

# NATIONAL REPORT ON THE PROGRESS IN THE IMPLEMENTATION OF THE EDUCATION AND TRAINING 2010 WORK PROGRAMME<sup>1</sup>

## CHAPTER 1. PRESENTATION OF THE NATIONAL LIFELONG LEARNING STRATEGY

### 1.1. Current state of play

#### 1.1.1. Whether a lifelong learning strategy was established in your country by the end of 2006, and if not what is the timetable for its establishment

The lifelong learning strategy was adopted at governmental level in autumn 2005 (Government Decree 2212/2005. (X. 13.)). Among the most significant preliminaries embodied in official documents, apart from the strategic materials for the specific areas and levels of education (adult education, general/public education, vocational education and training) prepared by the Ministry of Education and the Ministry of Labour over recent years, the National Development Plan enabling the reception or intake of the resources of the Structural Funds should be mentioned. The strategy drawn up in spring 2005 lists five priorities and seven key areas for development.

The priorities:

1. Enhancing the role of education and training in creating equal opportunities.
2. Strengthening the relations between education, training and the economy.
3. The application of new modes of governance and public policy procedures.
4. Improving the efficiency of education and training, increasing total expenditure.
5. Improving the quality of education and training.

The following were named as key areas of development:

1. Developing basic skills and key competences in general/public education.
2. A wide and rich range of courses in vocational training, tertiary education and adult learning.
3. Continually expanding learning opportunities (ICT, on-the-job training, informal learning).
4. Career guidance, counselling and career tracking
5. Validation of informal and non-formal learning.
6. Supporting disadvantaged groups and those under threat in the labour market (preventing drop-outs, opportunity to participate in LLL).
7. Introducing new teaching/learning cultures (new roles for teachers, quality culture).

Both the representatives of the above ministries and the experts regard the strategy as a good initial document as it follows EU requirements, and at the same time the strategy successfully represents the positions of the ministries concerned. .

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<sup>1</sup> The expert material serving as a basis for the national report was commissioned by the Ministry of Education and Culture and prepared by the Hungarian Institute for Educational Research and Development (HIERD). The expert material was provided by András Derényi, Judit Lannert, György Mártonfi, Edit Sinka and Éva Tót. In drafting the material, the experts consulted the major European and Hungarian documents on lifelong learning, incorporated results of relevant research and of existing reports, as well as conducted interviews with knowledgeable personalities competent in the subject.

The EU goals set in the Lisbon Strategy and which are translated into Hungary's own national goals are fundamental not only to the LLL strategy but also to The New Hungary Development Plan. National Strategic Reference Framework of Hungary 2007-2013. Employment and Growth (NHDP), which provides detailed plans to the achievement of these goals. In addition, there are certain features and measures which do not bear the lifelong learning label, nevertheless, that is what they promote.

Thus, an LLL approach can be perceived in several ways:

- in processes that started before the strategy was drawn up (National Development Plan I (2004-2006), regulations such as the Act on Higher Education, two level school leaving examination, revision of the National Core Curriculum, etc.);
- indirectly in the NHDP priorities;
- directly in the adopted government decision and the ensuing activities.

Social renewal appears as a priority of The **New Hungarian Development Plan**<sup>2</sup> (NHDP), whose comprehensive objectives are increasing employment and creating the conditions for sustainable growth. This priority is intended to be achieved by reducing the inequalities of life opportunities and through a consciously organised process encompassing the entire education system from early childhood onwards.

In the Social Renewal Operative Programme (SROP) lifelong learning appears as a specific goal. The programme clearly states that when improving the quality of general/public education efficiency in developing basic and key competences and in laying the foundations of lifelong learning has to be increased significantly. A unified, all-inclusive quality assessment and quality assurance system is required, while the concentration of the institutional system needs to be treated as priority by encouraging co-operation at a subregional level in order to improve the efficiency of the educational system and ensure its sustainability.

To fully implement the Bologna Process in tertiary education, the development and introduction of practice-oriented training programmes that adapt flexibly to changing labour market needs must be continued through the establishment of the two-cycle **system**. The number of students in higher vocational education needs to be increased as does the ratio of students in natural sciences and technical fields. Within the scope of the NHDP, career tracking, the creation of validation centres, the development of the alumni system as well as career centres, content and methodology development and the improvement of teacher training deserve mentioning as being important in higher education.

In October 2005 Government Decision 2212/2005 (X.13) on the tasks to implement the lifelong learning strategy (hereinafter referred to as Government Decision) was also issued to aid the implementation of the strategy. Clause 1 of the Government Decision in relation to the strategy says, 'The Government, being aware that the comprehensive development of human

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<sup>2</sup> The New Hungary Development Plan (NHDP) is the national strategic reference framework aiming to use the EU Structural Funds in the 2007-13 budgetary cycle. The NHDP is also commonly known as the Second National Development Plan (NDP II).

resources is an indispensable and efficient means of improving the competitiveness of the country and of establishing equal opportunities in society, accepts that until 2013 the strategic document on lifelong learning shall become the main guidance for action.’

To coordinate the implementation of tasks arising from the strategy, an inter-ministerial committee was set up in November 2005 (Government Decision, clauses 2 and 3). According to the committee’s rules of procedure, the Committee functions as a consultative, evaluating, reporting/referencing, proposal making and coordinating body, and was set up for long term operation.. The duty of the inter-ministerial committee pursuant to the Government Decision is, in the course of the implementation of tasks arising from the strategy, to provide due coordination, and to continually follow and assess the implementation process while ensuring that the ministries adheres to their responsibilities. The chair of the committee is the head of the Department for EU Relations in the Ministry of Education and Culture and its members are representatives of the ministries concerned in the implementation of the LLL strategy. The operation of the interministerial committee is governed by the rules of procedure.

At its meetings to date the committee has monitored the course of implementation of tasks defined under certain points of the Government Decision and, in accordance with clause 3 thereof, has attempted to link in an operative way the implementation of the lifelong learning strategy to the planning and drafting the 2<sup>nd</sup> National Development Plan (NDP II).

To ensure a legal framework for the implementation of the strategy (Government Decision, clause 5), a working group of legal experts from various departments in the ministries concerned was set up in November 2005. To develop the budget for funding the tasks arising from the strategy (Government Decision, clause 6) a background study on the financing mechanisms of the domestic educational system was prepared under the auspices of an external expert in March 2006. Concerning ICT and teacher training (Government Decision, clause 13), working groups were likewise established. The working groups formulated proposals indicating that due to the limited volume of resources, in their view, the action plan could only be realised by integrating it into the 2<sup>nd</sup> National Development Plan.

(Concrete measures were taken in vocational training and adult education, see 1.3.1.)

#### 1.1.2. Plans for future adjustment, completion or modification of the strategy

Modification of the strategy is not on the agenda as the majority of the problems do not stem from the strategy itself, they originate in other causes (see 1.1.3.).

#### 1.1.3. Any obstacles encountered in the establishment of your strategy

During the 2004 change of government several structural changes affecting administration were made. The State Secretariat for Vocational Education and Training at the Ministry of Education was abolished in the summer of 2006 after the formation of the new government, and the management of VET came under the supervision of the State Secretariat also supervising employment issues at the newly formed Ministry of Social Affairs and Labour (MSAL), the Vocational Education and Training Unit within the Department for Vocational Training and Adult Education.. The Ministry of Education and Culture (MEC) is responsible for vocational education as part of compulsory education, the regulation of school-based vocational training, and issues decrees in agreement with MSAL. MSAL is responsible for the

management of the content of vocational training and issues decrees on school-based vocational training in agreement with MEC. The number of staff dealing with vocational training in the ministries continues to fall in line with the earlier process, and at a greater than average rate compared to all ministerial staff reductions.

The establishment of departments responsible for development within the ministries is a new phenomenon, as is the reorganised National Development Agency (NDA) which was able to better centralise the planning and managerial tasks of the NDP II than its predecessor, the National Development Office. The Controlling Authorities were thus transferred from the ministries to the NDA. This change promoted the concentration of development capacities while, at the same time, responsibilities for development and operational and managerial responsibilities became more separated within the ministries, which might be a hidden threat that the two areas have a weaker influence on each other. Such a structural change in a system where intersectoral co-operation and partnership needs to be improved may exacerbate problems of this nature.

Participants believe that the main problems in implementing the strategy lie primarily in the not truly effective means of interministerial communication and co-operation (in part caused by a lack of clarity about competences and accountability, and in part by unsatisfactory delegation), and lack of money (there is no budget allocated for the committees' work and the action plans). A report on the implementation of the lifelong learning strategy has been prepared for the Government. It emphasises that interministerial work needs to be further strengthened as the implementation of the lifelong learning strategy demands a high level of intersectoral co-operation, extensive partnership and professional consensus. In addition, the committee recommends that there be closer coordination within the ministries between departments working on lifelong learning and those on development and planning in order to effectively implement the strategy.

