

# AN APPROACH TO UNDERSTANDING THE SPECIFIC SUBSIDIES RECEIVED BY RURAL CIVIC ORGANIZATIONS: A CASE OF A SETTLEMENT IN SZABOLCS-SZATMÁR-BEREG COUNTY

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**Abstract:** Nowadays the sport related civic organizations form a special segment within the civic sector. In particular, the current situation of these organizations – who are operating in rural settlements – should be considered as special. In rural settlements the local sport related civic organizations by all means could be justified to make a difference on the basis of an essential aspect, that how they secure the funds from the external sources, and because of certain aspects it is closely related with the local politics. The purpose of our study was to investigate through the example of a small rural town in Hungary, that what kind of subsidies can the locally registered sport related civic organizations can get by focusing on the local football club's results and the subsidies which were granted to the club between 2007 and 2015. We were also curious about, that is there any possible connection between the club's performance and these certified subsidies.

**Keywords:** NGOs, Sports Economics, Local Subsidies, Political Processes (JEL CODE: L31, Z20, H71, D72)

## INTRODUCTION

Oláh (2003) stated that “Joining the European Union opened up new opportunities and challenges, and these all affected almost every aspect of economic and social life. The definition of rural areas may be made according to different criteria depending on from where to examine rurality; geographic, social, economic or a cultural point of view.” Kovách (2012) wrote about the cultural revolution of rural sciences, and also noted that a uniformly accepted definition of the “rural area” is still unborn. Examining his academic dissertation we may identify a social scientific, public administration, statistical approach of the rural term, where the emphasis on agriculture, the population density, the settlement classification and the influence of the preparation for the EU programs were also considered. Bell (2006) discussed the role of sport and identified the “*idyll of sport*”, where the countryside is considered as playground of adventures involving three important motives of environmental wilderness, physical stamina and endurance. Different forms of rural idyll combines the proportions of nature (natural beauty and proximity to nature), the romanticism, authenticity, credibility and a desire for a simpler and more harmonious life's nostalgia-related element.

According to Glatz (2005) “in Middle-Eastern Europe the conservative force of the rural area is still dominant compared to Western Europe as a result of it's comparatively poorer developed status. This is the reason why in newer member states the preservation of rural cultural diversity is still not sufficiently recognized, and it may be a real-EU challenge in the future.” Quite frequently cultural activities are associated to some kinds of sports activities. Brauer-Benke (2011) explains: “Today, we may hear about increasing number of traditionalist groups, which undertake and maintain a variety of traditional activities. They quite often deal with folk music, dance, food, crafts, folk customs and those of the military guarding preserve traditions. The latter are characterized by a wide spectrum of those events, the origin of which dates back to the Arpad age or earlier (sometimes they cannot be identified at all), and others are active in the latest forms of military activities.” These kinds of cultural activities obviously have relationship with sports e.g. some cultural preservers tend to simulate fights against the Turkish, the Austrians. The equipment used in sports varies from the simplest forms of bows up to the lately introduced airsoft guns.

Valuch (2006) in his book about the social history of second half of the XX Century Hungary argued that “*Lifestyle*

is the way people organize, plan, live and believe their lives". One of the most typical phenomenon he explained is that "the amount of free time available considerably increased". People tend to spend their free time in different ways; many alone, many with others, but it became evident that a possible way of spending leisure time up to the second half of last century is connected to the engagement in different kinds of sports activities. The scholar has written some noticeable books about the national social history. In his excellent writing about the second half of the XX century he emphasized on the role of the amateur sports, since "for male the Sunday football match was the only leisure activity beside visiting pubs. Football remained a national issue in the '70-80s, although its popularity decreased. Moreover participation in sports events was a popular leisure time activity. Most of the sportsman was principally amateur and they were also employed at large national institutions because of sports. But for masses pursuing sport was comparatively less preferred."

