

Captured by State and Church: Civil Society in Democratic Hungary

Ágnes Kövér

Introduction

The vibrant third sector (herein referred to as the civil sector) arising from the political changes of 1989 raised the question of whether it would develop toward state control or move toward developing a robust partnership and dialogue with the state.¹ Paradoxically, both these possibilities were fulfilled in the ensuing decades, but there has more recently been an unexpected turn in a third direction. Incontestably, civic organizations became and remained dependent upon state or state-controlled funding (such as EU funds), but at the same time a new kind of partnership and dialogue with government has emerged, lately dramatically shaped and transformed by the triumphant Fidesz party, which won the 2010 elections with a two-thirds parliamentary majority.

At the beginning of the 2000s, Western observers attributed a positive and supportive role to the state, expecting the promotion of civic organizations and the encouragement of citizens' participation in them.² This "supportive" role and the pathologies of the relationship between the state and the civic organizations—traced back to pretransition times—have proved disastrous for the civil sector in Hungary.

The second failure of Western observers was to assume that the reluctance of so many "postcommunist"³ citizens to participate in voluntary organizations meant that antidemocratic organizations and movements would also have problems organizing and mobilizing, and their efforts would be hindered by the same legacy of mistrust.⁴ This assumption has been dramatically refuted by the Hungarian reality, which brought about a vital outpouring of organizations and movements on the bases of formerly

unexpressed sentiments and traditionally unspoken themes. Easily understood buzzwords were conceptualized in nationalistic, antiglobalist, and anti-EU frames. These themes had the power to mobilize people and to address formerly frustrated and suppressed claims that were neither discussed nor taken seriously by the center-left, liberal governments that came to power in the new century. These unrecognized or unsettled national grievances wore on much of the nation's mind and increasingly became a medium for abuse.

Hungary's new democratic institutions were neither grounded on an understanding of, nor actively supported by, the larger population. And this salient circumstance tended to be ignored by the "armies"⁵ of Western "democracy makers"⁶ who were marched into Central and Eastern Europe, seeking to advance their own conceptions of democratic development without a deep or adequate understanding of local conditions. Western ears were insensitive to those slight nuances that aggregated in Hungary; for example, a decade after the political transitions, a prominent feminist leader (invited several times to visit at UCLA and supported by the philanthropy of George Soros) transformed herself to become main voice of the far-right Jobbik party.

The demise of the Hungarian civil sector can ultimately be traced back not primarily to disjunctions in the relationship between the state and the civic organizations, but more to the general weakness and vulnerability of the whole sector. A number of junctures may be identified in which civic organizations came into contact with other sectors and became jeopardized by intrusion or blurred borderlines.

We can identify the obvious boundary between the state and the civil society sector. Our observations should also explore the boundaries between church and civic organizations; between political parties, movements and the civil society sector; and finally between the more established for-profit organizations and the more grassroots civic organizations.

Without claiming to exhaustively analyze the recent transformations in the Hungarian civil sector in the above list, I hereby consider only some of the most meaningful and decisive cases which illustrate the Hungarian civil society sector's "borderline disease."

Relations and Boundaries between the State and the Civil Sector

One of the leading problems that plague Hungarian civic organizations is the high level of resource dependency. Although the legal system of founding, registering, and funding civic organizations is considered to be

highly regulated, elements of independence and impartiality were built into the system, e.g., the 1 percent National Civil Fund (NCA) tax. But only a small portion of the resources sought by nonprofit organizations (NPOs) were provided via this vehicle. Beyond this, other processes of grant provisions (including EU grants) and adjudication practices that were neither transparent nor unbiased flourished even before 2010. Although civic organizations cooperated with governmental organizations (ministries, agencies, state-founded NPOs) in developing and jointly pursuing government policies, this advantage concomitantly undermined the watchdog function of the nongovernmental organizations (NGOs) and resulted in a set of practices that took the form of visiting corridors of power, drinking and eating out with ministerial public servants, and expecting and hoping for personal and organizational advantages from these positive and close relationships.

This was a sort of continuation of the deeply socialized state socialist experience about how things can be done successfully, on both the power bearers' and the civil actors' sides. In a system where the main provider remained the state and resources were available mostly through government bodies, processes or methods of civil control were neither developed nor improved. It is not surprising that the good old reflections were revived.

The resulting gray-area practices served both sides' interests very well, and made everybody's life easier. The government and its agencies needed to be legitimized by civil society from time to time on certain questions. And civic organizations needed this good relationship to get extra opportunities, strategic contracts, etc. This manner of operation structured the selection of organizations and limited the openness, transparency, and achievement-based competitiveness of these organizations. It resulted in a biased grant distribution process, still considered unfair. Nonetheless, a number of different actors were not excluded, and the transnational Hungarian organizations were highly supported.

