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# **EDUCATION AND TRAINING 2010 WORK PROGRAMME**

## **NATIONAL REPORT**

### **EXPLORING IMPLEMENTATION AND PROGRESS IN HUNGARY**

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## **CHAPTER 1: KEY COMPETENCES FOR LIFELONG LEARNING AS PART OF COHERENT AND COMPREHENSIVE LIFELONG LEARNING STRATEGIES**

**1. In what concrete ways has your country developed its provision for Key Competences since 2006? Has there been any link to your country's lifelong learning strategy? Which actors have been involved? What use was made of the European framework and the work of the cluster on key competences (if possible, please provide concrete examples)?**

In 2005 the Hungarian government launched a national strategy on lifelong learning committed to the obligatory achievement of the key competences within the period of compulsory education. In line with this, the longer-term development programme within the framework of public education was given special emphasis in the efforts to develop the key competences. The Ministry of Education entrusted the programme's development to certain development institutions (SuliNova and the non-profit company Educatio Kht.), which involved hundreds of practicing teachers in the development work. The first phase of the programme has now ended, and 10-15% of primary and secondary schools are taking part in its implementation.

The key competences are explicitly mentioned in one passage of the government's 2005 resolution together with the exercises related to the promotion of lifelong learning. The relevant passage marked an easily identifiable task to do with developing a methodological culture of teachers working at the given stage in secondary education and continuing education.

From the very beginning, Hungary has taken an active role in the working group (cluster) set up as part of the Education and Training 2010 work programme to develop key competences. The government's decree on the National Core Curriculum (NCC) calls for the systematic overhaul, the latest cycle of which started in 2006. In this context, new elements were introduced into the document in 2007, which were entirely in line with the European guidelines and the working group's recommendations. There were some minor changes in one area. National experts proposed that, in keeping with Hungarian professional traditions, there should be a distinction between mathematics and the natural sciences, thus adding one more key competence to the EU-recommended number.

The government closely interlinked the lifelong learning strategy and the 2007-2013 New Hungary Development Plan (ÚMFT in Hungarian). This is also stressed in the 2005 government resolution on the implementation of the national LLL strategy, which states that the strategy should act as a set of guidelines until 2013.

The national strategy, being tailored to address the country's current situation (particularly the exceptionally low level of employment), makes the expansion of employment a priority. So besides developing public education, steps taken in the field of competences development are subordinate to achieving this goal.

The government resolution of May 2008, in which the government undertook commitment to formulate the National Qualifications Framework (NQF) by 2010 and introduce it by 2013, can be considered a step forwards in terms of developing a national framework that is in keeping with the European Qualifications Framework for Lifelong Learning (EQF).

**2. Describe briefly how each of the eight key competences is included in (i) the national framework curriculum (or equivalent document, including for example at the regional level) for general education, and (ii) for VET?**

<b>Key Competence</b>	<b>General education (primary, lower and general upper secondary education) *</b>	<b>Vocational education and training **</b>
<b>Mother tongue</b>	Cultural domain (Hungarian language and literature and minority language and literature)	The elements deemed necessary for specific vocational qualifications appear in all vocational and examination requirements.
<b>Foreign languages</b>	Cultural domain (modern foreign languages)	Only appear as vocational and examination requirements in a small number of vocational qualifications, typically in higher-level programmes
<b>Maths, science and Technology</b>	Cultural domain (mathematics, man and nature, our planet and environment, lifestyles and practical knowledge)	The elements deemed necessary for specific qualifications appear in almost all vocational and examination requirements.
<b>Digital competence</b>	Cultural domain (IT)	The elements deemed necessary for specific qualifications appear in the vocational and examination requirements of over two-thirds of vocational qualifications.
<b>Learning to learn</b>	Priority development task: learning to learn	None as yet in vocational training programme, but there is much improvement within the NCC-regulated vocational training schools and vocational secondary schools.

<b>Social and civic competence</b>	4 priority development tasks: 1. Preparing for adulthood; 2. Education to active citizenship and democracy; 3. Environmental awareness; 4. Physical and emotional well-being.	The elements deemed necessary for specific qualifications appear in all vocational and examination requirements.
<b>Initiative taking and entrepreneurship</b>	Priority development task: economic education, closely linked with lifestyles and practical knowledge in the cultural domains.	Figure as a requirement chiefly in the vocational and examination requirements of specific qualifications which can typically involve private entrepreneurship.
<b>Cultural awareness and expression</b>	Cultural domain (art). Also 3 related priority development tasks: 1. Self-image and self-knowledge; 2. Knowledge of our nation and its peoples; 3. Awareness of European identity – universal culture.	The elements deemed necessary for specific qualifications only appear in some vocational and examination requirements.

**Explanatory note** \* According to the NCC, the key competences define the content of school education. As well as listing the key competences and giving an overview of their contents, the NCC also precisely sets out the knowledge, skills and attitudes necessary for every key competence. Furthermore, the NCC states that every key competence is equally important, because each and every one can contribute towards a knowledge-based society.

The shared compulsory public education NCC content is divided into culture domains. There are ten such domains, larger and more comprehensive than the traditional subject distinctions. The cultural domains involve development tasks, but there are priority development tasks that relate to more than one, or all, cultural domains. These priority development tasks build on the key competences.

\*\* As regards subjects in the Hungarian VET sector, the dominant interpretation to this day remains the narrowest one: that of aiming to obtain a solid vocational qualification. The sector managers and the majority of experts do not see the key competences as a vocational training task, because they are understood to fall under the tasks of general education. At the same time, the vocational and examination requirements of the National Register of Vocational Qualifications (OKJ), updated and published in 2006, lists not only the vocational but the so-called personal, social and methodological competences for every vocational qualification, the acquisition of which is a prerequisite to obtaining the qualification.