Sports activities may be realized in two fundamental forms: in an unorganized or an organized. The latest is often manifested in some kind of sports organization. One of the most frequent sports organizational form here in Hungary is the phenomenon of associations, especially sports associations. The national level associations belong to the group of civic organizations, this sphere lately has received special attention by researchers owing to the change of legislation, and some scholars, such as Bácsné (2012) has analyzed the correlation between human background and social capital, Juhász-Vántus (2012) revealed specialities of expectations regarding human resources, Pierog-Vörös-Dajnoki (2014) and Máté (2014) examined its labour market natures, Gergely-Pierog (2016) in their latest article has focused on the role of motivation factors.

Regarding the Hungarian legislation for these kind of organizations, the Act on Sports (2004. year Act I.), the Act on Civic Organizations (2011. year Act 175.) and the Act on Civic Code (2013. year Act V.) form the most important background for the establishment, operation and even termination. According to the latest statistics (KSH, 2015), out of 42 000 social nonprofits (they can be characterized on the basis of the large number of members), 17% of them are active in the field of sports. We must be aware of the fact that new legislation explains associations as one that cumulates the social capital of the members, the foundations integrate the financial possibilities of the members and the founder whereas the civic society is a less legal form of an association with fewer obligations and cannot take state support, which is a major feature opposite in comparison to the others. Sports, as an activity may be pursued by any type of civic organizations<sup>1</sup>, so according to a former statistics (KSH, 2013) we may count 977 sports foundations in Hungary. Another special issue regarding the sport related civic organization is the understanding of what is "considered to be sports organization". Existing evidence reveals a particular, strongly

subjective way of the consideration of sports activity, and suggests that there is an uncertainty about this category. We may find some general definition on international level about the classification, such as Slack (1997) considers sports organization to be a "

social entity involved in the sport industry; it is goal-directed, with a consciously structured activity system and a relatively identifiable boundary" Gómez et al. (2008) discuss in their article about the definition of sport organizations, where they are making a hypothesis, from which we may assume that those organizations are considered to be sport organizations, which are "operating in the sport industry and which are dedicated to the promotion and development of sport. These are mainly federations, national associations, sport departments, leagues and clubs".

Because of the judgment procedure for subsidies, the number of sports organizations are increased: although there is a narrowly defined classification about sports organizations, which depends on whether sport as an activity is defined in its articles of association or not, in parallel a wider approach exist, which also considers an organization a sport related one even if it does not have any defined sports activity declared in a written format but it depends on the discretion of members to pursue sport or organize a sport event. In this latter case, as justified by the practice, almost anything can be considered to be a sports organization. Regarding the financial sustainability of sports organizations, already referred statistical data revealed that financial exposure to donations is necessary.

Statistics show considerable disparities among them, 43% have yearly income less than 500,000 HUF, 3% manages a budget more than 50 million HUF. This kind of inequality is further highlighted when the source of income is analyzed, on average, 66% of their income comes from subsidy, and almost half of it (31%) is state subsidy. According to the Hungarian legislation, municipalities are considered as subsystems of the government, and beside domestic circumstances civic organization may approach different governmental levels so that they could find financial sources for meeting their objectives. A latest project of 2015 has examined the relationship between the sports organization and local municipalities (Kozma-Perényi-Bácsné, 2015). Regarding the financial subsidization of civic organizations, the authors referred to a specific former act (1990. year Act LXV. on local municipalities, paragraph 8th), where sport subsidy is mentioned, and the latest Act on local Municipalities (2011. year Act CLXXXIX., paragraph 13th) and discussed sport issues in the framework of compulsory municipal tasks or public tasks.