After 2010—we can say that there has been a new chronology since then—the system of partiality became legitimized, and grant distribution became overtly biased as a “necessary restoration” of the national and traditional value system, which strictly excluded a number of values, critical voices, and watchdog views.

One example of this manner of biased allocation of money is Government Decree 49/2011 (III.30.), which ordered the direct provision of financial support through some of the ministries to 525 organizations, visibly recognizable from their names as NGOs that highlight national, fam-

ily, and other traditional values and share these with the government parties. On this list of beneficiaries were many church organizations.

In Hungary, the Fidesz government practically dismissed the civil society organizations, replacing the formerly existing ones with a “new” set of loyalists, rooted in and grown from deeper levels of party-created and -controlled civic circles. The underlying efforts of these new players are found in the historically based tradition of a strong central state, the restored (or rather surviving) authoritarian hierarchies that successfully hindered the emergence of civil independence and autonomy.

After decades of “confusing diversity and plurality,” which neither improved people’s well-being nor found answers nor created an open discourse about crucial questions such as national identity, community, etc., citizens became vulnerable to buzzwords and promises from the radical right. The Fidesz party met people’s expectations on multiple levels. By the beginning of 2000, it began to reorganize its own civil society organizations, arranging a set of civic circles on the local community level. These circles spread nationally through a network of local cells whose main underlying values brought into play the concept of the enemy and promoted an identity contrary to that of communists or, even worse, liberals, the EU, etc. On the other hand, they provided positive actions, feelings of hope, and clear identities and experiences of community life. These civic circles were closely interwoven with the churches (mainly the Roman Catholic and Reformed churches) and their local communities. At the same time, these organizations initiated the registration of new NGOs, associations, and foundations. And, of course, they registered themselves as NGOs.

By the 2010 elections, Fidesz had thus established its own strong mass basis, undergirded by its far-flung network of civic organizations. This takes us to the Peace March organization and movement mentioned below.

After the successful election of Fidesz, the new governmental forces moved quickly to secure and financially back these organizations, thus changing the entire NGO self-governance and decision-making system. Existing bodies of representation and self-governance⁷ that had previously made decisions independently of the government were replaced by new ones for which the allocation of seats to representatives of government bodies became dominant. Thus, the opportunity for making dissident civil decisions or protest was lost. The same process occurred in the case of EU fund distribution as well.

As a result, hundreds of formerly successful organizations disappeared, a process which can be followed by searching the web, where the virtual corpses of once-flourishing NGOs are scattered.

Relations and Boundaries between the Church and Civic Organizations

Another instructive story may be drawn from the relations between church organizations and non-church NGOs and NPOs. One could ask what relevance church and church organizations might have in the field of the non-church-based civil sector. Beyond the simple fact that the boundaries between these two entities are worth observing, in the case of Hungary we find a strong history that undermines and dissolves a significant portion of non-church-based NPOs, and NGOs in the fields of social services and education. In both fields, one finds the increasingly monopolizing effect of the traditional values of the repressive Catholic mindset. Programming changes are resulting in the dissolving presence of diversity and plurality in schools and services. Alternative schools providing opportunities to minorities have been abolished; services formerly provided to those with special needs wither away as the local NPOs that used to provide these services turn to begging the church to take them over in order to survive.

The story may be traced back to the agreement signed in 1997 by the MSZP-SZDSZ government and the Vatican. This understanding provided a separate budgetary line of the annual government expenditure directed to the churches of Hungary. This step ruptured the principle of separation of church and state, with its intention to restore and remedy the losses and grievances inflicted by state socialism. Although the agreement was criticized, mostly by liberals from a theoretical perspective, nobody foresaw the consequences that would descend upon civil nonprofit actors a decade later.

Hungary's Act III of 1993 on Social Administration and Social Services—based on principles of subsidiarity and decentralization—stipulated that social services at the local community level were to be provided under the administration of local governments. This process of decentralization gave local authorities a considerable degree of autonomy. It enabled them to expand their activities without an increase in government support, thus stimulating privatization and the transfer of authorities to for-profit organizations and NPOs operating within their jurisdictions. The system was based on contractual cooperation between the local government and the NPOs; it encouraged and motivated small organizations to provide professional services within the field of human and social services. This means of service provision was highly rational, since flexible, highly professional, small NPOs were more able to change and easily accommodate clients' needs and changing environments than local government bodies or institu-

tions. As a result, by the end of the 1990s, many hundreds of small NPO and NGO service providers were operating within the social field and were paid on a contract basis, which covered the patients' per-capita expenditures. This did not provide a particularly high level of subsistence for the organizations, but it did provide their members and employees with considerable professional standing and leeway in the provision of services. Employees were generally highly dedicated and honored to work under the conditions of an NPO that had a different organizational culture and value system than was prevalent in Hungary before.

