

Illiberal Governments and Deepening Social Divides:
The Orban Governments Crackdown on Civil Society and
its Effects on Roma Integration in Education

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ABSTRACT

This thesis discovers the effects of the Orban governments policies on civil society-led Roma integration programs in Hungary in terms of reach, legitimacy and public perception. The study is conducted in the context of the national Roma integration program that relies largely on the civil sphere and the erosion of state responsibility and authoritarian neoliberalism. It analyzes policies targeting the civil sphere from the last 15 years to understand their practical implications and possible reactions from civil society. It conducts the analysis in the framework of existing national and EU-level Roma integration efforts. The thesis collects and analyzes data on funding allocations for CSOs in general and specifically in this sphere. Furthermore, it uses a qualitative analysis through conducting interviews with key actors in civil society-led programs for Roma integration in education. The interviews examine the limitation of funding opportunities and the shift in public discourse and perception and the effects of this on engagement and legitimacy. The study finds that the Orban governments policies on the civil sphere destruct both its reach and legitimacy in Roma integration in education due to a change in public discourse which discourages participation and skews public perception and underfunding, leading to a deepening of social divides in education and on a wider societal level. Furthermore, it finds that the issue of minority integration in education is exponentially affected by the authoritarian neoliberal state attitude as government responsibility diminishes, state control is centralizing, and accountability measures are obstructed.

Table of Contents

1 Introduction	4
2.1 Literature Review	5
2.2 Context: The Situation of the Roma in Hungary, National and EU Frameworks	9
2.2.1 The EU Framework	9
2.2.2 Hungarian State Level Integration	11
2.3 The Civil Sphere in Hungary: Shrinking Space and Possible Responses under Viktor Orban’s Government	14
2.3.1 The Shifting Structure of the Civil Sphere and Authoritarian Neoliberalism	14
2.3.2 The government’s crackdown on the civil sphere	15
2.4 Funding Allocations	18
3.1 Interview Findings	21
3.2 Discussion and Future Outlook	26
3.2.1 Reflections on the Case Study	26
3.2.2 Policy Implications	27
3.2.3 Anticipated Future Developments	28
4 Conclusions	28
5 Bibliography	29

1 Introduction

This thesis will investigate how Roma integration has been progressing specifically in the field of education in Hungary, in the context of democratic backsliding and authoritarian neoliberalism since 2010. It will utilize the theoretical framework of authoritarian neoliberalism to examine the dynamics of state responsibility, shrinking space for independent actors, disappearing accountability and the position of Roma integration in public discourse. The study will draw from Bruff's ideas on authoritarian neoliberalism stating that this form of governance is legitimized by the failure of traditional governments to handle economic and social crises. Additionally, authoritarian neoliberalism employs various mechanisms to control and marginalize oppositional social and political groups, and limits the reach of nonmarket actors by increasingly governing through legal mechanisms over democratic debate and participation. This form of governance puts increasing responsibility and pressure on individuals and maintains its domination with lowering need for consent, which in turn leaves room for popular resistance (Bruff, 2014, Bruff et al 2020).

It will explore the role of changing public narratives and lack of state responsibility for social issues and specifically Roma integration caused by the neoliberal tendencies and autocratization of the current Fidesz-KDNP government. It will discuss how the attitude toward societal divides and more specifically, ethnic segregation in education is affected by the centralization of power and the shrinking space for civil society actors resulting in the lack of monitoring and accountability. The importance of the issue is evident considering the stagnation in ethnic segregation in education and the struggle of civic organizations that affects citizens in a real way.

The thesis will be guided by the following inquiry: how has the reach and legitimacy of civil society-led Roma integration in education been affected by the current government's policies in the context of authoritarian neoliberalism? It will analyze the current national and EU-level Roma

integration programs and their effectiveness in Hungary's ongoing process of democratic backsliding. It will then turn to examining the measures that have been taken to shrink the reach and legitimacy of civil society organizations, especially in the fields of human rights and state monitoring. It will explain how this process of deterioration of CSOs is employed in the service of de-democratization, affecting Roma integration exponentially. It will go on to conduct a case study of an NGO for Roma integration in education operating in the 8th district of Budapest to demonstrate how these processes have affected such organizations practically, in the context of already low funding and narrow operating space and growing need to substitute state responsibility for integration. Using the case study, the thesis will point out the various reasons why Roma integration in education is exponentially affected by the current government's policies and understand the process under the framework of authoritarian neoliberalism.

