



Hungary Country Report

EUFORI Study

European Foundations for
Research and Innovation

Éva Kuti

Research and
innovation

EUROPEAN COMMISSION

Directorate-General for Research and Innovation
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B-1049 Brussels*



Hungary Country Report

EUFORI Study

Éva Kuti

Association for Nonprofit and Social Studies



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Contents

1	Contextual Background	6
1.1	Historical background	6
1.2	Legal and fiscal framework	9
1.3	The foundation landscape	10
1.4	Research/innovation funding in Hungary	12
2	Data Collection	15
2.1	The identification of foundations supporting R&I	15
2.2	The survey	16
2.3	The interviews	17
3	Results	19
3.1	Types of foundation	19
3.2	Origins of funds	21
3.3	Expenditure	25
3.4	Focus of support	30
3.5	Geographical aspects of the activities	33
3.6	Foundations' operations and practices	35
3.7	Roles and motivations	40
4	Innovative Examples	43
5	Conclusions	47
5.1	Main conclusions	47
5.2	The strengths and weaknesses of the R&I foundation sector in Hungary	47
5.3	Recommendations	49
6	References	50
7	Annex	53

1 Contextual Background

1.1 Historical background

There is a quite strong philanthropic tradition in Hungary. Besides the religious roots of charitable activities and some emotionalism that is part of the national character, this strength is explained by the collective experience gained throughout the country's turbulent history. Since the Turkish invasion and the formation of the modern European 'world-economy' had pushed Hungary into a backward position on the European periphery in the sixteenth century (Wallerstein, 1983:162-167), public needs and expectations were rarely met by the public authorities. The room for political movements and advocacy was very limited under the conditions of foreign occupation and internal oppression. Thus, the role of private contributions became crucial in facing social challenges. Donations are regarded as an important (and sometimes the only) source of financing independent actions, new initiatives and innovative approaches to the treatment of social problems. Consequently, Hungarians also have a liking for the foundation as an appropriate institutional form of raising, pooling, administering and making good use of private donations (Balázs, 1991; Czakó et al., 1995; Cziike–Kuti, 2006).

The history of foundations is almost as long as that of the Christian State in Hungary. The first kings donated large properties to the Catholic Church and the religious orders they invited to the country. According to some analysts (Kecskés, 1988:110-111), these endowments (followed by many others from both kings and feudal lords) were the very first charitable foundations in Hungary. Independent lay foundations were also established from the beginning of the fifteenth century (Somogyi, 1941:93). Some co-operation between private foundations and public institutions emerged at an early stage and became fairly commonplace in the late 1800s. Numerous foundations contributed to the financing of public hospitals, schools, universities, orphanages and shelters (Balázs, 1991:85-89). Some regulatory measures from the early twentieth century also reveal that government authorities laid claim to the sources available from private philanthropy. This intention was apparent in Law XXXIV/1920, which declared the tax deductibility of bequests and donations for foundations engaged in scientific, educational and charitable activities (Balázs, 1991:82), as well as in some government decrees that tried to regulate and control private donations in the 1920s.

The development of any co-operation between the State and foundations was cut short by the Communist takeover after World War II. Communist governments regarded private initiatives as a threat to the monopoly of Marxist-Leninist ideology and to Party control over social movements. This is why Decree 474/1948 and Decree 2/1949 ordered that foundations had to be dissolved and their property was to be given to the central State or local government agencies (Kecskés, 1988:113). No legal form of foundation existed in Hungary between 1949 and 1987. However, the government recognised its failure to build a sustainable welfare system and the need for assistance from private donors well before the collapse of the Soviet bloc. The 'rehabilitation' of foundations came about due to both financial and social pressures.

When George Soros decided to promote democratisation in Central and Eastern Europe and sought to establish his first national foundation in Hungary in 1984 (Szabo, 2009:1470), only a pseudo-foundation could be created under the auspices of the Academy of Sciences. Ernő Rubik, the inventor of the Rubik's Cube, and several prominent artists had similar difficulties in finding an appropriate institution for their planned donations. They did not want to support government-controlled public institutions and insisted on establishing independent foundations. The government, which was facing many financial problems, could not (and perhaps did not even want to) resist these pressures. In 1987, it issued Decree 11, which modified the Civil Code and introduced once again the foundation as a legal entity (Kuti, 1996:41). The growth of the number of foundations was slow at first, but accelerated rapidly after the political changes of 1989.

The development of foundations supporting scientific activities started somewhat later than that of most traditional charitable foundations, but ran parallel with them from the fourteenth century. Donations traditionally played an important role in financing research and scientific institutions. In the beginning, these were almost exclusively higher education institutions. For example, the very first Hungarian university was able to attract prominent foreign scholars by offering them extremely high salaries^[1] covered by donations (Petrovics, 2005:36). Hungarian scholars' international relations and foreign studies were also promoted by private donors. 'Surprisingly generous private individuals established large foundations in order to enable professors and students to make studies beyond the national borders, namely in Italy, Germany, and in the Netherlands' (Vekerdi, 1996:13).

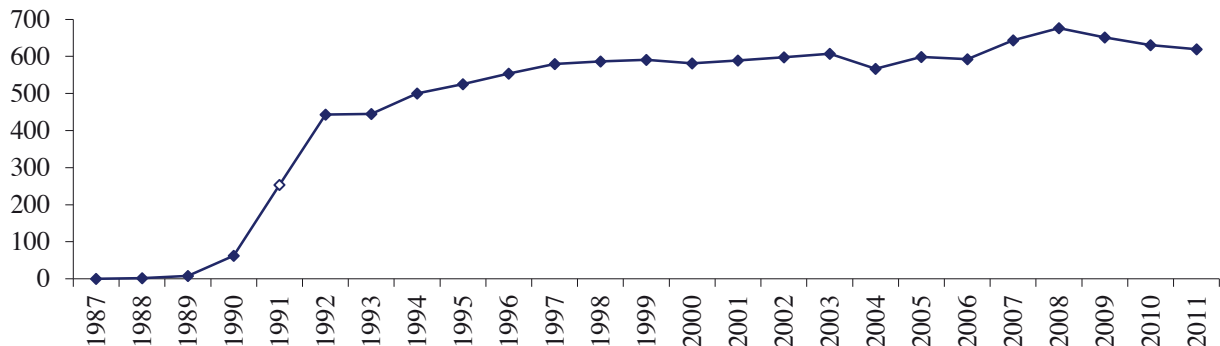
The partial separation of higher education and scientific activities and the emergence of exclusive research institutions were also helped by private donations. The Hungarian Academy of Sciences itself owed its establishment to a generous offer by István Széchenyi, one of the richest, and definitely the most enlightened, aristocrats in the country. In 1825, he donated a whole year's income from his estate for the Academy to be created. Count Széchenyi's example was followed, not only by other magnates and noblemen, but also by entrepreneurs, municipalities, churches, and even schools and students. As a result, a significant endowment 'guaranteed the financial independence of the Academy and, in principle, protected its autonomy from all kinds of government interference' (R. Várkonyi, 2010:1422). Although on a smaller scale, similar donations helped the research activities of several scientific societies. It was quite common for scholars who were active members of these voluntary associations to pay no or a very small membership fee, while the costs of research activities, awards and conferences were covered by 'supporting members' and occasional donors (Tóth, 2005:177).

As far as innovation is concerned, foundations and voluntary associations played an important role especially in social innovation during the nineteenth century and the first part of the twentieth century. The first museums, libraries, exhibition halls, tuberculosis clinics, children's hospitals, kindergartens, comprehensive schools, employment agencies, and institutions of adult and women's education were all created either by them or with their assistance.

1 The University of Pécs (established in 1367) lured the prominent jurist Galvano di Bologna to Hungary by offering him an income that was ten times higher than his former salary at the University of Padova.

Both research and innovation were controlled by the government under State Socialism. Private initiatives could (and did) gain momentum in this field only after the change in political system. In fact, the foundations focusing on research (and thus classified as research foundations according to the ICNPO ^[2]) mushroomed during the early 1990s (Figure 1).

Figure 1: Number of foundations in the field of research, 1987–2011



Sources: MASZ (1991), KSH (1994) and KSH (1995–2013)

roomed during the early 1990s (Figure 1).

The rapid growth of foundations was mainly (but not only) explained by the researchers' and their supporters' willingness to take the opportunity to freely establish independent organisations and to launch projects on their own initiative. The regulatory environment was also very favourable. The procedures of court registration were simple and free from bureaucracy and the administrative and accounting regulations were not yet fully developed. Foundations had to meet very few formalised conditions in order to receive indirect government support; their tax exemption and the tax deductibility of donations were practically unconditional until 1994. Since then, the regulations guiding the functioning of foundations have gradually become more detailed, more complicated and more differentiated ^[3]. In parallel, the tax advantages have been reduced. All these changes, together with the saturation effect, have resulted in a decrease in their growth rate. This slow-down was somewhat moderated by the creation of two new schemes supporting nonprofit organizations (NPOs) in the late 1990s and early 2000s. The first, the 1 % system, let the taxpayers decide which nonprofit organizations should benefit from 1 % of their personal income tax. The second, the National Civil Fund, was established in order to distribute public support through boards whose members were mainly elected by NPOs. The introduction of these new financing mechanisms was an important step towards the decentralisation and democratisation of the distribution of public support, but their impact could not counter the negative effects of the shrinking tax advantages and the shock of the economic crisis in the late 2000s.

2 The Hungarian Statistical Office uses a slightly modified version of the ICNPO (the International Classification of Nonprofit Organizations) developed by Salamon and Anheier (1996:136-140). Under this system, foundations are classified according to their main activity.

3 The most important element of this process of differentiation was the introduction of a voluntary public benefit test in 1997. NPOs passing this test could get public benefit status or (if they substituted for government agencies in service provision) the eminently public benefit status, thus becoming eligible for tax exemption and other privileges.

1.2 Legal and fiscal framework

Under Hungarian law, there are two legal forms of foundation, namely private and public law foundations.

Private foundations (named simply as foundations in the legal regulations) are organisations with some form of endowment, established to pursue lasting public purposes. Their founders can be either private persons or organisations with legal personalities. Their endowment must be big enough to cover the costs of starting the planned work and fund-raising activities. These foundations are managed by a board appointed by the founders, who are not allowed to have a significant influence on the decisions of this board. If a private foundation is dissolved, its property must remain in the same field serving the original public purpose.

Public law foundations are foundations established to take over certain government tasks that are defined in law as government responsibilities. They can only be founded by Parliament, the government or municipalities. The founders can initiate their dissolution if they think their functions could be more efficiently carried out by another organisation. The property of a dissolved public law foundation reverts to its founder. Apart from these special provisions, the basic legal regulations for private foundations also apply to public law foundations.

Both kinds of foundation are registered by the county and capital courts. Registration cannot be refused if all the legal requirements (durable public purpose, founding statute and endowment) are fulfilled. Registration can still be completed by a public benefit test at the request of the foundation, but its content was completely changed by Law CLXXV in 2011 (Sebestény, 2013). Just one degree has remained, known as the public benefit status, but this is only available for nonprofit organisations (including foundations) if they are engaged in the provision of welfare services defined by law (e.g. the laws on health care, education, social care etc.) as government tasks.^[4] In addition, NPOs applying for public benefit status also have to:

- declare the general accessibility of their services;
- prove that they have the appropriate resources (that their annual income exceeds HUF 1 million/EUR 3 300, or the balance of their revenue and expenditure is positive, or their wage bill exceeds one quarter of their total expenditure);
- demonstrate that they receive significant support from citizens either in the form of service fees, or in the form of voluntary work or 1 % support.

The public benefit status is a necessary condition for receiving government grants and contracts, as well as for enjoying beneficial tax treatment. Only one of these tax benefits is equally available for all foundations: this is the exemption from tax on the foundations' income from activities related to their mission. Any unrelated business income can also be tax exempt if it does not exceed HUF 10 million (EUR 33 000 Euro) or 10 % of the total revenue of foundations without public benefit registration. This limit is higher (15 %) in the case of public benefit foundations.

⁴ Formerly this was the condition of getting the eminently public benefit status.

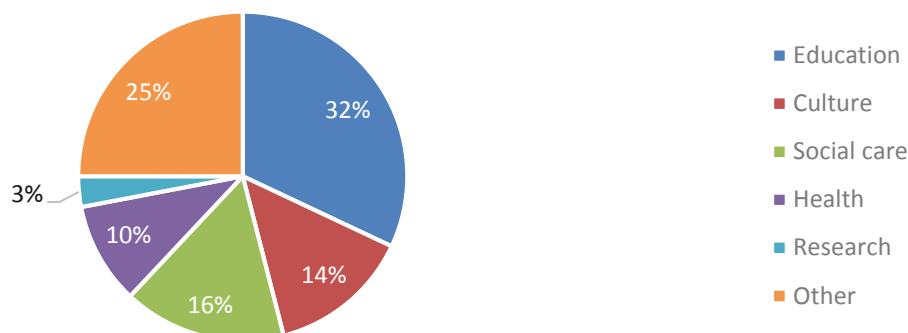
Another type of the tax advantage could be (and was for almost 20 years) the tax deductibility of donations. Unfortunately, individual donors are no longer allowed to deduct their contributions from their taxable income. Corporate donations may still reduce the tax liabilities that the donor would otherwise bear if the beneficiaries are nonprofit organizations registered as being of public benefit. Single contributions are tax deductible up to 20 % of the taxable income. The upper limit becomes 40 % if (at least) the same amount is annually donated by a business firm for more than 3 years.

The very same Law CLXXV that redefined the public benefit status, also changed the name, structure and decision-making mechanisms of the National Civil Fund (Kákai, 2013); the government gained control over the distribution of its grants. The new name is the National Co-operation Fund. Only one third of its decision-making bodies' members are elected by the NPOs; two thirds of them are delegated by the government and Parliament. The boards still issue calls for applications, but foundations close enough to the government can also get support from the Fund directly if decided by the head of the supervisory authority. ^[5]

1.3 The foundation landscape

According to the last official data published by the Central Statistical Office, there existed 23 236 foundations in Hungary in 2011. More than two thirds (72 %) of them were involved in education, social care, culture and health care (Figure 2); all the other fields (including research) proved to be rather small.

