



# How to respond to civic space restrictions

Experiences from Hungary, Serbia and Slovakia



European Center for  
Not-for-Profit Law

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## European Center for Not-for-Profit Law (ECNL)

ECNL's mission is to create legal and policy environments that enable individuals, movements and organisations to exercise and protect their civic freedoms and to put into action transformational ideas that address national and global challenges. We envision a space in which everyone can exercise their rights freely, work in solidarity and shape their societies.



European Center for  
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May 2024

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# Foreword

Civil society organisations (CSOs) in Europe are facing mounting restrictions affecting their ability to carry out their activities, with “foreign agent” legislation being debated across the continent. A similar law is currently underway also in Republika Srpska, one of the two entities in Bosnia and Herzegovina. Although these laws are typically introduced under the premise of increasing the transparency of CSO funding or combatting foreign interference in local policy-making, they in reality unfairly target CSOs and restrict civic space.

At the request of partners in Republika Srpska, the European Center for Not-for-Profit Law (ECNL) has been providing support to CSOs in navigating the challenging civil society environment, including by sharing good examples of CSO resilience strategies from other European countries. In cooperation with partners, ECNL brought together experts from Hungary, Serbia and Slovakia to share their experiences and inspire civil society in Republika Srpska to work together and design strategies to respond jointly to civic space restrictions. The experts prepared the following case studies where they elaborate in detail the arguments, strategies, actions, and joint advocacy developed by the civil society to respond to each country’s specific restrictions and analyse the success of those arguments and strategies. All case studies conclude with key lessons learned, explaining in practical terms how to overcome challenges that may arise during this collaborative process.

While prepared to help CSO in Republika Srpska, these case studies can serve as an inspiration to any groups that are facing challenges in their work and are looking for ways to protect their space and ability to operate.

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# HUNGARY

## Country context: current state of the civil society environment, and challenges faced by CSOs

Under the rule of right-conservative Fidesz who came into power in 2010 and won 3 consecutive elections with a 2/3 super-majority, Hungary experienced continuous democratic backsliding, manifesting in:

- An extreme centralisation of power and decision-making around Prime Minister Viktor Orbán;
- Dismantling institutional checks and balances by co-option or emptying out, including the Parliament, Constitutional Court, State Audit Office, the ombudsman institution, etc.;
- Amending electoral rules to a “winner takes it all” system favouring the biggest party;
- Takeover of ~70% of all media outlets (TV, most radio channels, regional papers, etc.) into one conglomerate orchestrating centrally coordinated propaganda;
- A continually extended state of emergency (first under the pretense of the Covid-19 pandemic, then the war in Ukraine), allowing ruling by decree and creating legal insecurity;
- Disputes and hostility with Western allies and institutions (EU and NATO).

Under these circumstances, courts (to a degree), remaining independent media (mostly online), and civil society are the only actors performing civil control functions.

The overall legal framework governing CSOs (Fundamental Law/Constitution, the Civil Code, and the Non-profit Act) still guarantees the freedom of association and assembly and generally conforms to international/European standards. CSOs – associations and foundations – pursuing any legal objectives may be registered freely, and with the use of electronic means relatively easily, although they must meet quite high administrative demands during their operation, e.g. they are obliged to publish and submit annual reports to the registering courts. There have been no cases of forced dissolution of organisations or similar extreme measures taken by the state authorities.

According to official statistics, approx. 53,500 CSOs – associations and foundations – operate in Hungary, of these: 16.5% are sports organisations; 16.5% cultural organisations, 16% leisure and hobby organisation, 12.5% work in education (mostly school foundations), and 9% provide social services (total: 70%). Only 0.8% of all organisations, i.e. a few hundred, are engaged in rights protection and related fields.

## Analysis of the challenge(s) faced by CSOs, arguments used to propose restrictions as well as counterarguments used by CSOs and the success of those arguments

During this period, Hungarian CSOs have faced a shrinking operating space characterised by the following phenomena (the list also represents a roughly chronological order):