2.1 Literature Review

The systemic segregation and discrimination against the Roma minority in Europe has been long recognized as one of the most important societal divides in the region, with a broad history on attempts to combat the issue. Extensive literature covers the historical progress of Roma integration efforts: the socialist era brought the first real attempts for integration and this time signifies a relative catching-up in terms of socioeconomic position of the minority. Barany points out that while state socialism brought some positive changes, it completely omitted the underlying dynamics causing the socioeconomic disadvantage of the Roma (Barany, 2000) and thus failed to bring about lasting change (Kimmey, 2022). Additionally, integration based on the idea of assimilation led to cultural loss and the erosion of ethnic identity. (Kóczé, 2020, Trehan, 2020). It

is also widely recognized that the Roma community lost out in the privatization process of the transition period following the regime change (Kertesi et al, 2011) across Central and Eastern Europe. Due to the historically homogenous structures of Central and Eastern European societies, ethnic divides run deep and often remain unaddressed, which has been worsened by the rise of radical right-wing politics in the region. (Szombati, 2018)

Nevertheless, following the regime change the importance of fighting segregation has increased, due to shifting ruling ideologies, international pressure and the empowerment of the Roma community (Toeppler et al, 2003). In the transition period a growing civil society emerged in the region, which is a crucial element of participation and empowerment. However, this fits into the larger pattern of the erosion of the welfare state and the NGOization of social responsibility (Jacobsson et al, 2016). This phenomenon has led to a lack of systemic integration efforts on the state level achieving real progress despite EU guidelines and national strategies put in place. Additionally, it has rendered the movement more vulnerable to shifts in the political landscape, public perception and the structural issues within civil society.

Education remains one of the areas where the segregation of the Roma minority is most prominent, which affects education and employment rates, the socioeconomic position of the minority as well as the attitudes of the majority population, deepening social divides (Szalai, 2014). The existing literature points out varying mechanisms that lead to segregation in educational institutions, the most significant of which in Hungarian primary schools is the ‘white flight’ phenomenon (FRA, 2016). This means that institutions with an ethnically mixed student body become segregated over time as families from the majority population choose to send their children to different schools even if those are further away. This way segregation happens over a longer period due to a variety of possible motivations on the part of families of the majority population: ethnic prejudice or

simply lower quality of education and student behavior associated with schools with a high Roma student population (Kertesi et al, 2013). Additionally, segregation in education is perpetuated as Roma children are disproportionately present in schools or classes for children with special needs due to the cultural bias of pre-school educational testing (Kende et al, 2006). Segregation in schools is also connected to underlying structural factors rather than outright discriminatory practices. Residential segregation is common and naturally leads to a certain level of segregation in schools, as most families choose the nearest schools available for convenience and to avoid transportation costs. The underfunding of rural institutions contributes to this trend.

The Hungarian government has started the domestication of the civil sphere in the process of centralization of power in 2010, and more intensely starting from 2014, when Viktor Orban explicitly stated that foreign influence in the country through civil organizations is a danger to national sovereignty in his speech in Tusványos. Since then, extensive literature has accumulated on the governmental strategies employed, analyses of NGO laws, possible responses on the part of CSOs and practical implications. The Hungarian case fits into the literature on authoritarian neoliberalism in terms of the usage of legal measures over democratic debate, the marginalization of non-state and nonmarket actors and the legitimization through crises and economic ends. Literature points out that these policies have affected the public perception and funding of civil organizations significantly, leading to an erosion of the system of checks and balances on government power (Gerő et al, 2023). It is also widely accepted that the domestication of the civil sphere has brought an unfair advantage to government-backed civic organizations (GONGOs) that are increasingly pushing out independent CSOs (Kákai, 2020). It is established that the human rights and watchdog organizations are most affected by the state attitude and small organizations suffer more due to low funding (Gerő et al, 2023). Additionally, other aspects of Hungary's hybrid

regime affect the public perception and operating space of civic organizations, such as the disproportionately powerful state-backed media, decreasing independence of the judiciary and policies aimed to lower civic participation, like limitations on the freedom of assembly (Polyak, 2019). There is a lack of adequate sources on how specific social issues such as Roma integration are affected by shifts in the civil sphere. This is partially attributable to the lack of adequate data collection on the Roma minority, which again is connected to the negligence of the issue on the state level.

The aim of this thesis is to explore the intersection of the shifting dynamics between civil action and state responsibility in Hungary, and the situation of the Roma minority in the education system. It addresses the gap in the literature regarding how Roma integration in education specifically is influenced by the shrinking space for civil society as it is affected directly due to low funding and indirectly due to lack of state monitoring. It will contribute to existing literature by explaining how the specific societal issue of minority integration in education is exponentially affected by the illiberal attitudes and authoritarian neoliberal policies employed by the Orban government. The study is conducted in the context of already low state-level action for Roma integration and deep-seated discriminatory tendencies in the Hungarian education system. The thesis explores the progress of Roma integration in education considering the decreasing quality of the public education system, biased distribution of state funds, limited availability of foreign funding and the especially difficult situation of locally operating grassroots organizations. It attempts to highlight the intersection of the negligence of social issues and shifting public perception and the centralization of civil society in Viktor Orban's authoritarian neoliberal governance.