Figure 2: Composition of foundations according to ICNPO groups, 2011



Source: KSH (2013)

The dominance of these four fields is explained by the fact that practically all Hungarian kindergartens, schools, universities and university departments, theatres, museums, libraries, cultural centres, residential homes and daycare institutions, hospitals and hospital departments have their 'own' grant-seeking foundations. These institutions are numerous, and the number of their satellite foundations is so high that all other foundations are very much in the minority within this sector. The tax advantages available for foundations and their access to special funding targeted for NPOs were not the only reasons for the establishment of satellite foundations. Their founders were also motivated by the relative freedom of decision making the foundations enjoy compared to state-run institutions. The beneficiaries of the satel-

5 At present, this is the Ministry of Human Resources.

lite foundations' grantmaking activities are almost exclusively the parent institutions and their clients and employees. These 'grants' may simply cover the costs of everyday activities or special projects (e.g. conferences, workshops, festivals), but they can also contribute to the implementation of major investments, to employees' training and professional development, or to the motivation for and acknowledgment of outstanding achievements (e.g. awards, fellowships).

In much smaller numbers, there are also some charitable foundations of a very traditional type (e.g. poverty relief funds, foundations helping the disabled, homeless, refugees or the elderly). They are vehicles of the voluntary redistribution of wealth, mainly reflecting their founders' empathy towards the people in need. Another mission of these 'classical' grantmaking foundations is to support the studies of talented children and students, or to facilitate the careers of young researchers and artists. Former governments and some foreign donors also established large foundations promoting economic development. Although some of them have become the victims of the present government's centralisation efforts, others still exist. Their main tasks are to encourage innovative and experimental employment programs and to provide entrepreneurs and companies with financial support, assistance and advice. Their grants and services are equally available for social entrepreneurs and business firms (KSH, 2013; Kuti, 2008).

Hungarian foundations do not confine themselves to grantmaking and grantseeking; many of them are operating foundations involved in service provision. This initiative mainly comes from enthusiastic professionals (e.g. doctors, teachers, librarians, social workers, artists and researchers) or potential clients and other stakeholders (e.g. the audience of a local theatre, parents of disabled children). Some operating foundations have also been established by voluntary associations, trade unions, business federations and government authorities. It also happens that private foundations are active in environmental and civil rights movements or in different types of advocacy, but very few of them are specialised in these kinds of activities. There is no established infrastructure for collaboration either within the foundation sector or between foundations and the national government. Umbrella organisations and intermediary organisations are equally lacking in the field of foundations in general and within the research and innovation (R&I) sector.

The foundations supporting research and innovation do not take up much room in the foundation landscape (Table 1) in Hungary. They represent less than 3 % of the foundation sector, and their share is even smaller in terms of employment.

Table 1: Major indicators of the foundation sector and its R&I segment, 2011

Indicator	R&I oriented foundations	Other foundations	Total
Number	642	22 594	23 236
Employment (FTE*)	340	13 235	13 575
Income (Euros)	41 907 074	774 356 316	816 263 390
Expenditure (Euros)	44 754 516	759 846 840	804 601 356
Distributed grants (Euros)	25 775 668	265 321 281	291 096 949
Composition, %			
Number	2.8	97.2	100.0
Employment	2.5	97.5	100.0
Income	5.1	94.9	100.0
Expenditure	5.6	94.4	100.0
Distributed grants	8.9	91.1	100.0

Sources: KSH (2013) and the database of the Central Statistical Office

* Employment is given as a full-time equivalent (FTE). The Hungarian Central Statistical Office uses the definition developed by the Johns Hopkins Comparative Nonprofit Sector Project (Salamon and Anheier, 1996).

However, the financial indicators suggest that the economic weight of foundations supporting R&I is more important than their employment potential. In addition, their grantmaking activities are obviously much more intensive than the Hungarian average: almost one-tenth of the total foundation support is distributed by them.

1.4 Research/innovation funding in Hungary

Research funding has changed a lot over the last three years in Hungary. The present government has rejected the arm's length principle that guided the behaviour of its predecessors. Most of the funding decisions have become centralised and government-controlled. The amount of public support for university research no longer depends on the size or quality of the academic community hosted by the higher education institutions. The government has selected certain universities that are entitled to carry out funded research; all the others are not eligible for public funding for their scientific activities. State support for the Academy of Sciences is part of the central budget, thus its amount depends on decision by Parliament. Both university professors and researchers employed by the Academy's research institutes can apply for individual grants from a special government fund (OTKA – the National Scientific Research Fund).

The majority of the government-founded (mainly public law) foundations engaged in doing or supporting research and innovation have been dissolved. Several of them (e.g. the Bay Zoltán Public Foundation for Applied Research, the Science and Technology Foundation) were transformed into state-owned nonprofit companies. Others had to merge with public institutions (e.g. the Public Foundation for the Documentation and Research of the 1956 Revolution's History) or their grantmaking task was simply taken over by a ministry (e.g. the Magyary Zoltán Public Foundation for Higher Education). Whatever the method, the

result is the same: these formerly independent organisations' activities are now controlled by the government and not by a board consisting of experts, academics and other stakeholders.

Similarly, support for innovation has also been centralised. Large and medium size companies are still obliged to pay an 'innovation contribution.'^[6] Formerly, these companies had a choice: they could either transfer this contribution to the Innovation Fund or spend the same amount themselves in order to cover the costs of any applied research directly useful to them. In most cases this research was not carried out by the corporations; they contracted it out to research institutes, universities and research-oriented NPOs. As one of our interviewees reported, this innovation contribution was an important source of income for R&I foundations, as well. At present, this is no longer available as the costs of contracted out research are not deductible from the innovation contribution. This latter goes to the Central Fund for Technology and Innovation, and then it is distributed in a centralised way.

The largest part of the money concentrated in the Central Fund for Technology and Innovation is distributed at the government's discretion. In addition there are two calls for applications: one for the privileged companies that have signed a 'strategic agreement' with the government, another for everybody else with innovative, market-oriented projects. This latter call appeared on the website of the Ministry of National Development on October 21, 2013. According to its text, the deadline for the applications was November 21. However, four days later the Ministry closed the procedure because the amount requested in the immediately submitted applications largely exceeded the size of the available fund. Some members of the Hungarian Innovation Society questioned the fairness of the tender, spoke about inside information and favoritism, but the law does not provide remedy for this kind of injustice (Vitéz F. 2013:61).

All in all, the public funding of research and innovation is politically tainted in Hungary. Moreover, it is extremely scarce. As stated in the 'Strategy for Science Policy between 2014 and 2020' prepared by the Ministry of Human Resources: 'it is worrisome that the public funding has declined in an international comparison; the time-series calculated at constant prices reveal a decrease even in its total amount. The segment of the research and development (R&D)^[7] sector financed from public sources has growing difficulties in keeping its position unchanged in the global scientific competition' (EMMI, 2013:18.). The overall picture is not much better, either. Hungary is only a 'moderate innovator'^[8] according to the Innovation Union Scoreboard. Moreover, it 'performs below the EU average for most indicators' (Hollanders and Es-Sadki, 2014:59). The total Hungarian R&D spending as a percentage of GDP is still far behind the EU average (1.9 %) and the national target for 2020 (1.8 %): it was 1.21 % in 2011 (EC, 2013:10) and 1.29 %

6 The innovation contribution is 0.3 % of the corporations' net business income.

7 Although it happens more and more frequently that new names (research, development & innovation) and abbreviations (RDI) appear on official documents (e.g. NGM, 2013), the statistical publications' language and the methodology behind it have not changed. The statistical figures quoted here are based on an annual survey of all institutions where basic and applied research and experimental development projects are carried out.

8 Hungary's Summary Innovation Index is only 0.351, much lower than the 0.554 EU average, let alone the innovation leaders' SIs, which exceeds 0.7 (Hollanders and Es-Sadki, 2014:92).

in 2012 according to a preliminary estimation of the Hungarian Statistical Office (KSH, 2013a:5). Current expenditure is slightly in excess of EUR 1 billion, while capital expenditure is just under EUR 200 million.

Table 2: Composition of current R&D expenditure by financial source, 2012

Financial source	Current R&D expenditure in Euros	Percentage
Corporate sector	492 617 627	48.2
State budget	347 871 526	34.0
Foreign funders	171 357 288	16.8
Nonprofit sector	10 153 220	1.0
Total	1 021 999 661	100.0

Source: KSH (2013a)

As shown in Table 2, the income from the nonprofit sector covered 1 % of the R&D institutions' costs in 2012. This probably indicates almost exclusively foundation support because grantmaking is not a typical activity for other kinds of NPO (voluntary associations and nonprofit companies), but the donor foundations are not necessarily specialised in supporting research and innovation. On the other hand, there are also several operating foundations on the recipient side. Consequently, the data produced by the regular statistical survey of R&D institutions do not provide us with the information we need if we want to explore the role of foundations in research and innovation. This is why an empirical survey of R&I-oriented foundations has become a major element of the EUFORI Study.

2 Data Collection

2.1 The identification of foundations supporting R&I

The main source of information on Hungarian R&I-oriented foundations was the register kept by the Central Statistical Office. ^[9] This register is regularly updated with the help of an annually distributed questionnaire (containing questions on availability, activities, and the cessation or closure of operations), and with the help of data available from the court register on newly registered nonprofit organisations. The organisations on the register are classified according to their main activity into 18 major ICNPO groups (one of them being Research) and nearly 200 subgroups by using the information provided during their registration process. The respondents of the annual statistical survey are asked to confirm the validity of their classification. In principle, the register of the Central Statistical Office should be completely up-to-date as returning its questionnaire is a legal obligation. In practice, the response rate is only 70-80 %. Foundations that do not return the questionnaire remain registered, although it is highly probable that several of them no longer exist. Similarly, non-respondents do not indicate whether their contact information and classification are correct or not.

Unfortunately, there is no separate group for NPOs specialised in the promotion of innovation in the ICNPO, so the identification of innovation-oriented foundations was rather difficult. While most of the research foundations were automatically identified by their ICNPO code, the selection of foundations supporting innovation (just like the ones whose research activities were secondary) could only happen on the basis of their name. When innovation or any of its Hungarian synonyms were part of the name, the foundation was added to the list we bought from the Statistical Office. This also went for the ones we managed to identify as foundations being at least partly engaged in R&I activities by using several other kinds of background information. The final list (and the related database of the last available statistical survey we also purchased) contained 642 foundations supporting research and innovation.

The next step was the search for email addresses. We collected addresses through personal networks and from several different information sources, namely the Internet, web pages, conference participant lists, applications for R&I grants, lists of recipients of relevant newsletters, etc. Then we sent a test letter^[10] to all the email addresses we had found in order to check whether they were really in use. The final list of R&I-oriented foundations with reliable email addresses consisted of 438 items, which meant that the call for the return of the questionnaire of the EUFORI survey could reach 68 % of the whole population. Fortunately, we can be almost sure that most of the foundations not having email address are either very small or even inactive, so leaving them out would not cause much bias in the calculation of economic indicators.

9 There also exists a court register of nonprofit organizations, but it was not suitable for our identification purposes because it is not regularly updated; thus it contains a large number of NPOs that have not been in operation for long and even more with completely outdated contact information.

10 We also used this letter to inform the foundations about the EUFORI study and the online survey.

As we shall see in Chapter 3, this hypothesis is supported by the similarity of the income and expenditure data coming from the statistical database and the EUFORI survey.

2.2 The survey

The online survey was carried out by the VU team. The foundations received an email with a direct link to the online questionnaire. Later on, a reminder was also sent out by the core team. Those who still did not respond were contacted directly by the national experts.^[11] We tried to persuade foundation leaders to fill in the questionnaire not only via email (3-5 repeated messages/foundation); we also called 70 of them by phone. In the meantime, the VU team developed a very short version of the online questionnaire in the hope that this would help us in our final attempt to increase the response rate. This 'short version' questionnaire included only 10 of the most important questions. In fact, the foundations proved to be more willing to fill in the short questionnaire, thus providing us with at least with some essential information on their activities, revenue and expenditure. As a result, the response rate increased somewhat, but was still not satisfactory.

From some encouragement by the VU team, we complemented the database on the basis of the foundations' annual reports in order to provide as complete a picture as possible. This was feasible because Hungarian nonprofit organisations are obliged to submit their annual accounts to the relevant registering court that makes the electronic version available on a website (<http://www.birosag.hu/allampolgaroknak/tarsadalmi-szervezetek-es-alapitvanyok-nevjegyzeke>). Although it happens quite frequently that foundations (especially small ones) fail to fulfill their reporting obligations, the majority of them comply with the regulations and submit some kind of report. Unfortunately, in many cases its only element is the accounting statement. However, the crucially important financial data and activity information matching the content of the short questionnaire could be found in most of the annual reports

All in all, our survey finally covered 46 % of the foundations originally identified by the Central Statistical Office and 67 % of those having an email address, but the amount of information we now have on the respondents is rather uneven (Table 3).

11 In Hungary's case, this work was done by Margit Kinyik, who also conducted nine of the ten interviews. I owe her a dept of gratitude for her assistance.

Table 3: The whole population of foundations supporting research and innovation, the sample, and the respondents

	Number of foundations	Percentage
Foundations identified by the Statistical Office (population)	642	100.0
Foundations having an email address (sample)	438	68.2
Respondents	294	45.8
Of which: Foundations that did not support R&I in 2012*	41	6.4
Relevant responses	253	39.4
Of which: The full questionnaire was completed	51	7.9
The short questionnaire was completed	202	31.5

* The overwhelming majority of these 41 foundations was not active in any other way. As one of our respondents and the annual reports of the foundations revealed, this inactivity mainly resulted from a lack of substantial revenue, but administrative reasons and organisational crises also happened to play some part.

The survey data are the main source of information we will rely on when analysing the foundations' organisational features, activities, relationships and contribution to European integration in Chapter 3. The overall number of responses is relatively high; consequently the survey data are fairly reliable in the case of the questions that were part of the short questionnaire. The other questions (included only in the full questionnaire) were answered by far fewer foundations, ^[12] thus we must be extremely cautious about the interpretation of the results. This is especially true for the questions that tried to explore the composition of assets, revenue and expenditure, as many of the respondents refused to share with us this kind of information.