I strongly disagree with the Western accusations⁸ that such professionalized service provider organizations neglected their roles as promoters of democracy. Rather, I believe that these civil-professional NPO service providers contributed, along with other organizations (e.g., local governments, church organizations, for-profit organizations), to a pluralistic field of social services. This kind of community pluralism, it has been contended from Dewey to Putnam, promotes and achieves democracy itself, since it multiplies the available options and services and increases clients' availability of choice.

Many critiques have been offered on the concomitant legal provisions that make difficult the initiation and registration of these service providers, which had to meet all the strict criteria conventionally applied to large government institutions. There was also criticism of the slow pace at which these processes were funded. To be sure, the continuity of these small organizations was hindered or obstructed from time to time; variations in budget periods and delays in financial administration sometimes left NPOs with budget gaps that lasted for months. But these problems and phenomena were regularly debated, and the organizations evinced high levels of interest in cooperating and coping with these difficulties.

The first signs of malady appeared at the beginning of the 2000s, when NPOs began to encounter new and fundamental difficulties in funding their organizations. Core costs (administration, maintenance, etc.) had never been covered by standard expenditures,⁹ but rather by independent resources (e.g., NCA, program grants). The per-capita standard expenditure was set annually by the government and allocated to the local government within a budgetary term. Humanitarian and service provider NPOs started to face significant difficulties with not being able to fund the whole year or not being able to bridge the period when the budget was not provided.

By this time, church organizations had become quite common in the local field of service provision, contracting under the same conditions as

other NPOs. Of course, there is a significant financial difference between NPOs and church organizations, which arises from the state support based on the Vatican agreement and is enshrined in Act CXXVII 2007 on Value Added Tax. This support comes on top of the regular standard expenditures in the case of church services. Additionally, it must be remembered that considerable wealth has been returned to the historical churches in Hungary, and that 1 percent of taxpayers' sums could be offered exclusively to churches. Additionally, the missing taxpaying obligations after church taxes and other income come from worshipper offerings. Thus, we encounter a financially flourishing set of organizations, unlike the NPOs, which are highly burdened by taxes, usually not do receive much from the 1 percent NCA, and struggle with funding scenarios in which organizational overhead is not covered at all.

In this unequal competitive situation—a consequence of a variety of unforeseen and unwittingly planned processes—humanitarian and service provider NPOs were bled of their resources over the course of the 2000s. They were left with the choice of being closed down, merged into one of the local faith-based services, or being transformed (after receiving ecclesiastical approval) into a church organization offering their services under the aegis of one of the strong churches.

This unintended but not reflected dismantling of the civil sector led to a significant weakening of democracy in Hungary. The politically reckless government elite showed little interest in the field of humanitarian and social services or the plight of the most indigent part of society; it stood idly by and witnessed the takeover of the sector by church organizations.

In October 2013, the Vatican agreement was renewed, Bible education was introduced into the public schools, and the state promised further financial support for church services, which are rapidly becoming the exclusive provider of social services. Local governments, themselves struggling with scarce government funding, acquiesced in the centralization of the country's social systems, including education, and welcomed the fiscal relief provided by this offloading of responsibilities. Hungary's historical churches resumed their medieval role as the primary force in the nation's dependent third sector.

Conclusion

At the beginning of the 2000s, Western observers (who did a lot and gained a lot for themselves writing books, developing theories, consulting, etc. by conducting research in Hungary) identified three main reasons for

the low level of civic engagement in the Central and Eastern European countries: (1) the legacy of mistrust of the “communist”¹⁰ state and formal organizations, (2) the persistence of friendship networks, and (3) “post-communist” disappointment.¹¹ Unfortunately, it was not recognized that these features cut across the boundaries of civil society and persist with their unrecognized but still legal, if illegitimate, claims. The later criticism by Western supporters—that they contributed to the emergence of an elite located mainly in big cities and centered on social-liberal values¹²—may be valid, but we must take into consideration that Western attenders and funders had a very low capacity (and level of interest) in understanding the lives of local people and the methods of former socialist oppression and its consequences. Since they were not able to speak the language, they were not able to reach communities in Hungary’s vast countryside, nor could they communicate with people who could not express themselves using Western means of expression. They thereby perceived a distorted version of reality. Unfortunately, they concentrated on their own values and intentions to deliver Western democracy to the East: from the superior to the inferior, from the higher to the lower. It was they who established the frames of communication. Locals who had access to these resources and relationships used this opportunity as best they could, but sometimes they may have been swayed by the incomplete observations of Western visitors.

