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Fostering Civic Participation in The Policy Process in Hungary: a Short Review of Policy and Practice

ABSTRACT

This report sets out how voluntary organizations and civic groups take part in social policy making in Hungary. It also presents a series of case studies on socially innovative projects that aim to encourage greater engagement and participation, with the main theme how governmental and non-governmental agencies have sought to use the opportunity of EU development funds to stimulate greater levels of public participation. The paper concludes that there is strong state support for encouraging participation in both policy making and wider social and economic development work. It has been pushed along by the growing sophistication of the civic sector, its confidence and the opportunities created by the structural fund programs. There is a clear urban/rural divide in the sector and dealing with wider problems of social isolation and economic backwardness requires greater engagement of the local population. The relative shortage of requisite organizational skills means that there is a need for brokers, for outside coaches, for training and for understanding on the part of the public authorities as to just what can be expected of social partners.

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Introduction

The aim of this short report is to set out how voluntary organisations and civic groups take part in social policy making in Hungary. The second part will focus on a series of case studies on socially innovative projects that aim to encourage greater engagement and participation. We focused on projects that deal with various social and economic problems of the rural areas. Traditionally, these areas have tended to have fewer civic associations and fewer numbers of people claiming to be volunteers. The main theme is how governmental and non-governmental agencies have sought to use the opportunity of EU development funds to stimulate greater levels of public participation.

1. Fostering Public Participation

Legislation concerning the rights and status of civil society organizations has been held as a good model for other former socialist countries. There were long traditions of public and private foundations that distributing grants and carried out various social welfare programs. Following the war, these were gradually integrated into the state apparatus. In 1990, there were just over 15,000 foundations and non-profit associations in the country, and by 2005 when we have the most recent figures, the numbers of non-profit organizations in Hungary had risen to 75,000.

There are several reasons given for the increase in scale of civic associations, some stressing cultural and ideological factors, some governance and political factors and others more economic reasons. As with other countries in the region, the beginning of the 1990s was a huge change in the government of the country, not only with the new political parties but with the massive de-centralization of state powers. This transfer of power did not come with huge transfer of revenues and the economic shocks of the transition brought with it large falls in income and the subsequent scaling back of public services, the closure of kindergartens, merger of schools, and minimal pensions.

Over time and with some external encouragement, the principal of plural welfare providers has become more developed in Hungary. For instance, the 1993 Social Security Act encouraged local authorities to work in partnership with the private, voluntary sector, and with religious organizations to supply child care facilities. There has been some increase, but these still remain very small in number, and are concentrated in the large cities. According to Korintus and Moss, only about 5 percent of the existing childcare places for children under 3 are maintained by the non-governmental sector including both non-profit and for profit providers.[1] Other surveys of civil society have shown that local municipalities in Hungary are increasingly reliant on civic organizations for the delivery of services, particularly those connected with health and education, but that this is very unevenly spread. In populous settlements, for example, 99% of local authorities claimed that they contracted NGOs for service provision. In villages by contrast, only 15% engaged NGOs in the formal delivery of local public services.[2]

One factor that has led to increased numbers of civic associations is the encouragement of public donations via the One Percent law which was introduced in 1996. Under this law, tax-payers can transfer 1% of paid tax to a non-governmental organization, a national institution, a public foundation established by the Government or local government, a governmental program (such as program for higher education) or a cultural institution maintained by the local council.[3] The law has proved popular and there are over 6,500 NGOs who receive funds every year. One of the effects of the law was to help increase the numbers of 'friends of…associations', particularly for kindergartens. As the vast

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1   Korintus, Marta, and Moss, Peter, (2004), 'Work with Young Children, A Case Study of Denmark, Hungary and Spain', consolidated report, January 2004 www.ioe.ac.uk/tcru/carework.htm

2   Nagy, Renáta et al. (2005), Nonprofit szervezetek Magyarországon 2003. Budapest: KSH

3   See http://www.nonprofit.hu/english

majority of these are state run with minimal fees, maintaining them requires additional revenue and a non-profit association that can receive the one percent tax has been a popular solution.