**3. By what means (e.g. learning material or learning support) does your country seek to support schools and teachers to ensure that *all* young people leaving initial education and training (i.e. including the educationally disadvantaged) have developed these competences to a level that equips them for adult life?**

The Hungarian public education system tries in many ways to ensure that every learner's key competences reach an advanced level by the end of compulsory education. Which, by international standards, is long: all Hungarian students stay in compulsory education until the age of 18.

Over the last few years, the largest development promoting the key competences within Hungarian public education has been the public education development programme package implemented with EU funding. The programme aimed to

transform both the content and methodology of education. The name 'package' covers a complex instrument system which, along with teaching tools, also includes tools used for education process design, organisation and evaluation. Development took place between 2004 and 2008, creating educational programme packages in six priority competence areas. The tool competences include the areas of text comprehension and composition, mathematics, foreign languages (English, German, French, Hungarian as a foreign language), and ICT (IT and media use). Furthermore, within the EU assistance policy, in order to close the gap for disadvantaged students, social, lifestyle, environmental and career-building skills are stated as priority goals. The elaboration of the independent programme package for pre-schools lays the basis for competence development.

In the interests of the rolling out the competence-based teaching and learning programmes, 120 public education institutions started a trial of the new education programmes in the 2005/06 academic year. Following post-trial modifications, more than 300 institutions agreed that after suitable preparation they would include the competence development package in their curricula from September 2006. By summer 2008, all sections of the programme package were prepared for all 12 grades within public education. Developing the package created a competitive environment in the schoolbook market and publishers were spurred to rewrite their books as competence-based.

The package's trial coincided with the start of large-scale teacher training within the framework of the central continuing education system. Higher education institutions offering teacher-training competed to create basic teacher training modules.

Among the key competences-related measures on the functional change in grades 5 and 6 was particularly important. Starting in the 2008/09 academic year, in line with the 2006 amendments to the laws on public education, it is mandatory to teach skill sets in schools. In order to make the school's preliminary functions more effective, teachers will have to teach in this way in at least 20% of lessons during the introductory year, and 25-50% from next year. In grades 5 and 6, instead of teaching special subjects, at least 20% of the compulsory contact hours are used for deepening the basic skills. This ratio will be 25-50% from next year.

The regulation whereby in the first four years at most, the parents' agreement is needed to allow students to repeat a year can also prompt competence development. The Ministry of Education also tried to support schools this academic year by e-mailing to every institution all approved frame curricula that the Framework Curriculum Committee approved in terms of compliance with the (NCC). Since the NCC puts an emphasis on the key competences, schools which prepare their own curricula by utilising any of the framework curricula recommended by the Ministry of Education and Culture are automatically kept linked in with the subject of key competences.

The largest-scale measure to improve equal opportunities was the launch of the Integrative System of Pedagogy (IPR in Hungarian). The IPR is a legal framework relating to special pedagogical methodologies and which also commands funding sources. In the 2007/08 school year, the integration and skills-development training reached 43,000 children, whereas the following year this rose to 60,000 children in 1,300 (roughly one in four) institutions. The programme's main point is not to differentiate multiply disadvantaged children, but rather to give the highlighted help within the mainstream class community, so that they are able to successfully complete their school years. It is a certain type of individual learning-path management, based on an individual development plan, which identifies areas where the learner needs to improve.

The grants system is probably the most effective form of targeted assistance. In September 2005 Hungary launched the Path to Learning grant programme ("Útravaló ösztöndíjprogram", as stated in the previous report). It is still in operation, helping a total of 20,000 learners and mentors this school year.

In 2008 the Ministry of Education issued a decree with new measures, according to which from January 2009, school and pre-school teachers educating multiply disadvantaged children are entitled to additional pay as long as their institution is linked in to the above programme.

**4. What progress has your country made towards ensuring that all adults have opportunities to develop and update their key competences?**

Numerous projects were run in order to inform adult citizens of training-related opportunities and improve their motivation. The main tools used were media campaigns, and making the databases of training opportunities, created in the course of various projects, available online. This last method however is only easily accessible to those who are already computer-literate.

Within the framework of the Hungarian VET modernisation programme, the first phase of the transformation of the National Register of Vocational Qualifications (OKJ) was completed in 2006. Due to the nature of the Hungarian education system, the new modular register and its closely linked reworked vocational and examination requirements are key documents relating to both the education system and to continuing vocational training. The wording of the new professional and examination requirements strongly highlights the competence-based approach.

Reaching the groups with the greatest needs presents many problems; still only a small proportion of these groups take part in the supported training programmes. When reaching out to adults, and particularly those with a low educational attainment, the unemployed or those with multiple disadvantages, and trying to improve these groups' low motivation to learn, the experience of many successful smaller-scale projects shows that personal assistants and mentors and the use of intensive methods (initial assessment, close monitoring, offering advice) significantly improves results in adult learning. These solutions are being put to use in more and more projects. However their significant expense which swells programme's budgets is a serious limitation, so they are only put into practice with considerable funding support, and then activities gradually peter out when the programmes end.

Compared to previous years, fewer tools promoting and supporting adult education are used. Unfortunately, due to budget cuts, the writing-off against personal tax of the budgets for adult education and training as a general incentive aimed at the adult population was stopped in 2006.

Government support to adult education within CVET diminished further when the yearly per capita grant aimed at adult education and training was cut from the budget, on the grounds that there had been adverse experiences concerning how the funds were used. At first the frame narrowed significantly (so that only adults with

disabilities were entitled to support), and now this form of support has almost entirely ceased.