1. **De-funding of independent and/or critical CSOs:** while they are in theory eligible to apply to state funding mechanisms, they are simply never selected for support or receive grants.
2. **Lack of dialogue:** despite the legislation providing for public participation in lawmaking being in place, it is rarely adhered to in practice. Traditional forms of popular protest – e.g. petitions, signature collections, demonstrations – are routinely ignored by the government, and thus, not able to exert influence. Consultative bodies, while still exist have no tangible impact.
3. **Coordinated smear campaigns** and vilification in propaganda media and by government officials come in regular waves using oft-repeated narratives accusing critical organisations of being: “political”, members or “mercenaries” of the “Soros-network”, “foreign agents not serving the national interest”, “migrants’ friends”, promoting “gender and LGBT propaganda” (with hints to paedophilia), etc.
4. **Harassment by authorities:** apparently politically motivated inspections by the tax agency, the state audit office, etc. happen occasionally, interrupting the operation of the given organisations and taking up their capacities.
5. **SLAPPs (Strategic Lawsuits Against Public Participation):** libel or defamation cases launched by officials or governmental figures, though these mainly target media and journalists rather than CSOs.
6. **Restrictive legislation** – in more detail:

**2017:** The Law on the transparency of organisations supported from abroad obligated CSOs receiving funding from abroad (directly or indirectly, through domestic organisations) above 7.2 million HUF (~20,000 €) to register as “organisations supported from abroad” and use this label on their website and materials. Failing to do so could result in fines or eventually the dissolution of the given CSO. While many organisations complied (the registry listed ~180 names at its peak), about a dozen organisations openly boycotted it, but suffered no consequences in practice. The introduction of the Law:

- Lead to broad protests by CSOs in spring 2017, and to the creation of the Civilisation coalition (see below);
- Triggered broad international solidarity – more than 500 European CSOs signed a protest statement, and most relevant international organisations (CoE Venice Commission, UN Special Rapporteurs) spoke up against it;
- The European Commission launched an infringement process soon after the adoption of the Law, and eventually the Court of Justice of the European

Union (CJEU) ruled against the Law in June 2020, finding it contrary to EU law on several counts (regarding the freedom of association, free movement of capital, etc.)

After some delay, the act was repealed by the Hungarian Parliament in 2021.

**2018:** the “Stop Soros” package amending the Criminal Code by making “support to illegal immigration” a punishable act (but with no clear definition) plus introducing a 25% punitive tax on the income of organisations.

The reactions to the Law by the public and the international community were similar to the legislative proposal from 2017 (though maybe a little less intense as it was not such a novelty anymore). In practice, the Law was never implemented, and no organisation was prosecuted or taxed based on this Law. While in 2021 the CJEU found the legislation to be again contrary to the EU law, it is still in force (with small amendments).

**2021:** simultaneously with repealing the 2017 legislation, the Law on organisations capable of influencing public life was adopted, defining these as CSOs with an annual income of at least 20 million HUF (~50,000 €), and making them subject to additional oversight by the State Audit Office (SAO).

In 2022 and 2023 several hundred CSOs falling under the scope of the Law received requests to submit documents, mainly internal financial regulations (e.g. accounting policy, depreciation rules) to the SAO. Most CSOs complied, but they were not followed up with or contacted again individually by the SAO (to the author’s best knowledge). To conclude the inspections, SAO only published a summary report at the end of the respective year.

**Also in 2021,** in response to a paedophile scandal, the parliament adopted amendments to the Law on child protection, introducing, among others, anti-LGBTQI provisions. From among these, the ones most directly affecting CSOs banned sex (and more broadly human rights) education activities in schools held by “outsiders” (except for accredited organisations, but the list of such organisations has never been drawn up to this day).

This Law again led to broad protests both at home and internationally, including some large demonstrations in Budapest. The most spectacular protest act took place a year later, in response to a government organised referendum to allegedly strengthen child protection, but in effect reinforcing existing homo- and transphobic attitudes and sentiments by linking non-heterosexuality to paedophilia. Several leading CSOs launched a campaign asking people to cast invalid votes, with unexpected success: 1.7 million voters did so which was enough to render the whole referendum invalid. Retaliation came just 5 days later, when the National Election Commission fined all CSOs supporting the campaign for the “abuse of the law”. Most of these fines were overturned by the relevant national courts, except for the two initiating organisations – their cases are pending at the European Court of Human Rights.



**In December 2023**, the Law on the defence of national sovereignty was adopted, consisting of two main elements:

- It becomes a criminal offense for persons or organisations, including associations (which under Hungarian law can run at municipal elections) registered as candidates or nominating organisations in elections to use support from foreign sources in their campaigns. It also prohibits them to receive funds from domestic legal entities and anonymous donations.
- It establishes a new Sovereignty Defence Office with broad and ill-defined competencies to collect (including through intelligence services) and publish information on any person or organisation it suspects of serving foreign interests and/or receiving funding, with no legal remedies available. The office itself has no sanctioning powers, but it can alert other authorities to initiate procedures based on its findings.

