billion (approximately \$33 million) in funding, is effectively monopolized by five main church aid organizations led by the Hungarian Charity Service of the Order of Malta. Local officials, including mayors, have also created their own



nonprofits with the sole purpose of obtaining grants to provide services or implement other local development activities through calls for proposals that require a CSO partner, further distorting the picture.

Under such circumstances, it is difficult to discuss community responsiveness. CSOs working locally probably have a fairly clear picture of their constituents' needs, simply because of their proximity, although they generally lack the interest or capacity to conduct systematic research. The exchange of know-how between Budapest-based national and local organizations is becoming more widespread in this respect. For example, HCLU consults local CSOs and surveys their clients before engaging in activities in the countryside. At the same time, available funding influences not only the

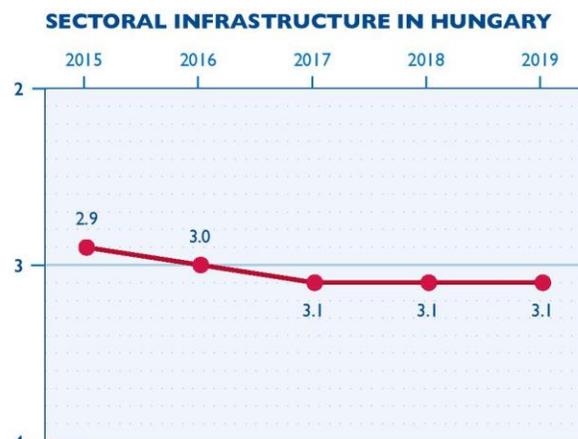
range, but also the targets and clientele of services. Most CSOs do not discriminate between their members and other target groups but make their services available to all who need them to the extent that their capacity allows. At the same time, cost recovery is rare, as most clients are not in a position to pay for services. There is little to no interest from state institutions or businesses to buy the expertise or research of CSOs.

In general, the government does not recognize or support service-providing CSOs working independently from the state.

SECTORAL INFRASTRUCTURE: 3.1

The infrastructure supporting the CSO sector did not change in 2019.

The network of state-supported county Civil Information Centers (CIC) continues to operate with varying levels of effectiveness. In 2019, Ökotárs conducted an online survey among CSOs to collect feedback on these centers. Based on 141 responses, slightly more than half of respondents were satisfied (4 or 5 points on a 1 to 5 scale), while one-third were dissatisfied (1 or 2 points) with the services provided by their local CIC. About two-thirds of respondents reported receiving information from and/or participating in events organized by the CIC, mainly focused on information on available grant applications and applicable administrative rules. Respondents were least satisfied with the help of the CIC in terms of developing links to the for-profit and public sectors, and almost half of them expressed the opinion that the centers should better adapt their services to the needs of local CSOs.



Besides the state-operated system, long-standing support organizations such as NIOK, Ökotárs, and Civil College Foundation continue to offer local capacity-building programs. However, NESsT, one of the key support centers for social enterprises, closed down in 2019. The two regional centers in Pécs (Southwest) and Debrecen (Northeast Hungary) supported and nurtured by Open Society Foundations and operated by the With the Power of Humanity Foundation and the Association of Alternative Communities, respectively, have become increasingly significant as local grantmakers, community spaces, and capacity building centers. Both of them announced their third calls for proposals in 2019 with a budget of HUF 100 million (about \$333,333) in each region. There are still only a few community foundations—in the 9th district of Budapest, Pécs, and Miskolc—but these have become more developed, with greater budgets, established circles of local donors, and regular activities.

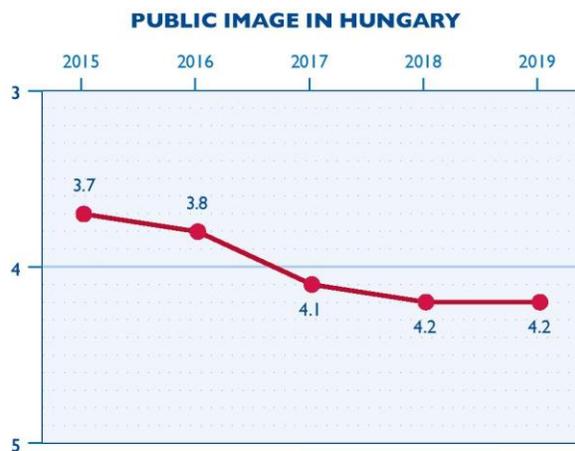
CSOs still have access to training opportunities, but generally only short (one or two days) events in basic areas such as project management or fundraising. Few organizations are able to afford longer term, more complex

development programs. Available trainings are concentrated in Budapest, making them less accessible to smaller local organizations. The lack of human resources among smaller local organizations also hinders their participation in training. Experience indicates that shorter events held after working hours in rural regional centers attract the most participants. However, small groups need longer term, individually tailored mentoring, rather than one-off training events.