2.2 Context: The Situation of the Roma in Hungary, National and EU Frameworks

While the lack of state initiative and overreliance on the civil sphere in certain social issues has been growing under the current Fidesz-KDNP government in Hungary, it is important to examine the integration efforts that have been put forth on the EU- and national levels and what their limitations are. This section will discover the context in which civil society-led Roma integration initiatives operate in Hungary to highlight their significance. In the process of democratic backsliding in Hungary since 2010, the government has employed authoritarian neoliberal policies both economically and in social issues, which has affected Roma integration thoroughly. Through the centralization of power and cutting welfare and social measures as well as limiting the civil sphere, the Hungarian state has ensured that no independent actors monitor the use of national and EU funds and accountability for issues such as segregation in education decreases drastically.

2.2.1 The EU Framework

Roma integration has become a salient issue on the EU's internal agenda as well as an important accession condition, due to the Enlargement process, (Goodwin, 2013) as now approximately 6 million Roma citizens of diverse ethnic groups live in member states of the European Union, making it the biggest minority group in Europe. The EU Framework for National Roma Integration Strategies (NRIS) was established in 2011 to address the key areas of education, employment, housing and healthcare. The creation of this framework is a success as it acknowledges the importance of the issue; however, it has failed to accomplish most of its goals. Most significantly, it failed to foster participation in a real way and sufficiently include members of the Roma community in its formulation. The framework has been most successful in the field of education,

however increased enrollment rates in the Roma community fail to reflect the persisting segregation in schools (Naydenova and Matarazzo, 2019).

Most relevantly, the European Commission ratified the 2020 EU Roma Strategic Framework that focuses on socioeconomic integration, participation and equality, setting goals in these areas until 2030. This framework has brought some positive changes, as it acknowledges the shortcomings of the previous initiative and targets antigypsyism specifically beyond just the existing antidiscrimination guidelines (Racial Equality Directive) of the EU. It fosters participation and has a more robust data collection and monitoring tool, with mandatory biennial progress reports from the member states, and clear and quantifiable targets (European Commission, 2020).

However, the EU strategy for integration is problematic in both formulation and implementation. The strategic framework is overly focused on socioeconomic integration, and it neglects the importance of preserving the diverse cultures, identities and languages of the Roma community. This omission leads to cultural loss and a lack of representation in education and without the participation of the Roma community in the formulation of these guidelines, participation is still negligible.

Additionally, while the framework includes some monitoring tools and member states are required to present progress reports biennially on the national strategy recommendations, the accountability gap remains significant. Implementation is often not enforced, and in certain cases it is stuck on the formal requirements level, failing to enact real change. The framework does not have a binding nature and while quantifiable goals are set, the allocated funds are not tied to specific policy initiatives. This setup is guided by the respect for the national sovereignty of the member states and technically allows them allocate funds and formulate goals and policies in a way that is most effective for the specific community that they will be enacted in. However, it also fails to guarantee

the effective usage of funds and real progress. This is particularly problematic in Hungary as civic organizations lack the power to take over the monitoring functions for the EU funds, so their usage remains largely unchecked.

2.2.2 Hungarian State Level Integration

On the national level, the Hungarian government has put forward a national strategy for Roma integration following the recommendations of the 2020 EU framework. The Hungarian National Social Inclusions Strategy (HSNIS) targets people living in poverty and vulnerable groups – in which the Roma are overrepresented -, but not the Roma community specifically. Certain improvements have been made in terms of socioeconomic integration, but this is mostly connected to the growth of real wages and living standards, rather than the betterment of the situation of the Roma minority relative to the majority population. Monitoring and data collection on the effectiveness of the national program and EU funds remains inadequate, especially in terms of how they affect the minority specifically.

In terms of education, two recent policies have affected the Roma community disproportionately: the 2015 act lowering the mandatory schooling age from 18 to 16 years old has affected Roma children more than the ethnic majority. This is due to worse average socioeconomic and background, higher percent of uneducated or unemployed family background, less access to infrastructure, and as a response to lack of success at school (Köllő and Sebők 2023). The effect of this policy on the Roma has remained unaddressed, which is coherent with the integration narrative that only targets groups vulnerable to poverty rather than ethnic minorities.

Secondly, ethnic segregation in schools has been exacerbated by the policy introduced shortly after the transition from state socialism (1993) granting parents the liberty to send their children to

schools outside of their living districts. This act has worsened inequalities especially in regions with a higher Roma population by allowing families to enroll their children in schools in different towns or close by larger cities, thus growing segregation and disparities in the quality of education between schools - the phenomena called 'white flight'. While this policy was meant to allow families greater liberty in the education of their children, it has given way to large inequalities and segregation between schools as students of 'higher status' are more likely to be sent to institutions that are considered to provide a higher quality of education. This creates a cycle that actually affects the quality of education among different schools. In more rural areas, transportation costs also play a part in the issue as 'better' institutions are mostly located in larger cities – the burden of paying for transportation to school affects the Roma community disproportionately.

