



MINISTRY FOR NATIONAL ECONOMY

Country Profile: HUNGARY

REGIONAL
Comparative Analysis of Regional Policies
for Adult Learning

Ministry for National Economy

www.regionalproject.eu

<http://www.kormany.hu/en/ministry-for-national-economy>



**Lifelong
Learning
Programme**

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REGIONAL Country Profile: Hungary

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Executive Summary

In the course of the REGIONAL project, that aims to comparatively analyse Adult Learning (AL) policy formulation, implementation and financing in 16 regions in six countries within Europe, the project partners have conducted interviews with policy-makers and, in support of the interviews, analysed policy documents released between 2011. and 2014. in order to gain detailed insight into policy-making processes.

In the framework of the Hungarian project part a total of 11 interviews were conducted with persons having professional experience in the field of vocational training and adult education and fulfilling their duties mainly in decision-making positions. When selecting the respondents, consideration was given to regional characteristics, project elements and to covering the relevant regions. However the almost non-existing regional AL implementation differences in Hungary and the generally applied countrywide authority of the different interviewees made it mainly irrelevant. Respondents included managers, leaders and decision-makers of ministries, chambers, background institutions, civil organizations and enterprises. In the research the interview questionnaire was used, which was developed within the REGIONAL project first phase.

Out of 7 NUTS 1 level regions of Hungary the followings have been chosen:

- **Central Hungary**
- **Northern Great Plain**
- **Southern Transdanubia**

These 3 regions are covering all typical regions of Hungary from the poorest and least developed to the most developed region. Unemployment rate is also show the biggest variation within Hungary through these 3 regions. Later in this document a detailed description is available about these 3 regions' basic stats.

Despite the regional territorial division, the framework of adult education in Hungary is determined by local level regulations to a smaller degree, while it is more significantly influenced and defined by central governance and the establishment of the uniform, sectorial policy-making framework. There is a very limited adaptability of the central regulation at regional level.

As a result of the evaluation of the interviews, it became clear that the rules of procedure and implementation of sectorial policy decisions and the related results show minimal regional differences. Stakeholders of AL mainly use the centrally given framework, as other types of funding are not available only the centrally managed funds which require the application of the central regulation.

Key findings:

- Central, general legal and policy framework without regional alterations
- All stakeholders adapt to the centrally provided policy framework without developing regional or local AL policies
- AL is mostly funded by EU funds (ESF) in Hungary; meanwhile national funding has dramatically decreased in the past decade.

The key findings of REGIONAL in Hungary related to the EU level: lack of regional autonomy in AL policy lead to unified solutions. However there are huge differences in funded AL trainings, these differences are results of the different unemployment rate. AL is heavily related on unemployment, as the main goal of AL in Hungary is to help the unemployed out of unemployment by providing them basic skills and simple vocational trainings. Using EU funds (ESF) is the major source of funding in AL, which leads to the use of ESF basic regulation without local or regional differences.

Introduction: REGIONAL Project and Hungary

The REGIONAL Project provides a very useful feedback on Hungary's latest changes in AL regulation regarding the implementation. In Hungary training companies have lost significance in favour of centrally defined trainings provided by state owned and maintained institutions. However there are some training companies left beside other training organizations, there are very few local or regional differences, although there are huge differences among regions regarding the unemployment rates and average highest schooling levels. The governmental aim is to provide equal chances for everyone for accessing the same quality trainings without payable fees or at a very low fee payable by the trainee.