Undoubtedly, the municipality itself rarely pursues any kind of sports (or maybe its officers). But, they have the infrastructure (such as a sport court), and also they may have the financial resources to support civic organizations, and above all, they have the power to influence the local sports issues. In local circumstances, beside local conditions decision makers are not always be fully aware of the different issues of sport organizations, may not know their local civic network and it may also happen that they rarely have thorough

<sup>1</sup> Here we must notice that this classification only counts with those kinds of associations, which has selected sports as their prime activity. The nature of this special classification is that only one prime activity can be selected in the ELEKTRA system, which regularly provides data about the nonprofits.

information about needs and legislation possibilities. It may also happen that they do not aspire to have it all. As a result, “the rurality phenomenon” as formerly defined by Bánlaky-Varga (1979) is valid for the intellectuals in small towns may still stand the test of time: “*the restriction of a reference base, the absolutization of local hierarchy and way of life adjusted to local structure of values.*” Finally, these all basically influence the local chances of failure and success of these organizations.

## RESEARCH METHOD AND MATERIAL

In this article we have applied two research methods, one is the case study (we may also call as field research, participant observation, and direct observation) and in relationship with it, we have also applied interviews. It means the research has gained a qualitative approach and according to Babbie (1992) “*field research is at once a very old and very new in social science. We do field research whenever we observe or participate in social behavior and try to understand it. By going directly to the social phenomenon under study and observing it as completely as possible, you can develop a deeper and fuller understanding of it.*” In such studies the author explains the different kinds of practices, behaviors, and organizations that are considered as thinking and examination units.

In this kind of research one will seldom approach specific task with precisely defined hypotheses to be tested. Regarding sampling, the author refers that “*researcher attempt to observe everything within their field of study, thus, in a sense, they do not sample at all. Additionally, field study may not only rely on listening and simply watching what is going on.*” This is why this method is quite often supplemented with asking people questions and record their answers. Although surveys and questionnaires are always structured but unstructured interviews are usually more appropriate to field research (Babbie, 1992). So to meet the requirements of the qualitative research, we have been involved in field observation. We conducted some unstructured interviews with employees of civic organizations and asked questions about local practices, procedures, and their experiences. The database of the local municipality was accessed to reveal some kinds of typical results of the local circumstances. “*However, by carefully scrutinizing documented case studies, the manager is in a position to obtain several clues as to what factors might be operating in the current situation and how the problem might be solved*” (Sekaran, 2003).

Unit of analysis of current study is a small town with a historic atmosphere; the first writing about it is mentioned at the end of the XIII. century (Nyírbátor’s official website, 2016). Kunszabó (1987) in his monograph explained that “*We do not know when it was established, but it is certain that it was not forever, so some when it has to be established since it is existing*”. Historic storms have deeply influenced the settlement since it laid in the border region of the former country torn apart in three pieces, it was ravaged, robbed, plundered many times. By gaining town privileges it gradually become an agricultural town, and up to the XIV century, it

belongs to one of the most developed industrial, commercial boroughs. It is also worth mentioning the technical classification of the settlement. Apart from the industrial park region, agriculture is one of the most dominant sectors that include basic and processed material. The former scholar Erdei (1974) explained the category of horticultural settlement, which may be also applicable for it. In almost all detached houses we may notice some kinds of a leisure garden, and we strongly believe that Kovách (2011) classification about agricultural engagement and conservatism indicated high value for both of them.

The number of inhabitants is estimated up to 13 thousand. According to Andorka’s (2006) this settlement has basically a small town nature. Local political and public nature literatures suggest that this settlement is “*a dynamically developing small town*” (Veres, 2014). A book on the settlement noticed that “*in 2001, 19 associations were operating*” (Szabó, 2004). Owing to the failure in the system of the juridical research webpage, we cannot tell the exact number of the sports related organizations in the settlement, but we may assume that 21 sports organizations totally<sup>2</sup>. We may also refer to another data source, which is the relevant part of the municipal private webpage. According to it, we may suppose 16 operating sports associations, and although the legislation is not including this kind of organization, we may notice 2 sport foundations. The web source unfortunately does not seem to be updated, since for example one of the mentioned sports association has already been liquidated years before.