The intentionally vague wording of the Law threatens any critical person or organisation – including CSOs, journalists, thinktanks – with smear campaigns, intimidation and harassment potentially (ab)using the data published by the SDO. The office is still in the process of being set up (it was supposed to be functional from February 2024), so there is no practical experience with its operation yet. Therefore, CSOs are on “standby”, monitoring developments. The European Commission has already launched an infringement procedure in February this year, which may result in another case at the CJEU in the following months.

## **Analysis of strategies developed by CSOs to respond to these challenges (including coalition-building) and the success of those strategies**

The above-described developments had several adverse impacts on Hungarian civil society:

- They led to a general atmosphere of insecurity and fear;
- They created a polarisation within the sector, reinforced by the government’s narrative and dividing the sector into “good” (i.e. those purely charitable or recreational) and “bad” organisations (any one going beyond these traditional activities);
- They also increased existing gaps between Budapest-based and rural, small and big organisations: while the former were not only able to survive, but become even stronger, the latter further weakened, and became silent;
- After a decade, a general fatigue and burn-out can also be observed: many CSOs just do their routine activities, are unwilling to move out of their “comfort zones” and/or to be linked to organisations deemed as “political” or “problematic”.

Still, according to available research, public attitudes towards CSOs are more positive than negative.



CSOs responded to the vilifications and restrictions both individually and collectively. Individually, the most important and successful strategies aim at broadening the organisations' constituencies and growing the circle of their supporters via:

1. **Proactive public communication:** instead of directly refuting the smears, which only serve to reinforce the government's narrative, CSOs focus on promoting their own message, showing how and what they contribute to "making Hungary a better place", thus, creating hope and positive feelings;
2. **Crowdsourcing and micro-donations:** more and more CSOs use various off- and online tools to collect support professionally, and as statistics show, people are more and more willing to give money also to "controversial" causes (i.e. not only to traditional charity) – e.g. Hungarian Civil Liberties Union grew its income from individual donations five-fold in 8 years;
3. **Focus on the grassroots, local level:** larger CSOs support the development groups of active citizens with methods and trainings e.g. in setting up community foundations, using community organizing tools.

In terms of collective response, the most important one was the creation of the **Civilisation coalition** in spring 2017. When the government's plans to introduce the foreign-funding legislation were first published, ~30 major CSOs engaged in various fields (human rights, environment, community organizing, etc.) came together to brainstorm about possible steps. First, they issued a joint statement that was endorsed by more than 300 CSOs nationwide, and also organised a number of fairly spectacular actions in the following months, including a rally on Budapest's Heroes Square and a silent demonstration in the Parliament.

Civilisation was formed as and still is an informal, non-registered platform, though it has mutually accepted written rules of procedure (regarding membership, decision-making, etc.). According to this, the coalition has 4 interlinked objectives: (1) to step up against shrinking space and restrictions, (2) to stand up for one another, express solidarity (3) to exchange knowhow and mutual learning, and (4) to promote a positive image of civil society.

Civilisation currently has 40 "full" members and a broader "outer" circle of ~400 organisations (growth in numbers not being a priority). The members have regular, monthly, "plenary" meetings, and an e-mail list for internal communication. Ad-hoc and standing working groups are set up to organise joint action, the most permanent of these being the comms group. Day-to-day work is facilitated by a part-time coordinator and a part-time communications officer. The coalition, being an informal entity is legally hosted by members on a rotational basis. Over time, members have collectively built a significant internal knowledge base. This includes guidance on the transparent operation of CSOs, on- and offline security and other relevant subjects. Additionally, they have organised trainings on these topics. As several members are international organisations themselves, Civilisation also has an important role in mobilising European solidarity if needed. Last but not least, Civilisation is a "self-help" community supporting the mental health of its members who have worked under pressure for so long.

The key factors that contributed to its longer-term existence are:

- The diversity of members in terms of the knowhow and expertise they can bring in;
- Tolerance and understanding towards the differences among members e.g. regarding the capacities they can contribute with or the more daring versus cautious approaches (e.g. in 2017 a dozen members, but by far not all, publicly boycotted the the Law on the transparency of organisations supported from abroad, still this did not lead to the creation of factions);
- The conscious decision to limit Civilisation to horizontal issues, affecting civil society as a whole (so as not to compete with its own members in their topical issues);
- Jointly developed (over the course of one-and-half years), clear rules of operation.

By now, Civilisation serves as a model of coalition-building in Hungary: several other issue-based platforms were created following its model. These include, for example, the coalitions of CSOs working on housing issues, that of Roma and pro-Roma CSOs (Egalipe network), and the civil society hubs of the major countryside cities (Aspectus Group).