Examined regions:

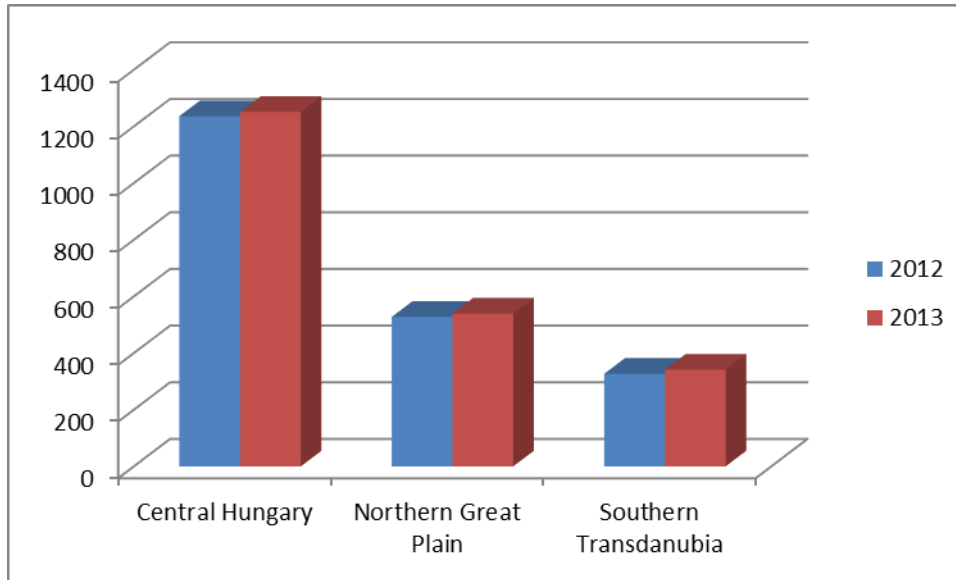
Central Hungary

Northern Great Plain

Southern Transdanubia

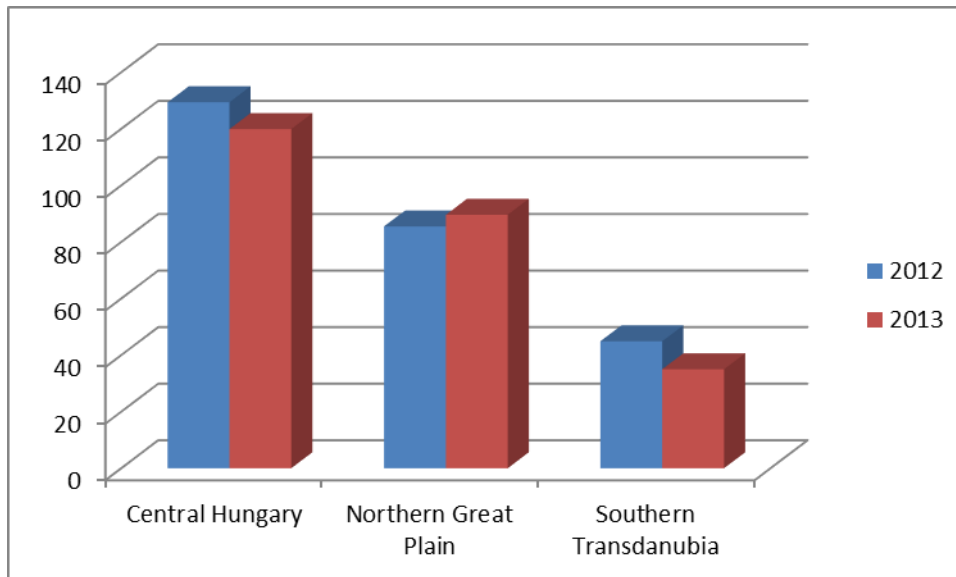
NUMBER OF EMPLOYED PERSONS (thousand people)

REGION	2012	2013
Central Hungary	1236,2	1251,2
Northern Great Plain	528	539,5
Southern Transdanubia	327,1	341,6