Additionally, in a 2015 decision reached by the higher court of Hungary (Kúria), religiously funded educational institutions are exempt from anti-discriminations laws, thus effectively legalizing segregations in these schools. This points to the neoliberal attitude on part of the Fidesz-KDNP government that clearly neglects the importance of the issue of ethnic segregation in schools.

Furthermore, the practice of Roma children (with no disabilities) being sent to special needs schools for mildly handicapped children is widespread: this effectively obstructs their opportunity to receive the education that they need and are entitled to and allow them to pursue higher educational goals (Kende and Neményi, 2006). The reasons for this phenomenon are varying: linguistic and cultural differences play a part, as well as lack of access to pre-school education and skill building. Furthermore, the tests and examiners determining the appropriate school for children might be culturally biased and families might choose to send their children to such schools due to negative experiences in traditional public educational institutions.

Ethnic divisions and bias run deep in the country, which is continuously worsened by the lack of state initiative and the absence of this issue in public discourse. Studies show that a large percentage of educators in the country have some level of bias against Roma children (Kende et al 2017). Teachers are more likely to recommend a lower-level future education track to Roma students than to students from the majority population, and this is even more likely to be true in schools with higher Roma population (Kisfalusi et al 2024). This limits both the range of education and employment possibilities and contributes to the negative educational experiences of Roma children, creating a negative cycle through generations.

At the same time, it is important to acknowledge that while ethnic bias is present in the system, educational inequalities affecting Roma students stem from various structural issues. These underlying factors include disparities between regions, the underfunding of rural institutions and lack of subsidies for transportation costs. The issue that these structural inequalities affect the Roma minority disproportionately ought to be addressed on the state level, however not all the disadvantages in the education system result from outright discriminatory policies.

The above policies and statistics point to the different ways Roma children are disadvantaged in the national education system: segregation, lower access, different treatment and lower average age of leaving school. As of 2021, around 44% of Roma children are estimated to study in a school where most or all of their classmates are also Roma (FRA 2021), and this number cannot be accounted for by the varying percentage of Roma children in different areas, rather points to the high segregation between schools. The same survey shows that 59% of Roma youth in Hungary completed at most lower secondary education and 57% are early school leavers. 10% of Roma students experience discrimination in education due to their (perceived) ethnicity (FRA 2016). These numbers highlight the challenges Roma students face and the stagnation of real integration

in the education system. The segregation is perpetuated by the authoritarian neoliberal framework in Hungary: the state takes decreasing responsibility for social divides and welfare programs become commodified. The state obstructs independent civil actors that can monitor government action, and de-democratizes public discourse, thus escaping accountability. While Hungary benefits from significant funds from the EU, specifically for Roma integration as well, in the absence of enforcement tools in the hands of the EU and the decreasing space for civic organizations, their usage remains unmonitored, untransparent and inefficient. The conflict between overreliance on the civil sphere due to erosion of state responsibility and the narrow operating space and legal constraints facing CSOs remains unresolved, resulting in stagnation in the integration process.

2.3 The Civil Sphere in Hungary: Shrinking Space and Possible Responses under Viktor Orbán's Government

2.3.1 The Shifting Structure of the Civil Sphere and Authoritarian Neoliberalism

The following chapter will explore policies limiting the civil sphere in Hungary to show the financial, systematic and legal constraints that CSOs, specifically in the field of Roma integration, face and the practical implications of these. Following the regime change in 1989 until the second Fidesz government starting in 2010, the civil sphere in Hungary was created and progressed similar to other countries in the region, as a pillar of the democratization process. While in this transition period the financing of civil society organizations was at times biased and judicial proceedings arbitrary, this time signifies an era of expansion and no systemic control mechanisms over the civil sphere were present (Nagy et al 2025). The process of democratic backsliding in Hungary has come with several strains on a variety of civil liberties including the free media, freedom of

assembly and the limitation of the civil sphere, which is a common feature of hybrid regimes. Starting from the second government with a constitutional two-thirds majority of Viktor Orban since 2010, the civil sphere, and particularly civil society organizations in the human rights sector and ‘watchdog’ organizations have been targeted (Gerő et al 2022). We can comprehend the shrinking space for civil society in the framework of authoritarian neoliberalism: by limiting the civil sphere, the government centralizes its power and increasingly allows for only its own interpretation of politics, while at the same time getting rid of organizations that can monitor its activities and enforce accountability.

This crackdown on the civil sphere takes different forms and is not aimed at a total dismantlement but rather cooptation and state control through the demolition of dialogue between state and civil society as well as dramatic decrease in available state funding. Parallel with the dismantling of civil society organizations that oppose government agendas, a different type of civil organization has emerged and gained space: government-affiliated organizations (GONGOs – Government-organized Non-Governmental Organizations) that operate in a variety of sectors ranging from sport and religion to culture and receive abundant funding and support from the state. This setup results in a nonprofit sector that seems to be flourishing in terms of financing and number of organizations from an outside perspective. However, the internal allocation of funds and types of organizations points to a civil sphere that is extremely dependent on the state (Kákai, 2020) and functions as its complementary rather than as checks and balances on central power.

