

Hungary

Short cultural policy profile

Prepared by Péter Inkei

DATE: October 2022

1. Fact and figures

- **Political system:** parliamentary democracy with a single chamber parliament
- **Official language:** Hungarian

	<i>Latest available data</i>	<i>Latest available data minus 5 years</i>
<i>Population on January 1st 2022</i>	9 689 010 (2022)	9 797 561 (2017)
<i>GDP in million EUR, 2021</i>	154.1 (2021)	116.3 (2016)
<i>GDP per capita in PPS 2021, Index (EU27=100)</i>	76% (2021)	68% (2016)
<i>General government expenditure (% of GDP)</i>	47.9% (2020)	46.8% (2015)
<i>Public cultural expenditure (Cofog 08/2), million EUR, 2020</i>	1 824.4 (2020)	924.1 (2015)
<i>Public cultural expenditure as % of GDP</i>	1.3% (2020)	0.8% (2015)
<i>Public cultural expenditure per capita, EUR, 2020</i>	186.2 (2020)	95,4 (2015)
<i>Share of cultural employment of total employment, 2021</i>	3.7% (2021)	3.6% (2016)

Sources: Population on January 1st:

https://www.ksh.hu/stadat_files/nep/hu/nep0001.html

GDP in million EUR: https://www.ksh.hu/stadat_files/gdp/hu/gdp0079.html

GDP per capita in PPS Index (EU27 = 100):

https://www.ksh.hu/stadat_files/gdp/hu/gdp0080.html

General government expenditure (in % of GDP):

<https://ec.europa.eu/eurostat/databrowser/view/tec00023/default/table?lang=en>

Public cultural expenditure / Public cultural expenditure as % of GDP / Public cultural expenditure per capita: <http://appsso.eurostat.ec.europa.eu/nui/submitView-TableAction.do>,

see also chapter 7.1.1 of the national Compendium profile.

Share of cultural employment of total employment:

https://ec.europa.eu/eurostat/databrowser/view/cult_emp_sex/default/table?lang=en
and https://ec.europa.eu/eurostat/databrowser/view/LFSI_EMP_A_custom_3437242/default/table?lang=en

2. Cultural policy system

2.1 Objectives

After 2010, when *Fidesz*, the governing party gained constitutional power at the elections, the accent from European integration and values moved towards national traditions and conservatism. This included, among others, increased care about the culture of the altogether about two million ethnic Hungarians in the neighbouring countries.

Until recently culture did not figure among the top priorities in the evolution of the System of National Cooperation (*Nemzeti Együttműködés Rendszere – NER*), as the current political power identifies itself. A new era began in 2018, when the Prime Minister pronounced to focus on the cultural transformation of the country, in the political sense of the term. In the absence of official programmatic documents (strategies or plans), the objectives can be identified from the speeches of the Prime Minister. In these the preservation and strengthening of national identity prevail, and the concern about liberal laissez faire culture and

the advances of migrants' culture in Europe. Alongside the ideological content emphasis is laid on competitiveness: the programmes and institutions connected to the ruling power are expected to achieve and exhibit excellence.

Critiques underline that in the absence of clearcut criteria of national culture, the government values loyalty as the most important condition at exercising favours.

2.2 Main features

The system does not operate along the conventional algorithm of defining cultural policy priorities, preparing, and executing implementation. It is a politicised culture without policies. Participatory planning and negotiated decision-making are almost entirely absent. The Ministry of Culture and Innovation, or the Committee for Culture of the Parliament have negligible roles, and the same applies to other bodies of the system: the Hungarian Arts Academy – *Magyar Művészeti Akadémia*, *MMA*, or the National Council for Culture. Fundamental changes occur overnight and are often linked to influential personalities.

Continued centralisation is an important feature of the system. Mandates and resources of local governments are limited, social and professional partners are little consulted. Annual national budgets reveal little of next priorities as their provisions are significantly overwritten by ad hoc government decisions during the year. The lack of detailed manifest strategies does not mean financial neglect: on the contrary, the public cultural spending of the government is among the highest in the continent. Particularly much has been spent on preservation and reconstruction of built cultural heritage and new buildings.