The author of this article strongly agrees with the young representatives of European Alternatives (an organization that promotes democracy, equality, and culture beyond the nation state) in that we have to dissolve the very distinctions between “East” and “West,” which imply superiority or inferiority, if we are to reclaim these relationships. Future cooperation between us—networks of activists, scientists, scholars, and researchers—should go beyond the traditional forms of third-sector mores and practices as usually orchestrated from donor centers in the richer countries of the West. It seems it is time to end the preemption of the possibility of endogenous politics by hierarchical financial and symbolic relations.¹³

The unanswered question remains of whether civic organizations are really able to promote democracy.¹⁴ The sociopolitical realities of political systems, especially in Central and Eastern Europe (in other words, the postsocialist countries)—clientelism, vertical institutional structures, corruption, and pervasive inequality—pose insurmountable obstacles to the strengthening of civil society and the fostering of democracy.¹⁵ Let me use the analogy of Africa as made by Suleiman: the interventionist concept in the context of African participatory governance processes acts not to chal-

lunge the status quo, but often contributes to its maintenance by building cosmetic social consensus and legitimatizing antidevelopmental politics.¹⁶ Observing the current Hungarian realities, to which this analogy is highly applicable, I suggest we take into consideration the case of the Peace March movement and the organizational process and structure behind it: it was founded to support, confirm, and justify existing government decisions and ways of governing in front of the watching world.

The short and sad story of the Hungarian civil sector told in this chapter concludes, at least for the present, with a highly manipulated, monopolized, and authority-based system, one where citizens confront few alternatives beyond settings that are controlled and dominated by the central party. Older democracies had centuries to develop their at least quasi-independent sectors, established with some distance from their central governments, filling gaps in services or advocacy through the actions and involvement of civic organizations and civic consciousness. Unfortunately, Hungary remains entangled with the fossils of its historical past, having not yet been given the time and space to achieve the necessary learning and appreciate the opportunities presented by democratic ideas and structures.

Notes and references

- 1 Éva Kuti, "Different Eastern European Countries at Different Crossroads," *Voluntas* 10, no. 1 (1999): 51–60.
- 2 Marc Morjé Howard, "The Weakness of Postcommunist Civil Society," *Journal of Democracy* 13, no. 1 (2002): 157–69.
- 3 Even the use of word *communist* or *postcommunist* was a failure to understand the main features of the system. However, indigenous actors were ready and eager to take over this label from the Western vocabulary framing their former social experience, in hopes of higher acceptance and support.
- 4 Howard, "Postcommunist Civil Society," 164.
- 5 Frances Elisabeth Olsen, "Feminism in Central and Eastern Europe: Risks and Possibilities of American Engagement," *Yale Law Journal* 106, no. 7 (1997): 2215–57.
- 6 Ágnes Gagyi and Mariya Ivancheva, "The Rise and Fall of Civil Society in East-Central Europe," in *Civil Society in Central and Eastern Europe: What's Left of It?*, ed. Sara Saleri and Alessandro Valera (London: *European Alternatives*, n.d.), www.euroalter.com (accessed September 24, 2013).
- 7 Such as the NCA.
- 8 Erle Rikmann and Liisi Keedus, "Civic Sectors in Transformation and Beyond: Preliminaries for a Comparison of Six Central and Eastern European Societies," *Voluntas* 24 (2013): 149–66.
- 9 This is the client funding per capita.

- 10 Quotation marks mine.
- 11 Howard, "Postcommunist Civil Society," 161. Quotation marks mine.
- 12 Joseph Coelho, "Vehicles for Transformation, or Tools for the Status Quo? Civil Society and International Statebuilding in Kosovo," *Western Balkans Policy Review* 2, no. 2 (2012): 1–26, <http://www.kppcenter.org/WBPRReview2012-2-2-Coelho.pdf> (accessed September 22, 2013).
- 13 Gagyí and Ivancheva, "Rise and Fall."
- 14 Lina Suleiman, "The NGOs and the Grand Illusions of Development and Democracy," *Voluntas* 24 (2013): 241–61.
- 15 V. Finn Heinrich and Lorenzo Fioramonti, eds., *CIVICUS Global Survey of the State of Civil Society, Vol. 2: Comparative Perspectives* (Boulder, CO: Kumarian Press Books, 2007); Dietlind Stolle and Marc Hooghe, "The Roots of Social Capital: Attitudinal and Network Mechanisms in the Relation between Youth and Adult Indicators of Social Capital," *Acta Politica* 39 (2004): 422–41.
- 16 Julie Hearn, "The 'Uses and Abuses' of Civil Society in Africa," *Review of African Political Economy* 28, no. 87 (2001): 43–53; David Lewis, "Civil Society in African Contexts: Reflections on the Usefulness of a Concept," *Development and Change* 33, no. 4 (2002): 569–86; Suleiman, "NGOs," 248.