## **1.2. Comprehensiveness, coherence and relevance**

### **1.2.1 Which systems and levels of education and training are covered**

The strategy covers all levels of education and training, from basic education to adult education and training, from formal education to informal learning.

### **1.2.2 The challenges addressed by the strategy, including improving the efficiency and equity of education and training systems, and how these have been identified (base of evidence),**

The Strategy primarily deals with the efficiency of education as internal efficiency, which means the performance of students. PISA surveys have great influence here on the assessment of the field of education and, in addition, domestic data e.g. by means of the national competence assessment is also collected. As regards external efficiency, the strategy examines chances for employment. In this field the greatest dilemma is low labour market activity (based on the regular labour market surveys). Remedying this is at the centre of priorities, where improving the quality of education, and strengthening its role in creating equal opportunities and reinforcing its relation with the economy are currently on the agenda.

### **1.2.3 Priorities for action and policy development within the strategy in the light of the above challenges**

The majority of concrete actions building on more general policy priorities tend to be strongly directed at the labour market. In education, and within it general/public education, the LLL approach penetrates subsectoral strategies and is strikingly apparent in measures promoting competence-based education and equal opportunities. At the same time, available resources for this come mainly from NDP II, which is likewise based on sectoral logic and only at small scale based on intersectoral approaches realised in joint actions/measures.

### **1.3. Main policy measures**

#### **1.3.1. The main policy measures in the strategy and how these fit together**

As a result of developments that occurred in the area of vocational training (Government Decision, clauses 8 and 9) within the scope of the measure 3.2.1 of the Human Resources Development Operative Programme (HRDOP) of NDP I., primarily to aid and establish a flexible transition between the various forms of training and to promote and realise their building on one another, the Ministry of Education Decree 1/2006. (II.17.) on the National Register of Vocational Qualifications (NRVQ) and on the procedural rules of acceptance to and deletion from the National Register of Vocational Qualifications was published on 17 February 2006 and entered into force on 1 April 2006. The principal aspect in shaping the new **NRVQ** was that the structure of training and the requirements of vocational qualifications be based on labour market expectations. As a result of the analysis of the 480 occupations selected for this purpose, so-called competence profiles were compiled. The new structure of vocational qualifications enables the recognition and accountability of employees' knowledge and competences.

Within the HRDOP measures 3.2.2. and 4.1.1, 16 of the NDP I, regional integrated vocational training centres were established. Based on a call for tenders in 2004, school maintainer consortia created Regional Integrated Vocational Training Centres (**RIVTC**). The beneficiaries of the tender were vocational secondary schools, vocational schools, and higher education institutions offering tertiary vocational training.

In recent years several **regional resource centres** have been set up in higher education institutions (Szeged University, Dunaújváros College, Berzsenyi Dániel College within a state development/investment programme or PPP arrangement), and the establishment of 19 new knowledge centres has begun supported by the innovation fund.

In the wake of the provisions of the **new higher education law** effective as of 1 March 2006 (Act LXXXIX of 2005 on higher education) and the relevant enacting legislation, from September 2006 only training courses that fit into a cyclical system were started in domestic higher education (exemptions are given to training courses in the arts, where this will be introduced in September 2007, and the training for the legal and medical [general practitioner, dentist, pharmacist, veterinary surgeon] professions and that of architectural engineering remain indivisible). From September 2007 the first Masters cyclical programmes will appear, for which it is expected that applicants will have a wide choice from all areas of training from 2008. Furthermore, as the first favourable sign of the measures taken to raise the weight of training in the field of natural sciences and technology, the applications for

2007 show a gradual increase in interest in training courses in these fields. For this reason the number of places available for state support have been adjusted in favour of such training courses (in the field of natural sciences and technology). Within the framework of the NDP I HRDOP the Government supported the development of curricula fitting into a cyclical training structure and the update of course content,, and further support features for these appear also in the NHDP SROP.

1.3.2. Outline the measures designed to address progress towards the EU benchmarks, including any national targets in these areas

For measuring the efficiency of developments implemented from the aspect of lifelong learning (Government Decision, clause 16), the Indicator Working Group within the Ministry of Education and Culture devises relevant indicators from core indicators. The Working Group has reviewed the suggestions for core indicators and as a result a proposal will be made in the first half of 2007. This committee, like many others, is obliged to operate without appropriate resources, which is an obstacle to preparing thorough professional materials about indicators.

The strategy does not contain indicators, but the operative programme plans of the SROP within the NHDP do. These, on the one hand, refer to the opportunities of employment for the labour force and, on the other hand, to the development of competences of students in general education.

It is worth perhaps highlighting the issue of R&D from this aspect. The EU wishes to raise the rate of R&D expenditure to 3% of GDP by 2010, which had an average value of 1.86% in the EU-25 in 2000. In Hungary, this figure came to 0.95% in 2005 (Central Statistical Office), and as a national goal it is planned to be raised to 2.1% by 2013. The Barcelona goals feature business sector contribution to cover 2/3 of the costs of R&D. In this respect Hungary diverges greatly from international trends: domestic business R&D expenditure is conspicuously low at 0.23% of GDP. With such a small figure Hungary is the only one (alone) among European countries. Because of such figures we cannot talk about a knowledge-intensive economy; and the maintenance of academic culture and infrastructure arrived on the brink of operability. According to international trends, with such low expenditure the present low contribution of the business sector cannot be expected to rise dramatically either. Furthermore, in such circumstances the efficiency of innovation-based investments may also become questionable. As a consequence, without achieving the national goal (that is to say bucking a bad trend), it is foreseeable that Hungary in the long term will lag behind the EU average.

Another relevant indicator is the involvement of the adult population in lifelong learning, for which the EU target is 12.5%. This figure for Hungary in 2005 was 4.2% and the national goal is 8% by 2013. No comprehensive background studies are known to this date that would affirm the reality of achieving this target. There is no deep-rooted tradition of using indicators or indicator-based strategy building and monitoring in developmental policy and governance. For this reason no real consequences are attributable to the achievement or non-achievement of indicators.

### 1.3.3. Allocation of resources to main policy measures, including any national targets for more / more efficient use of funds and the use of EU funds to support lifelong learning (e.g. Structural Funds, European Investment Bank)

In the NDP II the building blocks of the LLL system, such as career guidance, the national qualifications framework, etc. appear in the action plans as these are acceptable buzzwords for the EU, but they have yet to be elaborated on. Thus, in effect, whatever can be found in the NDP II in relation to LLL at the level of action plans broken down into actual measures is in fact the continuation of the NDP I. At the same time, since the LLL approach was put into effect to some extent in the NDP I already, it can be postulated that the initiatives launched along different lines will in time be directed into one pathway. One of the greatest obstacles to this is perhaps that of perception: LLL is student/customer-oriented but almost all the LLL measures in NDP I are to be realised in the framework of the central programme, which results in an artificial growth in offers. There will hopefully be a way to correct this within the scope of the NDP II.

### 1.3.4. Measures to change attitudes to learning

Overall measures cannot be mentioned in this area, although programmes, documentary and informative television programmes as well as the Omniscient University initiative all serve this purpose. The “A Step Forward” programme (see below) that aims to encourage unqualified people to return to learning, or the Training in Employment (TiE), which assisted Roma youth and adults to secondary school leaving examination with the help of personal mentoring and of occupation in assistance at school, can also be considered as such.

### 1.3.5. Strengthening evidence-based policy making, using a culture of evaluation, leading to innovation in education and training

Perhaps the greatest perceptible backlog can be found in the areas of evidence-based policy-making and that of assessment. For precisely this reason, one of the priority programmes of the NDP II is devising a system of assessment and measurement for education; certain elements of which already exist. Apart from existing competence measurement, the new type of secondary school leaving examination also helps to assess the efficiency of education and encourages the possibility of using this as a base for drawing up development policy plans. At the same time, the realisation of a comprehensive assessment and measurement system serving this purpose will only come about in the framework of the NDP II between 2007-13. The experiences of the evaluation of the NDP I may then be used to strengthen the culture of evaluation. At present it seems that evidence-based policy-making can only be strengthened through external effects (EU and Hungarian experts), and that professional policy-makers are not really motivated partly due to lack of competence, partly to lack of resources and often to lack of interest.

### 1.3.6. measures to target the needs of disadvantaged people (e.g. immigrants, ethnic minorities, the disabled)

A number of programmes were launched under the NDP I in order to integrate students with special educational needs and Roma students. Thanks to this, the number of children educated in an integrative environment grew two and a half times between 2001–05.