During the analysis the role of the local elite cannot be eliminated. Valuch (2006) considers elite to be one, who “*bear personally a constant influence in the management of social affairs, are managers of those complex organizations, which play an important role in operating the society, and decisions of whom may influence the process of social reproduction*”. Bánlaky-Varga (1979) stated that one of the most dominant social layer is the local intellectual, and the term rurality is defined as “*determined standard live and way of thinking (including personality model). Two basic motives of this model first is about living peacefully, without conflicts, and second is building and maintaining connections, which, properly position the individual into the urban relationship, and is associated with different kinds of benefits. It also includes the absolute approval of preformed human-social relationship.*” Mocsár (1967) parallel applied the term “*provincialism*”, which also means some kinds of rurality, underdevelopment and limits in mental approach. For the different terms not purely the conceptualization is important, but the phenomenon itself is important, from which different kinds of terms may be deducted. Regarding limitations, sport related issues may grab our attention, especially when they affect some related fields (such as culture). We may also raise the question of efficiency of financial support, which may be explained by the relationship between cost and performances by focusing on a special form of local subsidy.

<sup>2</sup> This data comes from the beginning of 2015, when the juridical system has allowed to reveal the number of sports related civics locally.

## RESULTS AND DISCUSSION

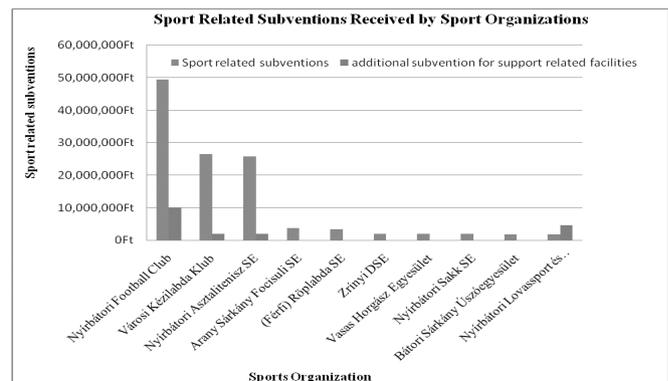
### *The Analysis of Sport Related Subsidies*

A classic instance for that are the role and operation of technical committees, and their participation in the operation of the local subsidy system. It may be approached by a special term in the framework of social responsibility, differentiated from corporate social responsibility; we may call it as institutional social responsibility. The basis for that is the role of the municipality in the local stakeholder model, where they have some specific roles defined by the Act on Municipalities. These roles are often called as public tasks, and since municipalities rarely take all of them, these may be outsourced to different kinds of other stakeholders. Regarding the field of sport they outsource the sport related municipal tasks to sport organizations, namely sports associations. On national level, operational activities of this kind of mechanism in numerous cases are linked to municipal committees, sometime they exclusively deal with only one field (such as sport) or they may also be interested in the operation of 2-3 sectorial fields (Kozma-Perényi-Bácsné, 2015). Based on the research of the scholars, we find that sport may be associated with youth affairs, education, the material examined clearly illustrates this kind of mixture committee, since the municipality's responsible committee deals with education, culture, youth affairs and sport issues (its acronym is OKSI or OKSIB). There are different kinds of subsidies provided by them, as they operate as a support system here in Hungary, since the municipality is a subsystem of the governmental sector, and are regulated by numerous acts: 2011. year Act CXII, on Informational Self-Governmental Rights and Freedom of Information, 2007. year CLXXXI, act on Transparency of Subsidies Provided from Public Sources, 2003. year Act CXXV, on Equal Opportunity and Promoting Equal opportunities, the 2011. year CXCIV, Act on General Government, the 2011. year Act CLXXXIX, on Municipalities, the 2011. year CXCVI and Act on National Property are few acts relevant to civic organizations, and also other sources of laws, regulations (such as local sports enactment) must be considered and observed. It seems obvious, that when so many acts regulate a professional field, it seems to be a challenge and often it is hard to meet so many expectations. Naturally, they obviously have to meet all, despite the difficulties. This is not the objective of this current article to discuss the legal operation of the municipality; still, regarding the availability of the financial subsidy we may identify certain, necessary related notices. One of them includes the call for the subsidy, which so far has been established on system of relations, which suggests the exclusion of those, who are not included in it. The local municipality –in accordance with the national sports regulation- has its enactment on sports. 15. § of it says: “*The municipality promotes the locally seated sports organizations, depending on its possibilities, through call (data service) announced by the relevant committee.*” In practice, the municipality regularly supports civic organization in the form of “*activity support*” or “*infrastructural support*”. Regarding it, we may assume some difference in the promotion/committee