Hand in hand with the accelerated reorganisation of the institutional structures of higher education, research, and media, the past couple of years have seen a basic overhaul of the cultural arena. An iconic step was the establishment of the Foundation for Hungarian Culture (*Magyar Kultúráért Alapítvány*) in April 2021, a "Public Interest Foundations Performing Public Functions" (*kekva*), a new kind of institution introduced by the Parliament on the same day. Sizeable assets and competences as well as huge current and prospected financial resources and properties have been donated to the new Foundation.

In April 2022 Fidesz won the parliamentary elections gaining 2/3 constitutional majority for the fourth time in a row. The new cadence nevertheless is overshadowed with the burdens of the war in Ukraine, the aftermath of the Covid pandemic, growing symptoms of the climate crisis, complemented with the weight of the election campaign upon the national finances. Among others, a halt in cultural

constructions was announced. The new government produced a total overhaul in the structure of ministries, resembling even less the conventional governmental structures in Europe.

2.3 Governance system: Organisational Organigram

The functions of cultural policy governance have remained dispersed. Instead of the conventional hierarchical organigram focusing a cultural ministry, the chapters of the 2023 national budget that bear cultural competencies are listed. (The numbers in brackets show the indicative relative weight of the respective chapter, expressed in billion Forints.)

IX Grants to Local Governments	
Subsidising the cultural activities of local governments	(50)
XI Prime Minister's Office	
Protection of cultural heritage	(60)
XVIII Ministry of Foreign Trade and Foreign Affairs	
Cultural Institutions Abroad	...
XX Ministry of Culture and Innovation	(190)
State Secretary for Culture	
XXI Prime Minister's Cabinet	(13)
Subsidy of <i>Müpa - Palace of the Arts</i>	
XXXIV Hungarian Academy of Arts	(13)
XLII. Direct Revenues and Expenses of the Budget	(38)
Indirect subsidies for the film industry	
XLIII Revenues and Expenditure Relating to State Property	(21)
Subsidy to the National Film Institute	
LXVII National Cultural Fund	(10)

2.4 Historical background for the past 70 years

1918- 1945:

A relatively small East-Central European country, whose cultural performance reflected the legacies of a once momentous middle power of a thousand-year-old kingdom, and the features of a semi-feudal societal arrangement.

1945-1956

Up until the revolution of 1956, a crude, schematic political course prevailed, slavishly imitating the Soviets, oppressing every kind of autonomy in the cultural life, applying nevertheless important measures in the democratisation of culture.

1960-1989

Cultural dogmatism began to melt away in the early 1960s. Up until 1989, in culture, like in other areas of life, a protracted process of revision was in progress and the most gradual transition within the entire communist bloc had taken place. As a result of state subsidies, culture was accessible at low cost, and cultural consumption (reading of books, attendance at the theatre, cinema, concerts, libraries, museums, and exhibitions) was growing. Under dictatorship, art acquired a specific political significance, which contributes to the view of many that culture has been one of the losers in the transition.

1990-2010

Transition from communism took place amidst great economic difficulties. The national objective of European integration defined the priorities and modalities of cultural policies. This objective received momentum at entering the European Union in 2004. A fatigue of the decades of reforms and expectations nevertheless led to increasing economic and social crisis in Hungary – aggravated but not really caused by the 1998 world crisis. Those years did not favour concerted action for culture.

Since 2010

The system connected to the name of Viktor Orbán has prevailed. He has led the Fidesz party to constitutional majority (over 2/3 of seats) at four consecutive parliamentary elections.

3. Current cultural affairs

3.1 Key developments

Winning constitutional majority (over 2/3 of seats) for the fourth time at the 2022 April parliamentary elections would have foretold smooth following of the developments in the life and governing of the country, including cultural policy. Instead, the general conditions have undergone fundamental changes with Russia's war against Ukraine as the main reason but the government's generous spending in the months before the election has also meant a heavy burden for the fourth Orbán administration in a row. The organigram above shows the complete restructuring of the governance in culture, which involved top level personnel changes. Circumstances oblige the government to follow cautious policies especially regarding financing. Ironically, the most apparent continuity in cultural policies is the enduring lack of a definite strategy or programme. The only explicit statement is that most cultural investments will be postponed, but no specific list or deadlines were announced.