Some additional (mainly financial) information is also available from the database we bought from the Central Statistical Office. Apart from their reliability, one major advantage of these official statistical data is that they cover the whole population of R&I-oriented foundations thanks to the relatively high response rate and a very sophisticated imputation method. ^[13] This is why we have used them in the analysis of the economic weight of foundations supporting R&I.

2.3 The interviews

In order to illustrate and enrich the data from the online survey and to develop a more in-depth understanding of the foundations' activities and their impact, we also conducted interviews with nine foundation leaders and one expert on R&I funding. The selection of the interviewees was guided by the preliminary information on the major types of foundation:

¹² The number of observations (N) is displayed for each table and figure containing the survey results.

¹³ Non-respondent NPOs are 'represented' in the database by respondents similar to them in terms of legal form, ICNPO subgroup, geographical location, and the community type of their seat (KSH, 2003:12).

1. Very large grantmaking foundations financed mainly from abroad: Magyar-Amerikai Fulbright Alapítvány (the Hungarian American Fulbright Foundation).
2. Very large operating foundations mainly financed (and more or less controlled) by the national government: Holocaust Dokumentációs Központ és Emlékgyűjtemény Közalapítvány (the Holocaust Documentation Center and Memorial Collection Public Foundation).
3. Operating foundations established by researchers and professionals committed to a specific issue, research field and/or innovation: Szociális Innováció Alapítvány (the Social Innovation Foundation).
4. 'Market-oriented' operating foundations engaged in applied research, project development and evaluation: Információs Társadalom Alapítvány (the Foundation for Information Society).
5. Innovation-oriented foundations focusing on the promotion of technological progress, sustainable economic development and putting innovative ideas into practice: InfoPark Alapítvány (the InfoPark Foundation).
6. Grant-seeking foundations closely connected to a state-run research institute: Népesedési Kutatások Alapítvány (the Foundation for Demographic Research).
7. Foundations mainly or exclusively dealing with the dissemination of research findings: Közgazdasági Szemle Alapítvány (the Economic Review Foundation).
8. Small grantmaking foundations created in remembrance of scholars well-known in some profession or in a relatively narrow academic community: Illyés Zsigmond Baleseti Sebészeti Tudományos Alapítvány (the Zsigmond Illyés Foundation for the Emergency Surgery Science).
9. Corporate foundations supporting research and innovation in the field its founder is interested in: Richter Gedeon Alapítványok (the Foundations of the Richter Gedeon Company).

We also wanted to interview the leader of a foundation supporting outstanding scholars and/or very talented young researchers through giving highly prestigious awards. Unfortunately, only two Hungarian foundations belong to this type and neither of them was ready to talk to us. Thus the tenth interview was conducted with an expert on research funding who has been involved in the development of the system for financing R&I activities for more than 30 years.

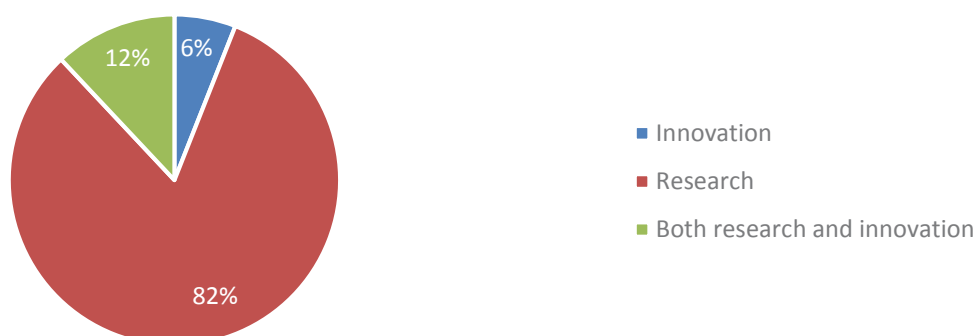
3 Results

3.1 Types of foundation

More than four fifths of the 253 respondent foundations supporting R&I in 2012 were specialised in re- search (Figure 3), while the share of exclusively innovation-oriented foundations was negligible.

Figure 3: Types of foundation in terms of research and/or innovation, 2012

As a percentage of the total number of foundations (N=253)

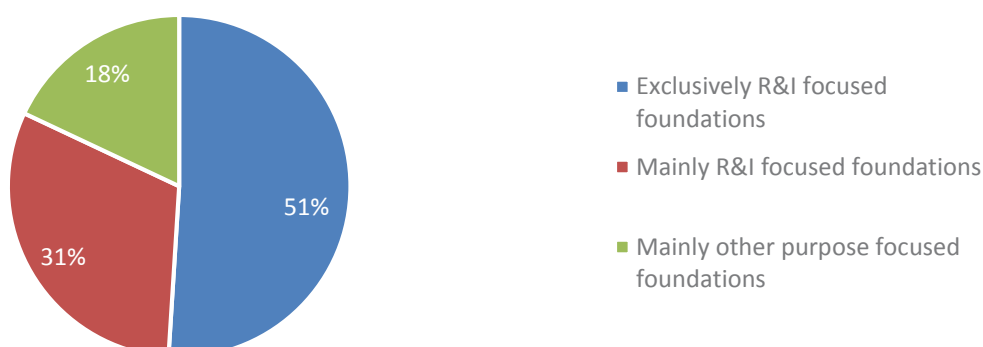


Source: EUFORI survey

About half of the foundations ^[14] reported only on R&I expenditure, meaning they dealt only with re- search and/or innovation in 2012 (Figure 4). R&I spending was dominant (exceeding 50 % of total expendi- ture) for almost one-third of them. The group of organisations mainly engaged in other activities proved to be relatively small (18 %) compared to R&I focused foundations.

Figure 4: Types of foundation in terms of purpose, 2012

As a percentage of the total number of foundations (N=222)



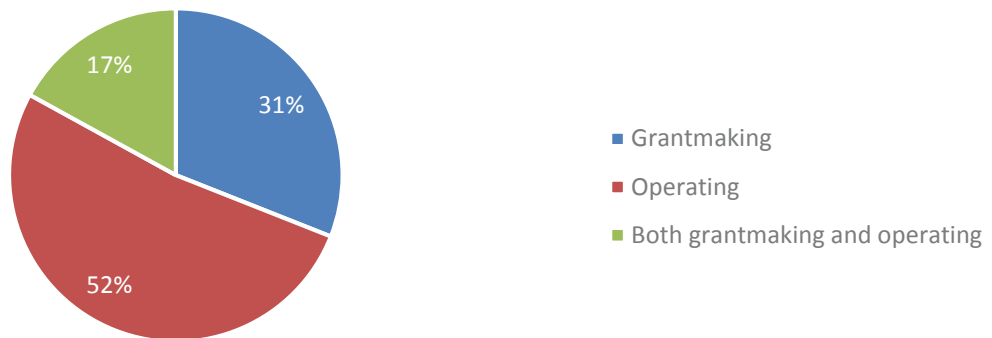
Source: EUFORI survey

14 Unfortunately, a significant part of the respondents did not provide us with information on their expenditure; several others only partly answered the expenditure question. It also happened that their answers were not consistent.

Hungarian foundations are fairly active in actual research work. According to our survey results, slightly more than half proved to be operating foundations (Figure 5), while less than one-third confined themselves to grantmaking. Mixed activities were rather rare.

Figure 5: Types of foundation in terms of grantmaking versus operating, 2012

As a percentage of the total number of foundations (N=248)

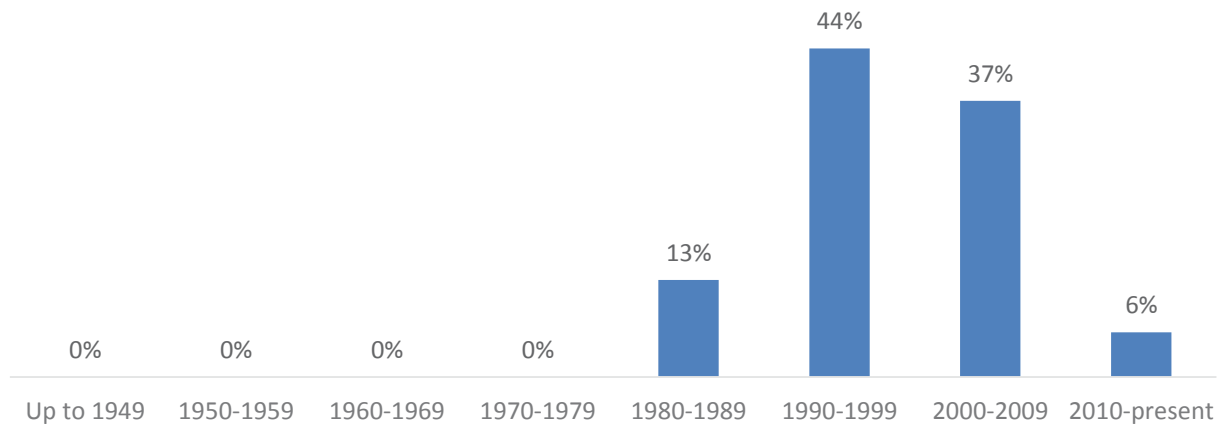


Source: EUFORI survey

The Hungarian R&I-oriented foundations (just like the foundation sector as a whole) are relatively new (Figure 6).

Figure 6: Types of foundation according to year of establishment, 2012

As a percentage of the total number of foundations (N=46)



Source: EUFORI Survey

As mentioned previously in Chapter 1, foundations have only been established in Hungary since 1987. Therefore, it is not surprising that almost half of our respondent foundations were created in the 1990s, during a period of extremely rapid growth (see Figure 1) for the foundation sector.

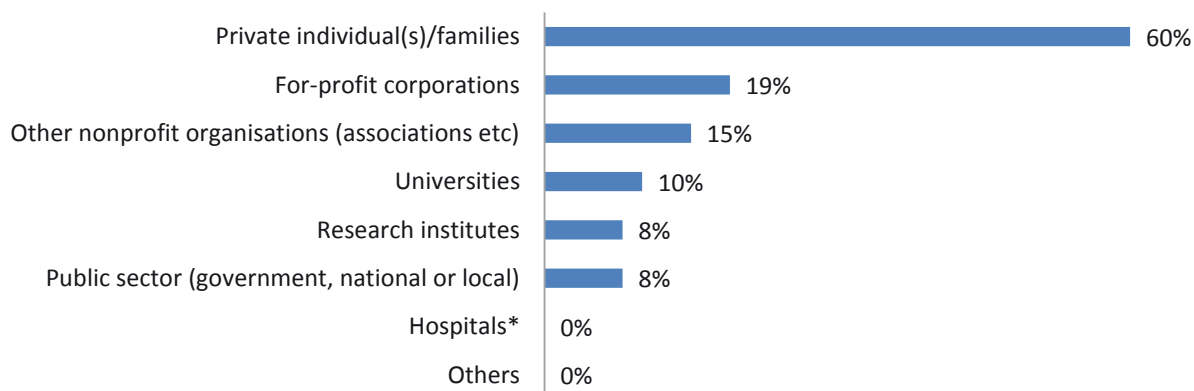
3.2 Origins of funds

3.2.1 Financial founders

Despite the large number of satellite foundations, the most important financial founders proved to be private individuals, followed by for-profit and nonprofit organisations (Figure 7). The seed money was of private origin in the cases of almost four-fifths of the foundations.

Figure 7: Financial founders, 2012

As a percentage of the total number of foundations, multiple answers possible
(N=48)



Source: EUFORI survey

* Although none of the 48 respondents that provided us with information on their year of establishment was founded by a hospital, there are several foundations with one or more hospitals among their founders in Hungary.

As mentioned above, legal regulations allowed the establishment of foundations with a very small ^[15] endowment, thus the founders did not need to be particularly rich or affluent. To take this opportunity was all the more attractive because this was a possible way of remaining outside government control. On the other hand, foundations without a substantial endowment are obviously dependent on their current income, which makes them financially vulnerable.

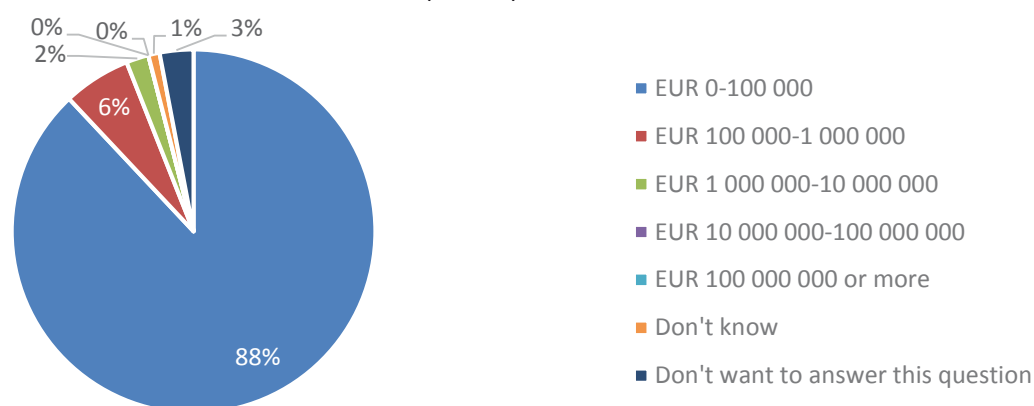
3.2.2 Income

This vulnerability can also be detected in both the low income and the revenue structure of the Hungarian foundations (Figure 8; Tables 4 and 5; Annex tables 1 and 2). According to our survey results, the total income of R&I-oriented foundations was 43 million Euros in 2012. As shown in Figure 8, only a very small part of the foundations had an income of over 100,000 Euros in 2012. The share of foundations with revenue under 10,000 Euros was 53 %.

¹⁵ In principle, this seed money was supposed to cover at least the initial fundraising or other income generating expenditure, as well as the costs of the establishment and registration procedure. In fact, lots of Hungarian foundations with an endowment of around EUR 500 were registered, so in the beginning they had to rely on the voluntary work of their founders.

Figure 8: Total income by category in Euros, 2012

As a percentage of the total number of foundations (N=250)



Source: EUFORI Survey

The analysis of income sources is based on the 2011 database of the Statistical Office because – thanks to a much more finance-oriented questionnaire – it contains more detailed information than our survey results, ^[16] while the major categories of revenue sources are either the same or very similar in both surveys. The figures for total income are naturally different. They indicate that R&I-oriented foundations generated more revenue (43 million Euros) in 2012 than in 2011.

