



HUNGARY

OECD Global Action on Promoting Social and Solidarity Economy Ecosystems

Hungary does not have a national framework around the social and solidarity economy (SSE). In 2021, **61 034 SSE entities** provided **160 188 jobs** in Hungary, which accounts for **3%** of total employment. Revenues generated by SSE entities corresponded to **5.4%** of total GDP.

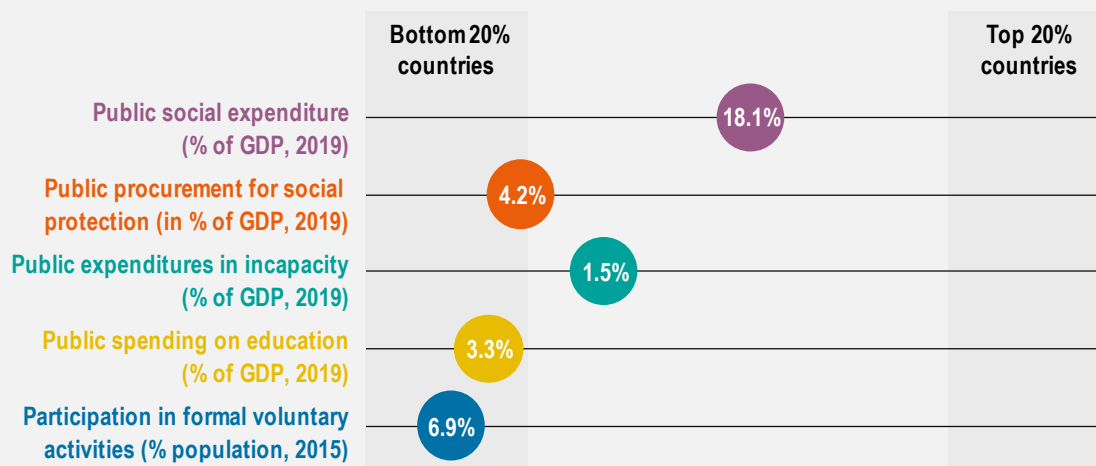
SOCIO-ECONOMIC INDICATORS

Hungary is a unitary country and a member of the European Union. It is a high-income country with a very high human development level.

	GDP per capita	Labour force participation rate	Youth not in employment, education or training (NEET)	Poverty rate	Gini coefficient	Rural population	Stakeholder engagement for developing regulations
Hungary	USD 41 907	77.2%	13.1%	8.7%	0.280 / 1	18.5%	1.2 / 4
OECD	USD 53 937	73.2%	14.8%	11.0%	0.313 / 1	23.1%	2.1 / 4

Note: Data from Hungary refer to 2022, except for NEET (2021), poverty rate (2020), Gini coefficient (2020) and stakeholder engagement (2017). OECD data refer to 2022, except for poverty rate (2018), Gini coefficient (2020) and stakeholder engagement (2017). GDP per capita for Hungary is a provisional value, for OECD is an estimated value. See sources at the end of the document.

Country position in selected social indicators



Note: For each indicator, the position of the bubble on the line represents the country's ranking compared to OECD and EU countries. Higher rankings are on the right. The panel of countries for the international ranking can vary from an indicator to another due to data availability. See sources at the end of the document.

SOCIAL AND SOLIDARITY ECONOMY ECOSYSTEM

Definition of the social and solidarity economy in Hungary

No official definition of the SSE is available in the country.



OECD
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Economy Ecosystems

This Country Fact Sheet is prepared in the framework of the [OECD Global Action "Promoting Social and Solidarity Economy Ecosystems"](#), funded by the European Union. It is part of a series of country pages that provide information and relevant data on the social and solidarity economy ecosystems across the world.

Institutional frameworks



Institutions

There is no specifically designated government body or institution working on SSE development policy. **Different Ministries cover specific aspects.** Ministry of National Economy (former Ministry of Finance) coordinates EU co-funded programs to support social enterprises, while Ministry of Interior has a Social Cooperatives Coordination Department. Other Ministries may engage in social economy development activities as seem fit with their specific mandate.



Legal instruments

Hungary does not have a framework law around the SSE but it has specific acts on its constituents including cooperatives and other civil society organisations.



Stakeholder engagement

Not available.

Main figures

In 2021, **61 034 SSE entities** provided **160 188 jobs** in Hungary, which accounts for **3%** of total employment. Most SSE entities were **micro and small sized**. Revenues generated by SSE entities reached **HUF 2.97 trillion**, corresponding to **5.4%** of total GDP.

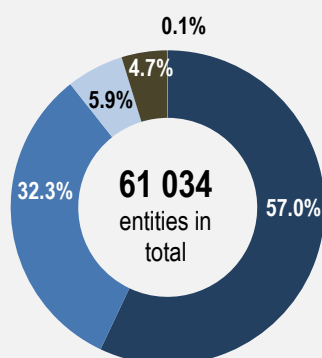
SCOPE

In the absence of an official definition of the SSE, data are provided according to a common understanding of what entities can be seen as part of the field. Data on cooperatives and mutual societies are not available.