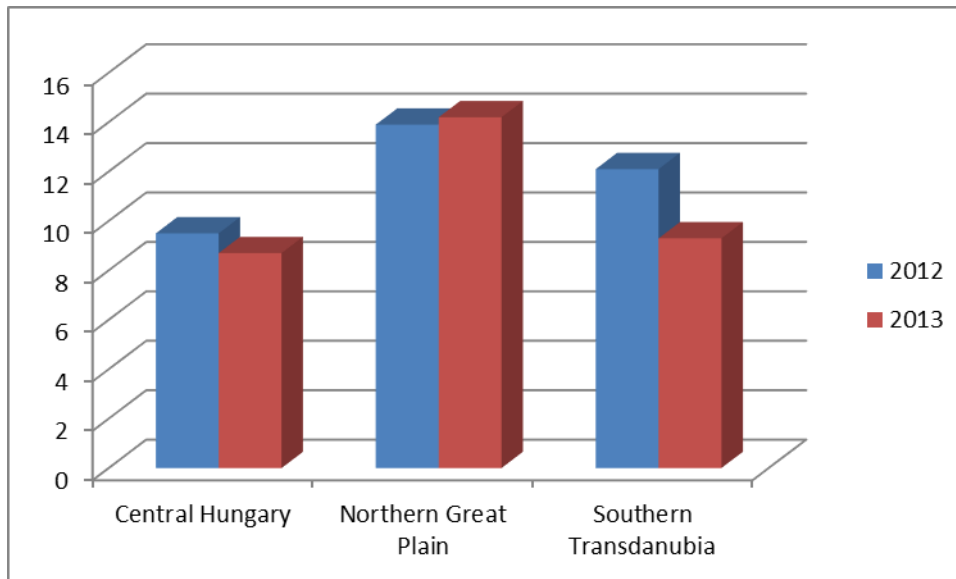
NUMBER OF UNEMPLOYED PERSONS (thousand people)

REGION	2012	2013
Central Hungary	129,4	119,9
Northern Great Plain	85,5	89,6
Southern Transdanubia	44,9	35



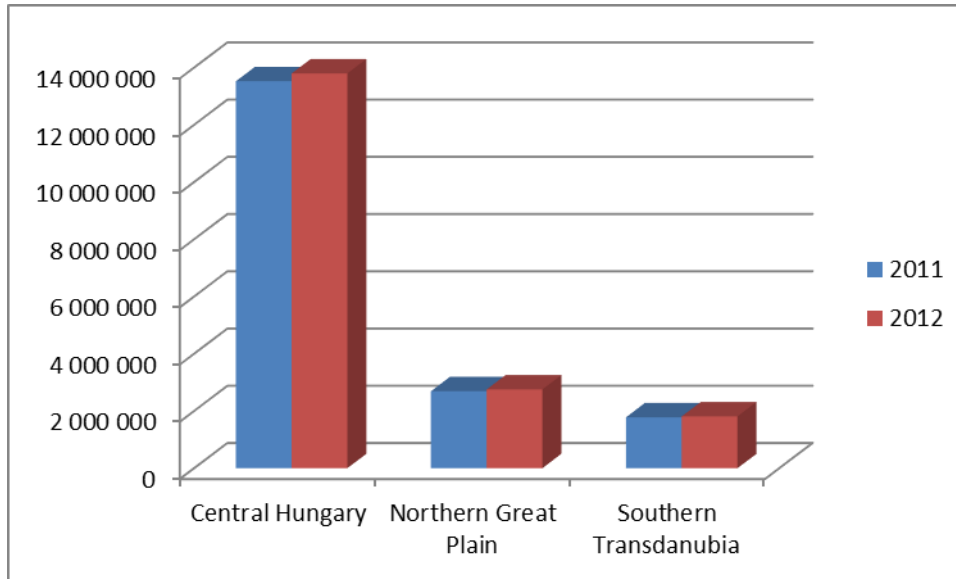
UNEMPLOYMENT RATE (%)

REGION	2012	2013
Central Hungary	9,5	8,7
Northern Great Plain	13,9	14,2
Southern Transdanubia	12,1	9,3



