

# Enabling Social Innovation in Hungary

## Country Snapshot

**Social innovation: "the processes and outcomes of developing novel approaches to address societal challenges facing people and planet." <sup>1</sup>**

This snapshot provides a **descriptive, non-exhaustive overview** of key elements shaping Hungary's social innovation ecosystem.

✔ Direct focus on social innovation    🔗 Connected but indirect focus on social innovation    ✘ No focus on social innovation

## INSTITUTIONAL FRAMEWORK

### Official Definition of Social Innovation 🔗

Hungary does not have a single, unified legal definition of "social innovation" in its national statutes. However, the term is frequently used in policy documents and EU-funded program calls (e.g., GINOP Plus), often overlapping with the concepts of the "social economy" and "social entrepreneurship" <sup>2</sup>. Recent academic and policy discussions (2025) increasingly link social innovation to community resilience and bottom-up local development <sup>10</sup>.

### Government Body for Social Innovation ✔

There is no dedicated national authority for social innovation. Responsibilities are split between:

- **Ministry of Culture and Innovation (KIM):** Oversees the broader research, development, and higher education ecosystem through the National Research, Development and Innovation Office (NKFIH) <sup>3</sup>.
- **Ministry for National Economy:** Coordinates support for the social economy and SMEs through EU cohesion funds and employment innovation <sup>2</sup>.
- **Hungarian Innovation Agency (NIÜ):** Established to provide practical support and networking for the entire innovation ecosystem <sup>3</sup>.

### Government Strategy for Social Innovation ✔

Social innovation is integrated into several national frameworks:

- **Neumann János Programme (2023):** The primary national innovation strategy aims to move Hungary into the global top 25 by 2030, emphasizing social impact in health and green transition <sup>3</sup>.
- **National Social Inclusion Strategy 2030 (NSIS):** Focuses on innovative poverty reduction and Roma integration through local community-led initiatives <sup>4</sup>.
- **NRDI Fund 2025 Strategy:** Provides record funding (HUF 215 billion) for the ecosystem, including social impact research <sup>3</sup>.

### Policies, Laws & Regulations ✔ 🔗

Key enabling frameworks include:

- **Act CLXXV of 2011 on Non-Profit Organizations:** Provides the legal basis for the civil society organizations driving social innovation projects <sup>2</sup>.
- **Act X of 2006 on Cooperatives:** Includes provisions for "Social Cooperatives," a unique Hungarian legal form for community-based work integration <sup>5</sup>.
- **GINOP Plus & SZÉCHENYI Plan Plus Regulations:** Define eligibility criteria for social enterprises seeking public and EU funding <sup>2</sup>.

## Official Statistics

The **Hungarian Central Statistical Office (KSH)** tracks the non-profit sector. As of early 2026, the sector's weight in the national economy remains significant, with recent reports showing stable growth in non-profit business units <sup>6</sup>.

- **Sector Scope:** Approx. 61,000 registered non-profit organizations; most are active in education and social services <sup>6</sup>.
- **Economic Impact:** The non-profit sector contributes 4.7% to the national economy <sup>6</sup>.
- **Social Cooperatives:** Over 2,500 registered social cooperatives exist nationally <sup>5</sup>.

## Government Programs

- **GINOP Plus:** Primary vehicle allocating over HUF 60 billion for SME innovation and social enterprise scaling in the 2021–2027 cycle <sup>2</sup>.
- **NSIS "Presence" Programs:** National initiative implementing community-based social work in the 300 most disadvantaged settlements <sup>4</sup>.
- **Swiss–Hungarian Research Program (2025):** Collaborative fund focusing on applied research in social services and health <sup>3.1</sup>.

# ECOSYSTEM

## Stakeholders

Key non-governmental ecosystem actors:

- **Ashoka Hungary & NESsT:** Provide high-impact support, fellowships, and venture philanthropy to social entrepreneurs <sup>7</sup>.
- **Impact Hub Budapest:** Central co-working and innovation space for the social impact community <sup>2</sup>.
- **NIÜ (Hungarian Innovation Agency):** Provides practical mentorship and international networking for innovators <sup>3</sup>.

Sectoral and philanthropic networks:

- **SZOSZAK (Coalition of Social Enterprises):** The primary advocacy and sectoral network body <sup>2</sup>.
- **THBE (Social Impact Investors' Association):** Facilitates coordination among impact investors and social ventures <sup>2</sup>.
- **Badur Foundation:** Private philanthropic foundation providing micro-grants for Roma-led local innovations <sup>2</sup>.

## Support Initiatives

- **Social Innovation Laboratory (TINLAB):** University-led collaborative platform (ELTE) for testing new social welfare solutions <sup>4.2</sup>.
- **SozialMarie:** The most prominent regional award for social innovation, providing annual recognition and funding to 15 projects <sup>2.2</sup>.

## Collaboration

Cross-sector collaboration is prevalent in regional development through **Local Action Groups (LAGs)** and the **LEADER** program <sup>2</sup>.

# FINANCE

## Financing Schemes

- **Public/Quasi-public:** Heavy reliance on EU structural funds (GINOP Plus, EFOP Plus) for social inclusion grants <sup>2</sup>.
- **Impact Investment:** Emerging market supported by THBE; NRDIFund (2025) introduced new venture capital elements for SMEs with social potential <sup>3</sup>.



## Financing Inclusivity

A "missing middle" remains for early-stage social ventures that are too large for micro-grants but not yet ready for large-scale commercial investment <sup>5</sup>.

# SOCIETY



## Public Awareness of Social Innovation

The term "social innovation" is technical and not widely used in public discourse; however, *társadalmi vállalkozás* (social entrepreneurship) is increasingly visible. Public perception is strongly tied to "Charity" or "Non-profit work" <sup>4,2</sup>.



## Research & Education

- **Research:** Provided by the **Hungarian Academy of Sciences (MTA)** and labs at ELTE and Corvinus <sup>10</sup>.
- **Education:** Corvinus University and John von Neumann University lead in impact innovation training <sup>8</sup>.



## Entrepreneurship



### Business Environment

Rated 63rd globally for "Institutions" by WIPO, indicating room for regulatory improvement <sup>11</sup>.



### Innovation Capacity

Global Innovation Index 2024/2025



### Social entrepreneurship prevalence

Early-stage entrepreneurship involves 9.6% of adults; however, 42% are deterred by fear of failure <sup>5,1</sup>



## Social & Environmental Consciousness



### Solidarity

Hungary ranks 108th on the CAFWorld Giving Index 2023 <sup>13</sup>.



### Political participation

7.22/10 score (2024 EIU Index); satisfaction with democracy is at 36% <sup>6,3</sup>.



### Volunteering



### Sustainability

Environmental Performance Index (EPI) 2024 <sup>14</sup>