Number of SSE entities (2021)

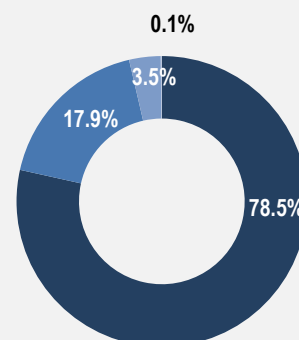
SSE ENTITIES

- Associations
- Foundations
- Nonprofit enterprises
- Advocacy groups
- Professional associations



Breakdown of SSE entities by size of employment (2021)

- 0 person employed
- 1-9 persons employed
- 10-249 persons employed
- 250 or more persons employed

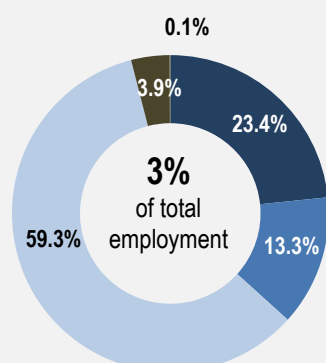


Employment in the SSE (headcounts, 2021)

Total employment in SSE: 160 188

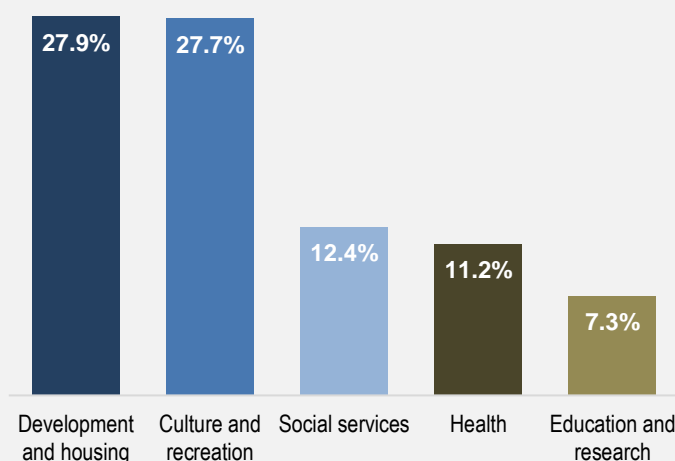
EMPLOYMENT

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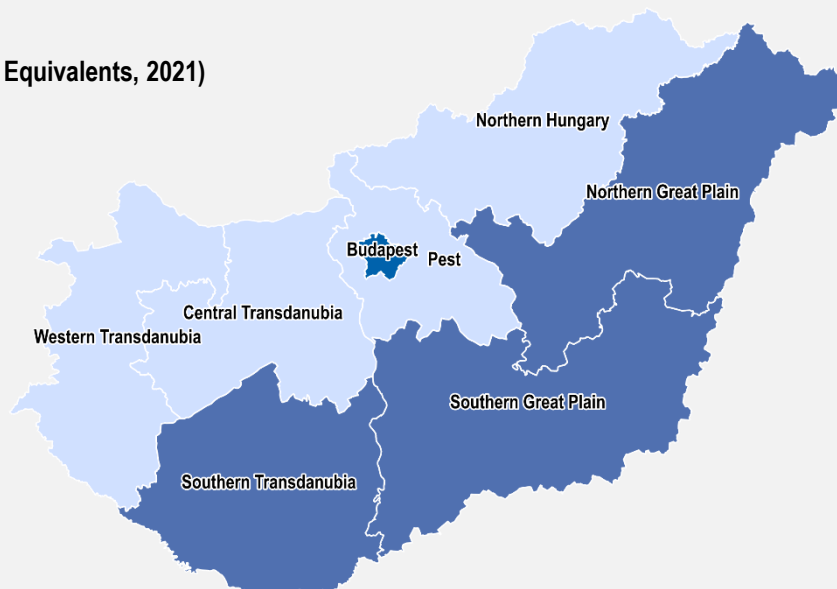
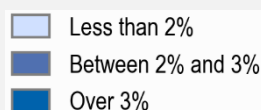
Sectoral employment (2021)

(International Classification of Non-Profit Organizations)



Note: Sectoral employment graph presents the top 5 sectors in terms of employment. Other sectors include environment; law, advocacy and politics; philanthropic intermediaries and voluntarism promotion; religion; and business and professional.

Employment in the SSE (Full Time Equivalents, 2021) as a share of regional employment



Note: Share of SSE employment in regional employment has been calculated based on the OECD Regional database. See sources at the end.

Volunteering and Memberships



REACH

In 2021, there were **387 240 volunteers** active in the SSE. Total number of volunteered hours reached **52.7 million** in the same year.

Total number of memberships in SSE entities was **3.7 million** in 2018, 99.9% of which were in associations and advocacy groups.

Economic contribution



SSE entities generated **HUF 2.97 trillion** in 2021, corresponding to **5.4%** of GDP.

Legal frameworks

Legal frameworks to support the development of the SSE can be adopted at the national and subnational levels. They can regulate the SSE as a whole, or specific legal entities of the SSE (such as associations, cooperatives, mutual societies, foundations and social enterprises).

