



# Analysis of the impact of the draft law on "transparency in public life" on civil society organizations

**NIOK Foundation analyzed the impact of the "transparency in public life" (document number: T/11923.) draft law submitted in May 2025 in a questionnaire survey.**

On 13 May, a [draft law](#) on transparency in public life was submitted to the Hungarian Parliament. According to János Halász, the Fidesz MP who tabled the bill, the legislation is intended to ensure control over "organizations threatening Hungary's sovereignty".

Although the debate and adoption of the draft law were postponed a few weeks after its publication, even in its draft form it quickly became apparent that it was causing ongoing controversy among civil society organizations. This impact was, of course, influenced by several factors, as the law on the protection of national sovereignty had already been passed in December 2023 (<https://net.jogtar.hu/jogszabaly?docid=a2300088.tv>) and, from February 2025, a series of statements were issued by FIDESZ and the government foreshadowing significant tightening of the law. Here can be mentioned the now-withdrawn but highly surprising law that was in force until 2021, which sought to list foreign funding among civil society organizations.

The Hungarian regulations taking shape in the public sphere since spring 2025 affected not only civil society organizations but also the wider social milieu (independent media outlets, their producers and supporters, etc.) and became one of the leading topics of public debate in the country even before the draft was published.

News and questions received by NIOK Foundation from civil society organizations showed that there was a lot of misunderstanding, uncertainty and fear. It became apparent that a kind of chilling effect had been created, and that the news and information alone had led to withdrawals and resignations. (The Hungarian Helsinki Committee previously investigated this effect of the 2023 law using interview methods (<https://helsinki.hu/az-onkenyvedelem-dermeszto-hatasa/>)).

NIOK Foundation began to examine this complex effect after the draft was published. Our aim was to gain a clearer picture than the scattered information available of whether this unprecedented draft regulation on civil society organizations had brought about any changes in the life of these organizations, and if so, what kind of changes, and to identify areas where further information and assistance would be needed in the future. We assessed the impact using an online questionnaire, to which we received 109 responses from civil society organizations in just under three weeks in June.

The diversity of the responses received shows that the questionnaire reached a wide range of civil society organizations and that the draft affected them to varying degrees depending on their activities and operating characteristics. Therefore, we cannot speak of a uniform impact, but we did find some very clearly defined phenomena.

It is also clear that, although no legislation had been enacted at the time of the survey, a significant proportion of the responding organizations had already experienced preliminary effects that were predominantly negative for their operations, and that the leaders, supporters and developers of these organizations need help to deal with these processes.

The online survey cannot be considered representative due to its methodology, but the following results and examples draw attention to the significant impact on the domestic civil sector and existing phenomena, and present the situation and reactions of more than 100 civil society organizations.

## Summary

A very high proportion of the civil society organizations that responded (109) are familiar with the draft law. The overwhelming majority (86%) believe that the law is unnecessary in its current form and would generally hinder the work of civil society organizations.

More than half of the organizations (56%) believe that such a law would directly affect their own organization, while only about one-third (28%) believe that the law would not affect their organization at all if adopted in its current form.

It is interesting to see how differently different groups of respondents answer to the basic question of how much of a threat foreign funding of civil society organizations poses to domestic sovereignty. The two extremes were the most characteristic: 70.8% of respondents did not see any such threat, while 10.4% believed that foreign funding could pose a real threat to Hungary's sovereignty.

These two groups – i.e. the more than two-thirds of civil society respondents who reject the draft and see no problem with the current practice of foreign funding and do not see any problems with the transparency of civil society organizations, and the group supporting the draft, accounting for roughly 10%, – can also be clearly distinguished in other questions, and we received very few responses in the middle range, which would be otherwise characteristic.

Most organizations found that their supporters, leadership, staff, and partners remain loyal to them. There were a small number of organizations whose individual support base had strengthened in response to news of possible future government attacks, but there were many more who had already encountered uncertainty among their supporters and had projects come to a halt when the draft was published. Several reported that, following the announcement of the draft, they were already struggling with the departure of senior officials and staff.

## **Analysis**

We were curious to know how familiar respondents were with the elements of the draft. Nearly three-quarters of respondents were familiar with the elements of the draft law (*Figure 1*). Respondents who were not familiar with the content were asked not to answer the remaining questions so that we could obtain valid responses.