Table 4: Amount and composition of the total income by sources, 2011 (N=642)

Sources	Income in Euros	Percentage
Income from an endowment	1 035 214	2.5
Income from private donations	6 910 329	16.5
Of which: Donations from individuals	747 254	1.8
Donations from for-profit corporations	5 411 844	12.9
Donations from other nonprofit organizations	751 231	1.8
Income from government	27 800 993	66.3
Of which: Income from national, regional and local governments	4 800 257	11.4
Income from EU and other foreign governments	23 000 736	54.9
Service fees, sales, unrelated business income	6 142 366	14.7
Other	18 172	0.0
Total	41 907 074	100.0

Source: Database of the Central Statistical Office

¹⁶ As far as the composition of the major sources of income is concerned, the results from the two surveys are not significantly different. If we calculate on the basis of the EUFORI data (Annex tables 1 and 2) after deducting the amount whose sources are not identified or classified as 'Other' by the respondents, the revenue structure we find is as follows: income from endowment 2.2 %, individual donations 0.4 %, corporate donations 10.1 %, support from NPOs 1.7 %, government support 66.7 %, and income from service fees and sales 18.9 %.

The most important source of revenue for Hungarian R&I-oriented foundations is government support, but only a small part (less than one fifth) of this comes from the Hungarian government. ^[17] The main donors are the European Union ^[18] and some foreign (e.g. the US, Austrian, Norwegian) governments. As one of our interviewees explained, the latter have made some attempt to convince the Hungarian government that it should increase its contribution, but without any success. Another interviewee even blamed one of the Hungarian ministries for ‘directing its hopes and efforts to get EU support instead of lobbying for an increase of R&I spending in the budget debate’.

The share of services fees, sales and unrelated business income is about one-sixth of the total revenue, slightly lower than that from private donations. Understandably enough, corporations are by far the most important private supporters, while the contribution by other nonprofit organisations and private individuals is rather small. Although the culture of giving has developed a lot in Hungary over the last few decades, the concentration of individual donations in the traditional fields of charity (health and social care, education) and the lack of interest in research and innovation have remained unchanged (Czakó et al., 1995; Czike and Kuti, 2006).

The income from endowment does not play an important role in financing R&I-oriented foundations, either. With very few exceptions, the donation of money by the initial founder(s) is the source of original endowment. Since the amount of this original endowment was generally very small, consequently inadequate for generating significant income, most of the founders did not insist on its maintenance. Four fifths of the foundations are supposed to expand, but also allowed to spend down their endowment at the trustees’ discretion. No wonder, then, that ‘only a handful of foundations own sufficient capital’ (Wizner and Aszalos, 2007, p. 200). However, the almost negligible return on financial investments also has to do with the very low Hungarian interest rate, the foundation boards’ ignorance of investment opportunities and their willingness to avoid risk.

It is worth noting that the overall financial importance of the different elements of revenue does not correspond with their accessibility (Table 5). The single most important foreign grants are available only for 3 % of the foundations supporting R&I, while almost two-thirds of them receive some income from their endowment.

17 This relatively small contribution by the Hungarian government, together with the low share of public sector bodies among financial founders (Figure 7), explains that direct government participation in the operating of foundations proved to be quite rare. 5 % of our respondents (N=21) had government representatives on their governing board; 10 % reported such a presence on their supervisory board. When rating the government’s influence on their decision-making on the allocation of funds for R&I on a scale of 0-10 (Not influential – Totally influential), the average score given by the same respondents was only 3.2.

18 Most of the EU money comes from the Structural Funds through a government-controlled system of applications, but some Hungarian foundations also have access to direct EU support.

Table 5: Composition of foundations according to the importance of the different income sources within their total revenue, 2011 (N=642)

Income sources	More than two thirds of total revenue coming from a specific income source, %	Less then one third	None	Total
Income from an endowment	20.4	43.6	36.0	100.0
Private donations	26.6	18.9	54.5	100.0
National, regional, local governments	14.3	30.7	55.0	100.0
EU and foreign governments	1.4	2.0	96.6	100.0
Service fees, sales, business income	13.7	15.9	70.4	100.0

Source: Database of the Central Statistical Office

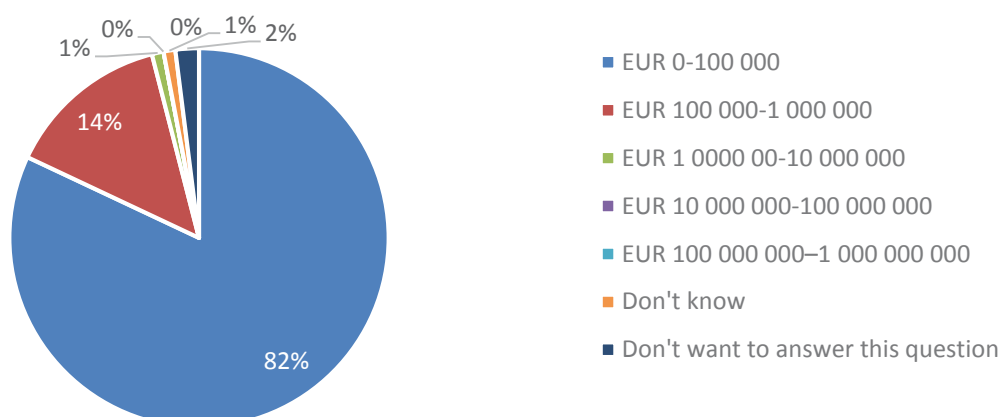
About one third of the foundations earn some income through the provision of services and slightly less than half of them have access to private donations and government support. The surprisingly high share of foundations receiving some support from the state budget is a result of the 1 % system. Individual taxpayers can be fairly easily contacted by foundations having close relationships with universities and hospitals, and it is not too difficult to get some 1 % support through their assignment decision. However, the majority of state support is distributed by government authorities and is only available for a small number of foundations.

3.2.3 Assets

According to the respondents of the EUFORI survey, the amount of total assets was 26 million Euros in 2012 (Annex tables 3 and 4). More than four fifths of the foundations had very small assets (Figure 9).

Figure 9: Total assets by category in Euros, 2012

As a percentage of the total number of foundations (N=241)

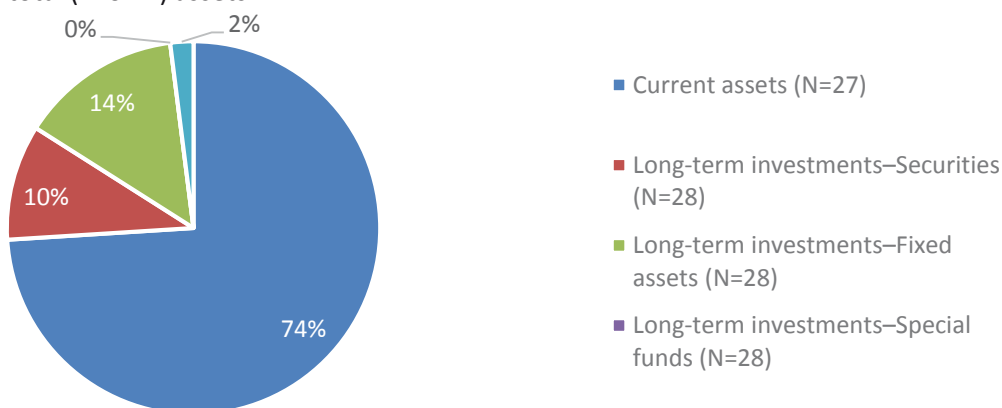


Source: EUFORI Survey

The composition in terms of types of asset (Figure 10) supports our former statement about the foundation boards' very cautious investment behaviour, which is rooted partly in their willingness to avoid risks but also in the uncertainties of the financial environment and the lack of capital market experience and skills.

Figure 10: Distribution of assets, 2012

As a percentage of total (known) assets



Source: EUFORI Survey

Current assets (cash and other assets that can be converted into cash or consumed within a short time) accounted for almost three quarters of the total assets in 2012. The share of all kinds of long-term investment that might generate much higher returns proved to be low. None of the respondents reported on any investment in special funds.

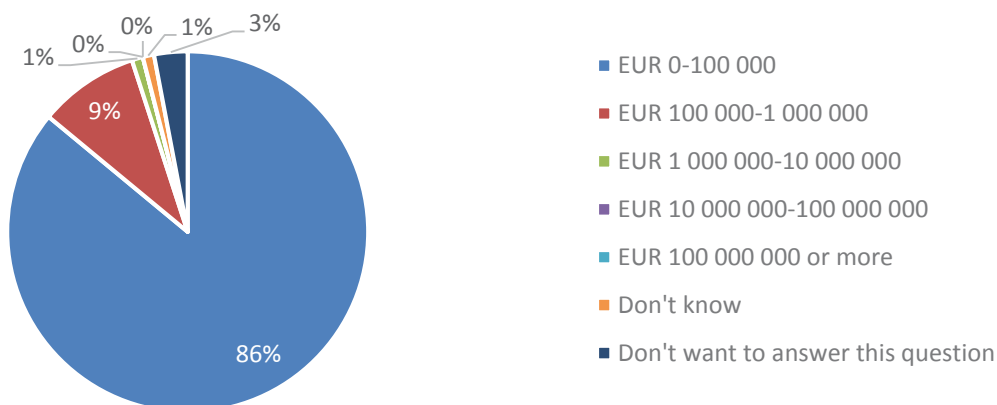
3.3 Expenditure

3.3.1 Total expenditure

The total expenditure of the Hungarian R&I-oriented foundations added up to EUR 42.5 million in 2012 (Annex tables 5 and 6). As mentioned previously, the overwhelming majority of these foundations were very small organisations with extremely low incomes. It is not surprising, then, that almost nine tenths of

Figure 11: Total expenditure by category in Euros, 2012

As a percentage of the total number of foundations (N=248)



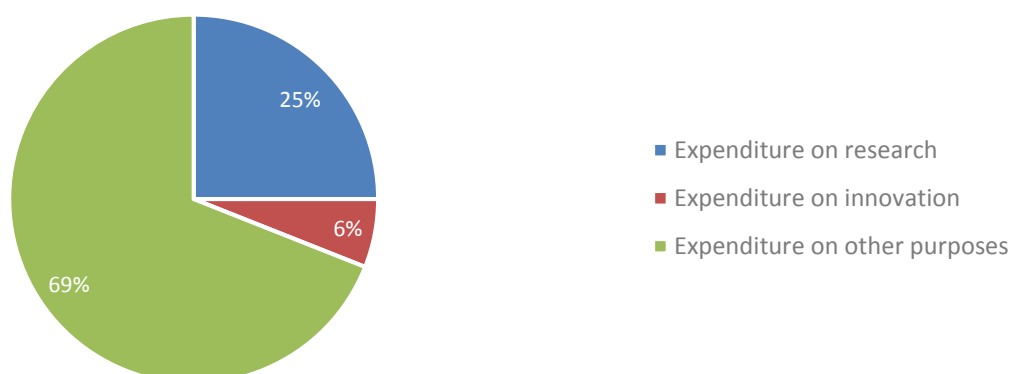
Source: EUFORI Survey

them spent less than EUR 100 000 in 2012 (Figure 11).

One quarter of the total expenditure served research purposes (Figure 12), another 6 % went to innovation

Figure 12: Distribution of total expenditure in terms of research, innovation and/or other purposes, 2012

As a percentage of the total known expenditure (N=227)



Source: EUFORI survey

and more than two thirds of the total expenditure was used outside the field of research and innovation. This is explained by the fact that there are some huge foundations in Hungary that combine several activities. Some of them are higher education-related foundations (e.g. the Tempus Foundation) with a clear focus on student fellowships and other education-oriented programs where support for research is secondary. Another type was described by one of our interviewees as follows:

The foundation has several activities, out of which running the Holocaust Museum with its permanent exhibition and the Documentation Centre collecting documents about the Hungarian Holocaust victims are the most important ones. Besides, the foundation organises travelling exhibitions, events, conferences, teacher training courses and the Holocaust Memorial Day. Its research activity focuses on the analysis of twentieth century Jewish history in Hungary.

It is also quite common that foundations connected to hospitals are much more involved in improving health services and/or helping (sometimes even organising) the training of employees than in supporting research projects and promoting doctors' scientific careers.

Even the completely research-oriented foundations tend to combine their scientific work with related

educational programs.

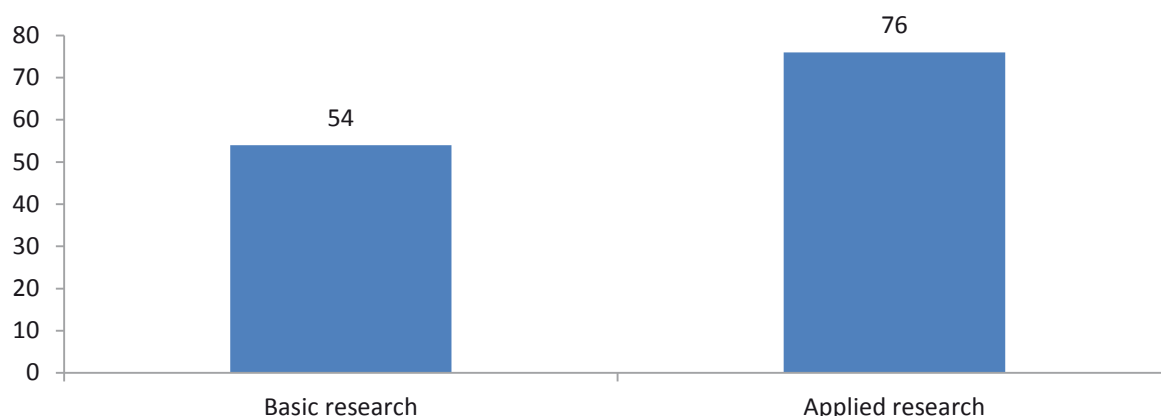
As one of our interviewees, the head of a foundation mainly engaged in applied IT research, reported: in its most prosperous period the foundation worked a lot for banks and similar financial institutions. There were years when it had research contracts from 50-60 market organisations and ran over 110 projects. In parallel, the foundation became an accredited adult education institution with several specific and unique training programs, e.g. the IT Safety Expert course, the Bank Information Technology or the Electronic Signature training.

