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The Taming of Civil Society

In a speech delivered at Tusványos, the Free Summer University and Student Camp held in Tusnádfürdő (Băile Tușnad, Transylvania) in July 2014, Viktor Orbán stated:

If I look at the civil society of Hungary,... I can see that it consists of paid political activists. Moreover, these paid political activists are paid by foreigners. Activists sponsored by well-definable foreign interests ... intent to exert influence on Hungary's governmental life at a particular instance and regarding particular issues.... That's why a committee was set up in the Hungarian parliament dealing with the continuous monitoring, tracking, and publishing of foreign attempts at gaining control.

Before long, on the opening day of the parliament's fall season, on 15 September of the same year, the prime minister did not hesitate to refer to the same group as "civil mercenaries in foreign service." Let us bracket off the factual error—no such parliamentary committee was created, although the government majority could have set it up at any time. Yet it would be wrong to view the prime minister's pronouncements as an abrupt about-turn without antecedents. His "procurator" dealing with the distribution of government funds for civil organizations—as the appointed chair of the Nemzeti Együttműködési Alap (National Cooperation Fund; NEA), as well as the organizer of the "peace march"¹—had preceded him with similar statements, although producing less of a reaction at the time, about how

the task of civil society is “the support of the government” and the “intellectual defense of the homeland.”

The 2014 speech held at Tuszányos made widely available to the public knowledge that had already been evident to the close observer. One of the most distinctive chapters of the Nemzeti Együttműködés Rendszere (System of National Cooperation; NER)² is the state’s handling of civil society, more specifically, the nonprofit organizations, associations, and foundations. This was understandable, considering the **reigning octopus’s repeated attempts to strangle independent associations**: from the media, to the cultural and the for-profit sectors, in virtually all walks of public life its primary aim was to create dependence and co-opt civil organizations into a vassal-type system. Civil society, however, cannot exist without autonomy, collaborating networks, and self-governance. In order to do its work it embraces limited and accountable public power; the undertaking of tasks outside of the scope of the state and the business sector; participation in the public sphere; and the exercising of civil rights. Civil society presupposes a political culture, a kind of “civilized” public life, which in turn is grounded in democracy, civic responsibility, and tolerance. This is not covert behavior; all of this entails a commitment to certain values and norms. In other words, the cohesive force of this realm is the manifestation of what may be termed the “mindset of the *citoyen*,” at times organizing itself into nonprofits, while on other occasions remaining at the level of loosely organized civil collaboration.

To do away with this autonomous world, to regiment its participants and narrow their space of activity is a pressing necessity for the adopted political family’s—the octopus’s—mode of exercising its power since civility and the mindset of the *citoyen* would allow for free deliberations. The mafia state—a peculiar form of autocratic rule—is corrupting this civil world as it infringes on the latter’s legal sphere, distorts its sponsorship, and appoints “exemplary” leaders to run it.

The Janus-Faced Legal Material Reregulating the Civil Nonprofit World

One of the main goals of the so-called Civil Law³ codified in 2011 was to establish a kind of civil-legal codex in which the entire legal material regarding the operation of civil organizations could be localized. Although

this was overridden by the revised Polgári Törvénykönyv (Civil Code), or rather by the underlying interests, the approximately dozen confusing laws previously regulating the civil sphere could still be compacted into manageable lengths. **At present the legal foundation of the workings of civil organizations is contained, in effect, in the Civil Code and the Civil Law.** Yet this 2011 law has been modified four times during the past three years, in altogether twenty-seven (!) places. As with the Fundamental Law, legislators once again neglected to acknowledge about or utilize the accumulated civil knowledge, notice the red flags raised by existing problems, or consider possible directions for development. About half a dozen ostensive coordinating meetings were held on the bill, but even the planned standard texts were unavailable on most occasions.

Despite the experts' protestation, the law distorted a key concept of this sector, public usefulness, imposing regulative measures and an administrative structure foreign to civil society. It is, for example, a mystery why public usefulness could be indicated and measured by a nonnegative monetary balance. Or why does a non-public-use-oriented organization have to devise a supplement of public usefulness?⁴ And, finally, why does the basic prohibition of profit distribution within the sector not apply to non-public-use-oriented organizations?