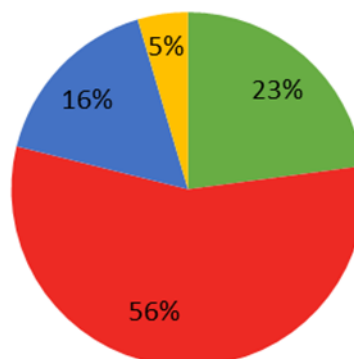
## Do you know the draft law on "transparency of public life"?

■ Yes, I read it carefully

■ Yes, I am aware of its main elements

■ I've heard of some of its elements

■ I've heard of it, but I don't know its contents



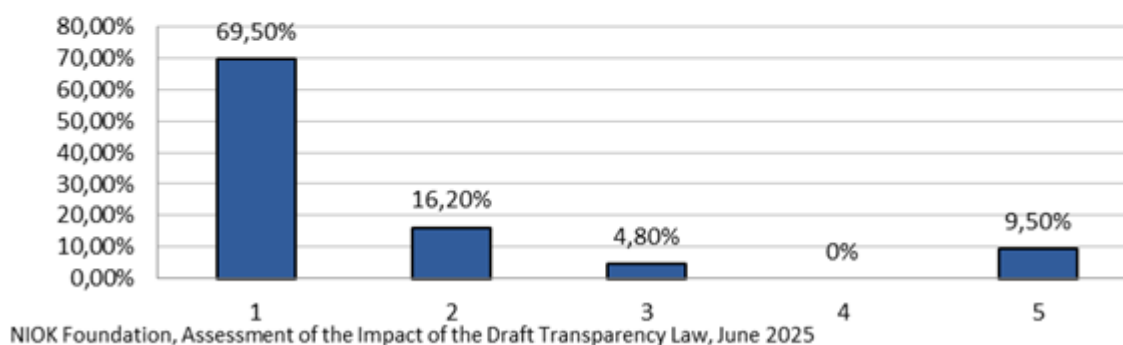
NIOK Foundation, Assessment of the Impact of the Draft Transparency Law, June 2025

Figure 1

We also asked general questions, which show that the vast majority of our respondents, nearly 70%, believe that if the law were passed, it would make it considerably more difficult for civil society organizations to operate in general, while a further 16% believe that it would have a negative impact ([Figure 2](#)), although they do not believe that foreign funding poses a threat to our country's sovereignty.

## What do you think, will this planned law improve or make the situation of domestic civil organizations (in general) more difficult?

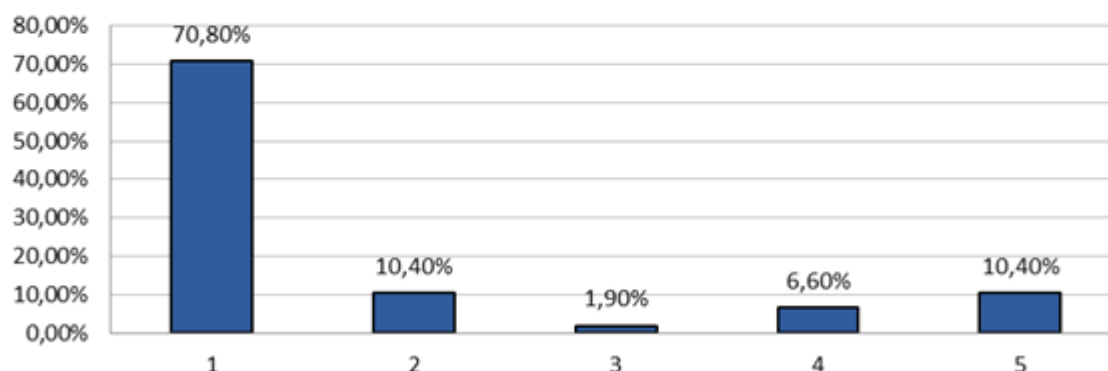
(1: Will significantly worsen – 5: Will significantly improve)



NIOK Foundation, Assessment of the Impact of the Draft Transparency Law, June 2025

Figure 2

**In your opinion, do the foreign resources of civil organizations pose a real threat to the shaping of domestic public life and to national sovereignty?**  
(1: No risk – 5: High risk)