3.3.2 Research

Only 48 % of the total research expenditure went directly to scientific institutions, projects and programs (Annex table 7). Slightly more than half of them financed research-related activities, mainly the dissemination of scientific results, scientific communication, and researchers' mobility.

Figure 13: Total expenditure on research Basic vs Applied, 2012

As a percentage of the total number of foundations, multiple answers possible (N=37)



Source: EUFORI survey

About half of the research-oriented foundations supported basic research, while three quarters of them dealt with applied research (Figure 13). The overlap between the two was 30 %.

Not much more than one quarter of the known research expenditure went on basic research (Annex table 8), probably because basic research is generally very expensive and closely connected to the Academy of Sciences and universities; thus foundations can only afford to take part in it through organising and funding low budget research-related activities. In addition, it is obviously more difficult to raise funds and generate demand for basic research than for applied research projects because the latter's purposes and practical utility are more often clear at first glance.

Research grants consumed more than half of the foundations' research expenditure in 2012 (Annex table 9). This probably had to do with the large number of satellite foundations that were created mainly in order to support their parent institutions. However, the presence of some really large grantmaking foundations (e.g. Tempus, Fulbright) was also responsible for the high share of research grants. The share of operating costs was only 24 %, but we have every reason to believe that most of the 'Other research expenditure' actually belongs to the category of operating costs.

3.3.3 Innovation

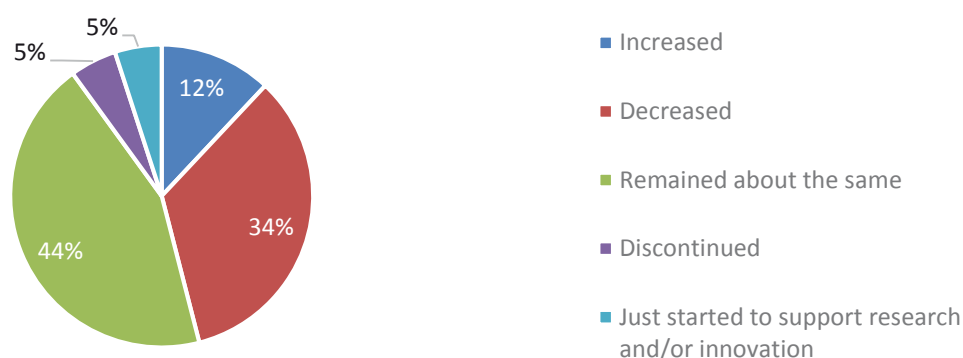
Grantmaking seems ^[19] to be much less important in supporting innovation than in the field of research (Annex table 10). It accounts for only one fifth of the innovation expenditure; the other 80 % makes up the operating costs of foundations engaged in innovation.

3.3.4 Changes in expenditure

Very few (only 12 %) of the foundations were able to increase their expenditure in 2012 (Figure 14). More than one-third of them had to spend less than before; another 5 % could not continue financing their former activities at all.

Figure 14: Changes in expenditure on research and innovation compared to the previous year, 2012

As a percentage of the total number of foundations (N=41)



Source: EUFORI survey

19 The extremely low number of valid cases makes any further analysis impossible.

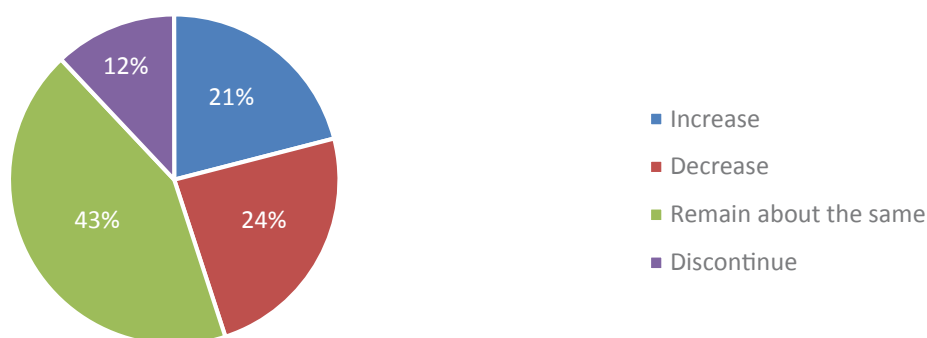
With one exception, ^[20] all the foundation leaders we interviewed complained about financial difficulties. As they explained, the economic crisis was harmful for them in several different ways. It equally reduced the market demand for their services and the amount of international, governmental and corporate support. The problem was even aggravated by government policy. In the words of one of our interviewees:

The state – in order to balance the budget – hunted down all the sectors that were able and traditionally willing to sponsor research. The government introduced the bank tax, the telecom tax, the chips tax, the transaction tax and it keeps tapping these sectors... In this situation, it is not enough to know personally the director of a bank; it is no use to go there to ask for support.

The expectations were not very different from the previous year's experiences (Figure 15). Only one fifth of the foundations hoped for an improvement, while 36 % of them were definitely pessimistic.

Figure 15: Changes in expenditure on research and innovation, expectations for the next year, 2012

As a percentage of the total number of foundations (N=42)



Source: EUFORI survey

The overall evaluation of the perspectives also depended on the size of the endowment, as is reflected in the following statements of two of our interviewees.

20 The HR executive of a large pharmaceutical company stated that the corporate support to their 'own' foundations remained unchanged despite the economic crisis.

It is good that the foundation is behind us as a reservoir; sometimes it is full, at other times it can be drained. Although we can survive somehow until the middle of next year, without additional resources we will have to shut up shop then.

3.4 Focus of support

3.4.1 Beneficiaries

The survey question about beneficiaries was answered by very few respondents (N=16), so the information we received is not reliable. Moreover, the figures seem to be misleading, thus we prefer not to analyse them. Instead, we can rely on the data from the Statistical Office (Tables 6 and 7).

Table 6: The number of R&I-oriented foundations and grants according to the beneficiaries of grantmaking activities, 2011 (N=642)

Grantmaking activities	R&I-oriented foundations'		Grants made by them	
	Number	Percentage	Amount in Euros	Percentage
No grant (operating foundations)	412	64.2	–	–
Grants only to individuals	145	22.6	2 214 695	8.6
Grants only to organisations	47	7.3	809 003	3.1
Grants to individuals & organisations	38	5.9	22 771 353	88.3
Total	642	100.0	25 795 051	100.0

Source: Database of the Central Statistical Office

The majority of the R&I-oriented grantmaking foundations supported partly or exclusively private individuals. Nevertheless, the total amount of grants given to organisations (universities, scientific societies, research institutes, hospitals etc.) was five times higher than to individuals (researchers, professors, students etc.).

Table 7: The composition of grants given to individuals and organisations according to the form of support, 2011 (N=642)

Form of support	Grants to individuals		Grants to organisations	
	Amount in Euros	Percentage	Amount in Euros	Percentage
Financial grant	4 220 841	94.4	21 178 403	99.3
In-kind support	249 200	5.6	146 607	0.7
Total	4 470 041	100.0	21 325 010	100.0

Source: Database of the Central Statistical Office

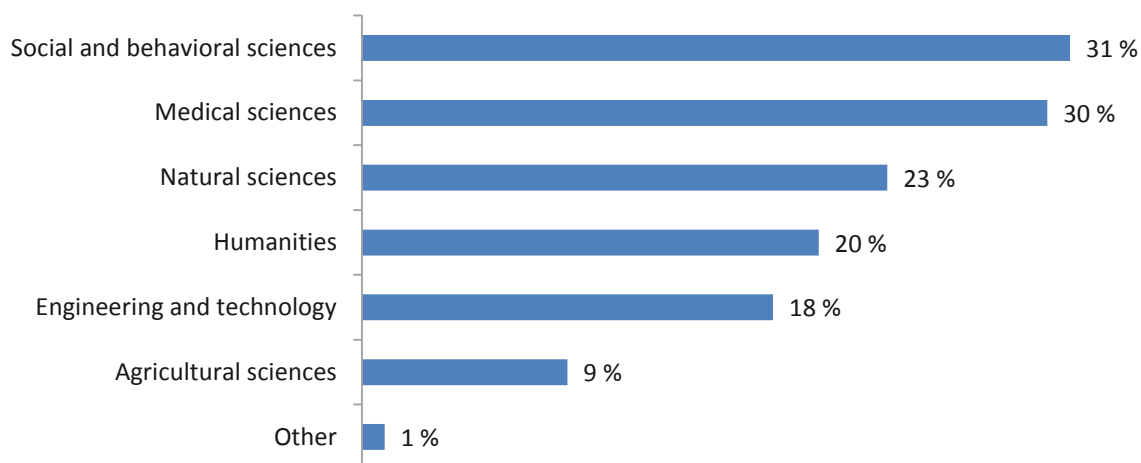
It is also interesting that the in-kind support played a significantly more important (although still not very important) role in helping private individuals than in supporting organisations. Our interviewees mentioned many specific forms of this in-kind support, including free access to scientific publications, office and laboratory facilities, and legal, information and administrative services, etc.

3.4.2 Research fields

Foundations may naturally focus on several different research fields, thus the sum of percentages displayed in Figure 16 exceeds 100 %. However, multi-focus foundations proved to be rare in Hungary; about four fifths of the respondents supported only one research field.

Figure 16: Thematic research fields, 2012

As a percentage of the total number of foundations, multiple answers possible (N=239)



Source: EUFORI survey

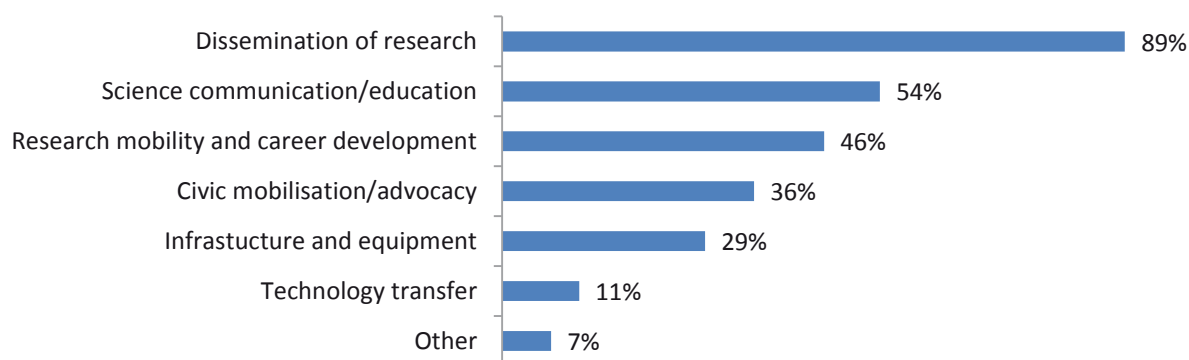
The two most supported fields were the social and medical sciences; almost one third of the foundations played some role in helping their work, while the agricultural sciences proved to be almost neglected. The share of supporters of the natural sciences, the humanities, and engineering and technology was about 20 %.

3.4.3 Research-related activities

Almost nine tenths of the respondents mentioned their involvement in the dissemination of research results (Figure 17), and about half of them promoted science communication, researchers' mobility and career development.

Figure 17: Research-related activities, 2012

As a percentage of the total number of foundations, multiple answers possible
(N=28)



Source: EUFORI survey

Our interviews gave us many interesting examples of these kinds of research-related activities. A small selection of them is as follows:

The foundation's main activity is to publish the 'Economic Review', a scientific periodical that has a long tradition.

The foundation aimed to create a network with the hospitals, practitioners and universities of the neighbouring countries in order to exchange experiences and knowledge and to establish a research laboratory for the improvement of surgical practices. Another activity was to provide financial support to practising medics to participate in conferences or publish their scientific results.

The foundation is involved in the organisation of an international conference in Budapest; the regular two-year conference of population researchers throughout the world.

The aim of the foundation is to organise the bilateral exchange of students, teachers and researchers between the US and Hungary, to promote the understanding of different cultures and overall to serve peace.

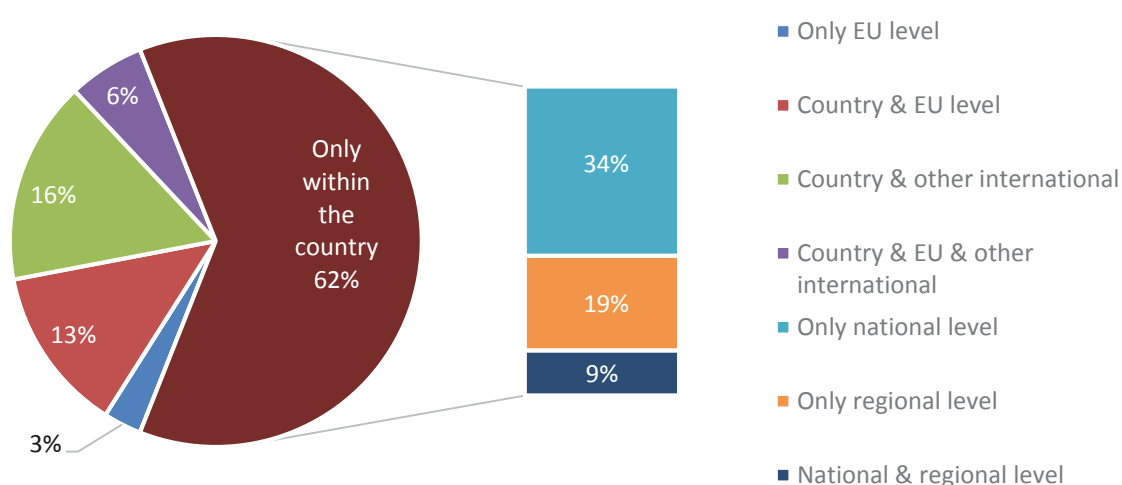
3.5 Geographical aspects of the activities

3.5.1 Geographical focus

As the above examples already suggest, international relations and projects are an integral part of several Hungarian foundations' work. However, according to our survey results (Figure 18) only 38 % of the responding organisations spent some part of the funds available to them abroad, but even these foundations tended to combine foreign and local spending. An exclusively European focus was exceptional; only one of the respondents indicated that it financed research and innovation activities only on a European level.

