

Why removing active politicians from Hungarian University Boards is not enough?

Compiled

by

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University foundations - basics

State universities went through a “model change” between 2019-2022

Results:

- Many universities became *Public Benefit Organisations*
- These are private institutions
 - not budgetary institutions while still depending on state subsidies
- Governed by civil law, but new organisational form created (public trust foundation, 2019)
- Allegedly more independent of the state, but in fact only of future governments
- All members of the Boards of Trustees were appointed by the Fidesz government, for life
- University autonomy further reduced or terminated in many respects
- The quality of cooperation between the Boards and the university entities mainly depends on locally specific personal conditions and the personal benevolence and expertise of the foundation personnel (board members). There are no institutional or legal guarantees for mutual communication and professional cooperation.

No social debate and consultation with the stakeholders took place prior to the introduction of the new system. Not even the universities could influence the outcome.

The new structure:

Board of Trustees

- Have both maintainer's and proprietor's rights (since 1st of Jan 2022)
- Senate's rights (decision-making competences) curtailed or terminated, delegated to the BoTs
 - Senates have no right even to regulate themselves
- Neither university nor governmental control over the boards
- No transparent operation due to the lack of published operation rules; in certain cases, secret foundation charters and contracts with the universities (unknown even to the university senates)
- All rights not clearly distinguished from operational rights
- Seemingly not interfering in daily operations of the university but overwhelming informal influence
- All rights over assets, strategic decision-making competence
- Exclusive right to decide on financial decisions including infrastructural developments (to be sponsored by EU funds) - NOTA BENE: to decide on the commissions and the persons of the executors (in-built corruption risk)

Members of BoTs

- Exclusively selected by the government, no voice for the universities in selecting the BoTs members
- In many boards there is no member from the university - only a few rectors became members of a BoTs (not delegated by the universities)
- Openly admitted selection viewpoints - “nationally minded” persons without “globalist, internationalist attitude” (communicated by Viktor Orbán) or “not our enemies” (István Stumpf, governmental official)
- All members are
 - current or former members of Fidesz governments and administrations
 - appointed by name (as a person, not as an office holder)
 - Approx. 1 of 5 members is a minister (in one case, 2 of 5)
 - Close business partners
 - Some renowned academics but their close ties to the Fidesz is undeniable
- **Membership for life**; new members are to be elected by the Board itself

International Models and Differences

The international parallels are radically different from the Hungarian university foundations

- They are either private not depending exclusively or dominantly on state funding, or state universities with full-fledged autonomy with shared responsibilities with governmental offices
- Boards do have members who are active or former politicians BUT
 - They are in minority
 - Often they are delegated by ministries or regional or national gov't offices, invited as positions holders, thus members as long as in position
 - Change in government most probably leads to the change of the person
 - Appointed upon the agreement between the university (directors or the Senate) and the government, often formally approved by the senate; or elected exclusively by the University Senates
 - Many solutions, but the universities always have a say and representation, or even right to approve/veto
 - They often are in supervisory boards that do not make strategic decisions
 - They are sometimes in university boards that make strategic decisions, but no intervention in day-to-day operations
- **No majority of government appointed persons in the BoTs**

Conclusion:

The universities of public benefit foundations are private universities, in practice “owned” (fully governed) by politicians, entrepreneurs and academics close to the Fidesz government. Even if active politicians were removed due to the EU ruling on conflict of interest, the boards would still be under the full and sole control of the government (more precisely, the current prime minister) for unlimited time in the future. The new model should be terminated and replaced by a structure in which university autonomy and state control are revived.

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