2.3.2 The government’s crackdown on the civil sphere

A 2014 speech by Viktor Orban (Tusványos, 2014) is commonly considered as the starting point of the crackdown on civil society in Hungary. In this speech Orban introduced the concept of the ‘bad’ civil organizations that influence internal affairs through paid political activists and interfere

with national sovereignty – the narrative that has been used for the justification of the NGO oversight laws and is still present. The narrative on the crisis of national sovereignty legitimizes undemocratic measures as an authoritarian neoliberal mechanism. The campaign against civil organizations has started with centralization of funding opportunities that aims to divide CSOs based on whether they fit into the National System of Cooperation (NER) and to steer organizations toward alignment with government policy in order to keep functioning.

Most importantly, the law passed in 2017 - ‘NGO law’ (Civil törvény) regarding the foreign funding of civil society organizations affects the civil sphere in several ways. The law is supposed to provide transparency on the financial background of civil society organizations (which was already established at this point), but is practically a measure to control, stigmatize and limit civil society organizations that oppose the governments agendas. The policy categorizes CSOs that receive foreign funding above 7.2 million HUF (approximately 18.000 EUR) as foreign funded organizations and obliges these organizations to publicize and signal on all publications and websites their categorization along with any funding they receive from outside of the country. This measure not only stigmatizes such organizations and skews public perception by posing them as opponents of national sovereignty but also discourages foreign funding (Venice Commission, 2017). NGO funds from the European Union do not count as foreign funds according to this policy, which points to the fact that it is rather targeted at specific organizations (such as those funded by George Soros’ Open Society Institute) whose main function is enforcing the rule of law, fighting corruption and governmental inadequacies (Kákai, 2020).

The policy has been ruled unlawful by the European Union Court of Justice and due to the pressure of this ruling replaced by a revised version in 2021. The revision revoked the mandatory labeling of foreign funding and the specific targeting of CSOs with donations from abroad but rather targets

organizations with larger overall budgets that must be submitted to monitoring by the State Audit Office (ÁSZ). While this revision is might be considered a positive shift, the consequential changes in public perception and participation remain (TASZ, 2017) and the state narrative around foreign funded organizations continues to be hostile which is extremely influential in the context of disproportionately powerful state-backed media. Under the 2021 act, the State Audit Office has launched investigations against several organizations thus applying pressure and limiting their operations.

Furthermore, the Sovereignty Protection Office established in 2023 is also aimed at monitoring and stigmatizing CSOs receiving foreign funding. The Office has targeted several organizations, especially those that are concerned with the rule of law, transparency and contain a ‘watchdog’ function – thus damaging their reputation and imposing administrative burdens which are even more significant for organizations that use volunteers (Nagy et al, 2025). The targeting of these organizations has been successful in eliminating their monitoring and accountability mechanisms thus contributing to the centralization of power and control over social issues in public discourse.

Civil society organizations must adapt to the changing environment and narrowing opportunities to keep functioning in some way or face cooptation, marginalization and coercion (Deák, 2024). Internal funding of CSOs is centralized in an unbalanced and biased way which pushes mission-driven organizations to politically align with the state. Additionally, it steers those that are unable to function in alignment with government policy or specifically aim to function as ‘watchdogs’ over state action and those that are deprived from state funding to rely on foreign donations. Foreign-funded organizations in turn are heavily monitored, stigmatized and subject to the continuous damaging of their reputation by the state media. Civil organizations can react in different ways to the domestication process, ranging from professionalization, accepting

cooptation to the exit strategy (Geró et al 2023). Reactions are largely dependent on sector, and we can observe that human rights organizations have disproportionately chosen or been forced to take the exit strategy (KSH, 2021). These policies marginalize opposing political groups and coopt public dialogue through legal mechanisms, fitting into the authoritarian neoliberal framework.

Civil society led Roma integration is affected by these policies directly and indirectly. Directly as public perception and funding opportunities decrease, which affects small organizations exponentially – limiting the success of locally operating grassroots initiatives that function as a partial substitution for a national integration program. Indirectly by the limiting of independent organizations that monitor government activity, because in the absence of these CSOs for Roma integration become marginalized in public grant applications and their operating environment worsens as Eu guidelines are not enforced.

2.4 Funding Allocations

The shifts in the institutional setup and legal measures targeting certain civil society organizations have resulted in major changes in funding allocations in the sector. In addition to the shifting legal framework and overly centralized structure, the public harassment of civil organizations has damaged their reputation, which affects both participation and funding as public perception of certain organizations changes.