Conversely, the first National Development Plan (2004-2006) and the New Hungary Development Plan, implemented between 2007 and 2013, which increased the opportunities to start large programmes which deal with adult education.

In adult education the key competences are treated somewhat differently than in public education. Most of the sector tends not to see the full set of key competences as defining reference points; instead, the main focus is on the competences related to the particular vocational qualification. Most programmes lead to gaining a specific vocational qualification, and fewer courses lead to the acquisition of IT or language skills, although there has been a growing interest in such courses over in recent years. The development of entrepreneurial skills aims above all at developing the skills of those running businesses; the other key competences feature either in an indirect or hidden way amongst the continuing education goals.

Preparation is currently underway to amend the 2001 Act on Adult Education.

#### **4.a What, if any, are the current adult target groups and the specific provisions put in place for them?**

‘Labour market training’, organised mainly for jobseekers, was as well-subscribed as in previous years, with tens of thousands of adult participants.

The Social Renewal Operational Programme (TÁMOP, 2007-2013) of the New Hungary Development Plan contains many measures envision supporting the integration of people with multiple disadvantages into the labour market. Above all, those measures that aim to developing knowledge and skills in order to enable disadvantaged groups to contribute to the world of work. One such measure is the ‘One Step Ahead’ (“Lépj egyet előre!” in Hungarian) programme announced by the government at the beginning of 2006, which aimed at improving the adult population’s level of qualifications and their prospects of gaining work. The labour administration deemed this programme to be the most successful. By 2007 when the programme’s first phase ended, 15,000 adults had received support to obtain some form of vocational qualification, and these programmes also included remedial and skills development. The programme is continued in 2009.

The intensive information campaign (which in the past was not generally carried out for programmes offered to adults) also contributed to raising significant interest in the aforementioned programme. Alongside its catchy name and the media campaign, incentives linked to successful participation played a role in the fact that many people took advantage of this opportunity. Using the experiences of previous smaller projects, another new element to the programme was the use of mentors, which is a relatively new solution in Hungarian continuing vocational training. Despite using these methods, reaching the least-qualified adults continues to be a significant challenge for continuing education. According to data recorded at the end of the programme, 5% of all participants had not even completed their primary school education and nearly 72% of applicants accomplished only primary school.

Another significant large-scale programme was started within the framework of the Human Resource Development Operative Programme 2004-2006 (HEFOP in Hungarian). Training support was available to the directors of SMEs and their employees, entitled 'Training to Promote Job Creation and to Develop Entrepreneurial Skills'. The aim of this measure was to support the use of training related to state-funded projects and other developments. The 1,000 businesses with successful applications trained a total of 25,000-30,000 active adults. The bulk of the courses consisted of learning foreign languages, and a significant proportion consisted of IT training. Nevertheless, small businesses (with less than ten staff) were underrepresented among the participants. The majority of the training projects took place in the course of 2006-2007, but are being continued within the framework of the Social Renewal Operational Programme (TÁMOP 2007-2013).

In reaction to the economic downturn, a government initiative was set in motion late in 2008 which aimed to offset the decrease to some employees' working hours with supported learning during their lost hours. Covering the study fees and reimbursing the lost wages of affected workers will help workers keep their jobs and will broaden their skills.

In January 2008 the Hungarian National Lifelong Guidance Council was established. Priority project (in TÁMOP) 2.2.2 titled *Development of the content and methodology of career guidance* in the context of TÁMOP was initiated at the end of 2008 headed by the Office of Employment and Social Affairs is aimed at laying the basis, in

Hungary, for the LLG system. In the first stage (to be concluded by September 2010) the basic elements of a lifelong guidance system will be created and further developed.

**4.b What national data are available on the participation of adults (and any adult target groups identified as priority) in provision designed to develop their key competences?**

Although steps have been taken towards the necessary data base development, the data on adults participating in various forms of education is incomplete. This raises serious problems at the planning stage of development programmes. In addition, it is difficult to reliably and accurately define the starting position, which makes it hard to objectively evaluate the results.

The current National Programme for Statistical Data Collection (OSAP in Hungarian) does not give the full picture of adult training programmes and their participants (according to Ministry of Employment and Social Affairs estimates, a third of continuing vocational training activities do not appear on the system). Data on 2007 and 2008 are available from the website of the National Institute of Vocational and Adult Education. The national data, independently of the programme or form of support, contains information on total participants in general adult education, in IT training, in language courses, and in training leading to acquiring a vocational qualification in a given year.

There are relatively few data relating to development and training programmes which would allow a fact-based evaluation. A new element in the framework of the aforementioned 'One Step Ahead' ("Lépj egyet előre!") programme was data collection at programme level to measure how successfully the target groups were reached.

**4.c In designing the provision for adults, what collaboration is in place with representatives of other policy areas, social partners and other stakeholders?**

No new elements emerged in the long-established institutionalized mechanism of reconciliation during the last two or three years.

The National Vocational and Adult Training Council was set up in 2006 in connection with the government's restructuring. It merged identical existing bodies

offering advice on adult education and VET. In previous years the Council has played an important role in decisions affecting continuing education. The Council indirectly supports the development of the key competences necessary for adults. The body is made up of one representative from each of the ministries responsible for vocational qualifications, experts, teachers of adults, NGOs, employers and employees, chambers of commerce, and representatives of school maintainers.

In the course of modernising the National Register of Vocational Qualifications (OKJ) there was more of a systematic effort than before to bring in economic participants in order to address training's economic requirements. To this end, occupational analysis method (DACUM) was used. Under this method, practitioners (in particular occupations) took part in the identification of training requirements and the formulation of competence requirements.