What was a three-pronged system became squeezed into a two-pronged one. The former consisted, first, of a nonutilitarian category referring to an organization providing for itself or its members; second, a public-use category involving an organization that provides for the community or society through useful activities excluding governmental tasks; and, third, a supreme public-use category whereby the government executes or supports activities related to the tasks defined by itself. The two-pronged system is now comprised of the non-public-use and of the public-use categories whereby the latter is only granted to organizations capable of verifying to perform or participate in the performance of governmental or self-governmental tasks. With this binary system, the proverbial "baby" was thrown out with the bathwater; the "baby" associated with genuine societal developmental goals, those not yet presenting themselves as governmental or self-governmental tasks, but are nonetheless important in a democratic society. All of this is symptomatic of a central endeavor of the legislation seeking the government's legitimization of an activity in order to deem it useful for the public.

The new Civil Code⁵ shows a similar trend in augmenting the responsibility of the legal entity's leader in cases of contractual wrongdoing. This

would be justified in case of profit-oriented organizations. If, for instance, the developer does not complete the job, not only the easily dissolvable LLC but its managing director could personally be subject to legal action. However, with civil organizations often operating with government funding, this clause creates an indefensible situation of entrapment since if the organization performs the task described in its winning application and yet its report is flawed or incomplete, the government funding agency can cancel the contract and require the organization to repay the entire amount of the grant. The organization, evidently, would not be able to do so for the tasks of the project would have been fulfilled and the money spent. Such a situation, in the past, resulted in the state moving to recover the debt, effectively collapsing the organization. Once the new Civil Code is implemented, however, the grant agency, the “careful owner,” will not only sue the organization but also its director, who will pay for what may indeed be a mere technical error with her or his own private assets. Whether the state will sue or not is a matter of political power, which will increase the civil groups’ vulnerability and susceptibility to manipulation and extortion.

This problem will be compounded by the Civil Információ Centrumok (Civil Information Centers; CIC)⁶—a county-level civil network of government propaganda backed up by close to HUF 1 billion in EU funding—whose declared mission is to offer professional guidance for the operation of civil groups and help with the correct use of government provisions. This certificate, however, has mostly been given to organizations that were locally unknown and only formally appeared as civil groups; indeed, they functioned as political commissars. One of them had a single event on its record of activities: a reading from the work of writer Albert Wass⁷; the other worked in cooperation with the local government. The winner from the city of Debrecen had had a mere HUF 200,000 business (the winner received a HUF 35 million grant)⁸; in Budapest, the rather hard-to-approach Századvég Foundation received the award with barely any experience in this area, albeit sponsored by state budgetary sources as an ideological workshop of Fidesz.⁹ And, in the city of Nyíregyháza, the head of the CIC center revealed in an interview his unfamiliarity with its own website!

Overall, the increasing bureaucracy primarily serves the purpose of enabling the smooth functioning of those organizations that are either well-endowed with resources and funding or—due to the centralization of resources—are cherry-picked by politicians as their pet projects. The minor ones are faced with even more risk and vulnerability than before because

the paperwork, however irrelevant to their actual activity, drains more and more of their time and energy. The new regulation did not remedy the failings of the previous system but instead dismantled the entire institution in order to create a new one. The legislation has created new problems that simultaneously disadvantage the entire professional community—with the possible exception of the loyal and privileged experts midwifing the law—of organizations and intellectual circles concerned with civil society. Metaphorically speaking, if the windows do not work in a hotel, a repair person rather than a bulldozer operator must be hired to fix them. Even less sensible would be to build a new hotel costing far more, with smaller capacity, fewer amenities, and more defects because the hotel guests' needs and the experts' amassed knowledge were overlooked in the construction. Such a scheme would only make sense if our goal was to design a slanted, politically colonized system that is selective and discriminating in its distribution of resources and opportunities!

The Centralization of Resources and the Decline of Sponsoring Civil Groups

Besides the attribution of value to community, another important characteristic of civil society is the bifurcation of two roles, that of the buyer and the user. While in the world of for-profit business the user typically pays to receive a service or merchandise, it is far less certain in the case of civil nonprofits. Examples include the feeding of the homeless, free programs and performances, or camping for underprivileged children. Therefore, civil sponsorship has to be assumed by some entity, and since the need predictably exceeds the resources, the selection of competing needs and the supervision of communal assets present itself as a task in its own right. Sponsoring civil organizations in a liberal democracy involves supporting the nonprofit groups and their collaboration; facilitating the specific services, the self-governance, and the supervision of the groups; as well as organizing the distribution and control of resources to be supplied to the groups.