practices from the legal perspective, according to law they should announce calls but instead they maintain a different mechanism. This practice means that the need for subsidy should be handed in by a so called “*subsidy data sheet*”, this is disseminated among organizations in the relationship network possibly in December, which are returned and filled by the deadline given.

Hence, there are limitations for gaining the support for those civic organizations, which do not know this data sheet, or do not have know how to get into the system of relations and as a result bleed even under the best of intentions while accessing the financial support.<sup>3</sup> Another interesting issue is in connection with group dynamics, which is to do with the political composition of the relevant committee, which can be examined by the structure and distribution of the subsidies awarded from 2010 till 2014. First, the committees from 2010 till 2014 were dominated by the current governmental members, now the situation is completely different; currently opposition parties dominate the committee. Secondly, behind decisions there are rigid mechanisms and attitudes, as evident from the results of the support (Figure 1):

**Figure 1: Total Amount of Subsidies received by Sports Organizations from 2008–2015**



Source: Private edit from municipal sources, 2016

Figure 1 shows the total amount of sports related subsidies received by different sport organizations over the period of eight years from 2008 till 2015 (no earlier or later data were available). The amount of subsidies can be categorized in two parts: one is basic amount of subsidies received by all organizations and other part consists of the additional subsidies for operational support related facilities such as maintenance. The figure clearly illustrates that for last eight years Nyírbátori Football Club as recipient of subsidies has clearly outperformed others in both categories.

From the start of (2008) almost all the applicant civic organizations received the same proportion and same amount

3 This kind of mechanism has already been suspended and changed from 2016, at the period of the preparation of this essay a complete call for support and data sheet will be announced after the approval of the actual municipality budget. In the center if this mechanism, the local major will have a central role, supported by advisors he solely will make decisions about subsidies.

for subsidies yearly by the decision committee. It was difficult to reveal the concrete amount as it required much effort from us, especially for the last year, since the availability of these could have only been provided on special request. After analyzing the data that was available there are some considerable issues that are worth to be emphasized.

In 2008, of the total amount half was donated to only one organization, the three largest gained 89% of the available sum. In 2009, of the approximately total 15 million Fts, the same three organizations gained 11.4 millió Fts, and two of the three have additionally 5 million for maintaining the sports facilities. In 2010 of the 12.5 million Fts, the dedicated 3 organizations have received 10.3 million as subsidy. From there on the situation didn't change considerably. Regarding the latest subsidies, the three emphasized organizations have received 9 million for maintaining sports facilities, and have also received 12.6 million Fts for maintaining their activity. So as to make comparison, same year the other 14 "sports organizations" have only received 3.66 million Fts for their operations, and nothing for their up keeping sports facilities. The other civic organizations, since they were not considered as "emphasized"<sup>4</sup> ones, could not sign public service agreement to transfer public tasks, which may prevented them from receiving infrastructural type subsidy. An additional comment directly comes from the committee itself, saying that "till level may be observed dominantly regarding the distribution of the support".