In the field of adult education it is worth mentioning the activities of NGOs (though they are few in number), above all for their outreach to special target groups and the complex-seeming approach (i.e. connecting the training, employment and social perspectives). At the same time they play a modest role in shaping training policy.

**5. How have curricula, statements of teacher competence requirements, or equivalent guidelines, for (a) initial and (b) in-service teacher education been developed to ensure that teachers are equipped to implement a competence-based approach (e.g. the teacher as co-constructor or facilitator of learning, team teaching, collaboration between teachers and parents, participation in school development, formative assessment techniques, and self-directed professional development)? Have any specific measures been taken in the area of VET teachers and trainers?**

With the adoption of the goals set forth in the Bologna Declaration Hungary undertook to introduce a higher education structure based on two main cycles from 2006. Development of all forms of teacher education have been deployed within the two-cycle system.. The foundations of teacher education in terms of disciplines are laid down at undergraduate level, where a major is chosen. Graduate students who continue at masters level can opt for teacher training. At undergraduate level this is preceded by orientation courses in education and psychology and a minor, which will be second discipline to be taught once the master's degree is acquired.

The output requirements of masters-level teacher training consist of the competences required by public education practice, which has also embraced the competence-based approach. In 2007 teacher training institutions put these requirements into focus when they drafted their applications to launch programmes. The interpretation of the competence-based approach was not always unequivocal, but the process was promoted by programmes aimed at developing the content of teacher education in the context of the Human Resource Development Operational Programme 2004-2006 (HEFOP). Conversely, experts point out that more time is needed for the competence-based approach to fully imbue the structure of teacher training preparing for educational tasks related to specific disciplines.

In addition to the practice integrated into the masters programme teacher trainees must complete an uninterrupted one-semester school-based teaching practice in institutions other than the customary teacher training schools for hand-picked students. In this way the system strongly supports competence development and application of new methodologies. It is also promoted by the Development of Service and Research Networks Supporting Teacher Training Project that is conducted in the framework of the Social Renewal Operational Programme (TÁMOP) of the New Hungary Development Plan. The project envisions creating regional networks of services and research relying on teacher training higher education institutes. The networks will provide mentor training and keep a register of trained mentors and the schools involved as practice sites.

A new feature supporting competence-based teacher education is a portfolio that teacher candidates have to compile and present at the final examination to illustrate their preparation for the teaching profession. The portfolio should also include a complex presentation of the candidate's teaching practice and internship.

It is a happy coincidence that the accreditation of teacher training programmes re-tailored in accordance with the Bologna system occurred soon after the publication, in February 2006, of the National Register of Vocational Qualifications (OKJ in Hungarian), which is based on competence outputs. The new teacher education programmes take them into consideration and have introduced a number of innovations. They strive to develop an attitude to teaching where the teacher always pays attention to the key competences that can be developed when teaching a

particular content. In the new programmes assessment and evaluation skills have also been adapted to the competence-based approach. The new programmes are currently at the trial stage.

In the field of VET, the vocational school development programme (which was detailed in the previous Country Report) continued during the period of reporting. One of its priorities is the preparation of VET teachers and trainers for the changing role of the teacher, competence-based curricula, and teaching materials development.

**6. What approaches (including new ways to organise learning) does your country take to promote the acquisition of transversal key competences in general education, primary, VET, adult learning and teacher training (in particular learning to learn, social and civic competence, initiative taking and entrepreneurship, and cultural awareness and expression)? Where appropriate please refer back to Question 2 on curricula.**

The National Core Curriculum includes a new formulation of the development of initiative taking and entrepreneurship and the teaching of entrepreneurship. The fact that entrepreneurship has been given special emphasis is due to a large extent to some key actors in the Hungarian financial sector, who have been active in dissemination of information in order to enhance the financial culture of Hungarians. Hungary's deteriorating economic and financial situation and a survey they conducted among young people that highlighted a deepening knowledge deficit were additional motivation to their initiative. In this context the efforts of NGOs active in this area for the past fifteen years in the same area were reappraised (the student enterprises organized in primary and secondary schools as well as the multitude of extracurricular programmes offered by NGOs provide methodological valuable experience for further developments). In its comprehensive survey about the topic the Ministry of Economy found that cooperation between actors of the past decade (financial institutions and NGOs) resulted in important initiatives, albeit the programmes launched so far seem to focus on only one aspect of entrepreneurial competence: financial knowledge. Moreover, promotion of innovation and new contents in teaching requires massive support because of dwindling funds coupled with strong institutional autonomy of Hungarian schools.

When the new National Register of Vocational Qualifications was developed most of the trades were added a separate entrepreneurship module (formerly, entrepreneurship was covered as part of other subjects).

In adult education, labour market training has long been characterized by a dominance of younger and better-educated groups participating in subsidized programmes. However, their proportion has diminished in recent years. The consequent involvement of larger numbers of older and less educated groups in this special segment of training called for remedial teaching programmes that precede VET. However, service providers tend to offer remedial courses only in the case of state-funded VET programmes. A large number of remedial courses are aimed at making up for primary education and teaching methodologies are not much different from those applied in primary schools.

Employers can provide employees with computers and finance employees' home Internet access with favourable terms of taxation. This is an indirect way of promoting independent learning and digital literacy.

**7. How is summative and formative student assessment used to help pupils/students acquire key competences, including the transversal ones? Please describe your current approach.**

In the first four grades of public education descriptive rather than numerical assessment is mandatory in the end-of-term and end-of-year school reports. The Ministry of Education assists in different ways, for example it provides templates and software and guidelines of good practice, which is supplied to each teacher who started teaching first grades in 2004 (the new measure was first applied for pupils entering school in 2004). The intent is to provide both the pupil and the parents with feedback on the pupil's current stage of progress that cannot be grasped with traditional methods of assessment and evaluation.