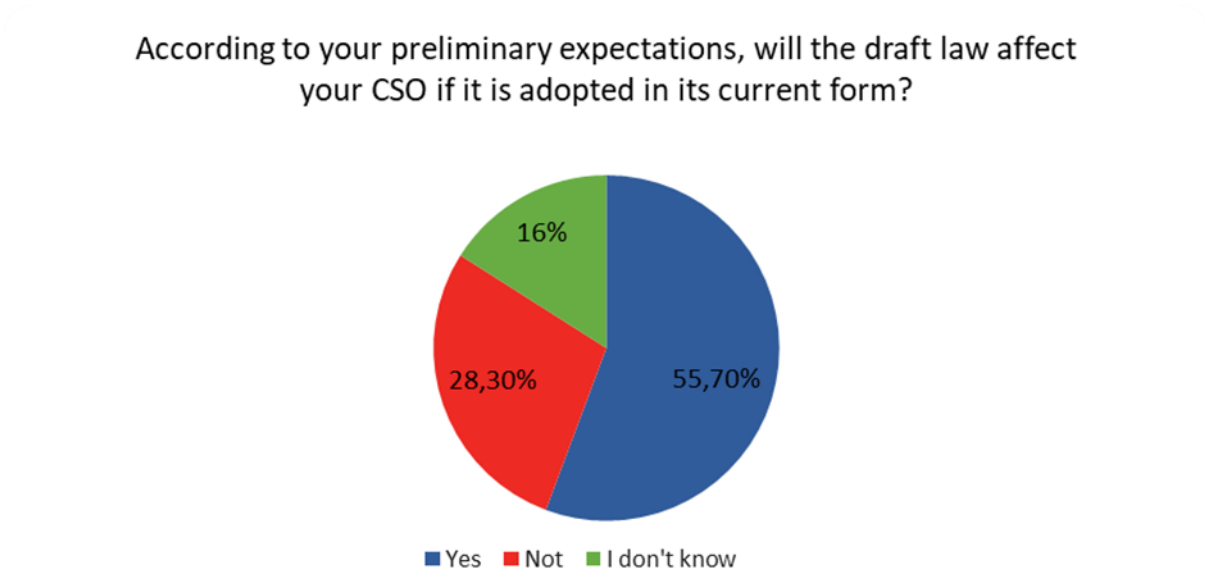
NIOK Foundation, Assessment of the Impact of the Draft Transparency Law, June 2025

Figure 3

There is a smaller group of respondents, 10-17%, who agree with the potential threat to sovereignty posed by foreign funding and expect the law to improve the situation of the sector. However, the vast majority of civil society organizations (81-86%) see clear difficulties in the regulation and do not believe that foreign funding poses a real threat to Hungary. There is almost no one in the middle range on these issues (*Figure 3*).

### **Does the draft law affect the organization?**

An important question was who thought their organization would be affected in the future. Only 28.3% of respondents thought that the law would not affect them, compared to 55.7% who thought it would (*Figure 4*).



NIOK Foundation, Assessment of the Impact of the Draft Transparency Law, June 2025

Figure 4

The reasons why respondents consider their organization to be affected vary considerably, the overall picture is diverse (*Figures 5, 6 and 7*).

It is clear that no organization considers itself to be specifically involved in influencing elections, but for many organizations, advocacy work is important and they regularly publish their views on issues relevant to their cause.

In the group that believes it will not be affected, we find two types: for one group, democratic debate is important, but they do not have foreign resources. The other type (those with some foreign resources) are less likely to represent their interests or express their opinions, and therefore do not consider themselves affected.

In contrast, organizations that consider themselves affected have a wide variety of reasons for doing so. Some of them operate largely with foreign resources and consider opinion-forming important, but there are also those with negligible foreign funding that are not primarily concerned with advocacy. In addition, there is a high degree of uncertainty and differences in interpretation as to which cases the law will apply to.

If you marked Yes, please detail your answers based on the following aspects, in which respect and to what extent your organization is affected!

**In terms of foreign sources:**

(1: No foreign source - 5: Only foreign sources)

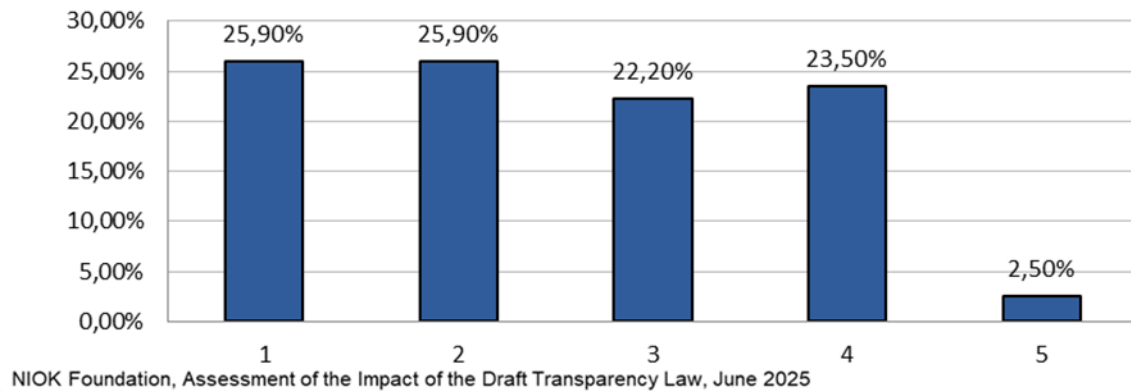


Figure 5

If you marked Yes, please detail your answers based on the following aspects, in which respect and to what extent your organization is affected!