This kinds of mechanism may strengthen the symptoms of the rurality of Bánlaky-Varga (1979) authors, the absolutization of local hierarchy. All societies are naturally complex systems, local residents may not be aware of the structural hegemony, as there is no appeal there are no conflicts. An other civic organization, freshly came to the settlement has already made some attempts to get financial support, and although its efforts were appreciated for many times, it has not received any sports related support, even though it was performing sports activity for years now.

An interesting issue raised by the authors is about the effectiveness of the supports criteria for the civic organizations. Management literatures emphasizes the role of organizational effectiveness, where development and performance goal is essential (Dixon et al. 2008) and it is central task of the sport manager (Slack-Parent, 2006). Vos et al (2011) discuss the influences, demands from resource providers, where governmental subsidies is of importance. In a talented, intellectual organization the decision makers must be aware of how different kinds of supports prevails, that means whether beneficiaries deserve the financial support, and whether is there any connection between the amount of support given and the performance of the dedicated organization. Owing to limitation, we consider the situation of the largest beneficiary as an example to illustrate whether there is connection between the performance of the civic organization and the subsidies it received.

4 Locally used term for the largest organizations, although we could not find any reason for their distinction.

### *The Case of a Local Football Team*

The data was available from 2007, owing to the Hungarian Football Federation's (HFF) database and the local newspaper of Nyírbátor called "Bátor". During the processing and analysis of the sources, our goal was to gather information about local football team in Nyírbátor – Nyírbátori Football Club. Primarily we were curious about the team's results and the various developments, which were carried out from 2007 till 2015. In addition, we wanted to investigate, whether is there any connection between the team's results and the funds which are granted to the Club. Let's start with the first part, which represents the Club's results in the investigated years.

Before the beginning of the 2007/2008 season, there were number of significant infrastructural developments and renovations in the Club (Vadon, 2007). They started the season in Szabolcs-Szatmár-Bereg County's championship, in division 1. During the season break in winter, the team reached 8th place out of the division's 16 teams (Vadon, 2008/a). By the end of the championship, the Club closed at the 7th position (Vadon, 2008/b).

After a tranquil summer, the Club started the 2008/2009 season in the same division. At the end of the first half of the season, they went for the winter break at 5th place (Vadon, 2009). The second half of the season was a pleasant surprise for the football-lovers of Nyírbátor, because the result of the team's performance in spring won them 3rd place (HFF, 2009).

In the following – 2009/2010 – season, the Club continued the solid performance. They showed a gradual improvement week after week and at the end of the championship reached the 3rd position again like a year ago (HFF, 2010).

After two successful seasons the Club management's unconcealed aim was to obtain the 1st place in the 2010/2011 season, and by the title enter a higher place – in their case the National Championship's 3rd – division (Janovics, 2011/a). The season start was in accordance as per the expectations, but after 8 matches an unexpected deadlock occurred. This time the management made risky decision with a coach-change during the season. Yet the results of the following matches confirmed this decision to be effective, and the team reached 1st place at the end of the season's first half. In preparation for the spring continuation, the team did a hard training session including many training matches; also the management worked diligently in the background. Nonetheless the spring season not lived up to the expectations, which led to a fierce struggle for the team and it ended at 2nd position behind the great rival Várda SE. Although the team had not obtained the championship title, another goal was fulfilled, they reached a higher division (Janovics, 2011/b).

The 2011/2012 season was the team's first season in the 3rd division of the National Championship. This time the 3rd division had 6 sub-groups and the Nyírbátori Football Club was in the group called "Tisza". During the summer there were major changes, with multiple transfers many players left the team but to counteract this, many new players arrived (Janovics, 2011/c). After a cumbersome season start the group

did a flawless “sequel”, which meant that the team was placed 1st before the winter break. That was an excellent debut, but everybody in the Club knew, that this result had to be taken in the right place. Despite the debut beyond expectations the Club aimed for a podium place at the end of the season. In addition to this, during the winter, a successful collaboration between the Club’s management and the council of Nyírbátor resulted into 2 new training grounds with artificial grass, a new grandstand with 300 seats, a new gym, a new team bus and other new sport equipments were built and purchased (Janovics, 2011/d). Like the first half of the season, the second half was also great. Although the team finished at 2nd place, it was an enormous performance for a “rookie” team to reach a podium place in their first season (Janovics, 2012/a).