## Key lessons learnt

Based on more than a decade of experience, the following points may be the most important to keep in mind when CSOs individually or jointly try to counter shrinking space:

- The most important is to **overcome debilitating fear and self-censorship**: restrictive legislation is not necessarily passed with the aim of actual implementation, but to sustain an environment of insecurity, intimidation and deterrence. Thus, the perceived threat is often bigger than the real one.
- **Direct response to smear campaigns is counterproductive**, as it keeps repeating the government's narrative: CSOs should rather create their own narratives, focusing on their impact on people's lives and the public benefits of their work – being positive and hopeful.
- The same goes for talking about foreign funding: it can be presented in a positive light, as an ability to attract foreign (taxpayer) money to help people and causes that otherwise are not funded or are under-funded at home.
- **Joining forces is key**: not only we are stronger together, but the feeling of being alone or abandoned leads to burnout and mental paralysis. To build lasting partnerships, tolerance, patience and acceptance towards differences should be exercised by all. This should be coupled with an empowerment of the weakest to support self-determination and participation.

- **Vigilance must be maintained**, monitoring developments continuously to be able to prepare prompt and appropriate reactions. This should include contacts to pro bono lawyers and international allies which can raise solidarity from abroad.

Last but not least, “keeping your house in order”: CSOs themselves should operate in a transparent and lawful manner, preferably going beyond minimum legal requirements, and help each other with expertise to do so.

## Useful resources

- Website of the [Civilisation coalition](#) in general, but in particular:
- The timeline of events related to shrinking space in Hungary: <https://civilizacio.net/en/about-us/our-story>
- The opinion poll studies on the perception of CSOs: <https://civilizacio.net/en/activities/civic-polls>
- Legal analyses available on the website of the [Hungarian Helsinki Committee](#), in particular Q&A on the Sovereignty Defence Act: [https://helsinki.hu/en/wp-content/uploads/sites/2/2024/02/QandA\\_Sovereignty\\_Protection\\_Act\\_QandA\\_2024.pdf](https://helsinki.hu/en/wp-content/uploads/sites/2/2024/02/QandA_Sovereignty_Protection_Act_QandA_2024.pdf)
- The annual USAID Civil Society Sustainability Index provide a detailed historical overview of shirinking civil space in Hungary: <https://okotars.hu/szovegek> (scroll down) or <https://csosi.org/?region=EUROPE>
- Hungarian CSOs contribution to the EU Rule of Law report: <https://okotars.hu/en/hungarian-csos-contribute-european-commissions-2024-rule-law-report>

# SERBIA

## Context

Viewed from an institutional and normative perspective, the conditions for the operation of civil society organisations (CSOs) in Serbia can be qualified as unfavorable. Considering the broader socio-political context, primarily the dominant public discourse and narrative towards the civil sector, the overall environment in which CSOs operate can also be characterised as hostile. The constant targeting of CSOs as “anti-Serbian,” “traitorous,” “hostile,” and the like has greatly influenced the creation of such an environment. There has been a rise in the number of attacks, both physical and verbal, as well as pressures faced by citizens, CSOs, activists, and journalists in our country. The unfavorable political climate, in which the erosion of democratic values and institutions has become a regular occurrence, has contributed to the creation of a hostile environment towards anyone who dares to think freely and critically and to act accordingly in the public sphere. The CIVICUS monitoring mechanism that looks into threats to civil society in countries globally and assesses the space for the functioning of civil society, has characterised civic space in Serbia as “obstructed”. This assessment has been influenced by numerous violations and restrictions of civil liberties.

Activists, journalists, and CSOs are regularly targeted by those in power, to discredit their work and spread distrust towards their activities among citizens. These campaigns involve spreading a narrative that has been created for decades about “domestic traitors and foreign mercenaries,” which is further disseminated through pro-regime media and tabloids. Freedom of expression has been under attack for years, and the deteriorating situation in this area in our country is highlighted by numerous international actors, including by the Reporters without Borders. In addition to the media, activists who dare to point out the problems affecting our society are also exposed to SLAPP lawsuits, with environmental activists being particularly vulnerable to this form of pressure.

Despite the active measures taken by those in power to suppress civic activism and restrict the space for citizen participation in important legislative processes, and despite the inability of institutions to prevent the erosion of the democratic social order, the citizens of Serbia continue to fight for the progress of society and the protection and defense of fundamental human rights and freedoms.