In search of state funding sources, we found a rather scattered support system. Most sources offer such tiny grants that on the sector level they do not contribute to resource enlargement. The ones with more significant level of sponsorship are mainly European Union foundations, with the exception of the Nemzeti Kulturális Alap (National Cultural Fund;

NKA) with a primarily noncivil focus; the Norvég Civil Támogatási Alap (Norwegian Civil Resource Fund; NCTA); and the Nemzeti Együttműködési Alap (National Cooperation Fund; NEA). Sufficiently large and designed to serve the entire spectrum of civil activity, the latter two funds will be discussed to show how the “octopus” affects civil sponsorship.

The Norwegian Civil Resource Fund: The Restriction of State-Independent Resources

A brilliant and most revealing instance of the mafia state’s propensity to thwart alternative networks and eliminate systems of resources is the case of the NCTA—also the most exposed one by the media. The NCTA forms part of the Norway Grants supported primarily by Norway (in 95% of the cases), but also Lichtenstein and Iceland. It was established because these countries, while members of the European Economic Area, are not part of the European Union, and the NCTA has to offer compensation for the advantages of belonging to the EEA. Hungary is entitled to avail itself of €150 million in twelve projects within five years, nine of which are supervised by the state, and merely three being part of the NCTA without Hungarian funds.

Clearly, the NCTA disappointed the civil organizations being as it was the single major nongovernmental civil support system, and therefore expected to care about, first, transparency in evaluating the applications; second, the professional grounding of the decisions; third, the handling of failings, errors, and their correction; and, finally, communicating all these. **Unfortunately, only partially and with serious shortcomings did the managing civil agencies of the NCTA meet the increased requirements of accountability.** The professionalism of evaluators in the areas of child protection, youth, environmentalism, culture, and the legal regulation of nonprofits proved questionable; its critics’ specific, itemized feedback revealed the superficial, unsubstantiated, and incompetent qualities of the assessments. Although the system did receive applicants’ comments and opportunities were set up to discuss in person the errors and failings with the managing organization, such criticisms did not substantially affect the evaluation and decision-making process. Given the assessors’ anonymity and the list’s confidentiality, applicants had reason to be uncertain or wary of the assessors’ expertise and competence. Of particular concern was the application procedure taking no less time than was common among state

funding partners. The NCTA missed the opportunity to set an example for state partners and in this way contribute to the sector's improvement.

All of these professional—and corrigible—problems, however, could not have been the cause of the Hungarian government's unprecedented crackdown, in spring 2014, on the resources supplied by a sovereign state and on the organizations that were awarded to manage them. (Imagine the official outcry if a neighboring country of Hungary attempted to close down our government's funding system serving ethnic Hungarians there!) The assault was launched via communications wherein a minister *not* in charge of the sector attempted to quash both the organizations winning the award and the ones managing the application process. (But if anything, this backfired on the government, turning the earlier described civil disobedience into solidarity.) When the crackdown proved ineffective, the Kormányzati Ellenőrzési Hivatal (Government Control Office; KEHI)¹⁰—previously bestowed with further licensing authority—and later the police (in fact, nothing less than the Standby Police (Készenléti Rendőrség), typically used to handle crowds or violent situations) were called in to raid these groups with the justification that even Norwegian public funds are public funds. While this was no doubt true, the Norwegian government never requested or empowered its Hungarian counterpart to extend control over the Norway Grant funds; as a result, it terminated its sponsorship over the remaining nine state-managed projects. Later, even the commissioner of data conservation, appointed by the governmental majority, voiced doubts as to whether KEHI could rightfully examine the NCTA. Directly overseen by the government, the tax bureau ignored this comment and went on to suspend the tax code of all the four civil foundations.

As a matter fact, **the government may well have unintentionally injured itself with its persecution of the NCTA.** On the one hand, the Norwegians had already indicated their plan to revise the entire project, possibly continuing the three programs run by the civil society organizations (perhaps with increased funding). On the other hand, those most scared away from the NCTA will be the civil society organizations with no political agenda and most frightened by a mayhem, KEHI-style. The bolder, grittier, more political and outspoken organizations, in contrast, will be even more likely to seek out the sources of the NCTA. In other words, as a self-fulfilling prophecy, the NCTA system may grow more radical in the future, thereby supporting the civil society actors who are most critical of the government.