Cooperation within the sector remains weak. As organizations develop their own individual survival strategies, competition for resources has increased secrecy and jealousy instead of exchange. While there are several informal movements of teachers and students, these have not been able to develop into stable, sustainable networks or platforms. As mentioned above, Civilization is still the only significant civil society coalition in the country, but in 2019 it was primarily on standby mode as there were few notable developments affecting civil society during the year in comparison to the situation over the past few years. Other promising new initiatives include Open Spaces, a project supported by Civitates and implemented by the Aurora community center. Open Spaces involves local organizations in Pécs, Szeged, Debrecen, and to a lesser extent Szombathely, and aims to develop a network of independent community, cultural, and CSO centers.

The remaining independent media outlets provide visibility to various civic initiatives and campaigns, such as the Roma Heroes Award, which honors and promotes outstanding Roma individuals from all walks of life who are chosen through a popular vote. Some businesses partner with CSOs through pro bono programs, though these tend to be restricted to non-controversial issues, such as animal protection or people with disabilities. In contrast, the government continues to divide the sector into “good” and “bad” organizations, maintaining a hostile attitude to those it puts in the latter category.

PUBLIC IMAGE: 4.2



The CSO sector’s public image did not change significantly in 2019.

According to Freedom House’s 2019 Freedom in the World report, Hungary’s media received a score of 2 on a scale of 0 to 4. The government’s overwhelming dominance of the media continues to be the decisive factor in CSOs’ media coverage. This government-controlled conglomerate is the main instrument of smear campaigns against the “Soros-network,” i.e. any independent or critical CSOs, although the intensity and frequency of such harassment eased somewhat in 2019. In October, the media authority failed to renew the frequency license of the longest-standing Hungarian community radio, Civil Radio, for breaches of relevant legislation. While the station did commit some smaller

irregularities (such as not strictly adhering to the proscribed ratio between Hungarian and international music), the sanction was clearly disproportionate and politically motivated.

The effects of the media concentration are felt especially on the local and regional levels. As regional newspapers and radio are managed and edited centrally, there is limited room for local news. Local media owned by municipalities tend to be strongly biased, rarely covering any criticism, though there is hope that this may change in light of the local election results. Remaining independent media continue to report about CSOs in a balanced manner, and indeed is an ally at times. However, independent media outlets now also compete with CSOs for funding, since advertising is directed mainly at government-friendly media.

Despite the largely negative media coverage, public perception of the CSO sector is still generally positive. According to the Public Trust Survey conducted by the Association of Community Developers in the first half of the year, civil society enjoys an average level of trust of 5.9 points on a 1 to 10 scale, making it the second most trusted institution after the justice system (and followed by the police in third place). However, one-third of respondents reported that their trust in CSOs has decreased over the years.

In November, Civilization commissioned a representative survey to look into public attitudes towards CSOs in more detail. This survey showed that while there is a certain level of confusion about what a CSO really is, 30 percent of respondents were able to name a national organization without prompting. When asked about the desired roles of CSOs, respondents—even those supporting the government—listed charitable activities, as well as more political work, such as formulating recommendations for decision makers. Approximately one in ten respondents (11 percent) reported that in the previous year they or someone they personally know received some kind of help from a CSO. More than one-third (36 percent) supported an organization in one way or another, most often through the 1 percent personal income tax assignment or a micro-donation.

The business sector's perception of the sector is still positive. However, with the exception of a few outspoken oppositional Hungarian businessmen, companies do not stand up for harassed organizations and tend to keep a low profile in their support.

With limited opportunities in the mainstream media, CSOs are paying more attention to their public relations, especially online. Larger organizations are using social media more professionally. For example, Greenpeace has almost 200,000 followers on Facebook, while HCLU and the Helsinki Committee have more than 50,000 and 30,000 followers, respectively. Civil Compass Foundation and NIOK award the Civil Society Award in eight categories, including best advocacy initiatives, best fundraising campaigns, and most promising newly established organizations. The prize, which was awarded for the fourth consecutive year in 2019, increases the sector's credibility by raising awareness about unique and innovative CSO initiatives and programs. At the same time, most CSOs still struggle to break out of the "opinion bubble" amidst all the information noise and fake news.

The sector did not make progress towards self-regulation in 2019. While CSOs publish annual reports—as they are obligated to do by law—there are no broadly accepted written codes of conduct. Membership in the Body of Ethical Fundraising Organizations remained stable during the year.

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.*

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