## Case introduction

On July 13, 2020, an official request was issued by the Administration for the Prevention of Money Laundering (APML) to all commercial banks in Serbia, requesting information and accompanying documentation regarding the bank accounts and financial transactions of 57 CSOs, media outlets, and individuals. The public became aware of these actions two weeks later when unofficial information leaked in the media. Before publishing this news, the news director of Newsmax Adria received confirmation of the List’s authenticity during a meeting with the acting director of the APML held on July 27, 2020, despite the later attempts by the APML to dispute it.

The list included 37 legal entities and 20 individuals from the media and civil society, all sharing a critical stance toward the government as their primary common factor. Official explanations portrayed the list as a carefully selected sample of non-profit organisations (NPOs) and their legal representatives, chosen for analysis based on objective criteria as part of regular risk assessment procedures. However, the APML List did not target the main risks associated with nonprofit organisations financing terrorism, as per FATF guidelines. Instead, it primarily included organisations focused on advocacy and interest representation, despite FATF findings that such NPOs are not typically at risk for terrorist financing. This has led those on the List to see it as an intimidation tactic aimed at stifling civil society, independent media, and human rights defenders in Serbia.

## Government response

The APML cited Article 73 of the Law on the Prevention of Money Laundering and Terrorist Financing as the legal basis for requesting data from commercial banks. However, the law allows such requests only when there are suspicions of money laundering or terrorism financing. The law does not allow state authorities to investigate entities unless there is a suspicion of wrongdoing. The APML provided no evidence to confirm that this request was part of routine non-profit sector analysis or risk assessment criteria. The acting director of APML, speaking on July 27, described these actions as routine efforts to evaluate terrorism financing risks, not as investigative measures, or labeling organisations as criminal entities. He did not manage to clearly state the purpose behind the request for information and often mixed the issue of regular supervision over the work of non-profit organisations with other competencies of the Administration.

## Civil society's response

The strategies of civil society were to put pressure on competent institutions and demand responsibility; inform the wider sector and citizens about the targeting of legitimate organisations and abuse of the law; alerting the international community. CSOs immediately recognised the significance of the List, and the potential damage that it could lead to. The day after the List was published, they **publicly petitioned the Government to stop abusing mechanisms for the prevention of money laundering and terrorist financing.** On July 28, a **joint statement was issued stating that civil society and the media would not be intimidated to give up the fight for a democratic and free Serbia.** This statement was supported by over 270 CSOs, media outlets and associations and attracted a great deal of attention from the domestic and international public. This was followed by joint activities in order to inform citizens, colleagues in civil society and the international community about the problems that have arisen, as well as about future steps. In this regard, on August 4, a meeting was organised with the representatives of embassies and international organisations based in Belgrade, which was attended by more than 40 people. Simultaneously, a smear campaign against the organisations from the List took place in government-funded media. They sought clarification on the criteria for initiating and conducting the investigation. The APML responded by citing legal confidentiality and stated they lacked the legal mandate to disclose the requested



information publicly. Due to the collaborative and prompt response of civil society, **multiple international organisations have expressed concern that this investigation represents another attempt by the authorities to further restrict civic space in Serbia.** Reactions came from the European Federation of Journalists (EFJ) and the SafeJournalists network, significant attention was given to this case in Serbia's 2020 Progress Report, published by the European Commission. The Commission warned that it was necessary to establish a legal basis for investigation and to determine whether the actions of the APML comply with the Financial Action Task Force (FATF) recommendations. On November 11, 2020, **a statement was issued by the United Nations Special Rapporteurs alleging that the State of Serbia had abused its anti-money laundering and anti-terrorist financing mechanism to intimidate and restrict the work of civil society and human rights defenders and stifle criticism of the authorities.** The United Nations Special Rapporteurs also sent requests for further information on this case to the Serbian Government, Financial Action Task Force (FATF), and MONEYVAL. In its response to UN Special Rapporteurs, **FATF stated that states cannot conduct investigations unless the subject of the investigation is an individual suspected of money laundering or terrorist financing.** The involvement of UN Special Rapporteurs was crucial. While APML did not respond to civil society's FOI requests, upon the statement from United Nations Special Rapporteurs, the APML was obliged to respond and clarify its reasoning. Through UN Special Rapporteurs, civil society obtained opinions from FATF and Moneyval. UN Special Rapporteurs mandated FATF, Moneyval, and finally, the AMPL to provide opinions, which was in favor of civil society.