Despite the changed circumstances and declared uncertainties, the following year's national budget was passed in June 2022. And despite the structural overhaul, most culture related appropriations sustained in unchanged wording and often practically unchanged amounts. Sizeable increases appear at the financing of institutions run by local governments and in the reserve for the tax benefits for film productions. In previous years ad hoc government decrees habitually overrode the annual budget, which is to be expected in the face of the mounting challenges.

A positive corollary of the new budget was that in its context the functions and institutions of cultural diplomacy received a comprehensive specification – for more, see the next section. None of this or any other issue of cultural policy was preceded (or followed up) with open public debates, the absence of which remains a feature.

3.2 Key themes

Notwithstanding the vibrancy of cultural activities that takes place also in the public institutions, apart from a strong emphasis on national values and heritage, none of the themes that globally prevail can be identified in the public discourse

on culture. This can be explained by the lack of strategic or conceptual declarations and strategies, and by the absence of important open debates on cultural issues.

3.3 *International Cultural Cooperation*

A law that specifies the changes due to the overhaul of the governmental setup (Act XXIV/2022) contains a detailed specification of the terms and constituents of cultural diplomacy. The minister in charge of culture is defined to be responsible for cultural diplomacy while the network of 26 cultural institutions in 24 countries remains part of the diplomatic corps supervised by the foreign minister. With this, cultural diplomacy submerges from the legislative vacuum of the preceding few years, and its structure is legally established. Nevertheless, no high-level document specifies its mission and strategic goals. The switch to change the names of the institutes to Liszt Institutes (after the name of the 19th century composer) was announced as a decision by the minister in charge. A special web portal communicates the events and news of the Hungarian cultural diplomacy: <https://culture.hu/en/budapest>.

The respective programmes of the European Union, Creative Europe in the first place, are distinguished channels for the transborder cooperation for the actors in the cultural arena with all backgrounds: public, private, and especially the “independent” non-governmental scene. The opportunities of these programmes are regularly exploited by the various institutions, groups and individuals.

4. Cultural Institutions

4.1 Overview

See notes on the ownership of institutions below the two tables in the next chapter.

4.2 Data on selected public and private cultural institutions

Table 1a: Cultural institutions, by sector and domain

Domain	Cultural Institution (Subdomain)	Number	
		2021	2016
Museums	<i>Museum institutions</i>	698	696
Archives	<i>Archive institutions</i>	91	93
Performing arts	<i>Theatre companies</i>	233*	179
	<i>Dance and ballet companies</i>	60	44
Libraries	<i>Libraries</i>	3 347**	3 586**
Audiovisual	<i>Cinemas</i>	144	164
Interdisciplinary	<i>Socio-cultural centres / cultural houses</i>	5 803	5 735
Nature	<i>Natural parks and zoos</i>	15	14

* Including open-air theatres. ** Without school libraries.

Source: Központi Statisztikai Hivatal,
<https://www.ksh.hu/stadat?lang=hu&theme=ksp>.

The Central Statistical Office (Központi Statisztikai Hivatal) does not regularly publish data on the following: cultural heritage sites, archaeological sites, galleries and exhibition halls, scenic and stable spaces for theatre, concert houses, symphonic orchestras, broadcasting organisations. Also, it does not distinguish between public and private ownership of the institutions.

Next to the aggregate data of the Central Statistical Office, the National Library (Országos Széchényi Könyvtár, <https://kultstat.oszk.hu/#/home>) collects and

makes available the raw statistics of the institutions in four domains, at very great detail and in the same structure across domains.