Furthermore, active labour market policies (combined with training, such as the TiE, A Step Forward, Equal and KID programmes) were made available for disadvantaged students. Based on Government Decision 1016/2005, grants were awarded to disadvantaged young people through the Tempus Public Foundation (Government Decree 152/2005 (VII. 2.) on the “For the Journey” Scholarship Programme for disadvantaged Roma students). Sub-programmes supporting this purpose in 2005 were “Path to Secondary School”, “Path to Secondary school leaving examination”, and “Path to a qualification”. Programmes are being continually realised under the provisions of HRDOP 2.1. At the same time, results show that changes fall short of the previous expectations in this area.

An action plan was drawn up under the remit of the former Ministry of Youth, Family, Social Affairs and Equal Opportunities to strengthen the social integration of **disadvantaged groups** through training (Government Decision clause 15. belonging to the LLL strategy). The action plan was built on the presumption that from among the disadvantaged groups it is the disabled and the Roma that need primary attention due to the discrimination against them. Supporting the social integration of these two groups is of major importance, the key element of which is education, the extension of the programme of lifelong learning making it suitable for the realisation of social integration purposes. The action plan focuses on the introduction and dissemination of programmes that increase the employment opportunities of the disadvantaged, the Roma, and those living with disabilities. It lays emphasis on disseminating info-communication technologies and foreign language education as well as improving facilities for disabled access in adult education institutions, improving teacher training focussing on the target groups, and the organisation of basic education and adult education for Roma adults.

#### **1.4. Development, implementation and dissemination of the strategy**

##### **1.4.1 Coordination and consultation mechanisms involving all relevant stakeholders**

In the Hungarian educational system, operating by the principle of shared responsibility, consultation between stakeholders in education, and the operation of professional, civil organisations and those for employees able to represent and enforce their interests are of major significance. Registered organisations may obtain consultative rights and take part in defining the composition of certain bodies. The basic consultative bodies were formed about a decade ago and new forums have only been established in a few areas where there have been more significant changes in recent years. A noteworthy endeavour in developing consultation mechanisms is the Government’s initiative of setting up a roundtable called Hungary Tomorrow on issues of national strategy such as retirement and old age, education and children’s opportunities, and competitiveness to prepare reforms with a structural impact planned for 2007 and reach a broad consensus. Such roundtables have been and are being set up in certain areas relevant in general education, higher education and vocational education and training.

The system of consultative forums is widespread in general education mainly at central level, but at regional level there is no forum performing this function. However, the creation of multi-purpose subregional associations has enabled the possibility of

negotiation at subregional level and ensures consultation between local governments performing this function.

The number of professional and civil organisations with a nationwide authority concerned in general education has grown continually in the last decade, by a total of 15% between 2003 and 2006. The ministry responsible for education supports the operation of professional and civil organisations by ensuring a grant fund.

The Higher Education and Research Council plays a key role in the higher education reform process, performing strategy preparation and coordination tasks, as does the higher education-business association created with the involvement of employers and tertiary education institutions.

Partnership and communication in a broad sense requires significant development today. Partnership is often considered equal to mere consultation or tripartite conciliation of interests, which has its own traditions. The development of the culture of partnership is hindered by the fact that the delegates do not always represent the opinion of their own delegating bodies (achieving that in the first place necessitates powerful communication and consultation) but, not having anything better up their sleeve, their own personal opinions. It is often unclear who the partner is and who should be consulted. Frequently it is lack of time or the inappropriate standard of time management that obstructs a real partnership being formulated from a consultation during negotiations.

#### 1.4.2 Implementation arrangements, including publicity and dissemination

The Ministry of Education and Culture is starting an extensive series of dialogues with the financial support of the European Commission (also at regional levels), where the Ministry reports on events concerning the domestic implementation of the “Education and Training 2010” work programme and on the results of the implementation of the lifelong learning strategy as well as further action to be taken.

## CHAPTER 2: IMPLEMENTATION OF TRANSVERSAL POLICY OBJECTIVES

### 2.1. The establishment of national qualification systems and frameworks (in line with the European Qualifications Framework), and the elimination of obstacles between levels and systems

In autumn 2005 Hungary organised a broad professional consultation on the **European Qualifications Framework** (EQF) with the involvement of general education, VET and higher education representatives and experts, interest groups, professional organisations, developers, stakeholders from the sector, ministries responsible for vocational qualifications, and other partner organisations and civil organisations.

The most serious challenge from the viewpoint of the introduction of the EQF and devising a national qualifications framework is the fact that this outcome-oriented approach is far removed from the determining traditions of the Hungarian educational and training system. Primarily this is in the background of the reservation and doubt with which the majority of the representatives of the training institutions received the concept of the European Qualifications Framework in Hungary.

Of the numerous comments expressed during the national consultation, it should be highlighted that the EQF reference levels are clearly understandable, but when the correspondence with certain levels and types of programmes of the Hungarian education and training system is attempted to be made, serious difficulties arise since the outcome requirements are not necessarily defined in the form of learning results applied by the EQF. This problem of correspondence is not significant vis-à-vis “Knowledge”, “Skills” and “Competence” but it becomes greatly significant in the context of “personal and professional competence” as these are either non-existent or represent a very different level in the definition of the presently valid qualification requirements. This difficulty applies to a lesser degree to the area of vocational training as the National Register of Vocational Qualifications, which is of great significance in the sector, is closer to the outcome-based regulation, and special attention was paid to defining competences in its renewal programme, which entered its final stage at the end of 2006.

Along with all the above, some experts believe that, as international references have a large impact on the Hungarian way of thinking regarding education, the EQF may play the role of catalyst in the discourse within the different subsectors.

The Ministry of Education initiated the drawing up of a concept for developing the national qualifications framework (NQF) in April 2006. The finalised concept emphasises that the framework is to be regarded as a strategic tool suitable for supporting individual learning and career planning on the one hand, and for helping training providers in developing their programmes as a reference on the other; thus aiding a more successful harmonisation of the training outcomes between the various sectors and subsectors (general education, vocational training, higher education). At the same time, devising and introducing the NQF may provide an opportunity to extend the practice of acknowledging the results of non-formal and informal learning and to increase awareness thereof.

Using the concept, strategic preparation work began with the involvement of the ministries concerned. The strategy for devising the National Qualifications Framework must be submitted to the Government in November 2007.

The strategy acknowledges the fact that the development of the necessary conditions and the developments themselves will take several years (some experts believe it may take seven to eight years) development process. Based on the agreement of the Ministry of Social Affairs and Labour and the Ministry of Education and Culture, the developments laying the foundations for the NQF, and the development and introduction of the NQF have been integrated at several points into the National Development Plan II for the period of 2007-13. Background activities intended to strengthen professional support and the wider acceptance of the outcome-oriented approach must also be quoted, such as the series of professional events planned in the near future in the framework of a cluster for the recognition of learning outcomes, which is linked to the “Education and Training 2010” programme (workshop and PLA).

The various educational subsectors are becoming increasingly open towards the needs of students and groups interested in the quality of educational services. This, however, results in further divergence rather than stronger links between the elements of the education sector. Consequently, Hungary is lagging behind in building the system of lifelong learning (i.e. the creation of a rich range of learning opportunities consisting of elements building on each other). One element of this backlog is the under-evaluation of knowledge acquired through non-formal and informal learning and, as a result, the under-development of means enabling its recognition.

Although the reorganisation of the systems regulating content and quality assurance has begun and brought significant changes in all sectors, due to the weaknesses of professional and political coordination in the education sector, these changes each have followed their own paths and the evolving systems under development are organically not connected with each other sufficiently.

In the course of the development of a cyclical training structure matching the goals of the **Bologna process**, the method of training regulation has been altered in Hungarian higher education. The former qualification requirements, almost exclusively oriented by contents and procedure, which determined the different departments and training programmes (laid down in a government decree), have been replaced by competence-based, outcome-oriented training and outcome requirements defined in learning results (at the level of ministerial decree). Although this regulatory means continues to retain some elements of content and procedure, it also displays outcome expectations which consider the outcome indicators of the qualification framework devised for the **European Higher Education Area** and accepted by the education ministers in Bergen in 2005. Annex 1 of Ministry of Education Decree 15/2006. (IV. 3.) on the training and outcome requirements of the first degree and masters courses defines the generic descriptors of knowledge, abilities to apply knowledge and other skills that are needed for obtaining a basic degree (bachelors) or a masters degree in Hungary.

## 2.2. Identification and validation of non-formal and informal learning

As regards the validation of non-formal and informal learning in Hungary, although a number of solutions working in isolation can be identified (for instance, the ECDL examination system works with great success), and there are some experimental projects, but there is no unified system or standard process nationwide. Prepared in the framework of the OECD RNFIL project at the end of 2006, the Country Background Report explored the factors which may have a role in the creation of such a system, and those that currently hinder its implementation.

The biggest obstacle is that in the Hungarian society the dominance of formal qualifications keeps its place to the present day. The other unavoidable factor is that the educational and training institutions at present are not interested in recognising learning activities which are conducted outside their own programmes. Arising from this behaviour typical of the training system and its players, it is to be expected that the practice of the validation of informal and non-formal learning will develop by integrating into the formal qualification system or will become closely connected with it.