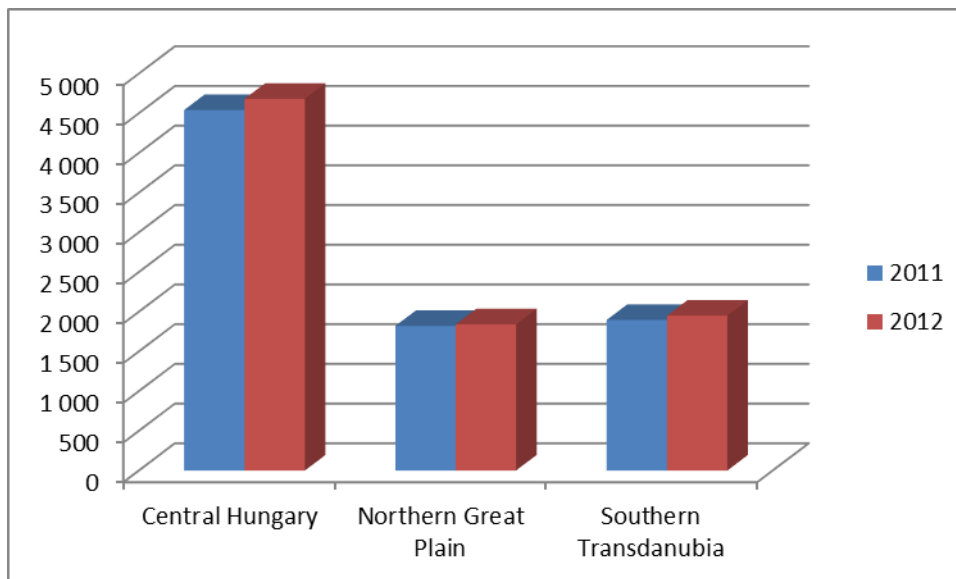
GDP (at market purchase price, million HUF)

REGION	2011	2012
Central Hungary	13 524 146	13 795 721
Northern Great Plain	2 690 769	2 752 839
Southern Transdanubia	1 778 115	1 809 695



GROSS DOMESTIC PRODUCT PER CAPITA
(thousand HUF)

REGION	2011	2012
Central Hungary	4 541	4 681
Northern Great Plain	1 821	1 841
Southern Transdanubia	1 897	1 951



Source KSH – Hungarian Central Statistical Office

During the project period (between 08. 2014 and 12. 2014) eleven interviews were conducted. The process started with the translation of the questionnaire into Hungarian language. Following the translation and adaptation, we had to find the respondents who were relevant for the project and after making an appointment, the interviews had to be conducted. The average duration of each interview was 60-80 minutes. The process was completed with the English translation and summary (evaluation) of the completed questionnaires. The result of the evaluation of the questionnaires gives a graphic description of the Hungarian situation in the field of adult education and on the policy-making, financing and implementation levels.

In support of the objectives of the project the selection and invitation of respondents was implemented as follows (selection criteria):

- Political leaders
- Decision-makers
- Implementers, enforcers
- Economic stakeholders
- NGOs
- Developed region
- Less developed region
- Cross-border experiences

Regulation of Adult Learning in Hungary

Beside the interviews the Adult Learning Act and the implementation regulation were analysed. Altogether eight legal documents were examined.

By the second half of the 1990s the increased number of adult professional trainings and the growing number of enrolments led the legislators to draft a separate act on adult education, which would be in line with the abovementioned process and would be suitable for the comprehensive regulation of the field. That is how the first separate Act on Adult Education was passed in 2001 provisioning the detailed regulation of the governance and operational processes and setting forth the human resources and material conditions the field. This legal regulation was in force until 1st August 2013.

The consideration of the adult education experiences of the two decades following the regime change, a multitude of problems deriving from the previous legislative environment, the rapidly changing and transitioning economy and its dynamically changing demands made it necessary to substantially re-regulate, modernize and provide a new legal base for adult education.

In accordance with the above, the Government starting its operations in 2010 and the new Parliament established the new act on adult education. Moreover, for the conceptual transformation of the entire education sector, the Parliament also established a new act on public education, higher education and vocational education.

Act LXXVII of 2013 on Adult Education replaced the previously effective Act CI of 2001. The most significant element of the legislative amendment is that the new act intends to regulate only certain areas of adult education. The new act was required, because in adult education there had been a number of trainings that were of low quality, there were big differences between the number of classes for trainings of the same type, the support system was insufficiently coordinated and the practice of programme and institutional accreditation was overcomplicated.