In 2011, the process of national fund allocations was reformed: in place of the National Civil Fund Program that was mainly made up by decision-makers chosen by civil society actors, the National Cooperation Fund (NEA) was established, which decreased civil-society representatives in its

decision-making to one third (Nagy et al, 2025). State influence on the NEA is evident: out of the nine members of the committee, three are assigned by Parliament, and three more by a minister most relevant to the field, leaving the remaining three to civil organizations (Átlátszó, 2012). The other main distributor of national funds is the Urban Civil Fund (Városi Civil Alap – VCA) that has been established in place of the Norway Fund in 2021, which was suspended due to untransparent distribution of grants in Hungary, and it distributes around 4.8 billion HUF annually. The suspension was a result of government criticism on the allegedly politically influenced allocation of the Norway Grants and ended in the complete exclusion of Hungary from the grant scheme.

The VCA is especially problematic as it goes around transparency laws that prohibit public civic funds to go to political organizations as it regularly allocates funds to organizations (most often GONGOs) that are either led by politically involved persons or have backed political candidates from the Fidesz-KDNP party in elections (Átlátszó, 2024). In 2023, approximately one fifth of the grant winner organizations were connected to the government party in some way while more than half of the organizations that took the largest grants (11 million HUF or 27.500 EUR) were Fidesz-KDNP adjacent (K-monitor, 2023). Grants from the Urban Civil Fund for communication and media projects are often used in party campaigns for Fidesz, through the creation and popularization of government-aligned media platforms and mostly used on a local level to influence municipality elections. We can also observe the disproportionate success of youth-focused, government-adjacent political organizations in the VCA grant allocation process, which is likely attributable to the attempt increase the government party's popularity among young voters (Átlátszó, 2024).

While the overall amount of national funds has not decreased, the process of grant allocation and the types of receiving organizations have changed drastically in the last 15 years. The proportion of state funding (around 40%) in the overall budget of the nonprofit sector has decreased slightly, while the overall budget of the civil sector has grown marginally (Civic Space Report, 2024). The relative significance of individual contributions has grown and the proportion of citizens making donations (most commonly through offering 1% of their income tax to civic organizations) as well as those engaging in volunteer work has increased. This points to the neoliberal trend of increased responsibility on individuals. Hungarian citizens consider health, education and environment the most important targets of civil activity and the vast majority believe that NGOs should be critical of the government (Civilizáció, 2023) which is true for roughly half of the voters of the government party as well. Among the organizations that collected the most amount of offerings of 1% of personal income tax in 2023, most are operating in the health and animal rights sectors, with one organization among the top 20 that is explicitly critical of the government and attempts to monitor its actions - Partizán Rendszerkritikus Tartalom Előállításáért Alapítvány. These figures point to the fact that Hungarian citizens are taking increasing responsibility for the civil sphere, but transparency and monitoring functions are not the most important causes in recent years. While children's, health and animal rights organizations are the most popular regardless of the political landscape, the low individual contributions for organizations openly opposing government policy is partially attributable to the stigmatization of these organizations. Importantly, roughly 70% of civic organizations operate with an annual budget of maximum 5 million HUF (approximately 3000 EUR) (Civic Space Report, 2024), and these small organizations are the most vulnerable to the shifts in public fund allocations and the availability of government grants, as they also receive a diminishing amount of individual contributions. Overall, CSOs opposing the government access

significantly less funding, which affects small organizations exponentially, endangering their existence. As a result, the landscape of the civil sphere is fragmented, in which only the largest independent organizations can keep functioning, while government adjacent CSOs are flourishing, and new ones emerge continuously. The government-backed organizations not only receive a disproportionate share of public funds but also influence party politics, further strengthening the dependency of state and civil sphere and marginalizing independent actors.

The allocation of funds through these platforms (NEA and VCA) is not transparent and applications are often rejected with no explanation (Civic Space Report, 2024) and there is no proportion of funds specifically allotted to human rights and democracy protection, so these sectors mostly lose out on national funds. These areas that enforce the rule of law and apply a ‘watchdog’ function were first to be targeted. The shrinking space for independent organizations that monitor government activity affects CSOs in other sectors in that the distribution of public funding remains unchecked and the civil sphere serves central power to a growing extent. In this environment certain social issues such as Roma integration in education get pushed aside in public discourse and their organizations marginalized compared to the overpowering state messaging. Roma integration is also especially affected because the majority of the successful organizations in these fields are locally operating grassroots initiatives that are losing out on funding and participation and are exponentially affected by lack of government grants and lowering perception and participation.

3.1 Interview Findings

In this section, I will conduct a case study on a Budapest-based NGO for Roma integration in education based on interviews with key actors from the organization to explore how it has been affected by the various government attacks on the civil sphere. The organization is relevant to the

research as it addresses segregation in education in Budapest and is affected by the government's authoritarian neoliberal attitudes in several ways: the funding opportunities and dialogue with the state have deteriorated significantly in the last decade, public perception and participation have taken great strains and the basic educational environment in which they function has lowered in quality greatly. With the withdrawal of state responsibility for a quality public education system as well as decreasing accountability measures, the organization is operating in an increasingly inadequate educational environment in addition to vast quality differences between schools.