Figure 18: Geographical focus of support, 2012

As a percentage of the total number of foundations (N=32)

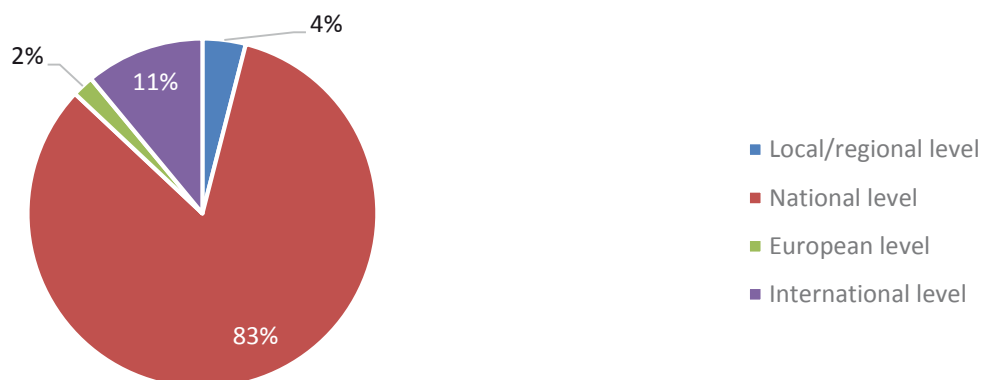


Source: EUFORI survey

The share of research and innovation expenditure distributed by the respondents on a European and international level was only 13 % (Figure 19 and Annex table 13). The largest part (83 %) of the expenditure was allocated on a national level.

Figure 19: Geographical focus of support, 2012

As a percentage of the total (known) expenditure on research and/or innovation (N=32)



Source: EUFORI survey

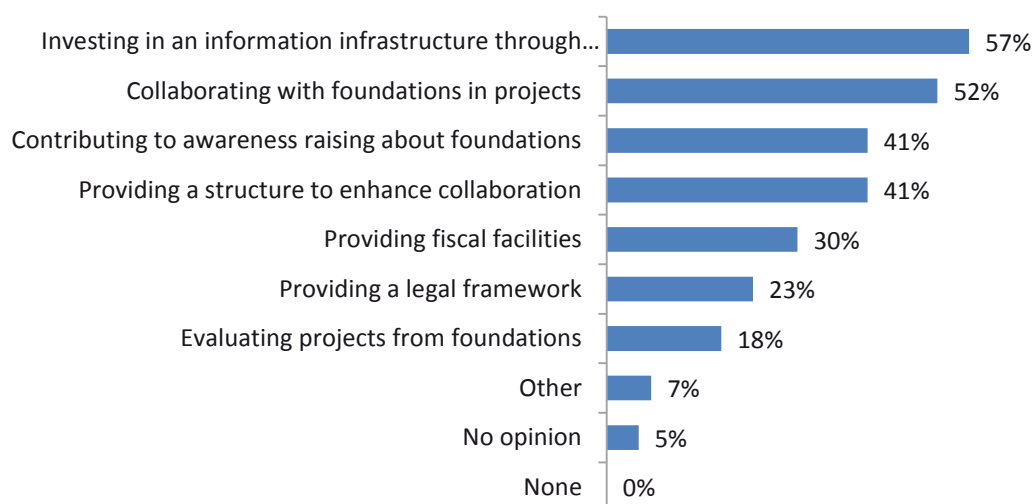
In fact, the concentration of spending in Hungary does not mean that R&I-oriented Hungarian foundations keep their professional activities inside the country's borders. As we have already mentioned, many foundations support the participation of researchers, university professors, doctors etc. in international conferences and networks. These grants are obviously reported as local expenditure because the recipients are private Hungarian individuals. Similarly, research foundations participating in international projects are likely to spend their money mainly at home, while co-operation with foreign partners is an integral part of their activities and the results of these projects may even serve European integration.

3.5.2 The role of the European Union

Whether or not they took part in EU-level activities, Hungarian foundations almost unanimously^[21] declared that the European Union should play some (in most cases more than one) role in relation to the foundations. The two most frequently mentioned roles were investing in an information infrastructure through the development of databases and collaboration with foundations in projects (Figure 20). About 40 % of the respondents expect that the EU should provide a framework for enhancing collaboration and contributing to raising awareness about foundations.

Figure 20: The role of the European Union, 2012

As a percentage of the total number of foundations, multiple answers possible
(N=44)



Source: EUFORI survey

Interestingly enough, the idea of an EU-level provision of a legal framework and fiscal facilities proved to be much less popular, not to mention the participation of the European Union in the evaluation of projects from foundations.

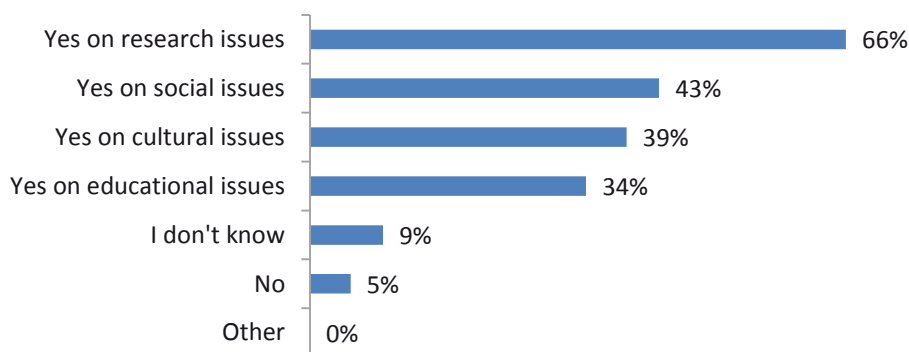
21 In fact, none of the respondents said that the EU should not play any role. However, 5 % of them did not have an opinion.

3.5.3 Contributions to European integration

The geographical focus of the allocation of expenditures (Figure 19) did not have a significant impact on how the foundations assessed their own contributions to the European integration (Figure 21). Nearly all the respondents thought that their organisation's activities played some role in the development of Europe-wide co-operation in one or more fields.

Figure 21: Contributions to European integration, 2012

As a percentage of the total number of foundations, multiple answers possible (N=44)



Source: EUFORI survey

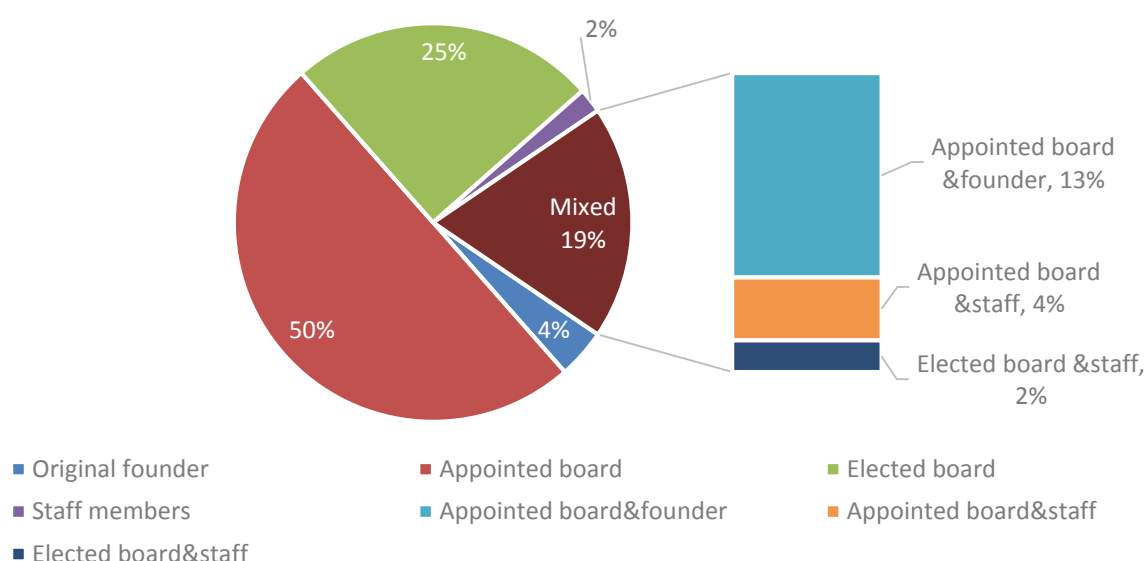
As could have been predicted, the field where the R&I-oriented foundations felt most often influential was research (two-thirds of the respondents referred to this). On the other hand, it is somewhat surprising that contributions to European integration on social issues were more frequently mentioned than either educational or cultural issues.

3.6 Foundations' operations and practices

3.6.1 The management of foundations

In principle, the decision-making body of all Hungarian foundations should be an appointed board. The legal regulation even provides that the original founder is not allowed to have a dominant position on the board. In practice, the picture is more varied.

Figure 22: Participants defining the annual strategy, 2012
As a percentage of the total number of foundations (N=48)



Source: EUFORI survey

As Figure 22 shows, not only the founders, but even the paid employees play a sometimes decisive, sometimes less important role in defining the annual strategy of one-quarter of the foundations. ^[22] According to our interviews, the staff members' influence is more likely to be stronger in the case of the operating foundations, while the dominance of grantmaking activities normally implies a higher degree of board responsibility, even if the preparatory work done by the paid employees might significantly influence the board's decisions. The board's position can be rather delicate in the case of satellite foundations, as is reflected in one of our interviews:

A latent conflict between the scientists and medicals and the 'lay' members of the board hindered the implementation of an ambitious goal, the creation of a 'research laboratory'. There seemed to be a conflict between the professionally competent representatives of the hierarchical, state-run hospital and the lay initiators representing the foundation and its mission.

22 Decision making by staff members was spontaneously mentioned by the respondents; it was not an option on the questionnaire.

In order to prevent the emergence of this kind of conflict, most of the parent institutions delegate their top leaders to their foundation's board, which can easily result in other problems, such as a decline in independence and the shrinking innovation potential of these foundations.

Unfortunately, the danger of a conflict between the board members and the foundation employees is almost negligible because only 15 % of the R&I oriented foundations have any kind of employees; all the others work with volunteers.

Table 8: Number of employees in the foundations supporting R&I, 2011 (N=642)

Employment type	Number of employees	Percentage
Full-time employment	303	68.9
Part-time employment	98	22.3
Temporary employment, conditions specified by contract	39	8.8
Total	440	100.0
Full-time equivalent (FTE) number of employees	340	–

Source: Database of the Central Statistical Office

As shown in Table 8, the total number of employees is extremely low.^[23] In addition, almost one third of the actually employed 440 persons work either part-time or on a temporary basis. This also means that only a very small part of the Hungarian foundations have any chance of being managed in a professional way.

3.6.2 How do grantmaking foundations support research?

Both the shortage of paid staff and the large number of satellite foundations are likely to have an impact on the selection of grantmaking methods. A proactive search for projects through competitive calls for proposals or otherwise is only possible if knowledgeable people (ideally experts from the specific field in which the foundation operates and a competent support team) are dealing with it. Since neither of them are available for the overwhelming majority of Hungarian foundations, it is not surprising that waiting for applications, or even simple written or oral requests, proved to be the only technique for almost two-fifths of the grantmaking foundations. Another two-fifths of the foundations also waited for applications but used some other, more proactive techniques, as well. (Figure. 23).

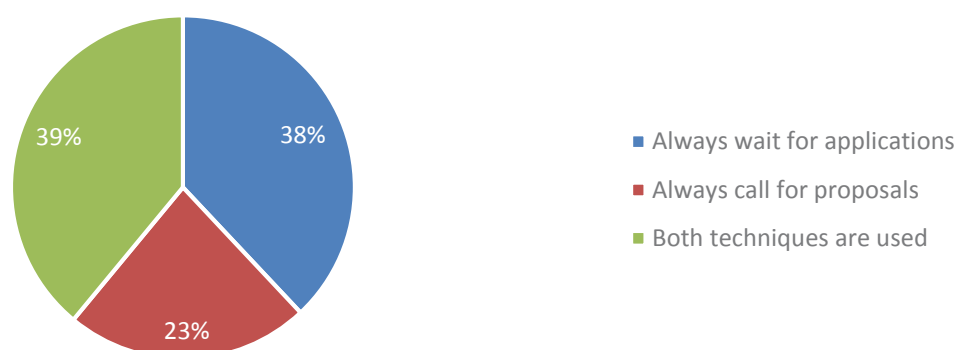
The competitive calls for proposals are especially rare in the case of satellite foundations, whose supportees are mainly the parent institutions themselves together with their employees and clients. Although it happens that these latter (e.g. professors, researchers) have to formally apply for grants, they generally do so on their own initiative and not as a response to a call for proposals. Decisions on direct grants for

23 Official statistical data must be used here because the estimation of the number of employees based on the EUFORI survey is misleading due to the extremely small number of responses (N=20; FTE=59).

parent institutions are most often based on an informal agreement between the foundation's board and the institution's top managers.

Figure 23: Application procedures in the practice of grantmaking foundations

As a percentage of the total number of foundations (N=118)

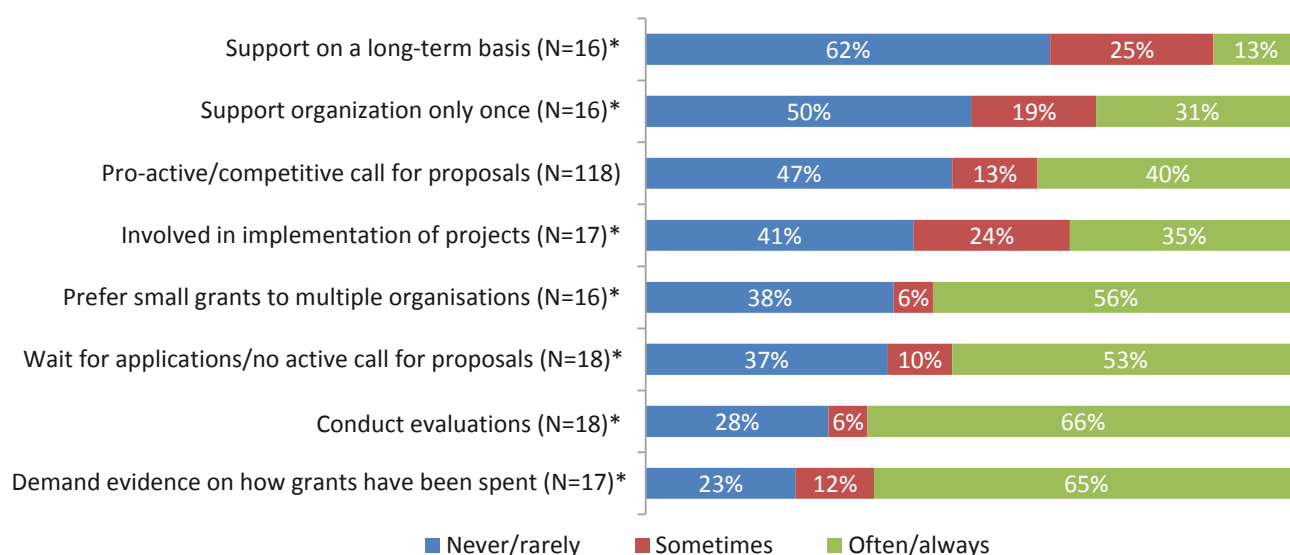


Source: EUFORI survey

As Figure 24 shows, demanding evidence on how grants have been spent and even conducting evaluations are quite frequent among the respondents. By contrast, the survey results reveal that support on a long-term basis is definitely not a 'daily practice' within Hungarian grantmaking foundations.