The response of civil society has proven successful due to strategic coordination and pooling of resources. A collaborative online table was created where all organisations listed the resources they have at their disposal. Four teams were formed: one for media communication, one for communication with institutions related to preventing terrorism financing, a legal team, and a group for communication with domestic and international organisations. All these groups worked simultaneously on various issues such as drafting requests for information from banks, writing criminal complaints, drafting letters to international institutions, organizing meetings with embassies, etc.

## Key lessons learnt

- The main lesson learned from this process is that through coordinated joint actions and resource sharing, civil society can resist and push back against unjustified attacks and legal abuses aimed at shrinking civic space. By mobilising the wider civil society sector, launching a large-scale communication campaign, and initiating public debate, CSOs managed to mobilise the international community and stop a dangerous attempt to further collapse the rule of law in Serbia.
- The involvement of international actors, specifically UN Special Rapporteurs, was crucial. Domestic institutions in Serbia are more likely to react when there is external pressure.
- A platform of civil society and the media was created, which is still active today and coordinated in cases of attacks and pressures by public speaking, issuing statements, and providing different types of support.

- Solidarity, unity, and sector coordination have resulted in a greater impact by involving a large number of CSOs in alerting both domestic and international audiences. Organisations not listed on the List feared similar actions could happen to them, seeing themselves as potential targets, leading to a strong and unified reaction.
- When the public is alerted and exerts pressure, institutions are more willing to engage in dialogue. The AMPL responded and participated in civil society events, they spoke and promised to initiate steps that would calm and resolve the situation favorably.
- The list case has brought the topic of preventing money laundering and terrorism financing into other important processes. Afterward, CSOs become increasingly involved in the field of anti-money laundering, delve much deeper into the topic, start addressing it, exchange information, and strengthen the defense front against potential further abuses.
- The organisations from the List created training sessions and workshops for the sector, empowering organisations to confront banks when they request excessive documentation and know their rights and obligations.
- A part of civil society, following the List case, boycotted the process of developing a Strategy for Creating an Enabling Environment for Civil Society Development because the List case had not been resolved. This represented a form of pressure on the state because the processes with CSOs were stimulating dialogue, while civil society demanded accountability. It was not possible to discuss an enabling environment while legitimate CSOs were being targeted and laws were being abused for that purpose.
- Collaborating with independent media, CSOs should seek support from independent media to develop communication strategies that highlight the importance of civic space and the work of the sector. This can be achieved through public announcements, op-eds, and joint campaigns to amplify democratic voices and increase CSO impact.

## Useful resources

- CIVICUS Monitor – Serbia: <https://monitor.civicus.org/country/serbia/>
- Reporters without borders – Serbia: <https://rsf.org/en/country/serbia>
- A joint statement against abusive mechanisms for the prevention of money laundering and terrorist financing: <https://www.gradjanske.org/en/civil-society-and-media-will-not-give-up-the-fight-for-a-democratic-and-free-serbia/>
- Press release by UN – Serbia’s anti-terrorism laws being misused to target and curb work of NGOs: <https://www.ohchr.org/en/press-releases/2020/11/serbias-anti-terrorism-laws-being-misused-target-and-curb-work-ngos-un-human?LangID=E&NewsID=26492>



# SLOVAKIA

## The state of civil society in Slovakia

The state of civil society in Slovakia corresponds to the fact that Slovakia is still a developing democracy, despite having functioned as an independent state for 30 years. The modern democratic history of Slovakia since 1989 has been marked by the struggle to preserve democracy. In 1998 Slovakia was excluded from accession to the EU and NATO due to Vladimir Mečiar's government. Civil society at that time organised a mobilisation campaign that attracted up to 86% of voters to participate in the parliamentary elections, which ultimately gave more votes to pro-Western democratic parties. This experience strengthened civil society leaders, teaching them to be concerned about the state of freedoms and rights in a broader context than just running their own civil society organisations (CSOs).

The second very important contextual event is the murder of journalist Ján Kuciak and his fiancée, which sparked large protests in 2018. It is important for two contexts; firstly, it led to the replacement of then-Prime Minister Robert Fico with Peter Pellegrini (the current Prime Minister and newly elected President), and secondly, Robert Fico began publicly accusing members of civil society – then organisers of anti-government protests – of being agents from the West, paid by Soros, and spreading various conspiracy theories. This had never come from government representatives before, even though the murder of the journalist was the result of verbal attacks on the media by Robert Fico. From that moment on, verbal and public attacks on CSOs intensified as the Prime Minister has chosen “bad political CSOs paid from the West” as his main enemies.