At the beginning of the 2012/2013 season the Club’s goal was similar to the previous season – the acquisition of the podium. Like in the summer break of 2011, there were also huge changes in the team’s lineup, 7 players left, 8 arrived, so during the summer preparation the coaching staff aimed to make the team as consistent as possible for the season start (Janovics, 2012/b). The team went for the winter break at 3rd place, which was the result of their solid performance. Before the start of the spring season, the Hungarian Football Federation laid the foundation of a large-scale reorganization, which included considerable changes in the 3rd division of the National Championship. Following this announcement, the Club’s goal was still the same: to reach a podium place. Although there were some weaker moments during the second half of the season, in a big sprint the team reached 2nd place, so they ensured their place for the next season in the 3rd division. Besides the successful completion of the season, there were new plans for future developments. All these developments contributed to improve both the conditions of competitive sport and the nurturing of junior players (Janovics, 2013/a).

This brings us to the 2013/2014 season’s start. One of the HFF’s most important change was about the 3rd division was to halve the 6 sub-groups to 3. The new sub-group, which included the Nyírbátori Football Club entitled “Keleti”. The other major change was that in each team it was mandatory to include 4 players with Hungarian citizenship and of minimum age 21 and moreover 2 out of 4 players had to be in the field for the whole 90 minutes. There were also changes in the Club’s life, 8 of their main players left the team, and for the first time it seemed like that the management couldn’t replace them with players of similar qualities. It compounded the problems, that there was a coach-change too. Knowing all this, the Club’s objective was to stay in the middle of the division’s table (Janovics, 2013/b). The team’s performance was uneven in the early stage of the season. There were matches with great victories and disappointing defeats equally. For the winter break the team took 10th place on the table (Janovics, 2013/c). The second half of the season was better than the first, and the team ended at 8th position by the end of the season. Despite the significant changes which happened both in the championship and the Club’s life too, their targets have been met (Janovics, 2014).

Without any groundbreaking changes in the team – only

2 players left and 2 arrived – the whole 2014/2015 season was very similar to the previous one (Janovics, 2015/a). Throughout the entire season, the team’s performance was very undulating, because after one week’s magnificent result, the other week ended with a frustrating defeat. After the last match of the season, the team finished at 8th place like one year before (Janovics, 2015/b).

Here it is important to analyze that how the above mentioned performance of the Nyírbátori Football Club affected the subsidies it received. As the data show that the Club is the top recipient of the subsidies. It can be argued that one of the possible reasons for getting highest subsidies can be its performance. Better performance could have led to securing more subsidies. Here we can assume that there is positive relationship between performance and subsidies received by Nyírbátori Football Club. Therefore to test this hypothesis the correlation between ranking of Nyírbátori Football Club that is used as measure its performance and the subsidies (subventions) it had received in the subsequent years is calculated.

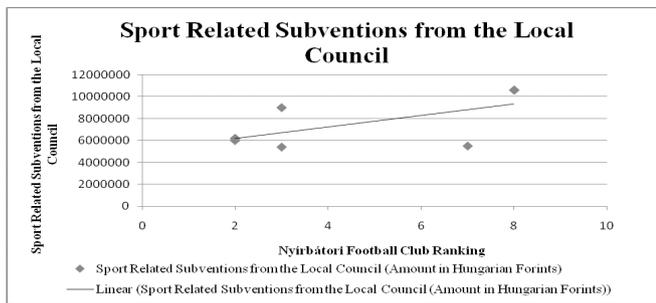
*Table 1: Nyírbátori Football Club ranking and Subventions from the Local Council from 2008–2015*