**From the point of view of public activity and democratic debate**

(1: We do not typically express opinions 5: We typically express opinions)

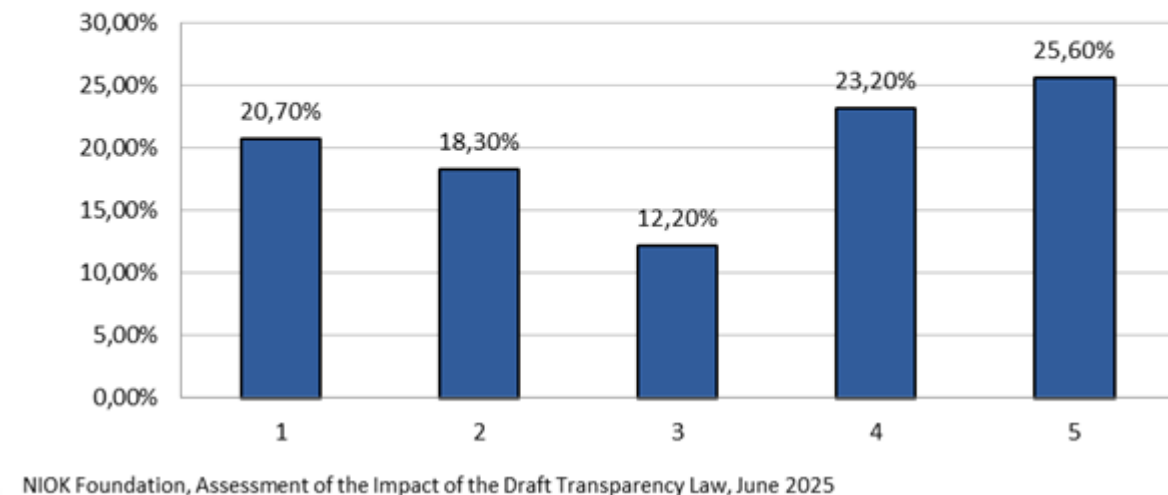
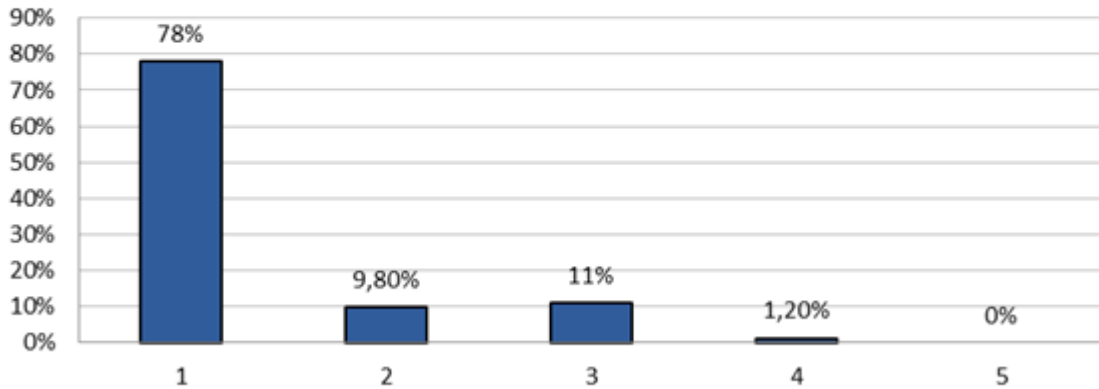


Figure 6

If you marked Yes, please detail your answers based on the following aspects, in which respect and to what extent your organization is affected!