So far, the space for civil society with the underlying legislation was sufficiently large to allow for the formation of various citizens' initiatives, including the creation of advocacy and expert organisations, not just social service providers. Slovakia created a relatively favorable environment for citizen participation in shaping public policies. Financing from state sources was more complicated, especially for national projects funded by the European Union sources. The shortage of resources for institutional financing and platform funding led to the organisations functioning primarily on a project basis and implementing their own activities, rather than functioning strategically or within the broader context of civil society. At the same time, in recent years, donations from individuals and companies have also been increasing. An important source of funds is the assignation mechanism (see below).

In Slovakia, the government has several special institutions for communication between the government and the civic sector – the Government's Plenipotentiary for the Development of Civil Society and the Government Council for CSOs – both of these institutions are advisory bodies of the government directly established by the government, but they include CSO representatives.

In the last 5-7 years, we have measured the public perception of CSOs and the sector several times. The approval rate ranges from 40 to 60%, depending on the formulated question and the current context. This is more than the general approval rate of the government, the members of the parliament, or political parties in the long run. People with personal experience with at least one organisation trust CSOs the most.

## **Tax assignment mechanism - Context for case study**

In 2022, €96 million was redistributed to CSOs in Slovakia through the tax assignment mechanism, which constitutes a significant amount for the civic sector. Importantly, the amount increases annually in line with the income growth. Individuals or legal entities participate in this mechanism by indicating in their tax declaration the organisation to which the state should allocate 2% of their paid income tax for the previous year. Slightly more than 50% of individuals and 70% of legal entities use this mechanism annually.

Large companies (banks, telecommunications operators, construction companies, energy companies) assign 2% of the paid income tax to their “corporate” foundations which then distribute funds to both individuals and CSOs. Legal entities can also allocate the 2% tax directly to multiple organisations or send it to one organisation without an intermediary foundation.

## **Proposal of the government in November 2023**

Erik Tomáš, Minister of Labor, Social Affairs, and Family, announced a proposal for changes in the tax assignment mechanism at a press conference 13 days after the government was formed, even before the government received a vote of confidence in the Parliament. According to his proposal, individuals should have the option to decide whether to allocate 2% of their taxes to their parents as a supplement to their pension or to their favorite CSO. He also announced that CSOs with “good, noble” causes do not have to fear a reduction in income, as a state fund would be created to finance their activities. However, the “bad” CSOs, “political” CSOs, would receive nothing. He did this without consulting anyone from the government or representatives of the civic sector.

Such a proposal would obviously result in a reduction in organisational income (we do not know exactly by how much, but is assumed to be at least €18 to €20 million). Additionally, many organisations conduct fundraising campaigns to receive the 2% tax assignments, and these would be jeopardised because you cannot encourage people to allocate 2% of their taxes to their favorite CSO instead of their parents. Moreover, there was uncertainty about what would happen with the tax assignment by legal entities; all corporate foundations were at risk, and income from the 2% tax assignment by legal entities constitutes half of all resources redistributed under the mechanism.

## Civil society's reaction

Immediately after the press conference by the Minister, we prepared communication for the media and the public:

1. Press release, where we explained the facts: the primary recipients of resources from the 2%, potential consequences on the services provided by these organisations to the people in Slovakia, the allocation of funds, the significance of these resources for the sector, and why they cannot be replaced by a state fund due to administrative burden and inefficiency compared to the current system. We worked with public data on the tax assignment. This data indicates that there are about 10 primary recipients of these funds and they focus on assisting people with cancer or providing pediatric palliative care or mental health support. Conversely, many recipients are small civic associations organised around schools or kindergartens, or associations founded by parents of children with disabilities supporting specific children.
2. [Public appeal](#), designed for public support. There was no time for a larger campaign, so we distributed it to the supporters of organisations involved in the initiative through their newsletters. Within 3 weeks, 33,000 people signed the appeal without any further advertising or wider communication.
3. Informational website, where we published all data and information about the mechanism, recipients, and specific stories of organisations and people who received assistance through the 2% tax assignment: <https://www.pomahamespolu.sk>.
4. Press conference, where the primary recipients, along with representatives of civil society from the Government Council for CSOs, called on the government not to change the mechanism, explaining that these funds are not designated “for CSOs” but rather for the individuals whom they assist.

The key factor was that the faces of this campaign were representatives of the helping organisations – mainly those working with cancer patients, providing palliative care to dying children, or representing organisations of people with disabilities, because:

- According to all the data we had available, the largest recipients are helping organisations, mainly for the disadvantaged, patients, or poor families.
- We had to explain to the Minister of Labor, Social Affairs, and Family that this change would adversely affect “organisations under his ministry” because the government professes to the values of social democracy and the protection of the poor (officially).
- We needed the public to understand the impact of the change in 2% assignment mechanism, as they are the ones who allocate their taxes or receive help from these organisations.