Sr. No	Years	Nyírbátori Football Club Ranking	Sport Related Subventions from the Local Council (Amount in Hungarian Forints)	Sport Related Subventions Adjusted for Inflation (Base Year: 2015; Amount in Hungarian Forints)	Change of Sport Related Subventions adjusted for inflation (Base Year 2008, in percentage)
1	2008	7	5,500,000	6,721,232	100
2	2009	3	9,000,000	10,555,066	157
3	2010	3	5,400,000	6,037,216	89,8
4	2011	2	6,000,000	6,456,225	96,1
5	2012	2	6,191,000	6,302,505	93,8
6	2013	2	6,191,000	6,197,154	92,2
7	2014	8	10,600,000	10,631,800	159,1
8	2015	8	10,600,000	10,600,000	158,6

*Source: Private edit from municipal sources, 2016*

Table 1 shows the Nyírbátori Football Club ranking and respective sport related subventions from the local council over the time period of eight years from 2008 till 2015. The ranking of Nyírbátori Football Club ranged from minimum of 2 in 2011, 2012 and 2013 to the maximum of 8 in 2014 and 2015 respectively. Similarly the subvention ranged from minimum of 5,400,000 HUF in 2010 to the maximum of 10,060,000 HUF in 2014 and 2015. Table 1 also shows inflation adjusted amount of subventions.

Figure 2: Scatter Plot of Nyírbátori football club and subventions received



Source: Private edit from municipal sources, 2016

The figure 2 indicates the upward sloping trendline in the scatter plot which means that the ranking of Nyírbátori Football Club and subventions that it received are positively associated with each other i.e. the increase in one leads to increase in other. But to statistically test this relationship correlation is calculated and the results are reported as follows:

Table 2: Descriptive Statistics and Correlation (N = 8)

Variables	Mean	SD	1	2
1. Nyírbátori Football Club Ranking	4.38	2.77	1	.636
2. Subventions from the Local Council (HUF)	7435250	2252726	.636	1

Statistical significance: \* $p < .05$ ; \*\* $p < .01$ ; \*\*\* $p < .001$

Source: Private edit from municipal sources, 2016

Table 2 show the mean, standard deviation and Pearson correlation coefficient for Nyírbátori Football Club ranking and the subventions that it received from the local council. The results reveal that the mean ranking of Nyírbátori football club is 4.38 with the standard deviation 2.77 and whereas the mean of subventions it received from the local council is 7435250 with the standard deviation 2252726. Moreover, the value of correlation coefficient is  $r = .636$ ,  $p > .05$  illustrating that the ranking of Nyírbátori Football Club and the subventions received are positively correlated. However, the relationship is statistically insignificant that leads to the rejection of our hypothesis.

## CONCLUSION

This article was intended to provide the detail perspective of rural civic organizations specifically dealing in sports in Hungary. The civic organizations rely on the different funding sources and the local municipalities as formal subsystem of the government serve as the major source of funds for such organizations. Although there are strong legislations regarding how these funds will be administered but in reality the politics and composition of the committees can strongly influence the decision of who will receive the subsidies and how much they will receive. This situation creates difficulties for those civic

organizations that are eligible for getting the subsidies but don't receive it because they are not part of network. Another key factor that can influence the amount of subsidies received by the sport related organizations can be the performance and in this study it is argued that better performance lead to getting higher amount of subsidies. To test this relationship the case of Nyírbátori Football Club is discussed. The data for eight years is analyzed. The ranking of the Nyírbátori Football Club has been taken as measure of its performance. The Pearson correlation coefficient is calculated and the results reveal that the relationship between ranking and subsidies received by Nyírbátori Football Club is positive but statistically insignificant that shows that performance of the civic organization might not be the sole criteria for decision makers while allocating subsidies there can be other factors that are already mentioned above e.g. strong networking that have role in such decisions. These factors need to be further explored in the future with empirical data.

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