The organization examined is the Láthatatlan Tanoda under the Rosa Parks Foundation Hungary, whose main mission is to combat segregation in education by helping disadvantaged, mostly Roma families choose and prepare for the best available public schools. This activity is crucial because the lack of adequate information and pre-school education as well as possible bias in testing children's readiness for school contribute to ethnic segregation in education. The organization operates in the 8th district of Budapest, which has the highest Roma population in the city and the differences of quality in educational institutions are staggering. Láthatatlan Tanoda works locally with the help of volunteers and social workers to achieve change in this specific location, however it addresses the nation-wide systemic issue of ethnic segregation in schools due to lack of information, lower access and bias. The state has taken no proactive steps to counteract this segregation starting from kindergarten, which means that the responsibility increasingly falls on civic organizations such as this – but these organizations mostly operate locally and lack the sufficient funding and national platform to combat the issue on a larger scale, as they often struggle to keep functioning at all. Segregated schools in Budapest 8th district, as all over the country, have higher rates of early school leavers, lower proportion of classes taught by specialized teachers and

lower rates of student going further to secondary education compared to schools with mainly students of the majority population.

The operational environment of the organization has changed not only in terms of growing legal constraints and limitation of funding but also in terms of the state of the public education system in which they work. Since the functioning of Láthatatlan Tanoda (2013), the quality of available public education has decreased significantly, and the most important indicator of this deterioration is the lack of adequate number of educators in the system, as the number of missing teachers is now close to 8000 (KSH, 2024). The issue is exacerbated by legislations on the public employment status of teachers that strictly prescribes working hours and limits the right to go on strike, as well as very low wages. While the overall quality of public education has been diminishing due to the commodification of state welfare, the differences between schools have grown, meaning that schools with the ‘lowest status’ suffer exponentially, and these institutions often have a large Roma student population and are segregated.

Láthatatlan Tanoda provides help by supporting children in mostly non-academic skill building such as confidence, social skills and critical thinking through a trust-based relationship with individual mentors and group workshops – these programs are intended to work as complementary support to the education system, rather than as substitution for its failures. They also provide administrative help to families in the school selection and enrollment process.

These shifts in the educational environment necessitate the activity of Láthatatlan Tanoda more over time, because children in the worst quality public schools often do not receive the education that helps them to prepare for higher levels of education or give sufficient support to keep up with the national curriculum, resulting in lowering school leaving age and average level of education in these communities. The original mission of this program was to provide extra support for children

and families that are disadvantaged in the education system in some way, either due to low socioeconomic status or educational level of the parents or lack of information on the available schools and their qualities. For this reason, they have mainly provided non-cognitive skill building to children and administrative support to participating families to help them integrate in the education system the best way possible. Nevertheless, due to the growing insufficiencies of the public school system, they have increasingly had to shift focus on counteracting the lack of adequate education provided by the schools by spending time on keeping up with the curriculum outside of school. With this shift, the organization has been compelled to take over to some extent the basic responsibilities of the education system, which again decreases the already narrow resources directed at fighting segregation.

The organization functions under the Rosa Parks Foundation which was affected by the 2017 legislation on foreign-funded NGOs as their funding arriving from abroad exceeded 7.2 million HUF, and for this reason it was compelled to publicize the details of their funding and make the foreign-funded label visible on all public platforms, which has resulted in long-lasting effects in the public perception of the organization.

As a program functioning under the Rosa Parks foundation, Láthatatlan Tanoda mainly uses funds from corporate donors, individual contributions (including the optional 1% of tax donations) and various EU and Erasmus+ grants. The program receives no funds from the state, as it aims to remain independent to be able to pursue its own mission rather than aligning with government policy and the detailed expectations toward educational civil society organizations. In the past while conscious of the low possibility of winning, Láthatatlan Tanoda has applied for various grants at government-backed foundations, which ended unsuccessfully.

In addition, the organization's relationship with the 8th district municipality has changed over time, as it only has been in contact with the municipality office since the 2019 local elections that brought a change in leadership in the district. This shift points to the party-based bias on public fund distribution and highlights the opportunities that organizations such as Láthatatlan Tanoda might enjoy in an impartial grant environment. Since the 2019 elections, the 8th district has been managed by a mayor backed by an opposition coalition and secured an opposition majority in the Council, which has facilitated the free and fair distribution of municipality funds. Since then, Fidesz-KDNP has won back some ground in the district, but remains balanced by the opposition. At the same time, the funds available to the mayor's office are not negligible, but do not come close to covering the operational costs of the program, thus they are in no way substitution to state funding.