Political Favoritism: The National Fund of Cooperation

Even more typical of the situation is how the NEA, the flagship agency that provides grants to civil society organizations, operates. Not only has it the leverage to threaten sponsors and grant recipients, but it is also authorized rewrite the rules. Not even the rewritten rules are binding, however; instead, they tend to serve as the basis for formulating new regulations. In general, **it is always acceptable for the NEA to tailor the rules flexibly according to current political needs and interests.**

After 2010 the *forrásautomatizmus* (source automatism)—the 1% of income tax offered by the taxpayers—was discontinued.¹¹ The funding of civil society organizations came to be determined by annual budgetary arrangements meaning that, from 2011, the former amount of HUF 7–7.5 billion dropped to HUF 2.8–3.4 billion,¹² in nominal value, to 40% of the original amount. Adjusted for inflation, merely 30% of it was available. In addition, a new “ministerial budget” was introduced amounting to 10% of the entire fund to be allotted to recipients behind the scenes, that is, without calls for applications. With the setting apart of a ministerial budget, sponsorship, in effect, has lost its political innocence.

The NEA’s council is in charge of its conceptual direction, whereas the five colleges are responsible for posting individual calls for submissions and for decision making. Regarding the structure of grant sources, a vital change occurred with the NEA’s establishment: the distribution of grant sources, which had fallen within the purview of the civil society–led council, is now regulated by the relevant government decree. The council cannot modify it even when some colleges face a twelvefold increase in applications as opposed to others receiving an increase of 11%.

The number of applications slumped from 15,000–20,000 to 12,000 and the claim fell from HUF 25–27 billion to HUF 20–21 billion. During the NEA’s reign, as the figures show, the number of applications as well as the claimed funding decreased by about one-fifth to one-fourth of the earlier figures, while the number of recipients fell steeply to one-third, from 12,000 to 4,000! There is but one single explanation for this, unless one resorts to cynical explanations, such as the claim that social problems are waning in the System of National Cooperation or that a reduction in funding produces a reduction in need, therefore resources should be further cut back to further reduce need. The truth of the matter is that about one-fifth of the claimants were deterred by the reduced funding, the shifting regulations,

and the regime's communications. To trick the unfunded applicants, "waiting lists" were set up with the reasoning that should any of the groups relinquish their "money award" or should more funding become available in the "budget," these wait-listed organizations would receive an award. Building false hopes, the wait lists serve as means of wringing political loyalty or at least acceptance of the status quo, so that even the system's losers do not feel they have nothing to lose by objecting to the way the system works. All in all, the figures speak for themselves, showing that between 2008 and 2010 the establishment contributed close to HUF 20 billion to 35,000 applications in contrast to the period between 2012 and 2014, when the respective numbers were HUF 8.5 billion and 12,500 applicants.

There is much to be said about the revamped structure, too. The previous system, the Nemzeti Civil Alapprogram (National Civil Fund Program; NCA) consisting of 138 decision makers and twelve colleges—including one council, seven regional and three professional colleges—was altered in the NEA by reducing the number of decision makers to 54—about a 40% cut—and keeping only six colleges made up of one council and five professional colleges, substituting the professional for the regional principle of organization. The cutting back on decision makers could as well be viewed as a progressive move with its dismissal of the fallacy that legitimacy is ensured by a large number of decision makers. The smaller the decision-making body—assuming the format of the college system is preserved—the smaller the role played by interests in the exchange of favors. In our case, however, the size reduction still did not lead to a real growth in transparency (by, for instance, mandatory webcasting of sessions or publishing the aggregated data, and so forth) because it meant a smaller number of representatives from civil society, while the number of officers with a government mandate increased both in absolute and proportional terms. Thus, the principle of accountability stating that "elected civil society actors deliberate over the distribution of funds among other civil society actors" was entirely dismissed. In the NCA council charged with the task of coordination of the seventeen members there used to be twelve elected civil society representatives; in contrast, the NEA with its sustained council-college structure has only three civil society members out of the nine members. In the eleven-member colleges responsible for the concrete distribution of applications, the new regulations cut the ratio of ten civil society members out of eleven members to three out of nine. Earlier in the NCA, moreover, it was the council's task to develop the col-

lege's actual structure; in the NEA, the task was in the hands of legislators with the result that there was a further reduction in the input of professional knowledge in producing solutions to address the problems identified by civil society.