Figure 24: The daily practices of grantmaking foundations

As a percentage of the total number of foundations



Source: EUFORI survey

* The very low N is explained by the fact that only the grantmaking foundations who had decided to fill in the full version of the questionnaire had to answer these questions. (The shortened version only included the questions about the call for proposals.)

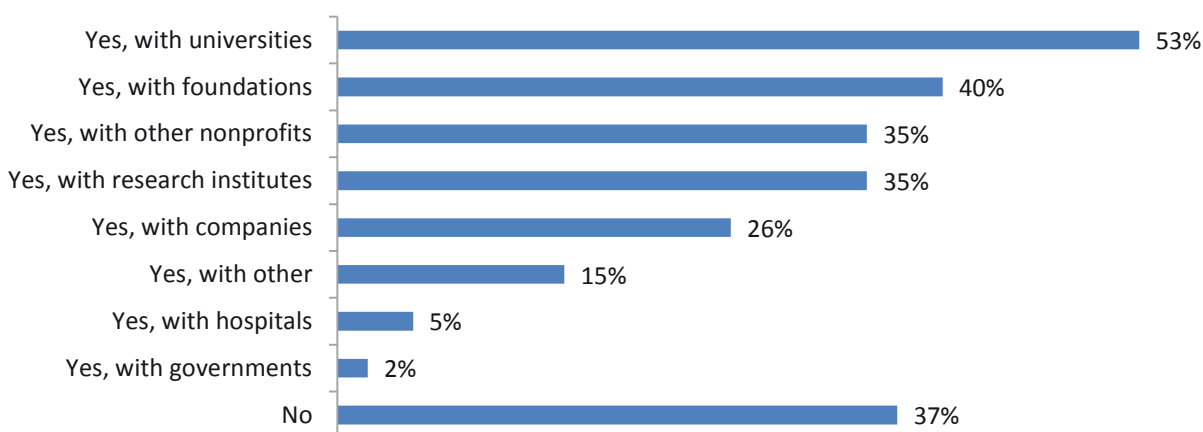
The strong preference for small grants by multiple organisations is probably due to the limited resources available for foundations. As a matter of fact, most Hungarian foundations would be unable to offer huge grants even if they selected very few grantees, because the amount they are able to distribute is very small indeed.

3.6.3 Engagement in partnerships

Despite this financial weakness, more than one third of the R&I-oriented foundations tried to work alone in 2012; they did not engage in partnership with any kind of potential partner (Figure 25). As it was to be expected, higher education institutions proved to be the most ‘popular’ partners; about half of the respondent foundations co-operated with them. Partnerships with foundations, other nonprofit organisations and research institutes were also common. By contrast, co-operation with governments was extremely rare.

Figure 25: Partnerships, 2012

As a percentage of the foundations, multiple answers possible (N=43)

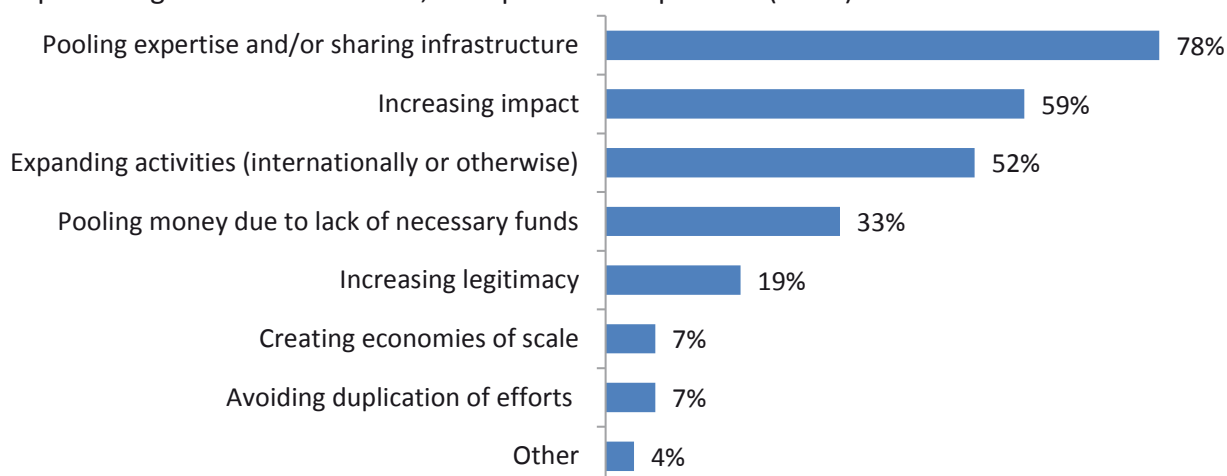


Source: EUFORI survey

Pooling expertise and/or sharing infrastructure seemed to be the single most important consideration behind co-operation decisions; almost four fifths of the respondents selected this option when answering the ‘why’ question in the survey (Figure 26). Increasing impact and expanding activities were also among the more frequently mentioned reasons for engaging in partnerships, while creating economies of scale and avoiding duplication efforts did not really motivate co-operation decisions

Figure 26: Motivation partnerships, 2012

As a percentage of the foundations, multiple answers possible (N=27)



Source: EUFORI survey

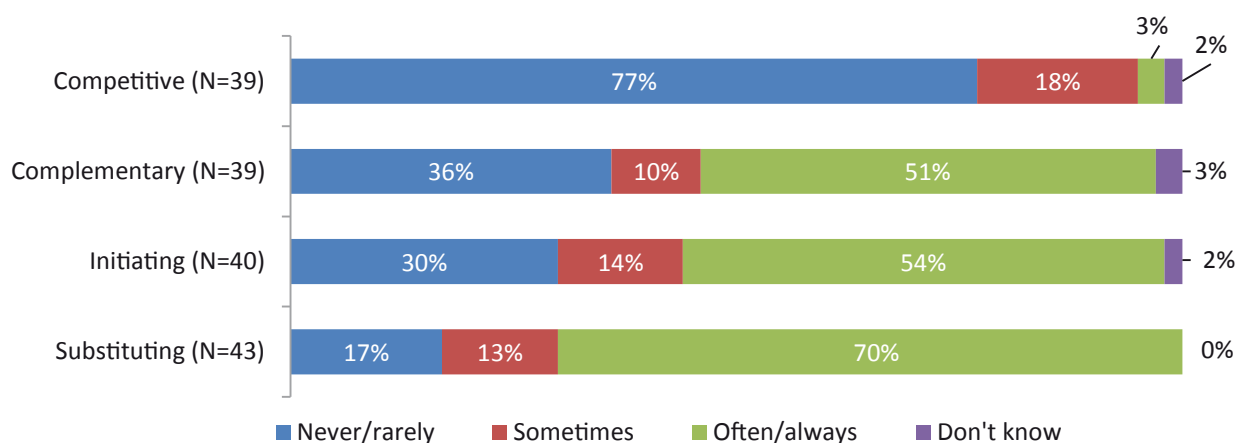
3.7 Roles and motivations

3.7.1 Roles

Our survey results (Figure 27) suggest that the most important role of foundations is to take on government functions and to participate in the provision of public and quasi-public goods. However, the noticeable importance of this substituting role does not mean that Hungarian foundations are so different from the European ones that 'do not appreciate the idea of being involved in substituting the state' (Anheier and Daly, 2007, p. 30). The explanation for this probably lies somewhere between parsimonious government support for research and the legal regulations that make public benefit status and tax privileges available for foundations only if they take on government tasks.

Figure 27: The roles of foundations, 2012

As a percentage of the total number of foundations



Source: EUFORI survey

The respondents attached less importance to the complementary and initiating roles than to the substituting ones, but still more than half of them indicated that they often or always played these roles. By contrast, the vast majority of the foundations stated that they never behaved in a competitive way.

3.7.2 Motivations

Different participants in the field of research and innovation obviously have different motives when they decide to establish, run or support foundations. The selection itself of the foundation form is probably an indicator of their willingness to take the initiative, and to do something more or less independently from the government and the business sector.

One of the most easily noticeable motives behind the establishment of a foundation supporting R&I is the initiators' deep commitment to the cause of scientific development, social and technical innovation, and/or the introduction of research results into practice. The majority of our interviewees referred to the importance of their organisation's mission, be it the mobility of the researchers, the publication of a prestigious scientific journal, the spreading of social innovation, or the preservation of the memories of great scientists or Holocaust victims.

Beyond this commitment, the people active in the foundation sector may also have their own personal motives. There are professionals (researchers, professors, doctors etc.) for whom foundations are only vehicles for raising funds and supporting the public institution where they are employed. Other professionals use foundations as an institutional framework for their research activities, as an organisation that is prepared to host different kinds of research project and to provide them with infrastructural and administrative services. It also happens that the initiators of foundations have purely emotional motives, such as in the following example:

The initiator – the current secretary of the board, our interviewee – was touched due to his accidental injury being treated successfully in the traumatology department of the county hospital that is famous for its former leading orthopedic surgeon. This is how he decided to create a foundation named after this surgeon in order to support the scientific activities of this department.

Some kind of foreign impact may also become a source of motivation for researchers, especially in countries outside the mainstream of social and economic development. This kind of inspiration (participation in an international project) played a decisive role in the establishment of one of the most prestigious foundations in Hungary:

The foundation was established on the initiative of social policy experts who were inspired by a successful project focusing on social partnership supported by the British Council. During the international closing workshop in London in 1996, the Hungarian team decided to establish a foundation to continue the work. They created the foundation in order to implement innovative projects and action research.

Private individuals are obviously not the only possible founders. As we have already seen, one can also find public institutions, government agencies and companies among the initiators of the establishment of R&I-oriented foundations. The motivations of these public players are generally very simple. They want to attract additional funds and sometimes talented researchers with the assistance of their foundation. The motivations of business firms are a bit more complex, as it is reflected in our interviews:

The company is committed to contributing to research and higher education only in the fields that are close to its own profile.

Several accidents had happened in both the companies participating in the establishment of the foundation for the development of emergency surgery. This is why it was relatively easy to win their support.

Such a huge company as Richter is expected to devote resources and be socially responsible, as well as to be responsible for the environment.

Besides the obvious business interests, marketing and PR considerations (e.g. the media coverage of award announcements), companies may have at least two other motives. They may realise that the foundations' activities are indirectly important and useful for them, or for their employees and/or clients. In an ideal case, they can also be aware of their social responsibilities, thus becoming motivated to promote good causes, including research and innovation.

4 Innovative Examples

Four concrete examples of successful and innovative activities of Hungarian foundations in the field of R&I will be described in this chapter. However, these four examples represent five different types of innovative practice, namely:

- successful partnership,
- engaging the public interest in research,
- making use of knowledge put into practice in a different sector and having a major impact on that sector,
- financing a pilot of an innovative project,
- assistance in a new product's introduction to the market.

While selecting the innovative examples, we equally relied on indications given by our interviewees and survey respondents, on the annual reports and websites of foundations involved in R&I activities and on the writings of scholars who have analysed innovative projects.

Example 1: The success of the Researchers' Night (<http://www.kutatokejszakaja.hu>) is not only the outcome of the collective efforts and co-operation of foundations and their partners, but is also an example of increasing public interest in research. The idea is of European origin, ^[24] but the Tempus Foundation has played an important role in its adaptation and development into a country-wide series of well-known and popular events in Hungary. It has organised a large consortium of universities, R&I foundations and research institutes in order to make research results available to a broader audience; to turn the focus of the wider public onto researchers and their career potentials; and to break down the stereotypes concerning science and its position in the world. The participating organisations offered not only scientific presentations; their visitors could also participate in experiments and games. Another consortium coordinated by the Bay Zoltán Foundation for Applied Research joined the movement in 2010. The latter significantly widened the project; it organised events in public places including secondary schools and the laboratories of multinational companies. The activities also became more varied and in some ways more entertaining; the traditional programs were completed by shows, demonstrations, exhibitions, competitions, roundtable discussions, and even by concerts and theatre plays.

According to the Tempus Foundation's annual report (<http://www.tpf.hu>), about 2700 programs were organised in 73 different institutions (universities, laboratories, botanical gardens, observatories, secondary schools etc.) in 2012. These events attracted more than 65 000 visitors. As one longitudinal survey (Geambaşu et al., 2013:52) pointed out, the visitors consisted of three major groups: high school students,

24 Researchers' Night projects (funded within the Seventh Framework of the European Union) have been run in several member states of the EU since 2005. Hungary joined the project in 2006.

young adults and young parents. ‘Whereas high school students are more eager to “learn” and acquire more pieces of information, young adults – university students or graduates – see the Researchers’ Night as an encounter with a different world. Lastly, young parents with children look for quality leisure programmes, and at the same time they are determined to channel children’s interest towards science.’

The collaboration itself between the organisers was almost as important as the achievements of the Researchers’ Night project because it enabled the members of the consortia to learn about each other, to raise funds and to develop mutual trust – all indispensable for further co-operation.

Example 2: The SZIA Quality Model is a nice example of making use of already existing knowledge by putting it into practice in a different sector and having a major impact on that sector. Quality assurance models (e.g. ISO, TQM) have been in existence in the for-profit sector all over the world for several decades. Their introduction also took place in Hungary after the political changes of 1989 thanks to the subsidiaries of multinational firms which brought with them their business culture. Their example was followed by health and educational institutions quite quickly, but quality assurance policies were still not present in social care in the early 2000s.