Table 1b: Cultural institutions, by sector and domain

Domain	Cultural Institution (Subdomain)	Number	
		2021	2015
Museums	<i>Museum institutions</i>	502	
	<i>Additional branches</i>	271	
Performing arts	<i>Theatre companies</i>	390	
	<i>Additional branches</i>	58	
Libraries	<i>Libraries</i>	1 522 (2020)	4 981
	<i>Jointly with other institutions</i>	1 908	1 376
	<i>Jointly with schools</i>	261	248
	<i>Additional branches</i>	210	212
	<i>Other</i>	0	74
Interdisciplinary	<i>Socio-cultural centres / cultural houses</i>	5 482	
	<i>Additional branches</i>	321	

Source: Országos Széchényi Könyvtár, <https://kultstat.oszk.hu/#/home>)

One of the columns in the National Library statistics refers to the status of the “maintainer”. This, however, does not clearly distinguish between public and private, or non-profit and for-profit. Foundations and so called non-profit limited companies (nkft) may cover either of the dichotomies, depending on the ownership or the founders which is unidentified.

The composition of 502 museums by maintainer:

- Local government 309
- State institution 51
- Corporation (nkft) 43
- Church 34

- Foundation 33
- Other 32

Of the 390 theatres the format is revealed in 315 cases:

- Corporation (nkft) 137
- Association 112
- Foundation 66

The composition of 3430 libraries in 2020 (without school libraries and subsidiary branches):

- Local government 2 999
- State institution 245
- Corporation (nkft) 27
- Church 18
- Other 70
- Foundation 43

Next to the 5482 cultural centres in function the database contains data of 550 houses temporarily and 100 more finally out of function. The composition of the 5482 functioning houses by maintainer:

- Local government 3 270
- Foundation 420
- Corporation (nkft) 95
- National minority 53
- Church 34
- State institute 7
- Other 1 618

The last group of other maintainers is particularly colourful as it comprises associations, trade unions as well as independent entrepreneurs.

5. Cultural Funding

5.1 Overview

In the past few years, the Hungarian government has grown to be the most generous funder of culture in Europe. This is true both in absolute and relative terms: the central public spending has gained superiority over that of the local governments (counties have no mandate in cultural financing). Private charities are slowly gaining momentum. Ironically, the schemes whereby corporations could deduct taxes through donation agreements with performing art organisations and film productions have had a negative impact on real altruism. A decisive share of government funds went to construction and renovation projects (e.g. on the “Liget Project” with the erection of cultural institutions in the City Park and on the overhaul of the Royal Castle complex). The newly created quangos also received capital to their activities and infrastructure. The funding of live culture is repeatedly criticised for its pro-government bias.

Next to the provisions contained in the annual budget, the National Cultural Fund used to be the primary channel for financing cultural projects. During the past decade, the ministry has played an increasing role in this through open or partly open calls, and the newly created agencies like the Hungarian Academy of Arts and especially the Petőfi Cultural Agency of the Fund for Hungarian Culture are important cultural funders.

Regular statistics on financing cover the period up to 2020. The forthcoming updates will reflect continued increase in 2021. Ambitious figures appeared in the budgets for 2022 and 2023. It is not clear yet to what degree the current economic restrictions will halt this trend.

Despite their relative fallback, the level of local (municipal) spending on culture is comparable to that in most European countries (cities). Financing local culture is heavily reliant on redistributed transfers from the central budget. This takes place through a sophisticated mechanism with a range of precise indicators that include per capita allotments and special funding for theatres, orchestras, museums, music schools etc.

5.2 Public cultural expenditure by level of government

Table 2: Public cultural expenditure by level of government, in HUF and in EUR, 2020/2015

Level of government	Total cultural expenditure in 2020				Total cultural expenditure in 2015			
	In billion HUF	In million EUR	% share of culture	% share of total	In billion HUF	In million EUR*	% share of culture	% share of total
State (central)	534	1 520	75%	2.8%	189	610	57%	1.5%
Local (municipal)	181	516	25%	5.8%	141	454	43%	5.2%
TOTAL	641	1 824	100%	2.6%	286	924	100%	1.6%

Source: Eurostat COFOG

Note: No regional level exists.