As the list of potential beneficiaries indicates, the central and local governments can be instrumental in creating public foundations. Governmental involvement in the creation and the running of civic associations is a key factor in Hungary. Public foundations may be set up for all kinds of purposes, but often they are established in order to secure access to particular government funds. For example, micro-regional development associations are able to receive government funds, to take part in planning and to develop various local action programs. Recently for instance, they have been active in reforming the provision of adult education services in rural areas. In terms of their membership, these foundations might be made up of representatives of the local authority, some political parties, professional agencies and private individuals. As Soos and others have shown in studies of local democracy in Hungary, particularly in the smaller settlements, the shortage of qualified people and the traditionally low level of engagement in formal associations, means that local NGOs are made up of the mayor, the school teacher and other officials from the local authority.[4]

2. Civic Engagement in the Policy Process

There are also frequent statements by government on the importance of developing and strengthening social partnership. This has not been just well-meaning statements, and there have been concrete efforts to further consultation. The Parliament Civil Office, for example, was set up in 2002 to help foster dialogue between the parliament and NGOs.[5] It is also clear that the first and second National Development Plans has been one of the main driving force for the intensification of public participation. According to both internal and external evaluations, these actions have been an important step in developing a more effective dialogue between government and its social partners. For example, Ferge and Juhasz argued that

> "The European impact in the social sphere has strengthened over recent years, and its main payoff is the growing interest and commitment of politics towards poverty and inclusion, and the widening practice of civil and social dialogue."[6]

In the first round there was great interest amongst NGOs to contribute to the setting of development priorities, but there was also criticism that the government imposed unrealistic time frames, and that it did not make very strong steps to consult outside the usual list of stakeholders. Transparency International for example, argued that the consultation process was not based on proper participation,[7] whilst another report criticized the Government for conflating chambers, science institutions and administrations for NGOs.[8] The latter did concede that civil society needed to improve its capacity to respond at national rather than just local level, something that was echoed in the written submissions to the NDP.[9]

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4   Gábor Soós, Gábor Tóka and Glen Wright, The State of Local Democracy in Central Europe, Local Government and Public Reform Initiative, Budapest, 2002 Accessible at http://lgi.osi.hu/

5   http://www.parlament.hu/civil/angol/a_index.htm (Accessed June 14, 2007) Words by Szili Katalin, Speaker of the Hungarian National Assembly: "For me it is of high concern that we not only could forward "our" information to civilians, but their remarks, opinions, could reach us too."

6   Zsuzsa Ferge and Gabor Juhasz. Accession and Social Policy. The Case of Hungary. Journal of European Social Policy, Vol. 14, No 3, 233-251, 2004.

7   Márkus Eszter – Nizák Péter: A társadalmi részvétel és a nyilvánosság fejlesztése a Nemzeti Fejlesztési Terv előkészítése során. Strukturális Alapok átlátható felhasználása Magyarországon. Budapest: Transparency International, March 2006.

8   A Strukturális Alapok és a fenntarthatóság. Budapest: Magyar Természetvédők Szövetsége, May 2004. pp 17, 20.

9   Hungarian National Development Plan 2004–2006. Budapest: Prime Minister`s Office – Office for the National Development Plan and European Funds, 28 March 2003. pp. 256–280. pp. 270–270.

The US political scientist Susan Rose-Ackerman provides a recent analysis of the weaknesses of social dialogue.[10] She argues that there are

> "left-over suspicions of interest-groups politics, manipulative efforts of governments to prevent disclosure of draft documents, and a patchwork of inconsistent practices that have developed in the absence of legal requirement for the dissemination of proposed rules."

She argues that civil society groups are hindered by lack of funds, passive members, and difficulties in accessing the policymaking process. An example of the restricted access to the policymaking process is given in a report by a non-governmental expert to the European Commission about the preparation of the National Plan for Social Inclusion 2004-2006.[11] The plan was duly sent out to non-governmental organizations, but the amount of time given to comment was only ten days, obviously too short time for them to give a serious response, or any response at all.