The inclusion of the procedure for the assessment of prior learning in legislation is a part of the government's endeavours to modernise the vocational training and adult education system. In practice, however, only the partial application of a procedure deemed up-to-date today has taken place, which was not fully accompanied by the adoption of the whole approach behind the given procedure. Although the 2001 Act on Adult Education already formulated the assessment of the level of prior learning and its consideration during training as a right of the participants in adult education, in practice no regulation regarding the means of its implementation or control was linked to the legislation. Although in order to professionally orientate the training providers the Ministry of Education financed a 3-year experimental project involving 53 adult educational institutions. The project endeavoured to encourage the dissemination of the procedure by devising measurement tools in some areas of training. However, the results can be described as rather modest and, since the conclusion of the project, even the assessment of outcomes has not been executed. There is no regulated procedure in force; training providers conduct the measurement of prior learning and the utilisation of measurement results building on their own training profile, traditions and possibilities. The recently tightened (by statute) control system targeting adult education services merely controls the formal existence of the assessment of prior learning in the given training institution.

The government's national lifelong learning strategy and a number of other documents (related to vocational training and adult education) contain explicit references to the need to create a system for the recognition and transfer of prior learning and qualifications not recognized by the state. This endeavour is mainly connected to planning the introduction of concrete tools (Europass, competence card, adult education card).

The terms 'non-formal and informal learning' do not appear in the new Higher Education Act. Government Decree 79/2006. (IV.5) on the execution of certain provisions of the Higher Education Act related to the credit system and the validation of (previously conducted) studies, however, states (Section 23, subsection (9)) – as a novelty compared to the earlier legislation on the credit system – that “the requirements prescribed by the curriculum do not need to be fulfilled if the student has previously acquired them and can provide authenticated proof of such acquisition. For the recognition of *requirements fulfilled based on work experience* the institution must obtain proof of acquired knowledge by verbal, written or

practical tests.” In other words, the recognition of knowledge gained through non-formal and informal learning is included in the text without the explicit use of the terms.

At the same time, great aversion to the appearance and introduction of the assessment and recognition of knowledge and skills gained through non-formal and informal learning can be perceived among players in higher education (mainly teachers and managers of the study-related administration). However, the establishment of validation centres in the framework of the NHDP serves precisely the purpose of making the organisational, methodological and financial conditions available to this end. Apart from the above legal provision, no other measures in this field of higher education have been taken on the part of the Government.

### 2.3. Widely accessible lifelong guidance policies and systems

The currently operating Hungarian career guidance policy and labour counselling system does not live up to the expectations, its impact on individual learning paths, on overcoming difficulties in the transition from education to work, and on finding employment in the labour market is insufficient.

There is no institutional or professional connection between the career guidance policy services in schools (general education), which are represented by the vocational orientation phase in vocational training the services operating within the framework of employment provisions and career counselling planned to be introduced in higher education based on a legal obligation.

Beyond the legal status as a student or job seeker, the possibility of access to limited capacity counselling services (based on civil rights) is unclear. A number of independent experimental projects exist which are known in a narrow circle. The most significant part of the basic infrastructure is linked with the system of employment provisions. The development to date has, to a large extent, focused on the creation of databases and information systems for the labour market based on IT devices.

In the period of 2004-05, three government decisions explicitly formulated the need to establish a counselling service available for the whole duration of one’s career. In the new government structure, due to the restructuring of the competences of management in the field of vocational training and adult education, the programme of the harmonised transformation of the two sectors was put on the agenda. Intensive development of career guidance, counselling and career tracking systems was included as well as their connection to labour-market information systems. It is envisaged that the integrated system of career planning will be managed by the labour organisations.

In higher education, comprehensive orientation period takes place during the application period to higher education by the involvement of the National Higher Education Information Offices. Thus, in every institution there is a career centre or student counselling body (free for students under the Higher Education Act) and in numerous institutions an alumni system or career tracking facility has been set up, which was legally required as of 2006.

#### 2.4. Measures to reinforce transnational mobility in all sectors, including through the removal of administrative and legal obstacles, the implementation of Europass, or by the provision of financial or other support

While in the area of higher education the demand for the integration of studies completed abroad to be included in the tertiary education course is steadily growing, a significant part of institutions in Hungary regard time spent in other countries by students as a disturbing factor in the education process. This mentality and the measurably low rate of credit recognition puts a considerable brake on the international mobility of Hungarian students. Moreover, likewise evidenced by surveys, the scarcity of financial resources for students is a major restricting factor, which is only partly counterbalanced by the available grants and scholarships.

The **ECTS** (European Credit Transfer System) was introduced in 2002 based on a 1998 decree. The government monitored the operation of the credit system on several occasions and the most recent national representative data collection took place in 2005. The results show that the credit system was in effect unable to support the mobility of students either between faculties or institutions within Hungary or in international frameworks. Not only is the international level of mobility low, so is the national level, and the application of the credit system during mobility is occasional.<sup>3</sup>

Hungary has recently begun to use the **Europass** portfolio making individual competences transparent. Although the positive effect of the Europass documents on international mobility is not measurable, the use of the means itself, in particular the Europass Curriculum Vitae, can be said to be a great success. According to web site statistics, several tens of thousands are downloaded each year from the national agency's homepage and today the Europass Curriculum Vitae has become a widely accepted standard in both the labour market and grant application systems. The Hungarian office –as a result of a recent novel development according to European terms as well – has devised a technique that can automatically upload a completed Europass Curriculum Vitae into the database of job seeking databanks.

The new Higher Education Act, adopted in December 2005 and in force since 1 March 2006, lays down for higher education institutions that “alongside the degree obtained in the bachelor or masters programme, a **Diploma Supplement** must be issued in Hungarian and English, or for national or ethnic minority education, on the student's request, in the language of the minority concerned,. The Diploma Supplement is an official document.” [Section 63 subsection (2)]. In other words, the institutions must issue this for students free of charge. In order to have a standard format for the Diploma Supplement, a central program has been prepared for student registration programs operating in higher education institutions. However, the handling of foreign studies and credits obtained and the method of displaying credits given to knowledge acquired through non-formal and informal learning arose as problematic during consultations to formulate the structure of the document.

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<sup>3</sup> Only 26% of students participating in subsidiary studies abroad wished to have their credits acquired abroad recognised in the parent institution, and of them only 21% managed to fully do so, another 36% partially and another 36% not at all. (National Credit Monitoring Study, 2005)

## **CHAPTER 3: IMPLEMENTATION OF POLICY OBJECTIVES IN SCHOOLS, HIGHER EDUCATION, VOCATIONAL EDUCATION AND TRAINING, AND ADULT EDUCATION**

### **3.1. Elements to be reported on for all levels**

#### **3.1.1. Governance and leadership of education and training institutions (e.g. organisational and administrative reforms, autonomy and accountability measures, public/private initiatives)**

Minor changes can be perceived in the governance of Hungarian general education, but no further reform is being planned by the education authorities. No specific measure over recent years aimed directly at the autonomy of the management of institutions. The reason for this is that the autonomy of the management of institutions was set at a high level from the start. At the same time, a great many measures have had and presently have an effect on their autonomy; for instance measures to this end have been taken due to the strengthening of state and local community accountability. Within this framework the government strengthened the institutional system of legal supervision by broadening the competence of and expanding the possibilities of the Education Authority. To gain feedback on the professional work of schools, the building of a clear, publicly accessible measurement-assessment system suitable for tracking development began. Perhaps the most important component of this is that the reports of all institutions will be made public. And this in turn must encourage schools to perform and prepare students to the best of their ability. Apart from the power of publicising documents, legal regulation has also gained a significant role. In 2006, it was included in the law on general education that if a school does not reach the minimum specified level during measurements, the Education Authority will instruct the school or its maintainer to draw up an action plan to improve results. The Ministry of Education also allocated opportunities for development and related funds. The maintainers concerned may apply for support for their schools to strengthen their local school development programme by involving experts, thereby improving their competence measurement figures.

Within the framework of the measures of the NDP I. HRDOP 3.2 and 4.1, the building of Regional Integrated Vocational Training Centres (RIVTC) began in line with the Vocational Training Development Strategy adopted by the Government in May 2005. The principal aim of this is the concentration of the institutional system, which is extremely disjointed due to the decentralised institution maintainer system<sup>4</sup>. In general, an RIVTC means the regulated co-operation of 8 vocational institutions. The loose co-operation of such consortium, typical until now, will be replaced in the near future by a tighter and more integrated organisational structure. The process of building the RIVTC system is progressing more slowly than originally planned, but the new government is committed to its continuation, during which in the planning period between 2007-13 a further 20 to 30 centres are planned to be created in addition to the current 16 RIVTCs. Social partners must be given an important role in the management of the RIVTCs.