The Social Innovation Foundation (<http://www.szia.org>) recognised the problem and launched a project in order to develop quality standards for the nonprofit organisations providing social services in 2006. This project resulted in a new quality management system called the SZIA Quality Model. Although this model is obviously based on the formerly existing quality assurance and quality management systems, its innovative character is indisputable, not only because it was worked out with special attention to the needs of nonprofit social services, but mainly because interaction with the service providers was a crucial part of its development. With some professional help and assistance from the Social Innovation Foundation, the management staff of the social care organisations participating in the project can set up quality standards, create their own quality handbook and constantly develop their quality system. The quality standards are based on the capacity of the organisation, and can be modified during the process if they need fine tuning. The Foundation also helps service providers with the preparation for the process they have to go through in order to get a certificate from a third party expert.

The introduction of the SZIA Quality Model was successful; the Social Innovation Foundation worked with approximately 60 social service providers, and found that the model worked well. ‘The organisations which had a SZIA Model in place, are clearly doing better in weathering the economic crisis than those who did not use the new organizational tool.’ (Hegyesi, Talyigás and Van Til, 2014:8)

Example 3: The support of the National Foundation for Employment (<http://www.ofa.hu>) for the Romani Design (<http://www.romanidesign.hu>) is an example of financing the pilot of an innovative project and also an example of a much more ambitious initiative, the promotion of a new legal format called ‘social cooperative’, which can be regarded either as an institution belonging to the sphere of the social economy or as a social enterprise. ^[25] Social cooperatives are supposed to combine the economic development and

²⁵ The concepts of social economy and social entrepreneurship are definitely underdeveloped in Hungary compared to other countries in the European Union. This is why there is a need for their promotion.

community development roles. Their tasks are to create jobs for their disadvantaged members and to facilitate their social integration, as well as their contribution to the alleviation of social problems. Income generation is one of their aims, but they also offer their members an opportunity to work in a community where they can participate, not only in actual production or service provision, but also in planning and decision making.

The creation and development of the social cooperatives (including Romani Design) was successfully supported by the National Foundation for Employment using mainly EU funds. The Foundation organised training for social entrepreneurs and the future managers of social cooperatives; they published handbooks and other methodological materials; and they offered seed money and assistance.

One of the beneficiaries of these grants and professional assistance, the Romani Design, aims to decrease prejudice against the Roma people in Hungarian society through integrating the traditional decorative elements of the Roma culture into fashion (especially items of clothing and jewellery). It also wants to encourage the Roma people to be proud of their culture. Since its establishment in 2009, this social cooperative has organised several fashion shows in order to foster knowledge about and acceptance of the Roma culture. It has managed to create a trend ^[26] of designing outfits that reinterpret traditional motifs and materials, transferring them into modern forms (<http://thegypsychronicles.net/romani-design>). It is also attempting to alleviate the unemployment problem; about half of its employees, both Roma and non-Roma, were previously among the long-term unemployed.

Example 4: The in-kind support received by Deldesign Ltd. (<http://www.deldesign.hu>) as a participant of the UNI-SPIN Mentoring Program (<http://spinoff.nyyme.hu>) is an example of assistance in a new product's development and introduction to the market.

This mentoring program is run by the Foundation for Higher Education in Sopron and the NYME-ERFARET Nonprofit Ltd. ^[27] Its major objective is to facilitate the transfer of research results, knowhow and technology from academia to industry. In order to achieve this aim it supports innovative start-up companies that are trying to transform scientific discoveries into products which meet the market needs of today and the future. It helps both the establishment of and the everyday work of these firms, providing them with infrastructural and professional services and assisting them with product development and marketing.

Deldesign Ltd's new product, whose introduction to the market is aided by the mentoring program, is a set of specifically designed glazed ceramic tiles that can be fixed onto a wall and serve as a guiding line for the disabled. Every part of the product has a different meaning. A series of convex spots become closer and closer together when the user is getting near to a crossing or to potential sources of danger. Since this guiding line consists of tiles that are equally colorful and tangible, it can help people with different kinds of disabilities. Another advantage is that the tiles are on walls, so they do not hinder the physically handicapped people in their movement.

²⁶ In fact, other social enterprises have been created (e.g. Matyó Design – helped by the previously mentioned Social Innovation Foundation) that also try to introduce folk art motifs into fashion.

²⁷ Here again we see an example of partnership between a foundation and another organisation in supporting innovation.

This mentoring program offers several types of in-kind support to the Deldesign Ltd, including training, office facilities, and administrative and financial assistance. The product itself was protected by a patent with the legal assistance of some supporters. They also helped out with the presentation of its prototype at some trade exhibitions. (It even won an innovation award at one of them.) However, the last step, the marketing of the product is yet to be taken.

5 Conclusions

5.1 Main conclusions

Although foundations supporting R&I are fairly numerous in Hungary, they do not carry much weight in economic terms. Their total income barely exceeds EUR 40 million, and only one-third of their total expenditure serves research and innovation purposes. Moreover, the majority of their revenue comes from foreign sources (mainly from the EU Structural Funds and from foreign governments), thus their long-term sustainability is not guaranteed.

However, the centralisation efforts of the present government are making every alternative source of funding (including grants from independent foundations) extremely important. While fighting for their survival, several foundations are trying to cope with this challenge. They are working very hard to carry out high quality research, to launch innovative projects, to support otherwise underfinanced research institutions, to promote scientific communication, researchers' mobility and the dissemination of research results.

On the basis of the EUFORI study results outlined in the Chapter 3, we may be able to identify some development perspectives and put forward some recommendation for the near future. As a first step, it seems reasonable to take stock of the strengths and weaknesses of the Hungarian R&I foundation sector.

5.2 The strengths and weaknesses of the R&I foundation sector in Hungary

The main strength, and, at the same time, the largest internal reserve of R&I-oriented foundations is that there are plenty of top experts among their leaders and volunteers, who are ready and willing to make enormous efforts to reach their organisations' professional goals. Some of the foundations were established because highly dedicated professionals wished to work at an outstanding level, free from bureaucratic requirements; and many others because different stakeholders wanted to support these efforts. Most of these people still react to problems in a proactive and solution-oriented manner.

The commitment and strong professional identity of the foundations' leaders make them capable of mobilising their potential partners and volunteers and carrying out well-coordinated work. This often helps them bridge the gap between their aspirations and financial opportunities, as do their existing networks, the more or less strong relationships with former partners and grantees who might become important supporters. As one of our interviewees stated, 'In-kind support is provided by former research fellows; most of them are "expected" to contribute to the foundation through the assessment of the current proposals on a voluntary basis.'

Another strength of the foundations is their flexibility and innovative character. Since they are mainly free from outside control, they can adapt their activities to the changing environment (e.g. new scientific challenges, changes in market demand or in the content of calls for proposals) fairly easily.

Reliability is another of the foundations' strengths. According to one of the interviewees, 'the fact that we operated in a nonprofit frame raised trust among market players.' Trustworthiness makes it easier to find support, win contracts and attract projects looking for host institutions compared to the for-profit players, let alone the bureaucratic public institutions. The latter have quite a bad reputation in Hungary; 'a university would swallow up the project budget, the money would disappear into its maze.' As another of our interviewees explained.

Finally, building partnerships is a skill foundations have had to develop in order to fulfill their missions. In principle, this skill can also be mobilised in organising advocacy activities.

However, these strengths fail to counterbalance the weaknesses of R&I-oriented foundations. Their greatest problem is the lack of appropriate funds. Not even the largest foundations have big endowments that can produce a stable yield. The level of their operations and the size of the grants they can allocate depend on their current income. Their income-generating activities use up a great deal of energy, often transforming organisational structures and values. Participation in open competitions for grants and the preparation of proposals usually involve a number of bureaucratic obligations, while obtaining grants in informal ways tends to lead to economic and political dependence. In order to have access to sources, there is often a need for compromise, or even the modification of a foundation's programs or, perhaps, giving up its original mission.

In a considerable number of foundations there is weak financial control and unprofessional management. The lack of financial knowledge is a general phenomenon among board members and the employment of a financial manager or any other financial expert is out of the question in most cases. Moreover, very few foundations can employ any kind of well-paid full-time employees. This is all the more problematic because voluntary boards (mainly consisting of scholars busy with their own research activities) are rarely prepared for professional fund raising, management, communication or marketing activities, especially not on a daily basis.

Another weakness is that foundations do not define themselves as a community. There is regular dialogue only between organisations that deal with similar topics. Between different areas there is an inadequate exchange of information and poor co-operation. The foundation sector is politically and economically divided; relationships are all too often characterised by mutual distrust and rivalry instead of solidarity. As a consequence, advocacy is extremely weak; there is no umbrella organisation that could undertake the task of lobbying for common interests or of exerting significant pressure on legislation, or on financial and political decisions concerning the research and innovation field. Under the present conditions this lack of lobbying power seriously threatens not only the development but even the survival of the foundations supporting research and innovation.

5.3 Recommendations

Facing threats, if done in time, always presents us with an opportunity for making conscious efforts to reinforce positive tendencies. If Hungarian foundations were able to set aside internal conflicts and selfish considerations, they would still have a chance of organising efficient advocacy activities. Their common efforts might persuade political decision-makers to treat them as partners. In parallel, a consensus-based ethical code guiding the foundations' behaviour should be developed. Consistent regulation and the voluntary acceptance of jointly shaped norms could significantly increase the prestige, the social recognition and respect, and also the public and private support for foundations.

In Hungary, an EU member, there is some chance that the principle of subsidiarity, besides its general acceptance in declarations and political programs, could also be implemented in practice. Reform guided by such a concept and by the establishment of the appropriate financial schemes would significantly improve the economic conditions, financial sustainability and growth potential of the operating foundations.

There is a remarkable opportunity for the expansion of the foundations' human resources. For the last decade, different higher education institutions and training centres have trained a large number of non-profit managers who have acquired the skills necessary for managing foundations, for organising their professional fund-raising activities and for applying all kinds of research results into their everyday work. Since a generational change in the leadership of the foundations created in the early 1990s is going to happen anyway, the emergence of new leaders is predictable. On the 'supply side', all the conditions for a more professional nonprofit management seem to have been met, so one can hope for a more efficient, more self-confident and more influential foundation leadership in the future.

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7 Annex

Annex table 1: Statistics income, 2012

Number of foundations	240
Mean in Euros	179 509
Median in Euros	7 876
Total income in Euros	43 082 076

Annex table 2: Sources of income, 2012

Source of income	Amount in Euros
Income from an endowment (N=11)	33 764
Donations from individuals (N=12)	6 690
Donations from for-profit companies (N=11)	154 943
Donations from other nonprofit organisations (N=5)	25 763
Income from the government (N=17)	1 024 863
Service fees, sales, etc. (N=15)	290 111
Other (N=7)	947 186
Unknown	40 598 756
Total income	43 082 076

Annex table 3: Statistics assets, 2012

Number of foundations	233
Mean in Euros	111 857
Median in Euros	17 915
Total assets in Euros	26 062 762

Annex table 4: Distribution of assets, 2012

Assets	Amount in Euros
Current assets (N=27)	1 004 586
Long-term investments in securities (N=28)	133 692
Long-term investments in fixed assets (N=28)	197 258
Long-term investments in special funds (N=28)	673
Other (N=27)	26 746
Unknown	24 699 807
Total assets	26 062 762

Annex table 5: Statistics expenditure, 2012

Number of foundations	238
Mean in Euros	178 737
Median in Euros	7 761
Total expenditure in Euros	42 539 506

Annex table 6: Distribution of expenditure according to purpose, 2012

Purpose	Amount in Euros
Research (N=227)	10 562 760
Innovation (N=227)	2 506 056
Other purposes (N=227)	28 943 111
Unknown	527 579
Total expenditure	42 539 506

Annex table 7: Distribution of expenditure on research, 2012**Direct vs Research related**

Type of activity	Amount in Euros	Percentage
Direct research (N=42)	871 113	8.3
Research related (N=42)	930 184	8.8
Unknown	8 761 463	82.9
Total expenditure on research	10 562 760	100.0

Annex table 8: Distribution of expenditure on research, 2012**Basic vs Applied**

Type of research	Amount in Euros	Percentage
Basic research (N=37)	284 963	2.7
Applied research (N=37)	775 120	7.3
Unknown	9 502 677	90.0
Total expenditure on research	10 562 760	100.0

Annex table 9: Distribution of expenditure on research, 2012**Grants vs Operating costs**

Type of spending	Amount in Euros	Percentage
Grants (N=39)	729 830	6.9
Own operating costs (N=39)	317 509	3.0
Other (N=39)	265 300	2.5
Unknown	9 250 121	87.6
Total expenditure on research	10 562 760	100.0

Annex table 10: Distribution of expenditure on innovation according to type of spending, 2012

Type of activity	Amount in Euros	Percentage
Grants (N=197)	15 627	0.6
Own operating costs (N=200)	64 276	2.6
Unknown (N=200)	2 426 153	96.8
Total expenditure on innovation	2 506 056	100.0

Annex table 11: Distribution of expenditure on research according to thematic area, 2012

Thematic area	Amount in Euros
Natural sciences (N=6)	26 139
Engineering and technology (N=2)	5 763
Medical sciences (N=3)	20 263
Agricultural sciences (N=2)	19 119
Social and behavioural sciences (N=8)	222 928
Humanities (N=3)	6 251
Other (N=0)	0
Unknown	10 262 297
Total expenditure on research	10 562 760

Annex table 12: Distribution of expenditure on research-related activities, 2012

Activity	Amount in Euros
Research mobility and career development (N=6)	9 458
Technology transfer (N=0)	0
Infrastructure and equipment (N=5)	32 153
Dissemination of research (N=12)	62 668
Sciences communication/education (N=6)	80 800
Civic mobilisation/advocacy (N=5)	4 434
Other (N=1)	67 797
Not specified into categories (N=0)	0
Unknown	672 874
Total expenditure on research-related activities	930 184

Annex table 13: Distribution of expenditure on research and/or innovation according to geographical focus, 2012

Geographical level	Amount in Euros
Local or regional level (N=31)	153 454
National level (N=31)	3 226 364
European level (N=35)	56 414
International level (N=34)	429 805
Unknown	9 202 779
Total expenditure on R&I	13 068 816