College presidents used to be elected; in the new system they are deployed via appointment. Five out of the six presidents received their membership mandate through governmental delegation as opposed to the one civil society member who filled the college president's post. These facts are hard to explain considering that, with six governmental—or governmentally mandated—members in a body of nine in each college, the regime had already established a permanent majority. One may suspect that the appointment of presidents served but one purpose: the appointees should not even dream of representing the college as if mandated by it. After all, it is not the college to which they are held accountable! A telling example and a red flag for the civil society sector was when the current council president—let us remember, also the chief organizer and leader of the peace march—ended up the sixth of the seven applicants for office and therefore could not become a council member. Nonetheless, he showed up at the council's first meeting as a governmental delegate, only to be instantly appointed president by the assigned minister.

In the NEA, the legal context severely constrains the colleges' autonomy. In theory, the NEA colleges make specific operational decisions as they “deliberate about the use of resources, prepare calls for applications, evaluate submissions, propose content improvements, as well as offer professional review of the extent to which the supported goals have been realized.” In reality, however, besides the council president scarce autonomy is granted to other bodies. Even though the president and the council members are not to interfere with the colleges' decision making, the president does have the authority to revoke both the calls for submissions and the resolutions about them. The law stipulates that such interventions must be explained, even restricting the president's right of suspension to supported submissions. Nonetheless, the prevailing reason for suspensions has been “an inappropriate collegiate decision.” In addition, the president often admitted unsupported submissions on his list, even in the absence of legitimate grounds in 2012 to do so. (The explanation typically stated that “even applicants receiving a ‘zero forint award’—the ‘wait-listed’ ones—are winners—winners of zero forints.”) Since the colleges could not take a stance, the council essentially became the decision maker by virtue of the fact that the

final list was different from the one approved by the colleges. The anomaly was repeated with the 2013 applications. The colleges were thus rendered superfluous; in addition, the originally justifiable principle was refuted whereby the president's revoking of an already approved submission would serve as an additional check in the system to safeguard against what he or she may see as squandering of public funds. But this mode of the president's intervention represents not an added check but the enactment of dependence on a single "procurator" within the relationship of state patron versus civil client. In 2012 the council president single-handedly suspended 200 submissions followed by 469 a year later, this time 7% of all submissions. The president's rewriting of the list does not only pose a problem of principle but a practical one as well. In 2012 the new list required an additional HUF 90 million funding made possible only by relegating the lowest-ranked applicants onto the wait list, meaning they ended up without resources. Importantly, the ministry or the dispatcher simply denied access to the list of these organizations. This practice, in fact, mutilates collegial decisions or renders them weightless. The fate of submissions lies principally in one person's hands, which is hard to justify given the large number of applying organizations and the oversight of funding resources. The president in this system is not a leader elected by the representative of predominately independent civil organizations but is the procurator of the powers that be, undercutting in this autonomous and collegial character of assessments.

A fundamental issue with regard to decisions about public funds is providing access to the decision-making process and to data pertaining to decisions and decision makers as well as allowing data analyses—aggregating and sorting along variables such as type of locality, type and form of organization, and so forth. A simple means of enabling all this would be to publish the list of awards in a searchable and downloadable data file format. But in the NEA all but individual data are available for inquiry, that is, data unsuited for sorting and looking up awards in a given locality. A vital guarantee of controlling public monies—public oversight—is elided this way. After all, in the absence of data neither the work of decision makers, nor the possible partiality of decisions, can be gauged. And since retrieving individual data demands more effort from the public than using a simple data file, one suspects that such an arrangement is not a coincidence. The fact that data regarding the "ministerial" (that is, individual or noncompeting) submissions were not simply ungrouped but entirely inaccessible for a certain period of time further corroborates our suspicion.