As regards regulations in higher education, on the one hand, with the introduction of the “Economic Council/Financial Board” that gives opinion and makes proposals on new strategic issues, aspects of the economy in governance are to be strengthened and, on the

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<sup>4</sup> Currently in Hungary with a population of 10 million over 1,000 institutions are dealing with vocational training within the school system.

other hand, the integration of higher education institutions is intended to increase the efficiency and standard of education.

### 3.1.2. Stimulating private investment from enterprises, households and individuals

The funds that can be devoted to training employees from the **Vocational Training Contribution**<sup>5</sup> have been expanded particularly for micro, small and medium-sized enterprises, where instead of the previous 33%, now 60% of the obligatory contribution can be devoted to this purpose from January 2007 (13/2006 (XII. 27.) MSAL).

The regulation guaranteeing the second vocational qualification free of charge, that is with state finance, targeted enabling young people to enter the labour market better qualified, was in force between 1999 and 2004. As of January 2005, acquiring the second vocational qualification was considerably restricted and the possibility is now only provided for disadvantaged groups. Since then the tuition costs of students studying for their second qualification have been covered by families and – based on local decisions, to varied degrees – by local governments.

Making 30% of certain training costs deductible from personal income tax was aimed at stimulating a more active participation of individuals in training. This option was terminated as of 1 January 2007 by the government which came into office in the summer of 2006. The most frequent explanation interprets the termination of this benefit as part of the austerity serving the convergence programme, but there are opinions which link it with simplifying the taxation regulations by narrowing benefits. Many believe this to be a temporary measure but the majority, such as representatives of employers, think that the efficiency of the benefit is questionable. Although there are no surveys elaborating on its use, in all probability training paid by individuals is most of the time not connected to employment.

The explicit purpose of the **Higher Education Act** and various government programmes (PPP, SROP, Innovation Fund) is to stimulate business sector investment in higher education, particularly in research, development and innovation. Although **PPP** programmes – within the framework of which numerous residence hall developments as well as the construction or renovation of resource centres and educational facilities take place in higher education institutions – can be regarded merely as simple financial schemes to fund government projects, they also create close, long-term (often 20-year) ties between the private investor and the higher education institution that will certainly have a ripple effect beyond the primary service relationship. The SROP and Innovation Fund explicitly support co-operation between higher education and the business sector in such a way that the business sector also has investments and a standing obligation for contribution. (See 3.3.1. for details). A higher education institution may also become the beneficiary of the vocational training contribution obligatorily paid by employers.

State financed higher education institutions are directly encouraged to produce an income as the government, when setting their annual budget, defines the sum the institutions have to produce from their own income. The most obvious and simple way for the institutions to

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<sup>5</sup> This is in fact a vocational training tax which is 1.5% of the gross wage and can be made by payment into a central fund (Labour Market Fund), and/or participation in practical training, and/or transfer to a vocational training institute (to a certain extent), and/or through training their own employees (to a certain extent).

achieve this is to launch fee-paying training programmes. By keeping the number of state-financed students below the actual demand, the state in practice “ensures” a number of fee-paying students for the institutions. In addition, the institutions themselves endeavour to “creatively” produce a legal basis through internal regulations to set and collect substantial tuition fees. Due to the spread of this practice, however, the government is now trying to restrict the possibilities granted to institutions by decree.

The introduction of the so-called **development contribution fee** targets the financial contribution obtained from private individuals who profit from higher education. Every state-financed student must pay this contribution from the second year of their studies, which represents 105,000 HUF (420 EUR) for a bachelor programme and 150,000 HUF (600 EUR) for a masters programme. The universities may modify this sum by +/- 50 %, which means that the lowest annual sum collected this way comes to 52,500 HUF (210 EUR) and the utmost maximum reaches 225,000 HUF (900 EUR) paid annually. Higher education institutions must devote at least one third and at most a half of the revenues acquired this way to scholarships for study, and must also award exemptions from payment prescribed by government decree (e.g. to the most successful 15% of students, to people with multiple disadvantages, doctoral students and students doing their first tertiary vocational education). The remainder of the sum may be devoted to student-based developments. The first payments are due in September 2008.

### 3.1.3 Widening access, and improving equity of participation, treatment and outcomes, especially for disadvantaged learners (e.g. migrants, ethnic minorities, the disabled)

Inequalities of education coming to the forefront of policy attention are perceptible in strategic materials, legal administration and at the level of concrete programmes and measures. The enactment of the free choice of schools, established in 1985, is widely believed to have contributed to the growing inequalities within the educational system and to segregation. In 2006, the Ministry of Education significantly restricted the option of choosing a school for pupils living outside the catchment area.

Numerous measures have been taken to help disadvantaged and Roma youth to build more successful careers. Among these, the intention to extend kindergarten provision, which is coupled with social elements (e.g. free meals) and implemented by increasing capacities in rural areas with small villages without kindergartens, is worthy of note. The reason for this was the recognition that while making children attend kindergarten may be one of the most important ways of ensuring equity, kindergarten provision is the least ensured in those particular social groups who would need it most. In this way their disadvantage is almost impossible to catch up on by the start of schooling.

Policies aimed at moderating inequalities have – since 2004 - been able to count on considerably larger resources than they had before, thanks partly to the Structural Funds. Perhaps the most effective method of targeted funds is the system of scholarships. The ‘For The Journey’ Scholarship Programme began in September 2005 and its three subprojects (Path to Secondary School, Path to Secondary School Leaving Examination, and Path to a Qualification) promote the school advancement of talented but disadvantaged students living in difficult conditions. (See subsection 3.2.4 for the fourth subproject.) An essential and very effective element of the programme is the help of a mentor, but it is also important to note that both the student and the mentor receive a scholarship.

Involving disadvantaged groups in vocational training has received growing attention year after year. One of the components of the Vocational School Development Programme (VSDP), launched in 2003, fulfilled the aim of preparing young people unsuccessful in their school studies or already drop-outs of the system for the start of vocational training during a one-year project-based teaching programme and developing the relevant competences thereof. The training programme was first started in autumn 2005 in 23 schools and since then the number of schools applying for this training programme has approximately doubled, with an estimated thousand or so young people taking part. Adapting this programme which is novel in its approach in Hungary has been favourably received by experts, and it is also being considered in adult education.

Since 2004 from among the resources available from the Structural Funds, a significant amount was devoted to labour market integration. In particular, the action “Fighting social exclusion by helping entry into the labour market” in the Human Resources Development Operative Programme (HRDOP) can be listed here, for which 87 million EUR was earmarked as support; but access to training opportunities was the ultimate goal of many other measures as well.

#### 3.1.4. Measures to address gender aspects in education and training

Based on Hungarian general education statistics of recent decades and on international comparative studies it can be established that the educational disadvantages of women at one time typical in Hungary have been eliminated as in other industrialised countries. About the same number of girls and boys study in primary and secondary education, while in higher education the number of women is higher than that of men (in 2004/2005, for instance, the ratio was 54-46%). Learning pathways, however, differ significantly. In secondary schools girls and in vocational training programmes boys are overrepresented. Technical, scientific and agricultural qualifications preferred in the Education and Training 2010 Work Programme are much more frequently obtained by men.

#### 3.1.5. The use of learning outcome based approaches for the definition and design of education and training objectives, standards and curricula, and their relevance to the needs of society and the economy

The old system of secondary school leaving examination in Hungary had lost its significance and it was replaced by a strong new outcome-regulator tool enjoying significant professional legitimacy in 2005. The most important features of the new system diverge at several points from the old one. The weight of the secondary school leaving examination is above all given by its dominant role in the student’s further progression (replacing the entrance exam at higher education institutions). Its legitimacy was founded by a unified intention overspanning several governmental cycles aided by broad professional consultation, several tests and corrections as well as publishing the requirements.

The National Competence Measurement introduced in 2001 affects all school pupils at certain points in their education. The concept of such measurement was first formulated by the so-called reference framework in 2006, describing the concrete competences, the existence of which is examined by the measurement. In the six academic years that have

elapsed since its introduction, the National Competence Measurement itself and the set of instruments of education policy built on it have been expanded considerably. On the one hand, more and more grades have been included in the measurement and, on the other hand, the range of measures supporting accountability and quality (already mentioned in section 3.1.1) is related to the results of such measurement.

The outcome based approach represented by the EQF is still very new in Hungary; it is primarily competence-based regulation that is used in vocational education and training. Due to support from the Structural Funds, the National Register of Vocational Qualifications was entirely revised. Delegates of entrepreneurs were given a significant role in the developmental working committees of all trade groups (sectors), where job description analyses served as starting points for development.