### In terms of influencing elections

(1: No election-related activity 5: Actively support a political party dur



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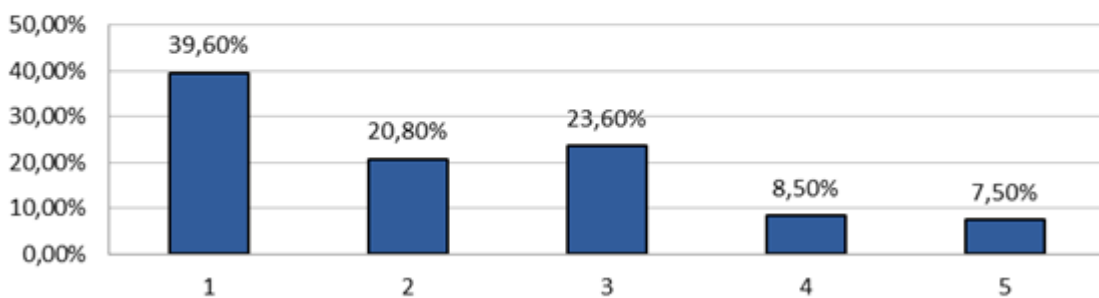
Figure 7

### What impact did you see in the weeks after the draft was published?

It would be expected that a draft law would have minimal impact before its adoption, but only 39.6% responded that they had not experienced any impact, while nearly two-thirds of organizations had already been affected by the draft (Figure 8).

### What is/was the impact of the publication of the draft law and the preliminary news about the upcoming regulation on the operation of the organization?

(1: No change or impact observed, 5: Major change affecting organizational operations)



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Figure 8

The question about the general impact provides a more accurate picture when asked in detail.

Most shocking is that nearly 10% of organizations indicated that their supporters had already postponed or cancelled their funding. As one organization put it: "Our international contacts have expressed their concern about the situation." Less than 40% of organizations indicated that their foreign supporters remain as committed as before. This clearly shows that the domestic civil sector has been seriously damaged by the publication of the draft (Figure 9).

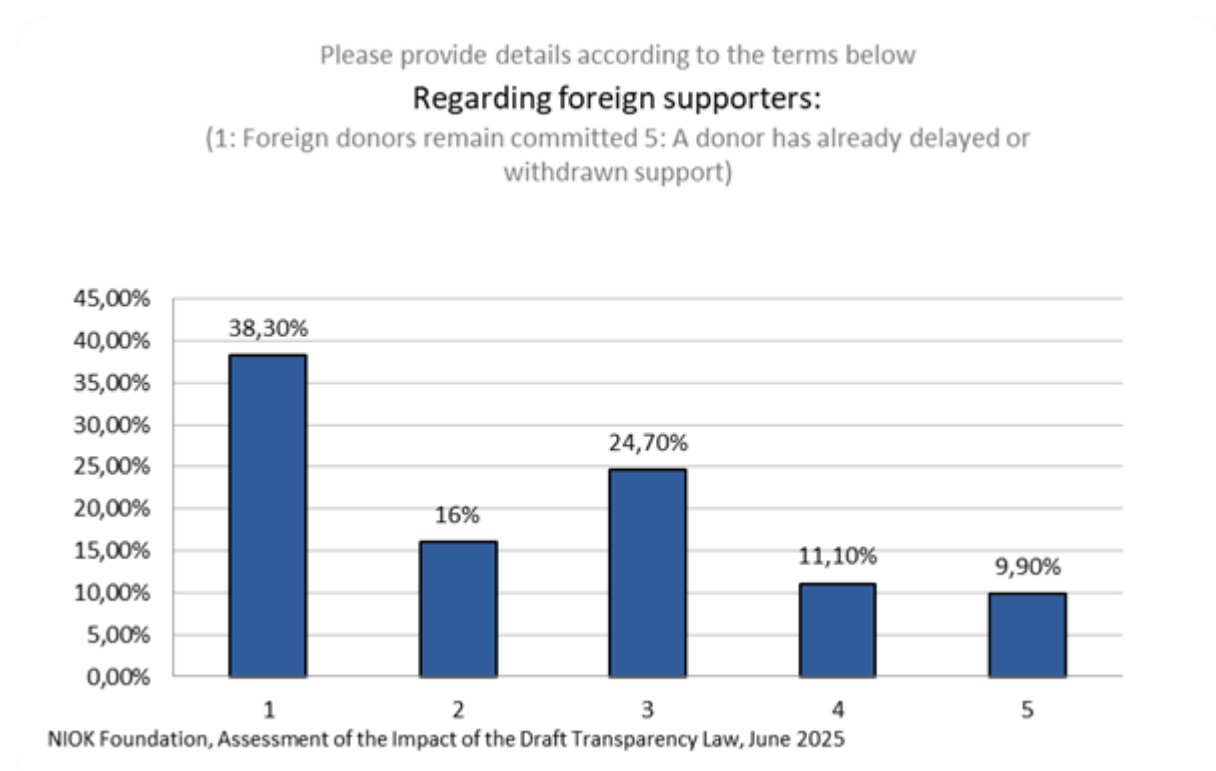
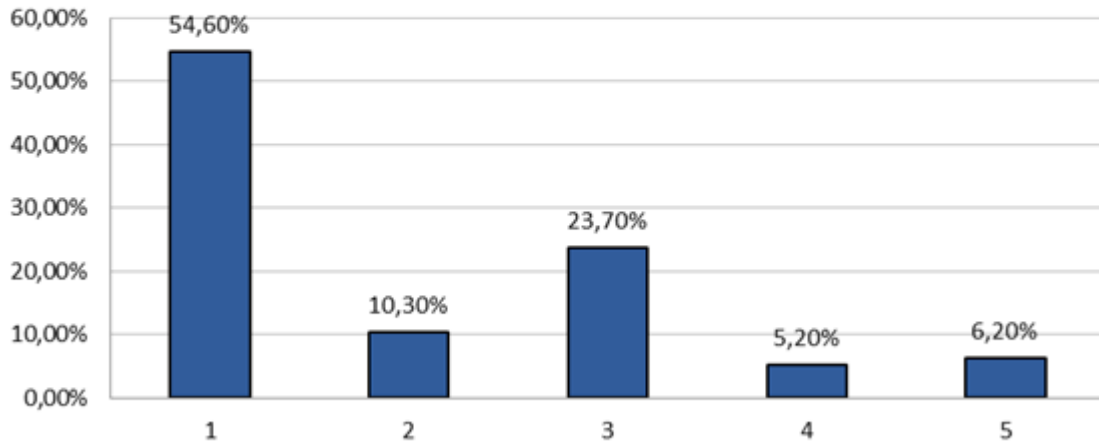