“Go with the Peace March!” The Governmental Procurator of Civil Affairs

A distinctive feature of the mafia state is that in certain areas they no longer even try to reach a majority within an organization; instead, a “procurator” directly inserted through the personal network of “vassals” takes charge of the area’s ideological and financial management and oversight. The civil society procurator is easy to identify with his numerous functions. First, he is the organizer of peace marches involving hundreds of thousands who display their loyalty to the government. (Depending on what is asked from them, the peace marchers have been willing to pledge allegiance against the European Union’s alleged colonization of Hungary or demand an opening toward Russia.) Second, the civil society procurator operates the XXX (Forum of Civil Cooperation) comprising, in his estimate, 400 (in fact, just two dozen!) organizations. And, third, as mentioned earlier, he presides over the Nemzeti Együttműködési Alap Tanácsa (Council of National Cooperation Fund; hereafter Tanács) as an appointed—rather than an elected—officer. The deal is evident: in exchange of the convertible good deed of producing 100,000 marchers, he is free to convey the governmental expectations toward the civil society world.

Tanács, funded by HUF 20 to 40 million of the Fidesz Party’s endowment, was an active player in the 2014 campaign, undertaking to engage in negative campaigning at its dirtiest, as it strove to undermine the oppositional challengers. Thus Tanács acted as a political entity masquerading as a civil one, in this manner violating the mandatory impartiality of the civil society sector regarding party politics. Right from the start of its existence, Tanács’s activities revolved around assisting the government party (or parties) via direct political action. Irrespective of the assessment of their politics, one can see in it the state’s double standard: what the officialdom criticized—yet never proved—about the NCTA, it supported heavily in the case of Tanács and the peace march.

Being a mere vassal of the state, it would be senseless for the rival parties to contest Tanács. And although its tie-up with the peace march was less than a classy move, in a functioning democracy this in itself would not matter hugely. We crossed the Rubicon when the Tanács leader, also sponsored by public money—from the NEA’s ministerial fund—had himself appointed president of the NEA as well. A look at list of awardees from the

ministerial fund will make it crystal clear: the recipients were, for the large part, organizations connected to the government itself, to Tanács, or to the NEA's president.¹³

Tanács and its leader—in one person, the head of NEA—intended to have a share of the ministerial fund saying that, technically, it is not an application for according to the language in the law, an organization whose member was related to NEA could **not apply**. In response, the apparatus amended the Civil Law's relevant paragraph, hiding it among the “final provisions” of the amendment of decrees regarding the transfer of specialized hospital care within local self-governments. The civil amendment stated that a **submission for support** by an organization whose member is involved with NEA is **invalid**. This rare act of defiance by the apparatus managed, for once, to thwart an attempt to ignore a conflict of interest.

Although the president believes in the importance of clean hands, he is less certain when such a policy applies to procurators themselves. He stated:

The Civil Law has been a game changer since, finally, something happened in civil matters: extraordinary restrictions. This means that evaluators of grant applications cannot under any circumstances submit an application of their own and cannot receive an award—not a single penny. In this way, we set up an iron curtain—we love the term “iron curtain” but I'm using it in a positive sense here—with which we can leave behind the situation in which anyone can make exceptions for themselves.... [However], in my reading, **regarding the 10% funding that can be allocated from the NCA, the president should be able to support or “reward” certain organizations—based on his or her subjective assessment and without any conflict of interest—working within the review system**, in the colleges or in the council. As a lawyer, I would say that the legislator may not have envisioned excluding everyone! Here we have these large organizations having done a tremendous job over the past years, and if the minister believes it is appropriate to award individual grants to these organizations, that will only serve the intent of the law. (Emphasis added)

This same NEA president prevented the press from reporting on or chronicling what ought to have been, according to the law, a public session—not

even an Internet webcast operated by a civil society actor was allowed. He stated, repeatedly, that the colleges' task is to act in the applicants' interest, which does not necessitate involving them. It would, in fact, be a "populist gesture" to communicate with the applicants.

Evidently, not only are the requirements of democratic polity (equality) disregarded by the procurator and his underlings; so too is the consensus crucial to establishing and maintaining civil society and to honor the basic premises supporting the concept. Instead of emphasizing service, control, and participation, the leadership, subservient to government's policies, is engaging in the "intellectual defense of the homeland," an approach which points far beyond the rational into a realm where even a "zero forints award" passes for an acceptable result!