Europa HAZ, an NGO promoting intra- and cross-sectoral dialogue, gives additional reasons for current deficits, stating that the nonprofit organization form has been frequently misused due to flaws in the regulatory system, that management of NGOs has often been bad due to lack of experience and that there are ambiguous relationships between political parties and nonprofit organizations that create distrust.[12]

In the latest assessment of government efforts to engage with civic actors in development planning, there was a stress of the need to create an atmosphere of trust between the parties.[13]

The concept of social capital appears in many places in the Operational Programmes, often under various guises (trust, generalized trust, community, solidarity, the activity of the civil society). But for a development policy to be truly sensitive to social capital, existing international experience of the development of social capital must be taken seriously. The most important lesson that can be learnt is that a public policy that is oriented to social capital presupposes a diversion from the "normal" development practice, as there are gigantic forces opposing the implementation of a development practice that is seeking to act against the routine and the bureaucracy of centralized development. Therefore, the only chance of successfully changing paradigms is if the representatives of local interests and of the central distribution trust one another and have excellent relations, i.e. if the social capital is strong between the participants.

The authors pointed to one of the dilemmas of civic actors. Since many civil organizations rely on ministry funding, "they can not effectively assert their interests for fear of losing their resources."[14] Echoing earlier criticisms of governmental actions, they argued that "greater emphasis must be placed on appropriate timescales and transparency."[15] This they argued might be achieved through training to help enhance capacities but also being able to access documents in various stages of preparation. By involving independent external experts in the planning process, and letting them access draft documents, the policy process became more transparent and the civil servants more "exposed". This was something that could help erase the barriers between "insiders and outsiders" or "bureaucrats and experts."

10 Susan Rose-Ackerman (2005) . From Elections to Democracy: Building Accountable Government in Hungary and Poland. New York: Cambridge University Press. Reviewed at http://findarticles.com/p/articles/mi_qa3757/is_200609/ai_n18621806 (Accessed June 14, 2007)

11 Available at http://209.85.129.104/search?q=cache:TpMMWOuzGYcJ:www.szmm.gov.hu/download.php%3Fctag%3Ddownload%26docID%3D875+interaction+social+policy+and+civil+society+Hungary&hl=hu&ct=clnk&cd=3&gl=hu (Accessed July 9, 2007)

12 See the website of the European House: http://www.europeanhouse.hu/e/programs/060920_c06.shtml (Accessed July 9, 2007)

13 For example, see TARKI's 'Ex Ante Evaluation of the Operational Programmes of the New Hungary Development Plan' at http://www.tarki.hu/adatbank-h/kutjel/pdf/b010.pdf

14 Ibid, page 25, point 71.

15 Ibid, page 25, point 70.

3. Some examples of innovation and good practices

This final section considers some of the ways in which local authorities and civil organizations have tried to collaborate to encourage greater participation in the whole structural funds program. There is an ongoing debate in Hungary about the growth and consequence in inequalities. Some relates to the disparities between different regions, others is about the declining fortunes of the Roman population or the general gap between the haves and have-nots. Reducing some inequalities, for instance, as amongst the regions has been an objective of both National Development Plans. One problem in dealing with the economically depressed areas is that these are also the areas where there are fewer organizations, fewer skilled or motivated actors, and generally more complex and multi-faceted problems. Participating in structural funds developments requires a certain degree of competence, knowledge and organization. There are other obstacles that are only slowly being addressed. One of the key principles of EU funding is the idea of matched funding, but in poorer areas neither local authorities, businesses nor NGOs have access to the kinds of money that could mean taking part. Projects also to be written in a certain way, using accepted forms of justification and demonstrating feasibility and impact. As many have pointed out, the places that might be in the most need of support for development, are those where such skills are lacking. This is why a United Nations Development Project in northern Hungary is interesting. It aims to address precisely this kind of deficit – building up the confidence to try and improve things via collective action.[16]

There are many aims to the program. As it run by the UNDP, they are strongly tied to meeting the Millennium Development Goals. The region chosen suffers from high unemployment, poverty and social isolation. In terms of fostering voluntary engagement, the projects uses ten coaches from outside the region to help stimulate efforts to improve things. The coaches mobilize people to take part in decision-making, planning, and project implementation. They aim to build people's motivation, self-esteem and sense of empowerment.