An important function of the national assessment of basic competences (which was described in detail in the previous Country Report) is to make schools and teachers face with competence-based tasks. Similarly, the competence-based and problem-solving approach is conspicuous in the concept of uniform secondary school admission tests.

This year saw the introduction of a new function of the national assessment of basic competences, the personal assessment ID. Students (as well as parents and teachers) can use the personal assessment ID to access online to the student's personal report, which contains a detailed analysis of the student's performance and compares it to the national average and to peer achievement.

**8. How does your country - at national and or regional and local levels - evaluate the outcomes of education and training systems in relation to key competences? How is such evidence used for developing policy?**

Currently two key competences are tested in a standardized fashion in the context of the national assessment of basic competences: reading comprehension and mathematics. Assessment is mandatory and takes place simultaneously in three grades involving all students. Until 2007 not all of the data were processed; full-fledged processing was introduced in 2008. The results of the 2008 assessment were published far more widely than in previous years. Institutional reports of the 2007 assessment had been available via the Internet but access had been rather complicated. The 2008 results were published in a simple format and access to individual results was also provided.

The 2006 Budget Act was the first to allocate approximately one million euros to support competence assessment and related tasks of schools. Schools whose performance fell short of the national average in a key competence area could apply for support. The funds awarded could be used for involving a consultant, who helped the school to analyse the competence assessment data in the school and assisted with drafting a development plan that included steps to take in terms of curricula, schoolwork and projects in order to improve the assessment result. In such cases feedback is important for the maintainer as well as the schools themselves. The budget available for the purpose described above has doubled over the past three years and at the same time new channels of support have opened. Good practices that can be disseminated as an incentive for other schools can also be submitted.

## **CHAPTER 2: TRANSVERSAL LIFELON LEARNING ISSUES**

**9. What progress has your country made in the development and implementation of a coherent and comprehensive lifelong learning strategy (including the development of national qualifications frameworks linked to the**

**EQF, systems for the validation of non-formal or informal learning and learning outcomes based approaches)?**

A comprehensive assessment of progress in the national lifelong learning strategy is made biannually. Implementation of national strategy conceived in 2005 was first assessed in a government report in 2007. It stated that the strategy was an essential point of orientation in the drafting of the New Hungary Development Plan (2007-2013). As the report stated, however, the programmes and projects were aimed predominantly at developing formal, i.e. school-based education.

The report also highlighted the continued poor collaboration between government actors responsible for the implementation of the LLL strategy. There is no agent that would monitor the implementation of different measures, for instance government resolutions that have been designed to promote the strategy. Whichever ministry is appointed as coordinator from among other stakeholder ministries of equal status, it does not have the power necessary to function successfully in this role. Thus a task for the future is the strengthening and institutionalization of coordination among all actors interested in the implementation of the national LLL strategy.

Added to this is the criticism, formulated earlier by analyst but still valid, that the Hungarian strategy promoting lifelong learning does not give sufficient emphasis to involving economic actors and non-governmental organizations.

Implementation of the specific tasks laid down in the 2005 government resolution that most directly serve the strategy has been incomplete, has just started or, as the case may be, has not even started. These tasks include review of effective legal regulations in terms of whether they sufficiently support the implementation of the LLL strategy; financial incentives to learning; action plans to eliminate disadvantages in adult learning; development of indicators to measure the success of adult education and training, etc. It is also to be noted that the government decision set unrealistically short deadlines (just a few months) for the implementation of almost a score of comprehensive measures.

Rather than enforced by government resolutions, the ideas and proposals formulated in the national LLL strategy are more likely to be implemented as part of the

programmes that had been developed in the context of the HEFOP and after 2006, of the TÁMOP schemes and were launched with a delay or are about to commence.

One such programme is the development of the National Qualifications Framework.

The Hungarian government has supported the efforts to create a qualifications framework from the very outset and has been actively involved in the related policy consultations and expert activity. Based on the joint proposal of the Ministry of Education and the Ministry of Employment the government passed a resolution in mid-2008 supporting Hungary's accession to the European Qualifications Framework (EQF) and the development of a National Qualifications Framework (NQF) that would be compatible with the principles and structure of the EQF. Pursuant to the resolution a proposal shall be drafted by 2010 setting forth the legislative, policy and budgetary conditions of accession to the EQF. Development of the NQF is headed by the education administration and is carried out as a priority project in the context of the Social Renewal Operational Programme (TÁMOP) of the New Hungary Development Plan. The experts working on the projects are striving to forge a close professional cooperation between the various VET sectors so that the national framework to be developed should rely on uniform principles. The fact that the current concept of Hungarian public and higher education is far from the output-based approach to education and training presents a serious challenge to the introduction of the EQF and the development of the NQF. Conversely, the new National Register of Vocational Qualifications is basically output-oriented and puts competence development in the centre of VET, thus VET has progressed much further in the process. The same applies to labour market related adult education and training. Experts consider at least five or six years would be necessary to dismantle conceptual barriers and achieve wide understanding and acceptance of a uniform approach. Instead, the current state and the government's commitment require that developers follow a highly expedited working pace.

Validation of non-formal and informal learning features as a goal in several strategic documents and the government's commitment to the principle is unequivocal. However, the procedure is interpreted in multiple ways, and the need for a validation procedure is not properly articulated. The professional dialogue about how to build the system is currently limited to a narrow circle. Participation in international

projects such as, for example, the EU's learning outcomes cluster and OECD's RNFIL project has provided valuable experience and played a tremendously important part in enhancing the knowledge base. The past years have brought little factual progress in terms of implementation but there have been a growing number of events, analyses and publications addressing the issue, and education and training professionals are increasingly familiar with international experience and with the principles and possible solutions of validation. It is a proactive feature that a close link of projects in preparation under TÁMOP has emerged.