The Mafia State's Model of Taming Civil Organizations

In the era of liberal democracy following the regime change, the state's approach to civil society, while replete with contradictions and gaps, was fundamentally laissez-faire in expanding the opportunities for creating associations, the manner of acquiring public usefulness, and maintaining modes of sponsorship. This system undoubtedly had its defects due to not being fully formed: first, the courts were arbitrary in interpreting the prerequisites of registering organizations. (Earlier research took stock of court orders in contradiction with one another, etc.) Second, sponsoring was anything but impartial, but this flaw remained at the lower levels of professional policy decisions rather than becoming a systemic feature of the operations.

In contrast, autocratic systems, variable as they are, work quite differently and are governed by a fundamentally restrictive logic. The Horthy regime of the interwar era (1919–40) had a mechanism that controlled the establishment and working of associations, tending to favor local and outlaw national organizations. This entire system was eradicated in the communist era. Even civil cooperation itself was stymied via coercive measures and the actions of the secret service, whereas nonprofit groups were not even permitted to form. The few existing pseudo-civil society organizations certainly did not meet the criteria of voluntariness and self-organization. Not even the limited leeway granted to associations in the thawing social environment of the 1980s allowed them to address social problems;

these were mainly designed to convey the communist party's will to society at large.

The mafia state employs a multistep domestication methodology. Its first step is the centralization of funding and its control by a procurator. This move is “successful” with the majority of civil groups since they are primarily invested in realizing a given organizational goal rather taking a political stand. Therefore, in accepting the procurator's response—funding or the promise of it in case of wait lists—they would not voice their discontent with this operational system. If the constrained funding does not suffice to reach its goal, the state deploys the media by, for instance, subjecting the oppositionally oriented civil society actors to communicational pressure. On this level all but those organizations would persist which, of the threefold task of civil society (participation, service, and control) would advocate the ethos of curbing the state's dominance. Should the communicational pressure prove ineffective, the state will employ coercive means in order to enforce the government's will, as exemplified by the intervention of the government's Control Office and the police in the conflict with the NCTA. While the first method has been used more than a few times in the context of the Hungary's incompletely realized democratic model, the second method's application has been almost unprecedented. Finally, the deployment of central authority reveals how the octopus, an unequivocally nondemocratic system, works.

(Translated by *Anna Szemere*)

NOTES

- ¹ The “peace march” is an occasionally held progovernment demonstration involving close to a 100,000 people.
- ² The National Cooperation is the regime's political statement; the NER is the action framework of this statement.
- ³ 2011. évi CLXXV. törvény az egyesülési jogról, a közhasznú jogállásról, valamint a civil szervezetek működéséről és támogatásáról (Law no. CLXXV of 2011 on the Right to Assemble, the Legal Status of Public Usefulness, as well as the Workings and Support of Civil Organizations).
- ⁴ According to the relevant legal statute, the supplement of public usefulness should be part of the annual briefing, which applies even to organizations that are not public-use oriented.
- ⁵ 2013. évi V. törvény a Polgári törvénykönyvről (Law no. V of 2013 on the Civil Code).

- ⁶ The Civil Information Centers were devised, in theory, to support, inform, train, and mentor the civil groups working in a given county.
- ⁷ Albert Wass was an extreme right-wing Hungarian writer from Transylvania. See László Nagy, "Wass Albert és a hungarizmus" [Albert Wass and Hungarianism], *Eszmélet*, 1 January 2006, http://eszmelet.hu/nagy_laszlo-wass-albert-es-a-hungarizmus/.
- ⁸ HUF 200,000 was worth c. €670; HUF 35 million equaled c. €117,000.
- ⁹ Officially, the Századvég Foundation is an independent think tank; in actuality, it is the ideological shadow institution of the government.
- ¹⁰ KEHI is a governmental bureau for controlling public funds and their spending.
- ¹¹ Taxpayers are entitled to donate 1% of their personal income tax to a church and another 1% to a civil organization of their choice, respectively.
- ¹² HUF 7.5 billion equaled c. €23–25 million; HUF 2.8–3.4 billion was worth c. €9.3–11.3 million.
- ¹³ AUTHOR, "TITLE" [Translation], *Atlatzo.hu*, DD MM 2014, URL.<AU: Pls fill in the blanks here>