Figure 9

In 6.2% of cases, because of expected changes of the prominent public status, officials either resigned or announced their intention to do so, while in a further 5% of cases, the decision to leave is still very much up in the air. One respondent summed up the situation in the organizations concerned: "Our board members have resigned, we are tense and tired, but we are well prepared and are helping others." For the majority of organizations, becoming a prominent public figure is not a problem for their officials (Figure 10).

**Regarding the executive body (board of trustees, board),  
supervisory board members, founders:**

(1: Not affected by the possibility of being classified as a prominent public figure  
5: Resignation has already occurred or been announced due to this issue)



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Figure 10

In the case of employees, 7.1% of organizations indicated that there are already people within the organization who are considering resigning or have already done so. 32.7% of respondents clearly indicated that this does not affect employees – there is no impact or fear (neither existential, social, reputational, etc.). Here, too, it is clear that uncertainty is beginning to spread among a significant number of employees, with around two-thirds of respondents reporting problems at the employee level as a result of the draft (Figure 11).

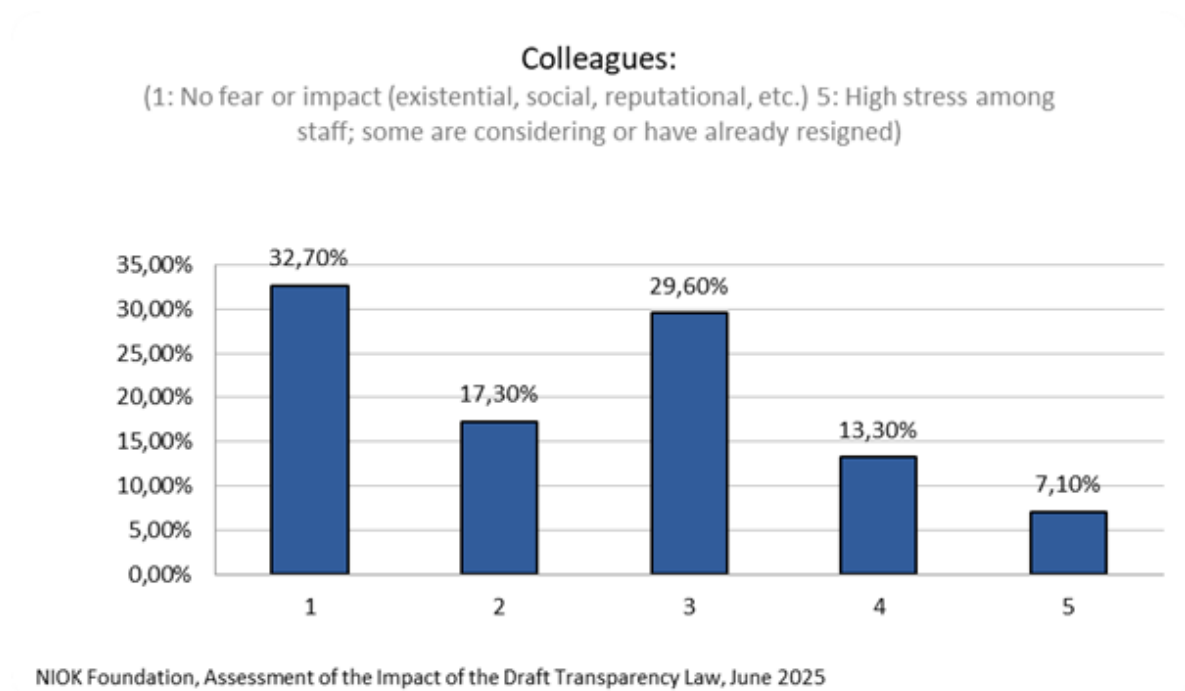


Figure 11

Among individual supporters and donors, the two ends of the scale (1: even more supporters, 5: their number is decreasing or they have become uncertain) were formulated as opposites, so the responses can be interpreted in this light. The most typical case is that within a few weeks, the impact did not spread to the level of supporters, but there are organizations at both ends of the scale: there are a few organizations that have gained more supporters as a result of the draft, and there are also those that have lost some (Figure 12).

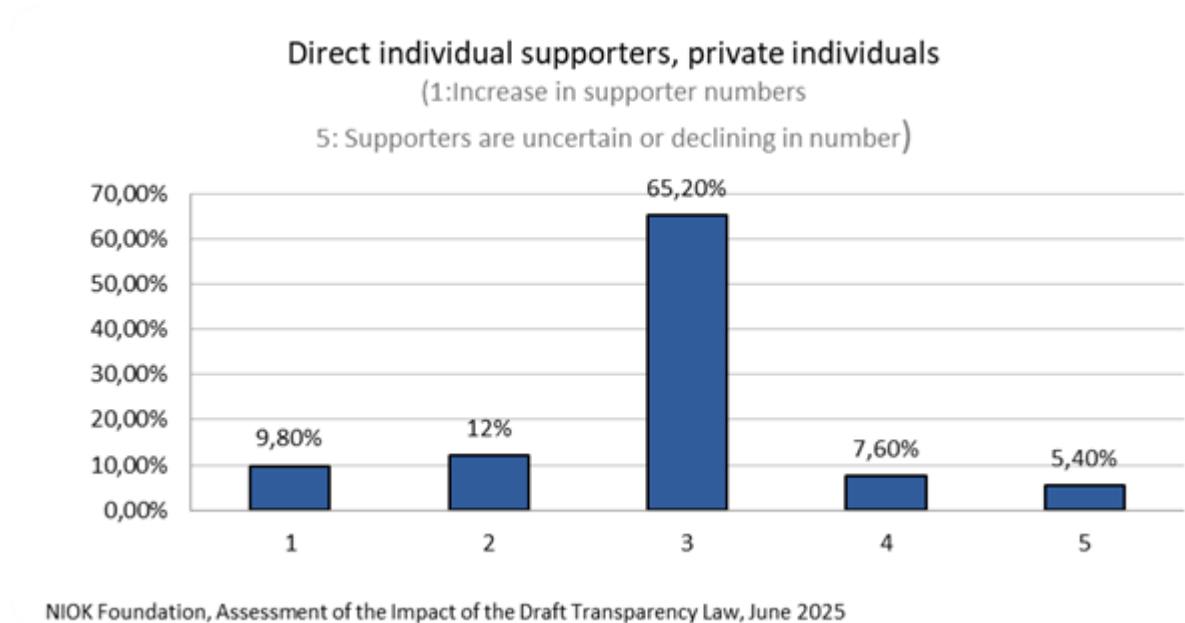


Figure 12

The vast majority of respondents did not experience any change in the number of corporate and municipal partners, while 16% experienced a positive, while 14% a negative change (Figure 13). "There was a company that stated that if there is any political affiliation with the issue, it will no longer support us because it fears for its business," one organization shared its experience.