Based on these steps, a meeting was held between the Minister of Labor, Social Affairs, and Family, the Minister of Finance, the Government Commissioner for the Development of Civil Society, and representatives of CSOs, where we agreed that this allocation mechanism would not be changed. For now.

## What was important

1. Having a **structure for the team** working on the campaign – we designated people (who worked voluntarily in addition to their normal jobs) to decide on the strategy, to prepare data for the agency, to communicate with the representative organisations, to communicate to organisations in the sector to gather information on the stories for the website, to be able to organise meeting with politicians etc. There is always work to do, nothing is done organically or by itself, the clear division of the work and responsibilities is needed, and coordination of these activities is also a work.
2. Having **resources** for the use of professional communication agency services.
3. Having **functional networks** to approach various organisations in the sector – we approached the organisations through personal networks, through the foundations (their grantees) and through platform of organisations functioning in Slovakia for years. We have platforms gathering organisations working in some field (education, youth, health, environment, volunteering, ...) and a platform of umbrella organisations which is also coordinated and meets regularly. These are the channels through which you can reach the individual organisations.
4. **Cooperation between organisations with different backgrounds** and experiences and mutual sharing of knowledge is important. Most of the time, CSOs do not have enough capacity to engage in such a campaign, so is important that different organisations get together and share their capacities and knowledge.
5. Having a **clear advocacy goal** – what we want to achieve in the end. This is important for the common understanding within the coalition. It is also helpful for creating or adapting the strategy of the campaign, as the reactions will come and the situation can change during the campaign.
6. **Communicating to the public, not to politicians** – this is part of the strategy, build the communication through the media towards the public not the politicians, because public can be your ally and they can produce the public pressure.

## Key lessons learnt

1. Always be clear on the overall goal of the campaign and who the decision-making authority is for the entire campaign, because plans might change. Various tasks were often assigned to the campaign team during the implementation phase, so the leaders and decision-makers should have a common understanding of the plan and overall goals to effectively communicate with the team.
2. In this campaign, we did not engage in defending and explaining that CSOs are diverse, some provide assistance, and some do advocacy work, which is legitimate and they should not be labeled as “bad, political CSOs.” Strategically, we decided that the overall safeguarding of this particular financial mechanism is more important than explaining to the public the complexity of CSOs and how they function. There was a good opportunity for that, but we did not have enough capacity.

## Useful resources

- We conducted this research to learn how to better communicate with the public and determine which narratives are perceived as convincing. We were at that time preparing a campaign for the sector as such, the landing page of the campaign still exists: [www.lepszivotprevsetkych.sk](http://www.lepszivotprevsetkych.sk).
- Informational website, where we published all data and information about the mechanism, recipients, and specific stories of organisations and people who received assistance through the 2% tax assignment: [www.pomahamespolu.sk](http://www.pomahamespolu.sk).

# About the authors

## Ökotárs - Hungary

Veronika Móra is the director of Ökotárs–Hungarian Environmental Partnership Foundation. They aim at contributing to the development of a democratic, sustainable and equitable society and an institutional system based on citizen participation. It has been doing so by supporting civil society organisations with grants, technical assistance and capacity building for more than 30 years.



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## Civic Initiatives - Serbia

Ksenija Nikić is the capacity building program manager at Civic Initiatives (CI). They have a 27-year history and during this time, have achieved numerous results. CI are recognised as a leading organisation in civil society development, promoting activism, and creating an enabling environment for active citizen participation in social changes. They believe that a just society enables equality, freedom, and a dignified life for all citizens. Based on their longstanding commitment to these values in Serbia, which continues to face challenges in democratisation and building the rule of law, they believe that creating such a society requires citizens themselves to take responsibility and participate more actively in social changes. Therefore, they have decided to focus their knowledge and efforts on encouraging activism and supporting citizens in coming together and acting collectively toward creating a just society.



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## VIA IURIS - Slovakia

Katarína Batková is the executive director of VIA IURIS, an NGO established 30 years ago and is an expert legal organisation, which has its own in-house legal team. The thematic fields that VIA IURIS is working on are rule of law, environmental protection from the legal point of view (strategic litigation and legislative changes) and freedom of expression. We propose systematic changes to rule of law institutions and protect the framework for participation of people on public policies and in environmental protection.



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