Micro-projects help raised local interest in the development programs, and 'awaken people's hidden self-confidence', and brought many new local project ideas. The goal of the relatively small grant was to achieve local development and teaching the local community what is involved in filling an application and implementing a project. The organizers admit that there are problems with accurate accounting and well-planned spending but then as the communities with no experience in such matters, the micro-projects are also 'learning projects'.

The micro-projects help partners to find one another, to learn how to build a project and how to implement it, and to understand the elements of financial accounting, even in depressed areas or communities which have never participated before or which had not previously been successful in obtaining funds, and which, without professional help, would not have been able to become involved in development programs. The program area covers 100 settlements, and within a year, there were 2,500 active local development partners organized into a network. 100 micro-projects received grants. According to the organizers some comprehensive development ideas evolved, pointing beyond the borders of the small settlements and giving those living under the most disadvantageous conditions the chance to find a way out of their situation in the period 2007-2013.

To give an idea of some of these projects, the "For Happier Childhood" Foundation was set up to organize program series for disadvantaged children under cooperation of parents and nurses to help reduce some of the isolation of the disadvantaged groups. 80% of the children at the kindergarten have disadvantaged background and the programs aims to make sure that the children can go on excursions, there was a trip to the capital, there were group swimming lessons. According to the organizers, over 30 parents took part in the organization process of the programs on a voluntary basis and now there is much more cooperation between the nurses and the parents.

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16   For more details on this project see http://www.cserehat.hu/

The Roma parents were earlier not open-minded to keep in touch with other parents and nurses, but thanks to the programs and trainings, their attitude has changed positively. The project helped in reintegrating the excluded groups and reducing the cultural and social gap between ethnical groups.

A second example of the projects supported was a Roma Community House. This was done in collaboration with the Roma Minority Government in the local settlement and the idea was to provide internet services, opportunity for youth to organize programs and aged to establish clubs, and advocacy for disadvantaged people. The thinking behind it can be seen in this description:

The inhabitants of a tiny village usually have few choices to spend their spare-time. Usually the youth and adults are watching TV in the evenings or go to the local public house, the elderly do not go anywhere at all, they just stay at home. It means that the older people suffer especially from isolation. The Local Government of Hidvegardó trusted an old unused farmhouse for the Roma Minority Government. The ground and the neighborhood of the house had been reaped and cleaned. The unused annexes were demolished and the exterior of the house renovated with new plasterwork, foundations and new windows and doors. The interior has been reconstructed (the whole building engineering have been replaced: pipelines, electric cables and sanitary fittings, and wainscoting and painting has been done) to suit for the new functions. Here the Roma Community House has been established. It provides facilities for organizing programs for children, organizing ability training for youth and adults, and establishing club for the elderly. Furthermore family aid service and consultancy can be provided for about 200 disadvantaged inhabitants.

One final example is a cross border program. The Public Foundation for Hídvégardó and its Youth sought to "promote local community initiatives aiming at enhancement of community, voluntary and neighborhood initiatives by organizing events for the inhabitants living in both sides of the Slovakian – Hungarian border". The activities were aimed at environmental works by organizing voluntary work-days and creating new parks the villages and its neighborhoods.

The project found partners from both sides of the Slovakian – Hungarian border, and the number of the visitors exceeds 1500. The participants of the project prepared public events. One of them was an organized cultural cross border event which was held in June 2006 in Hidvegardó (with the participation of the Mayors and inhabitants from three Slovakian villages) A local tourist map was designed and prepared for printing office. The new tourist route is for the good of local inhabitants, as well as visitors; The cross border cultural event created opportunity to build connections for all age-groups, and strengthen cooperations. The implementation process drove the voluntary team to became a well operating, and motivated community.

4. Conclusion

There is strong state support for encouraging participation in both policy making and wider social and economic development work. It has been pushed along by the growing sophistication of the civic sector, its confidence and the opportunities created by the structural fund programs. There is a clear urban/rural divide in the sector and dealing with wider problems of social isolation and economic backwardness requires greater engagement of the local population. The relative shortage of requisite organizational skills means that there is a need for brokers, for outside coaches, for training and for understanding on the part of the public authorities as to just what can be expected of social partners.