### CHAPTER 3: VOCATIONAL EDUCATION AND TRAINING

#### **10. What progress has your country made in increasing the attractiveness of VET programmes and their relevance to the labour market?**

Increasing the attractiveness of VET programmes and facilitating access, and improving the relevance of VET in the labour market were marked as priorities in the government resolution on VET development through 2013 and have stayed priorities in VET management<sup>1</sup>. They are cardinal elements of the Social Renewal Operational Programme (TÁMOP), which is to be implemented from EU funds in the period 2007-2013. The 2007 legislative changes relating to VET were aimed at increasing economic influence.

Increasing the attractiveness of VET is necessary at all levels and was critical in some vocational areas before the current economic crisis, where demand for labour exceeded supply. Those involved in VET in trades that are in highest demand in the labour market, the so-called shortage trades as determined by the Regional Training and Development Committees for each region can count on better terms and higher benefits in the course of training. The eligible costs of entrepreneurs involved in VET in shortage trades are higher, so the incentive to participate in VET in these areas is above the average. Some programmes supporting socially disadvantaged groups, for instance *Path to a Trade* ("Út a szakmához"), a sub-programme of the programme *Provisions for the Journey* ("Útravaló") specifically supports learning a shortage trade by providing a monthly allowance and involving mentor teachers.

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<sup>1</sup> A relevant document to complement this chapter is the ReferNet Policy Report 2008. Many of its subchapters address the topics touched upon in this Report in great detail. Available in English at [http://www.observatory.org.hu/Feltoltott/ReferNet/PR\\_En.pdf](http://www.observatory.org.hu/Feltoltott/ReferNet/PR_En.pdf).

The bill on grants to vocational students was drafted at the end of 2008 and is currently tabled by Parliament. The bill envisions expanding the grant, increasing its amount and making it dependent on educational achievement.

The attractiveness of post-secondary school VET for “white collar” jobs has also been gradually diminishing as due to the expansion of higher education students graduating from secondary school with middling results are still admitted to higher education institutions. The education administration steadily increased the quota of state supported places in post-secondary, ISCED 5B VET until 2006 and has since tried to keep the quotas high. However, the numbers of applicants is regularly below the quota despite the option of transition to BSc level with credits acquired in the course of vocational studies provided the student’s achievement is appropriate.

Efforts have been made from time to time to enhance the popularity of VET through media campaigns. Similarly to its predecessor HEFOP, TÁMOP provides funds for this purpose. Staged for the first time in 2008 by the Chamber of Commerce, *Trade Star Festival* transformed the traditional study competitions to a media event attracting large masses after repeated positive Hungarian experience at the international contests *Euroskills* and *Worldskills*.

Financed mainly from EU sources, newly developed contents that are adjusted to the modular qualification structure issued in 2006 and embrace practical projects and competence-based approach are also expected to be more popular with students than traditional contents focusing on knowledge transfer.

Entering VET without the required education level is made possible by one-year preparatory courses that were launched for the first time in the 2006/2007 academic year, and have since been taken up by a growing number of schools. The aim is to prepare applicants who have not finished primary school for entering VET in a year. The list of competences necessary for entering VET have been developed and published in the form of legal regulations in all trades, and poor achievers are prepared in the context of projects. One of the contents development sub-programmes about to be launched in the framework of TÁMOP targets those who have not passed the secondary school final examination. A competence development programme has been devised so that this population can enter post-secondary VET. The legislative

framework is provided by the decree on the National Register of Vocational Qualifications, and it is the competent ministries responsible for the particular qualifications to grant permission for the preparatory programmes. A number of ministries are rather sceptical about this “facilitation” of entry in VET, at least for the time being.

When the National Register of Vocational Qualifications was transformed to follow a modular system so-called “partial vocational qualifications” were introduced. Partial vocational qualification can be acquired by vocational students who have not completed the entire VET programme but finished a certain pre-determined set of the modules leading to vocational qualification. Programmes leading to partial vocational qualification cannot be launched in the formal VET context but can be offered by the so-called special needs vocational schools. (These schools formerly provided “skills development training” that was less relevant for the labour market.) Partial vocational qualification programmes can also be offered in adult education, where the number of such programmes has been growing. Partial vocational qualification is an option that expands the scope of people who can acquire qualifications recognized by the state as well as by the labour market.

The most significant change in VET in Hungary was brought by the July 2007 amendment of the 2003 Public Education Act. As a result the great majority of VET programmes that had been offered by about a thousand training institutions were integrated into 80 Regional Integrated Vocational Education and Training Centres (TISZK). TISZKs emerged as a result of voluntary association or merger of the school maintainers into partnerships or business associations. The motivating force was that from 2008 only these VET institutions are entitled to support for development from EU and Hungarian funds. Another condition to be eligible for development support is the institution's acceptance of the admission quotas in the various trade groups and trades set by the Regional Development and Training Committees (RFKB). Dominated by economic actors, RFKBs were set up in 2001 but in was not until 2008 that they were given very strong powers. The information base for quota decisions is provided by the annual labour demand forecasts prepared with the involvement of approximately three million euros. In the autumn of 2008 the RFKBs' first decisions did not yet determine specific quotas but classified trades into three categories: supported priority trades, supported trades and non-supported trades.