The Hungarian Chamber of Commerce and Industry (HCCI) was given the task of renewing the contents of 16 large-scale professions in 2004, and an additional 11 in 2006, thus assuming responsibility for the contents of almost half of ISCED level 3 vocational training. In these professions the delegation of the chairs to the examination board well as the organisation of so-called levelling exams due at halfway of training have been become the responsibility of the Chambers..

In higher education, within the framework of transition to the Bologna system, the course output requirements in bachelor and master courses are currently placed on an outcome competence basis. The knowledge, professional and personal competences outcomes will be defined in detail for the first time.

#### 3.1.6. Quality assurance systems

In Hungary, devising an individual quality development system and recording it in a separate document has been prescribed by law for all kindergartens and schools since 2003. In the period since the last report one significant change has taken place, namely the 2006 amendment to the law prescribed that in the implementation of the quality management programme institutions must take into account the outcomes of the national measurement and assessment.

The accreditation of university programmes will also become more severe in order to improve quality in the near future. In higher education, alongside the operation of the Hungarian Higher Education Accreditation Committee, every institution must set up its own internal quality assurance system. Furthermore, a system of higher education quality awards has already been elaborated and legally regulated. The introduction of the system of student contracts in tertiary vocational training is currently under way to enhance practical training. The aim is to organise coherent professional practice over a whole semester mainly in practice-intensive initial training programmes .

The adaptation in Hungary of the Common Quality Assurance Framework (CQAF) devised by the EU “Quality in VET Working Group” started immediately after the system was adopted, and related quality assurance development was carried out in 90 institutions involved in the Vocational School Development Programme and has continued in another 70 schools since 2006 in the second phase of the VSDP. In a few vocational training institutions

the previously launched quality assurance activity continued but most recently no resources were available to support these efforts.

Accreditation regulation in adult education was made more precise and tightened further in 2006. Supervision/control likewise became stricter and for operation diverging from legal specifications more serious sanctions (large fine, suspension of operation) were introduced than previously..

### 3.1.7. Developing learning partnerships with stakeholders (policy-makers at national, regional and local levels, social partners, learners and representatives of civil society)

In Hungary, there are numerous perceptible endeavours to strengthening or creating learning partnerships. In general education with the support of EU Structural Funds in the framework of the 2004-06 NDP the formation of *Regional School and Pre-school Institution Centres* and the development of related school and kindergarten infrastructure took place with the close co-operation of different types of schools, institution maintainers and local governments.

In the area of vocational training similar efforts have been realised also with the use of grants from the Structural Funds for the creation of Regional Integrated Vocational Training Centres (RIVTC).

In higher education, the NHDP enabled incubators to start operation on the basis of Regional Knowledge Centres.

Hungary has participated actively in the Socrates, Grundtvig and Leonardo programmes from their inception, as well as the Equal programme since 2004. The policy lays great emphasis on the learning processes in international co-operation, which is also shown by the fact that on two occasions additional national resources were also provided for international mobility, and in human resource development occurring in the framework of developments significant sums are traditionally provided for study trips abroad. The quality of activity in international programmes is also demonstrated by the outstanding results achieved by Hungarian projects in the two competitions for the European Mobility Award to date. In spring 2007 – in no small measure on the pattern of the Leonardo mobility programmes and as an indirect impact thereof – within the Vocational School Development Programme a call for proposals was published to implement vocational training mobility programmes in Hungary.

## **3.2 Schools**

### 3.2.1. Increasing investment in and strengthening pre-primary education

Expenditure in pre-primary education, just as in other areas of general education, has risen over recent years. Hungary spends a greater proportion of GDP on pre-primary education by international comparison, that is to say compared to the country's productivity there is a higher outlay per child than on average in OECD countries. Thus, recently there have been no direct measures to increase expenditure.

Access to pre-primary education in Hungary compares well also in an international context, but the regional breakdown is uneven. Thus, rather than strengthening pre-primary education, tasks of a different nature await solution in Hungary. Due to the legal regulation of compulsory education from the age of five, in practice 100% of five-year-olds attend kindergarten, while social policy is striving to broaden provision for four-year-olds, which is significant from the aspect of the creation of equal opportunities. Regulation of the operation and educational programmes in kindergartens is based on very similar documents to those in schools. Content-related developments in the NDP programmes cover pre-primary education as well and in the HRDOP an independent pre-primary programme package was developed. Testing components of the programme package has been going on since September 2005 in Regional School and Kindergarten Development Centres.

Despite the diminishing number of children in Hungary, in a significant number of regions with a disadvantaged social and economic background the reproduction of the population is high. There are communities with no or only few kindergarten placements, thus children in a disadvantaged situation only receive pre-primary education from the age of 5, when it is obligatory. At the same time, it is precisely for this group that several years of pre-primary education is an indispensable prerequisite of more efficient schooling. In the NDP II building more kindergartens and increasing the number of places combined with professional development is planned in subregions where demographic indicators so justify.

### 3.2.2. Modernising school curricula and assessment arrangements (inter alia to address learning outcomes and the attainment of key competences)

Continuity and change are present at one and the same time in the regulation of content in Hungary today. The revision of the 2003 National Core Curriculum reinforced the strategic nature of the document and while it does not directly regulate the school organisation of learning, through its basic principles and priority development tasks it nevertheless represents homogeneity in general education. The government decree on the National Core Curriculum provides for regular reviews, the latest cycle of which began in 2006. A prominent role was attributed here to developing key competences serving as a basis for lifelong learning such as basic skills (listening and reading comprehension, writing texts) and developing efficient, independent learning.

At mid-level of content regulation the educational programme or programme package appeared as a new element. This is a complex set of tools which, apart from teaching aids, embraces process planning, organisation and assessment tools. In order to disseminate competence-based teaching/learning programmes in the 2005/06 academic year, 120 schools began trying out the new educational programme packages.

### 3.2.3. Addressing the specific learning / training needs of teachers (including pre-primary) to enable them to cope with their changing roles in the knowledge-based society

In Hungary, fluctuation is low in the teaching career and the average age of teachers is rising, thus in education policy greater value is being attributed to in-service training. If the teaching posts are all filled in, only a few career starters can enter the profession, so it is not necessary to primarily target them, but rather those teachers who in fact have an impact on school

processes. Through a well-compiled range of in-service training programmes, the legally prescribed, regular in-service training for teachers and school heads with responsibility for continuously ensuring the development of competences of the teaching staff, the foundations are present in the Hungarian system for teachers to be able to face the challenges that the knowledge-based society create on us. Certain elements of this system are to be found in the training programmes launched under the HRDOP.

The greatest challenge of this nature is how well-prepared teachers in schools are to efficiently teach pupils of non-homogenous backgrounds. Competence measurements in Hungary as well as the set of exercises of PISA surveys convey the required knowledge concept to teachers they have to match up to. In addition to this, the secondary school leaving examination, which took a competence-based direction, and many in-service training courses related to the examination reform assisted this process.

#### 3.2.4. Measures to reduce early school leaving, to increase rates of completion of upper secondary education, to reduce the proportion of low-achieving 15 year olds in literacy, and to increase the take-up of mathematics, science and technology subjects (EU benchmarks)

Major steps have been taken in Hungarian general education over recent years to combat failure at school. These start from the pre-primary stage (see 3.2.1) and strongly focus on reinforcing the basic phase of the first four to six years as the most important, irreplaceable period for laying the foundations for competence development. Tightening the compulsory repetition of a school year for children who fail to meet the standards in the first three years of public education as well as the transition to the written assessment of children at this age may increase the balance of the school advancement of low achievers. Measures aiding the slowing down and deepening of skills development in the initial phase of school education also appeared, such as legally changing the function of the fifth and sixth grades, which will begin to take effect from 2008. The essence of this change is to introduce a two-year transitional period in between the phase of one-teacher education in the first grades and the phase of education where specialised subjects are taught by many teachers. School-based adult education offers a new chance for people who drop out of the educational system, that targets mainly corrective purposes and those of enhancing opportunities.

The goal of popularising mathematics and science has been catered for since September 2005 by the introduction of a scholarship programme with an explicit science orientation (Path to Science). The programme builds on the co-operation of talented pupils and secondary school teachers undertaking the task of professional guidance and support of talented youngsters. A teacher and pupils wishing to take part in research can jointly apply with any preferred theme for research or innovation in the fields of mathematics, science or technology.

### **3. 3. Higher education**

#### 3.3.1. Measures to reinforce the knowledge triangle between education, research and innovation

In recent years, the rate of expansion in higher education could not be followed by a similar rate of increase in the level of state support per capita proportionate to GDP in higher education.. Efforts have been made by tertiary institutions to counterbalance this relative fall in the level of state support paid to higher education institutions by generating income through academic activity. Due to the transitional phase in business and industrial environments, the innovatory role of higher education institutions has weakened. To put a halt to this, the university-based Regional Knowledge Development Programme was launched between 2004-06 with support provided by the EU Structural Funds and continued under the auspices of the NHDP. Various endeavours have been made to strengthen the role of research, development and innovation in higher education through diverse measures that set the goals of improving the state of real finances per capita in line with quality requirements in education and training, and increasing the weight of research, development and innovation.