5.3 Public cultural expenditure per sector

Table 3: Public cultural expenditure by sector, in HUF and in EUR, 2020/2015

<i>Field / Domain</i>	Total cultural expenditure in 2020			Total cultural expenditure in 2015		
	<i>In billion HUF</i>	<i>In million EUR</i>	<i>% share of total</i>	<i>In billion HUF</i>	<i>In million EUR</i>	<i>% share of total</i>
Historical monuments	175.3	480	26.2%	16.1	51	5.7%
Museums and archives	63.1	173	9.4%	48.1	154	17.1%
Libraries	50.9	139	7.6%	35.8	114	12.7%
Theatre	82.4	226	12.3%	43.8	140	15.6%
Music and dance	56.9	156	8.5%	20.8	66	7.4%
Audiovisual and Multimedia	3.3	9	0.5%	2.5	8	0.9%
Socioculture	123.7	339	18.5%	61.2	196	21.8%
Publishing	4.1	11	0.6%	6.3	20	2.2%
Natural parks (incl. zoos)	55.1	151	8.2%	27.3	87	9.7%
Not covered by the above domains	55.5	152	8.3%	21.5	69	7.6%
TOTAL	670.2	1836	100%	281.1	898	100%

Source: Központi Statisztikai Hivatal,

https://www.ksh.hu/stadat_files/ksp/hu/ksp0003.html

HUF/EUR end of year rates in 2020: 365, in 2015: 313.

6. Legislation on culture

6.1 Overview of national cultural legislation

After relatively uneventful years, cultural policy legislation has lately speeded up. In 2017 and 2018, in addition to the yearly Acts on the national budget, altogether three Parliamentary Acts amended existing cultural laws. In 2020 and 2021, however, eighteen Acts related to culture. These included those that fundamentally overhauled the structure and hierarchy of institutions. Some of them refer to culture in part only but cut deep.

Act CXXIV / 2019 on the National Council for Culture and the Institutions of Cultural Strategy identified 16 strategic institutions with their leaders as members of the National Culture. This culture rendered the previous attempts to consider the Hungarian Academy of Art a single outstanding actor, although its chairman chairs the Council, too.

There is no communication about the operation of the Council. Its mandate has greatly been overwritten by later developments. In 2019 the institution of “public interest foundations” or “public trust funds performing a public function” was created by Act XIII. In 2021 it was further consolidated as “public trust funds performing a public function” by Act IX: the short Hungarian name is the acronym *kekva*. Next to most universities (including those in the arts), the 33 *kekvas* include the newly established Fund for Hungarian Culture. It was founded by Act XVI / 2021 “for the financing and support of activities of cultural strategic importance, the predictable operation of the institutions providing such activities, and the predictable future of the beneficiaries of cultural strategic subsidies”. Through Acts XVI, CI, and CXLVIII the Fund received large amounts (also in perspective for the next few years), important assets, and existing organisations like MANK (Hungarian Creative Arts Nonprofit Ltd.) which manages galleries, artist residencies and scholarship programmes.

As pointed out above, nineteen of the 255 paragraphs of the highly technical Act XXIV/2022 amended Act LXXIII/2016 on diplomacy, inserting terms about cultural institutions and diplomats, and the law was complemented with a new chapter containing three dense paragraphs on cultural diplomacy. In this way, an old deficiency was filled through an unusual legislative act.

6.2 Overview of international cultural legislation

Hungary is party to all important international accords in the cultural field. Lately there have been developments of minor significance only.

In 2019, with Acts CXLIV and CXLV the country ratified the European Convention on Cinematographic Co-production of the Council of Europe and the Council of Europe Convention on Cinematographic Co-production (revised).

In 2020, Act CXLIV. amended former legislation to establish the basis for the preparation of the European Capital of Culture in 2023 in Veszprém.

In 2021, the Council of Europe Convention on Cultural Heritage Crimes dated 19 May 2017 in Nicosia, was promulgated via Act CXXV of 2021.

In 2021, the Government declared the 52nd International Eucharistic Congress and the "One with Nature" International Hunting and Nature Exhibition as events of high importance. A joint government commissioner was appointed to oversee the two events.