This classification will be taken into consideration when development funds are awarded. Strengthening influence of the economy on VET is also marked by the fact that major economic entities delegated members to serve of the boards of TISZKs, which generally train several thousand, some of them over ten thousand, students. The boards were set up in 2008.

Introduced in 2007, the Quality Prize awards substantial amounts (100-200 thousand euros) to VET institutions where the largest proportions of students are able to find jobs in their chosen trade in the labour market after acquiring qualification. The Quality Prize was awarded to six schools in 2007 and to four in 2008.

An important multi-year development programmes under TÁMOP started at the end of 2008 envisions creating and implementing a nationwide career tracking system. It will be based on some form of mandatory data provision by entrants into the labour market and their employers. The data to be collected will include status in the labour market and rating the VET accomplished. The system is intended to provide data and information to designers of VET programmes, primarily the RFKBs and the specific training institutions, as well as to career guidance providers, and thus to promote harmonization of training demand and supply.

The institution of student contracts has existed for over a decade. The number of contracts has increased rapidly and steadily in recent years in blue-collar trades. (See Figure 1 in Annex.) Student contracts are very few in post-secondary VET programmes due to shorter practice periods and companies' adverse interest.

There is no doubt that the RFKBs' activity, the framework of the TISZK system, the Quality Prize as defined, the methodologies of labour market demand forecasts and of career tracking and a number of other measures have been introduced with the intent approximate training and labour market demand. Nevertheless, they have been subject to continued professional debates.

#### **CHAPTER 4: HIGHER EDUCATION**

**11. In the area of Modernisation of Higher Education what progress has your country made in relation to:**

- Plans/asures to diversify the income streams of higher education institutions?**
- Plans/incentives to encourage higher education institutions to open up to lifelong learners?**

In order to improve the competitiveness of higher education Hungary joined the Bologna Declaration and the Lisbon Strategy's priority area of education. Enacted in 2007 and 2008, the amendments of the 2005 Higher Education Act were aimed at the implementation of these goals and at the protection and upgrading of the level of higher education. The purpose of the amendments was to make state funding more calculable, to ensure the quality of education, to review the system of student benefits, and to expand research and development. It highlighted a dual effort to diversify the sources of income and to make the stream of state funds more calculable.

The Hungarian system includes components of per capita (normative) financing, project financing and agreement based financing. Tuition fees appeared in the Hungarian higher education in 1996 and soon became a dominant source of financing. There were attempts, in 1996 and 2007, to impose tuition fees on students who were part of the subsidized higher education quotas. The proposal was rejected at the referendum held on 9 March of 2007 and was taken off the legislative agenda.

By today the resources of the expansion of higher education have been petering out, as indicated by the dwindling numbers of applicants, although the decrease is far from being even. From the point of view of financing it is important that the number of applicant for tuition fee-based places has declined faster.

Contrary to earlier decreasing trends, the number of applicants to non-university higher-level VET programmes has been steadily increasing in recent years. (See Table 2 in Annex.) VET entrants have access to state-funded places (i.e. those who pass the level required for admission will be admitted to subsidized VET).

The current regulatory mechanism tries to push the system towards more calculable income streams. A new feature to support this effort is that the state HEIs and their maintaining entity must sign a three-year maintenance agreement for the support of HEIs from the national budget. The maintenance agreement determines the performance requirements the HEI undertakes for the three-year period, the fixed components as well as the titles for the variable components of state funding. Variable support must be accounted for on an annual basis. This practice is well-established in Europe and has the advantage that financing is calculable and depends

on output indicators, hence on performance. Unfortunately the global economic crisis that evolved in the late months of 2008 forces the government to make budgetary restrictions, so the amount of subsidy planned for three years was cut and thus undermined the agreement based on which at the end of the period the state could expect HEIs to deliver the performance undertaken in the agreements. Experts also point out as a weakness that the scope of performance indicators was excessively large and HEIs were free to choose five that they deemed best. This watered down the requirements as some institutions chose targets that they have already met at the outset. Other experts, however, deem the agreements as an important step towards imposing quality requirements, which in the long term makes results measurable in terms of uniform quality criteria.

Most of the funds in the budget of HEIs are contributed by normative support and tuition fees of paying students. Income from own enterprises or entrepreneurial activities is very modest. The amendment of the Higher Education Act that entered into effect on 1 January 2009 sets forth the duties and responsibilities of the financial board, the senate and certain officers more strictly and with greater accuracy and transparency, in particular as regards decisions relating to asset management. It is early days yet to assess the impact of these measures but many think that the concept of profit-oriented operation is alien to universities and would be difficult to realize because of their differing academic profiles. There will probably be great differences among HEIs in terms of the extent to which they can benefit from this opportunity.

Project financing is also an important source of income. They include expanding funds available for R&D, development programmes under the New Hungary Development Plan, and PPP projects started earlier. Practising heads of higher education consider R&D projects to achieve progress in securing funds.

The possibilities granted by the Higher Education Act (substantial financial autonomy, establishment of joint ventures with external partners, Regional University Knowledge Centres and Cooperative Research Centres) boosted cooperation between HEIs and other state and corporate research facilities. Numerous cooperation agreements have been signed; and thematic clusters (e.g. in IT) and regional development projects where higher education research units and other research groups work together with SMEs are not infrequent.