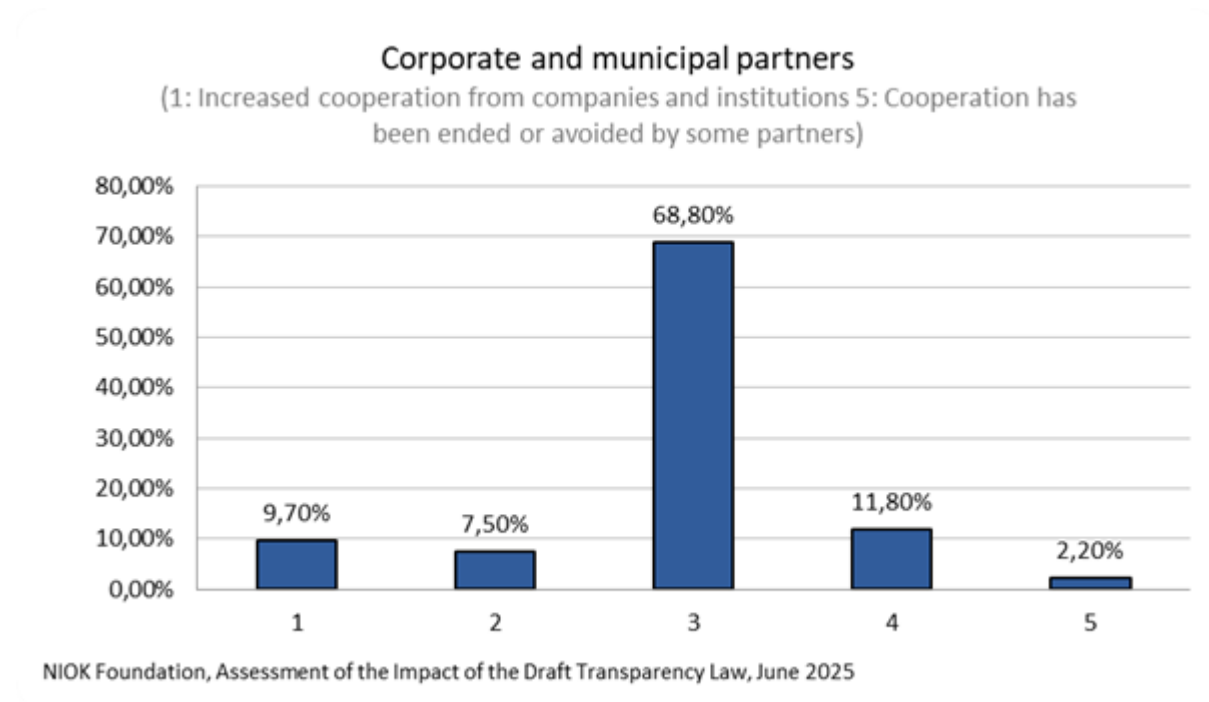


Figure 13

In addition to the scale questions, we asked respondents to illustrate the positive or negative changes they had experienced with examples. No two responses are the same, and the variety of experiences encountered by organizations is surprising. Perhaps the most negative impact is expressed in this sentence: "Stress, fear, uncertainty", while many did not perceive any impact at all: "We have not experienced any impact, neither positive nor negative." On the other hand, someone sees the situation in a very positive light: "Finally, the picture is becoming clearer: Hungarian civil society organizations should have Hungarian supporters."

The most common case was a decrease in EU funding, either because partners were not seeking contact with Hungarian partner organizations or because the organization decided not to apply for such funding. Several funding processes have been suspended until the uncertain situation is resolved. As one organization indicated: "The process of concluding support contracts has been halted/postponed due to the draft law."

The responses also explain the burden that uncertainty places on the internal functioning of organizations, the "fear factor" is at work, projects being halted and staff leaving. The following responses also vividly illustrate the negative impact:

"The situation is a mental burden at both management and staff level, partly because of doubts about the already precarious existence of the organization, and partly because of the fear that investigations could be carried out at any time and that additional tasks will have to be completed at short notice."

"It is terrible to see the despair and helplessness in our own and other organizations. Decades of hard and dedicated work are being questioned, and all this work could be lost forever."

Despite the negative experiences, organizations are also seeing a strengthening of domestic cooperation, in the form of 1% donations and other joint initiatives. "The cooperation around the organization has really touched me," said one respondent.

*The analysis was prepared by [NIOK Foundation](#) in July 2025 and can be shared with the source indicated and a link to the original article. Further information: [contact@niok.hu](mailto:contact@niok.hu).*

*You can read the original Hungarian version of the analysis [here](#).*