This goal is also served by the Science, Technology Policy and Innovation Strategy, already adopted by the Government, which was jointly elaborated on and submitted to the Government by the Ministry of Education and Culture and the Ministry of Economy and Transport. The strategy is in line with the ideas of the EU regarding innovation policy, and the NHDP provides the framework for its implementation.

The new Higher Education Act that came into force on 1 March 2006 explicitly states that research is a fundamental task of higher education institutions and higher education institutions are at the same time institutions for research and development. The Act prescribed the drawing up of a research and development strategy by universities by 31 December 2006 as part of the institutions' strategic document, the Institution Building Plan (IBP). The "guide" to the IBP, published by the MEC, lists the considerations institutions must take into account in drawing up a research strategy. The fact that the MEC as the maintainer of higher education institutions forced the institutions to deliberate on such considerations and issues, and plan their activities in this manner is in itself a giant leap forward since formulating an R&D strategy and then monitoring its implementation will presumably produce a positive shift towards increasing the significance of research and innovation. The review and analysis of the plans and strategies submitted to the MEC, the maintainer, is currently in progress.

To promote the co-operation of higher education with other sectors involved in research, the Higher Education Act enables tertiary institutions to conduct business activities and supports them in doing so (e.g. establishing spin-off companies, or establishing a venture fund), and Regional University Knowledge Centres (RUKC) and Cooperative Research Centres (CRC) have been created and supported.

Based on the above Act, within the funding structure of higher education institutions the 'scientific normative' appears, in the calculation of which the extent of research activities and their outcomes receive great emphasis.

The development of R&D+I capacities and increase in related expenditure appears as an overall national goal. Within this, the joint development of common R&D and innovation capacities of higher education and the business sector, joint research projects, devising and financing further training programmes, and the expansion and development of the range of services related to research and training supported both by the Act and government measures

as well as by numerous provisions in the operative programmes of the NHDP (especially the SROP) appear as subsidiary goals. Finalisation of the action plans related to the Operative Programmes is under way.

As part of the government's innovation policy, the Research and Technology Innovation Fund was set up, whose income in 2005 totalled HUF 34.16 billion. Its main source was the innovation contribution paid by businesses and a budgetary contribution. In 2005, the Fund made disbursements of HUF 27.67 billion. Of this HUF 10.9 billion (39.3%) went to higher education institutions (HUF 2 billion more than in the previous year). The aim of grant-based payments was to exploit the results of R&D and to promote joint R&D and innovation activities between higher education institutions and enterprises (e.g. through founding Regional Knowledge Centres and Cooperative Research Centres). The new application constructions of 2005 (major international projects, Asbóth Oszkár Programme, Irinyi János Programme, National Office for Research and Technology Pázmány Péter programme) encourage the renewal of contacts with international programmes, the strengthening of the propulsive industry approach, and the realisation of new innovative ideas.

The recently reorganised Research and Innovation Council (RIC) received as its primary responsibility the task to harmonise the use of R&D resources available in the Innovation Fund and the Economy Development Operative Programme, thus controlling the spending of resources worth HUF 60-80 billion per annum. In the light of earlier problems in the allocation of grants, the creation of greater transparency in the allocation of funds and attention given to market aspects on merit came to the forefront. (To this end, for example, the RIC is led by a representative from the private sector, it is supervised solely by the Ministry of Economy and Transport, and authority to this end has been removed from the remit of the MEC.)

### 3.3.2. Any participation targets and measures to achieve them

The number of people in higher education quadrupled between 1990 and 2006 but the expansion effectively came to an end in 2004 due to the impact of the falling demographic trend. Demographic figures show that the population of university and college age is falling slightly. On the other hand, as a result of the introduction of the three-cycle system and the the new state regulatory tools which affect several fields, the time spent by students in the system will gradually but significantly fall by 2013. Experts do not expect the number of people wishing to obtain a second or third degree to grow either.

The main goal for development of the education ministry in the mid-nineties, that is making higher education available to the masses, has now been achieved, the Ministry of Education and Culture has started to slightly reduce the number of state-financed students. Within this, however, it is intended to increase the number of students and people obtaining vocational qualifications in the fields of mathematics, natural sciences and technology (see. 3.3.4).

### 3.3.3. Measures to increase excellence

The new Higher Education Act introduced a Quality Award for higher education, which can be won as recognition of excellence (EFQM model).

The NHDP SROP supplements institutional R&D and innovation activities with grants for individual research and excellence, which aim to support raising the level of quality in research in higher education by promoting the improvement of the quality of human

resources involved in R&D, as well as to expand the intellectual capacity for research, and to raise the standard of basic research in higher education in order to make research work and careers in research more attractive and better recognised. Furthermore, it seeks to make the professional knowledge accumulated in universities and research results accessible and useable for the wider public. The main activities of this are the implementation of a comprehensive grant application construction that makes a career as an academic researcher possible to be planned; scholarships to support doctoral candidates and people with PhD based on their outstanding achievements at international standards; grants to support the mobility of students, academics and researchers in line with EU directives; recognition of outstanding research results and talent; making resettling in Hungary more attractive for Hungarian researchers and academics working abroad; supporting career options for young researchers closely connected to the need to develop intersectoral mobility; supporting researchers with outstanding achievement in interdisciplinary projects; and the implementation of a comprehensive programme fostering talented students, academics and researchers in higher education (National Excellence Programme).

#### 3.3.4. Measures to increase the number of graduates in mathematics, natural sciences and technology (EU benchmark)

As a tool for developing R&D+I capacities, increasing the proportion of students in degree programmes in the fields of mathematics, technology and natural sciences is strongly linked to the Lisbon strategy. For this purpose the Council set 15% growth by 2010 as a European benchmark (however, this aim was met by 2003), through the simultaneous reduction of gender inequalities. According to 2003 figures, the proportion of students graduated in the fields of MST in Hungary aged between 20-29 was 4.8% (18% of all graduates compared to the EU average of 24.3% (EUROSTAT). The national target is to increase this to 7% by 2013.

The NHDP SROP gives high priority to implementing this. To this end, the government this year, when allocating the number of students that can be accepted for state-financed MST degree programmes, increased the proportion of students in natural sciences by 2.63% and those in the field of technology by 1.8%. The government ensured broad publicity for this target and related measure, which produced a mixed effect based on application figures for degree programmes for 2007: compared to previous years applications in the field of technology grew significantly (by 7.7% compared to the year before), whereas the number of applicants (further) decreased for computer sciences (by -2.1%), natural sciences (by -4.1%) and within the field of mathematics (by -7.9%) (preliminary figures based on the state of processing on 22 March 2007 – source: NHEIO).

### **3.4. Vocational education and training and adult learning**

#### 3.4.1. Measures to improve the quality and attractiveness of vocational education and training and of adult education

In Hungary, improving both the quality and attractiveness of vocational education is in the focus of all large-scale developments in vocational education and training. Here the work to renew the National Register of Vocational Qualifications (NRVQ) must be mentioned in particular, the first phase of which is drawing to a close under the NDP I. This development resulted in the first genuine renewal of the NRVQ, first published in 1994 and amended

several times since. The NRVQ with a new system appeared in 2006. As a result of the development, a modularised structure was created, where the training modules besides the basic vocational qualifications may lead to partial and extensive vocational qualifications that are marketable in the labour market and may result in training pathways that are easier to plan in perspective and can be executed more economically. Economic efficiency and increased motivation in training may be aided by the latest regulation, according to which participation in the course is not a condition of passing the module examination; thus, in theory, it can be taken on the basis of informally obtained knowledge as well. The vocational and examination requirements of the new qualifications of the module-based NRVQ appear continually. The new competence-based central programmes (curricula), which may contribute to the more integrative treatment of theory and relevant practice, will come into effect in 2007 in adult education and in 2008 in school-based vocational training. In the NHDP Social Renewal Operative Programme (SROP) starting from 2007 development of content will continue, for instance by improving materials and textbooks supporting the new competence-based and project-based approaches to education.

As for the renewal of the NRVQ, the NDP that came into force in 2004 devoted significant resources to the development of the content of adult training programmes. Experts elaborated about 220 programmes under an HRDOP measure.

Over recent years, as in general education, significant resources have been available for the digitalisation of course material for vocational education and training. These are accessible on the world wide web but as yet there is no reliable feedback on their exploitation.