Thus, higher education financing is multi-channelled, where the dominant, though diminishing, portion of funds is contributed by state subsidy, which, according to the new regulations, must henceforth reflect the decrease in the number of secondary school students in the previous year. HEIs can make up for lost income if they make use of the new opportunities, though there are some concerns that steps towards quality and competition are often changed by lobby interests. Multi-channel, multi-label normative financing may effectively hide student headcount considered as the basis of normative calculations. Consequently, many regard financing of the Hungarian higher education as institutional financing. A new enrolment system replaced the old institutional quotas: since 2007, admissions are based on students' secondary school achievement and their choice of HEI, which resulted in keener competition among HEIs. Because regional equilibrium is lacking, some of the experts consider it premature to expand competition across the entire system, as it would evidently favour the large Budapest universities and would result in the death of smaller HEIs around the country, thereby causing major regional imbalance. We need the experience of two years to promote a change of institutional profiles and a more economical enrolment policy.

HEIs can participate in adult education and can offer their programmes as adult education and training programmes pursuant to the 2005 Higher Education Act. LLL is also promoted by the fact that under the 2005 Higher Education Act credits awarded for academic achievement by any HEI must be recognized irrespective of the HEI and the level of studies. Despite the above, in the traditional education structure HEIs are typically not involved in adult education in large numbers. This is due to several reasons, one important reason being that universities are not entitled to receive adult education normative support.

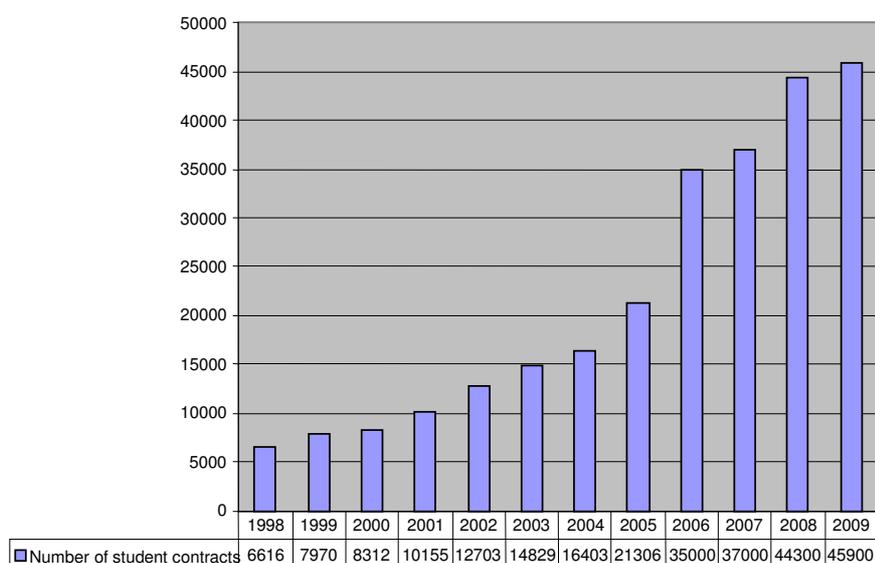
Higher education primarily contributes advanced degree programmes and postgraduate specialist training courses to lifelong learning. Participation in mandatory in-service training and the concurrent support system is provided for by law, and employers generally support acquisition of new knowledge. Nevertheless, enrolments in advanced degree programmes and postgraduate specialist training programmes have declined drastically since 2003, due partly to shrinking solvent demand and partly to the possibility to acquire a second degree in the context of subsidized education, as this has been an option granted by higher education

expansion since 2007. In the period of transition to the Bologna system (2007-2008), HEIs were primarily preoccupied with developing master's programmes (in fact several postgraduate specialist training programmes were converted to master's programmes) and as a result, the development of marketable adult education and training programmes was neglected. Universities must prepare for their part in LLL and should adopt a much more practice and market oriented approach. The modular construction that is necessary for transparent career pathways is not yet typical in higher education. On a positive note, several programmes of the New Hungary Development Plan supports adult education by HEIs in the field of training the trainers and providing labour force to meet the demand in shortage vocations.

The ongoing restructuring in higher education, integration into the labour market after undergraduate studies followed by master's degree studies call for the reinterpretation of the traditional concept of adult education; in future, higher education will offer not only post-graduate specialist programmes but also master's programmes to adult students from the world of work.

## ANNEX to the Report

**Figure 1 Number of student contracts in VET, 1998-2009**



**Table 1 State subsidy to higher education, 1980-2008**

Year	State subsidy		State funded calculated student headcount	Support per student	
	At current price	At 1990 price		At current price	At 1990 price
	HUF million	HUF million	Person	HUF	HUF
1980	3,885	10 792			
1990	16,843	16,843	76,000	221,618	221,618
1991	22,001	16,297	80,000	275,013	203,713
1992	31,150	18,753	100,000	311,500	187,530
1993	37,876	18,621	115,000	329,357	161,922
1994	47,165	19,504	121,000	389,793	161,190
1995	54,004	17,438	129,027	418,548	135,150
1996	58,594	15,307	145,122	403,757	105,477
1997	80,374	17,747	150,896	532,645	117,611
1998	91,985	17,768	157,027	585,791	113,153
1999	110,654	19,430	159,500	693,755	121,818
2000	143,239	22,907	162,296	882,579	141,143
2001	155,379	22,756	165,307	939,942	137,659
2002	176,473	24,544	170,419	1,035,524	144,021
2003	207,604	27,578	178,215	1,164,908	154,746
2004	205,179	25,520	181,170	1,132,522	140,862
2005	216,554	25,996	201,050	1,077,115	129,301
2006	192,800	22,276	218,777	881,263	101,821
2007	214,000	22,894	212,345	1,007,794	107,815
2008*	226,700	23,208	196,000	1,156,633	118,408

\* = forecast

**Table 2 Number of applicants and applications  
in higher-level VET, 2007-2009**

	<b>2007</b>	<b>2008</b>	<b>2009</b>
Number of applicants	4,369	4,981	6,578
Number of applications submitted	22,190	26,773	29,189