While the perception of the organization has remained positive on the part of participating families and students, there has been a decline in the willingness to participate from new families as well as the number of volunteers applying to become mentors. The decrease in participation from volunteers is likely due for the most part to lower economic stability and that on average citizens can afford less to volunteer as they need to work more to keep up the same living standards as before with record-high inflation. This again can be connected to the authoritarian neoliberalism framework, in which the government takes decreasing responsibility to foster participation amongst its citizens and ensure and economic stability that allows them to engage in public and social matters. Lowering willingness to participate in the program is likely connected to the worsening public image of the organization and the erosion of trust, as there has been no changes in the effectiveness or successes of the program and those that are already participating (and have

direct experience with Láthatatlan Tanoda) continue to enjoy and appreciate the services it provides – no participating families have left the program in the last years.

In conclusion, the example of Láthatatlan Tanoda demonstrates how Viktor Orbán's authoritarian neoliberalism has affected civil society led Roma integration. Lack of state funding and public attacks from state media obstruct the success of locally operating small CSOs which is worsened by the absence of monitoring bodies. The lowering quality of public education puts additional burdens on civic organizations in the field and marginalizes the issue of ethnic segregation. Lowering public perception and no incentives for civic responsibility affect participation.

3.2 Discussion and Future Outlook

3.2.1 Reflections on the Case Study

The authoritarian neoliberal policies employed by Viktor Orbán's government affect civil society led Roma integration in education both directly and indirectly. The narrowing funding opportunities for CSOs operating in the field naturally limit their reach and possible successes. As most of these organizations are small and operate on the local level, the decrease in their funding affects Roma communities on the individual basis, and with lowering resources, these organizations have lower capacities for participants and are increasingly forced to choose between the quality of their programs or quantity of participants. The general decline of welfare provisions and public education system compel organizations to increasingly substitute them despite limited resources.

Additionally, state negligence of the issue undermines larger-scale efforts to combat segregation as a systematic problem and address its varying components: structural factors, bias, deep-seated divisions and prejudice based on misinformation. This way, any success that is made possible despite low funding and legal constraints is stuck on a more individual level, which means that systematic change is extremely difficult to achieve and can only happen over a significantly long period of time.

3.2.2 Policy Implications

The crackdown on civil society affects independent monitoring bodies primarily. In the absence of these organizations, EU Roma integration guidelines are not enforced, and funds from the EU are spent inefficiently. This in turn leads to an overreliance on the civil sphere: instead of acting as complementary and monitoring programs, CSOs increasingly must substitute state-level action.

The negligence of the issue brings several practical implications: the absence of it in public dialogue affects the attitude of both the Roma community and the majority population. Due to the low salience of the topic it can be perceived as less important, which leads to members of the Roma community to feel less empowered and have a lower likelihood to report cases of ethnic discrimination or reach out for legal help in case of segregation. Additionally, citizens of the majority populations are also less likely to engage with the issue and participate in civil action. Public perception on the issue shifts as it is absent from state media due to the de-democratization of public discourse. Public harassment and stigmatization of certain organizations and the civil sphere in general lowers participation and erodes trust in these organizations regardless of their effectiveness and service to the community.

3.2.3 Anticipated Future Developments

Additionally, a new draft legislation has been proposed by a Fidesz-KDNP representative in May 2025, that further tightens the space for foreign funded CSOs under the name of transparency. This draft would allow the Sovereignty Protection Office to list all foreign funded organizations, require detailed personal information on and even prevent donations and not allow individual (1% of personal income tax) donations. If ratified, all these measures will further contribute to the erosion of independent organizations and media as well as the creation of an atmosphere of fear where citizens are disincentivized to participate or oppose government agendas.

The state's negligence and its hostility toward civil society undermines systematic action and narrows the space for local initiatives as well. This way, social divides are not only left unaddressed but are perpetuated through the authoritarian neoliberal state attitude and low civic participation. While obstructing Roma integration in education is not the aim of the government's crackdown on the civil sphere, this among other social issues are affected in the process of the takeover of GONGOs, the centralization of power and authoritarian neoliberalism. While CSOs can achieve successes on a local level in Roma integration in education, the issue will remain unresolved in the current political landscape due to its structural and systematic nature – real progress necessitates increased state responsibility, open discussion of the issue in public dialogue, strong civil organizations and independent monitoring bodies to check government activity.

4 Conclusions

The Hungarian state has employed various authoritarian neoliberal mechanisms to centralize its power and substitute democratic debate with governance through legal measures. This process

includes the de-democratization of public discourse by monopolizing the media, and the marginalization of non-state and nonmarket actors focusing mainly on CSOs in the human rights and monitoring sectors. The neoliberal state attitude has brought the erosion of welfare measures, leading to increasing responsibility on individuals and worsening social institutions, such as the public education system. These mechanisms have affected Roma integration in education exponentially, as the issue has become marginalized, organizations dismantled, and their reach and resources significantly limited. The obstruction of independent monitoring bodies leads to an accountability gap and democratic debate and a diversity of voices are limited. As segregation in education persists and the issue is unaddressed, social divides are deepened and the injustices facing the Roma community remain.

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