#### 3.4.2. Measures to reinforce the link between VET and labour market needs including early identification of skills needs, improving the relevance of curricula and qualifications

Since January 2005 a contract with students doing their vocational practice at companies has been obligatory. The introduction of the contract, at the same time, involved financial incentives for both the students and the entrepreneurs providing training. The financing regulation which provides 140% of the normative in the first, basic year of vocational training for students practising in schools, but only 60% in the following specialisation phase, also aids shifting practical training towards enterprises. This means that, unlike under the former regulation, the institutions are interested in releasing students to do their practice at businesses after the first phase of training. Thus, in an optimal scenario the pedagogically important first training phase takes place in the school and the closing, usually longer phase is completed under the auspices of businesses. Based on the figures of the first year, a slight shift can be observed in the desired direction.

In the Hungarian economy the lack of skilled workers is a permanent problem concurrent with significant levels of unemployment. A regulation intended to ameliorate the situation provides financial incentives to launch training programmes in areas where there is a shortage, thus creating an interest for both young people choosing a profession where there is shortage and for businesses giving preference to training programmes in those particular fields. Lists about

shortage situations are made by local business players by region, continuously adapting it to labour market changes.

Chambers manage the content for an increasing number of professions, where they also play a decisive role in examinations by delegating chairpersons. The continuous transfer of roles played in content, accreditation and examination to the Hungarian Chamber of Commerce and Industry (HCCI), however, raises the question of enforcing state responsibility also. It is not infrequent that short-term interests of actual business players are enforced rather than the long-term interests of the whole economy. It is considered to be an important positive development that, after the government adopted the vocational training development strategy, the HCCI also published its vocational training strategy for the period of 2007-13.

In the framework of the NHDP SROP the government intends to provide significant resources between 2007-13 for building a so-called career tracking system that provides feedback on the careers of young people who obtain a vocational qualification to policy-makers, trainers, business players, and people making options to participate in career counselling, taking different training courses and career paths. According to policy-makers and experts in public administration, career tracking could be closely linked to financing training institutions. Accordingly, whichever institution produces a greater proportion of qualified students who obtain employment in their line of profession could receive extra resources through either grants or the normative system. For the time being, many are sceptical about the concept, and related methodology is yet to be devised.

### 3.4.3. Opening up pathways to further and higher education

The expansion in secondary and tertiary education, and the greater advantage higher level qualifications represent in labour demand have led over the last fifteen years to a decline in the attractiveness of training for skilled workers, and almost exclusively poorly qualified youngsters who fail in other schools end up in such programmes in the school system based on the principle of last resort. Today, obtaining a skilled worker qualification at a vocational school takes 4-5 years, after which it is possible to study in a 3-year programme for secondary school leaving examination, which grants entitlement to enter tertiary education. This is still attractive for many, although at the end of the 90s secondary school leaving examination could be obtained in 2 years following a 3-year skilled worker training, thus obtaining secondary school leaving examination today taking this path requires 2 years more study.

The level of participation of poorly qualified adults is still low in further training courses, but a rising trend can be perceived. This is particularly true for further training related to one's job. A problem until now has been that further training courses based on certain vocational qualifications were not systematically built, but this problem will be diminished by the NRVQ's new modular structure and the appearance of training courses branching out from and building onto each other. From the aspect of handling the problem, the fact that vocational training, adult education and employment policy are concentrated not only within the same ministry but also within a single state secretariat is a positive feature.

### 3.4.4. Addressing the specific learning / training needs of vocational and adult teachers and trainers to enable them to cope with their changing roles in the knowledge-based society

An influential element of the greatest institution building programme, the Vocational School Development Programme (VSDP) affecting 90 institutions between 2003-06 and another 70 from 2006, is the launch of massive in-service teacher training programmes, and within this the in-service training of vocational trainers in most schools. The revision of methodology is in the focus of training courses affecting several thousand teachers and trainers. A change in attitude can also be promoted by foreign study tours available for several teachers from one school.

In preparing higher education for transition to the Bologna system there have been debates among stakeholders – higher education, vocational training institutions, business chambers, interest groups and trade unions – about systematically integrating vocational trainer education. The decision reached concerning a unified vocational trainer education following secondary school leaving examination is considered as problematic by a number of interested parties.

Due to the higher quality of practical vocational training run in growing volumes in the business sector, the HCCI pays special attention to increasing the pedagogical expertise of entrepreneurs participating in training, for instance by encouraging undertaking masters programmes.

#### 3.4.5. Measures which reinforce social partner involvement in training, in particular sectoral approaches to skills and qualifications

Representatives of the business sector are permanent participants at the forums for national, regional and local conciliation of interest, being active in both policy-making and the allocation of funds. They were also given an important role in the strategic management of the Regional Integrated Vocational Training Centres and larger vocational training institutions. Delegates from the business sector are continually present in the development of both school-based education and adult education programmes, and their experts in large numbers participated in the (sectoral) working committees set up according to trade groups for the renewal of the NRVQ.

The influence of the economy through businesses is still restricted in a certain sense compared to that of public administration since the organisations representing business interests are weak and fragmented. The dominance and the success rate of the enforcement of individual interests is typical in this case also, as it is the case with organisations representing the interests of employees. The representation of individual interests is disadvantageous from the point-of-view of representing the whole of the economy.

#### 3.4.6. Enhancing access and opportunities for learning among the disadvantaged, and alternative pathways, including for early school leavers

For young people who did not complete primary education and those who completed it unsatisfactorily, a project-based competence development programme has been developed within the VSDP to enable them to join vocational training. The programme has been operated for two years, currently in almost 50 institutions. Vocational school programmes in general also contain training programmes that promote catching up since, according to a survey, only every second student entering vocational education is able to start to follow the

normal curriculum-based instruction due to their inadequate level of preliminary education. Practical vocational training and pre-vocational training have re-appeared in the early phase of vocational school programmes, which formerly only contained provisions for general vocational education.

In Hungary, a wide network of over 100 special vocational training schools has evolved serving the needs of students aged 14 to 17 whose level of preliminary education and/or disabilities prevent them from participating in mainstream vocational education. Many of them attended special needs primary education offered for children with minor mental disabilities<sup>6</sup>. The quality of the pedagogical and rehabilitation work in these institutions is often very high, nonetheless their programmes do not lead to a vocational qualification or to the labour market. The decree following the publication of the new NRVQ enabled special needs vocational institutions to introduce programmes leading to partial vocational qualifications, and, furthermore, granted the opportunity to the students of such schools to obtain the necessary practical experience in local enterprises. This is likely to increase the proportion of people who enter the labour market from special needs vocational schools.

Within the NDP (HRDOP 2.3), an amount many times greater than that of previous years was allocated for complex programmes providing training, subsidised employment and assistance services aiming at (re)integration into the labour market of the disadvantaged, poorly qualified or non-qualified young – and to a lesser extent not so young – people. Within the Equal programme 39 Hungarian innovations could be launched in 2005. In spite of all this, many think that, with regard to the significance of the problem, increasing the level of resources allocated concentratedly for this purposes and extending the complexity of problem resolution are indispensable.

#### 3.4.7. Measures to increase the rate of adult participation in lifelong learning, and to reinforce key competences among adult learners and older people whether employed or not (EU benchmark)

The learning activity of adults in Hungary is low by international comparison. The situation in Hungary is also typified by the fact that participation in LLL is more uneven depending on the level of prior education and age than in most countries. In the absence of more recent surveys, it is impossible to identify whether there was any concrete shift in trends in the last 2 or 3 years. According to certain opinions, the importance of learning is growing in the widest circles of the population, i.e. even among the unemployed and people with low levels of qualification. This above evolution and the devotion of significant resources to adult education both within NDP I and the operative programmes coming into force from 2007 may result in a major change in this respect. The target is to double the current rate (4-7%) in adult learning activity by the end of the 2007-2013 period.

The “star” of adult education programmes supported within the Structural Funds is the “Take a Step Forward” programme which is based primarily on individual motivation and application, unlike the usual trends for support allocation that target training providers. The

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<sup>6</sup> Every fifth Roma child attends a school of this type at the age of 6-7, and the majority of the pupils learning here are Roma, thus, it functions as a segregational institution as well. Only in exceptional cases can young people attending such schools get into vocational training institutions that offer qualifications with direct access to the labour market

resources limited the dissemination of the programme, and in this case it is however possible that for individuals the main driving force was the financial incentive<sup>7</sup>.

Within the NDP I (HRDOP 3.5) 220 adult education programmes were developed which can adapt better to the needs and levels of prior education of the target group.

For adults over 50 a measure to smooth the pathway to or help staying in the labour market was introduced that is full financial support of obtaining a second vocational qualification; the training programme is provided free of charge to participants from 2007.

Compared to the possibilities earlier, from the viewpoint of enhancing adult learning activity a negative change also occurred, namely the adult education normative that featured in the 2001 Adult Education Act and was due based on civic right is by now only available for a very narrow circle, practically only for people with disabilities from 2007 onwards.

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<sup>7</sup> After the successful completion of the programme one-monthly minimum salary was paid to the participants as a reward.