For the SSE	<ul style="list-style-type: none"> Not available.
For specific SSE entities at national level	<ul style="list-style-type: none"> Act 141 on Cooperatives (2006) – Social cooperatives and sub-types such as school cooperatives or employment cooperatives – link Act CLXXV on the Freedom of Association, Non-profit Status and the Operation and Support of Civil Organizations (2011) – NGOs with economic activities – link Act V of the Civil Code (2013) – link Business Associations Act (4/2006) – link

Note: The list above is not exhaustive of all existing legal frameworks around SSE in Hungary.

Fiscal treatment

Different fiscal treatment can be established for the social and solidarity economy as a whole, or for specific SSE entities, at the national and subnational level.

Fiscal treatment of SSE entities	Fiscal treatment for contributors to the SSE
<ul style="list-style-type: none"> Organisations that qualify for public benefit status (including social cooperatives, associations, foundations and non-profit organisations) enjoy income tax exemptions/reductions for revenues generated from public benefit activities and if the income from business operations is lower than 15% of total revenue. Associations and foundations are exempt from a range of national taxes. Those engaged in specific activities of public interest (e.g. sports, social care, care, training, etc.) are exempt from value added tax (VAT). 	<ul style="list-style-type: none"> There are no tax incentives for individual donors. Donations made to associations with public benefit status are tax-deductible for corporate donors under certain conditions. Donations made by corporate donors to the National Cultural Fund, the National Relief Fund, the Damage Mitigation Fund, and higher education institutions are subject to tax deductions.

- Social cooperatives are subject to certain tax benefits and exemptions, but can achieve the public benefit status and benefit from wider tax benefits linked to the status.

Social impact measurement initiatives

Driven by a mission of social purpose, SSE entities are increasingly requested to demonstrate the positive value that they generate through their activities. Social impact measurement enables them to assess their positive contribution to society. A diverse range of possible initiatives are available to governments and practitioners to foster a social impact measurement culture.



Guidance-based initiatives

- [MarketMate Hungarian National Priority Project, PiacTárs 2.0 Monitoring and assessment of social enterprises](#) (2017) ▢ Ministry of Human Resources

Note: Guidance-based initiatives deliver guidance on social impact measurement approaches, which are tailored to the specific needs of the social and solidarity economy.

FURTHER READING ON THE SSE IN HUNGARY

[Fekete, Éva G.: Elements of Social and Solidarity Economy \(SSE\) in the Hungarian Local Development](#) | [Szalai and Svensson: On Civil Society and the Social Economy in Hungary](#) | [European Commission: Social Enterprises and Their Ecosystems Hungary Country Report](#) | [EU Social Economy Gateway Hungary](#)

DATA SOURCES

- Socio-economic data refer to 2022 unless stated otherwise, and relate to data downloaded as of 17 July 2023. Datasets used: GDP per capita, current PPP: OECD national accounts statistics, <https://doi.org/10.1787/na-data-en>; Labour force participation rate (15-64 year old): OECD Employment and Labour Market Statistics, <https://doi.org/10.1787/data-00310-en>; NEET (15-29 year olds, all levels of education): OECD Education at a Glance 2022, <https://doi.org/10.1787/19991487>; Poverty rate (after taxes and transfers, poverty line 50%): OECD Social and Welfare Statistics (database), <https://doi.org/10.1787/data-00654-en>; Gini coefficient (disposable income, post taxes and transfers): OECD Income Distribution Database, <https://www.oecd.org/social/income-distribution-database.htm>; Rural population (OECD): OECD, CFE Regions and Cities databases, <http://oe.cd/geostats>; Stakeholder engagement for developing regulations: OECD Better Life Index, <https://www.oecd.betterlifeindex.org/#/111111111111>; Public social expenditures: OECD Social Expenditure Database (SOCX), <http://dotstat.oecd.org/Index.aspx?QueryId=26920>; Share of public procurement for social protection (in % of total general government procurements): OECD (2022), "Government at a Glance - 2021 edition", <http://dotstat.oecd.org/Index.aspx?QueryId=107598>; Public spending on incapacity: OECD (2022); Public spending on incapacity (indicator), <https://doi.org/10.1787/f35b71ed-en> (Public spending on incapacity refers to spending due to sickness, disability and occupational injury); Spending on education (primary to tertiary level, in % of GDP): OECD Education Statistics (database), <https://doi.org/10.1787/c4e1b551-en>; Participation in formal voluntary activities (% of people): Eurostat table [ilc_scp19], based on the 2015 EU-SILC ad-hoc module. Regional employment data are retrieved from OECD Regional database, <http://oe.cd/geostats>.
- SSE data were collected through OECD questionnaire circulated in May 2022. The data for Hungary were provided by the Hungarian Central Statistical Office.
- Further information on the methodology followed in the country fact sheets can be found [here](#).

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.



Centre for Entrepreneurship, SMEs, Regions and Cities
Local Employment and Economic Development (LEED) Programme
Social Economy and Innovation Unit



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<https://www.oecd.org/cfe/leed/social-economy/>



Email us at:

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