The purpose of the new act was to increase the level of organisation for adult education and training, to improve the content and quality thereof in order to facilitate the improvement of the quality of life of individuals by adult learning, and so that the labour force could conform to the demand of the economy to a higher degree and continuously.

The declared objective of the Act on Adult Education is to enable the population living in Hungary to overcome the challenges of economic, cultural and technological development, and to successfully join the labour market, to be successful throughout their lives and to improve the quality of their way of live by adult learning and training. To this end the level of coordination of vocational, language and supported trainings and the quality and the monitoring of implementation thereof is required.

The Act on Adult Education defines the following:

- the scope of the Act in terms of human resources and material conditions (National Qualification Registry (OKJ in Hungarian), other supported professional trainings, supported language trainings and other supported trainings),
- the interpretation of terminology frequently used for the application purposes of the Act,
- the authorization criteria for conducting adult education activities,
- the rules of the adult education expert system (registration, responsibilities of the authority and the chamber, Expert Committee on Adult Education),
- the content requirements for adult education (criteria for issuing the education permit),
- the provisions for the content of the education programme,
- the content criteria and rules regarding the adult education contract,
- the requirements for the quality assurance system,
- the rules of the information system of adult education (education documents, obligation to inform),
- provisions for the requirements regarding the adult education professional programme (objectives, chamber responsibilities, operation of the Programme Committee, register)
- the rules for the supervision of adult education institutes,
- provisions related to the data managed by adult education institutes (data types, data provision, storage and path tracking),
- the resources for the funding of adult education and the rules for the use of funds,

- closing provisions (provisions authorizing the issuance of lower level legal regulations, entry into force, transitional provisions).

In Hungary's new structure of public administration the Ministry for National Economy (Hungarian name and abbreviation Nemzetgazdasági Minisztérium, NGM) is responsible for VET and adult training. NGM is in charge of the content regulation of VET but issues relevant decrees with the assent of the Minister for Human Capacities (Hungarian name and abbreviation Emberi Erőforrás Miniszter, EMMI). Other ministers responsible for certain sectors are also involved in the development of the content of VET. The National Labour Office, Directorate for VET and Adult Education (Hungarian name and abbreviation Nemzeti Szakképzési és Felnőttképzési Hivatal, NSZFH) and the economic chambers assist the NGM in this development. NMH as the back-office of the Ministry for National Economy also give support in coordination, research, information and counselling tasks related to VET and adult training.

We have to mention that, these institutions have changed during the REGIONAL program, where NLO has ceased to exist and the National Vocational- and Adult-training Authority took over its powers.

The Act on Adult Education and related implementation regulations:

- Act LXXVII of 2013 on Adult Education
- Decree no. 59/2013 (XII. 13.) of the Ministry for National Economy on the registration requirements and rules of procedure of adult education professional programme requirements, and on the certification of obtaining a vocational qualification.
- Government Decree no. 393/2013. (XI. 12.) on the detailed rules stipulating the permit procedure and set of requirements for adult education activities, on the administration and control system pertaining to adult education institutes.
- Decree no. 58/2013 (XII. 13.) of the Ministry for National Economy on the quality assurance framework of adult education, and on the members, tasks and detailed rules of operation of the Adult Education Expert Committee.
- Decree no. 16/2014. (IV. 4.) of the Ministry for National Economy on registration of requirements and rules of procedure for adult education language programme criteria, and on the certification of the performance of the language training criteria.
- Decree no. 56/2013. (XII. 4.) of the Ministry for National Economy on the amount, the rules of payment and utilization of the administrative service fee due to be paid in the permit procedure for adult education, and on the payment system for fines imposed during the inspection of adult education institutes.
- Decree no. 14/2014. (III. 31.) of the Ministry for National Economy on the detailed regulation of conducting adult education expert and adult education programme expert activities.

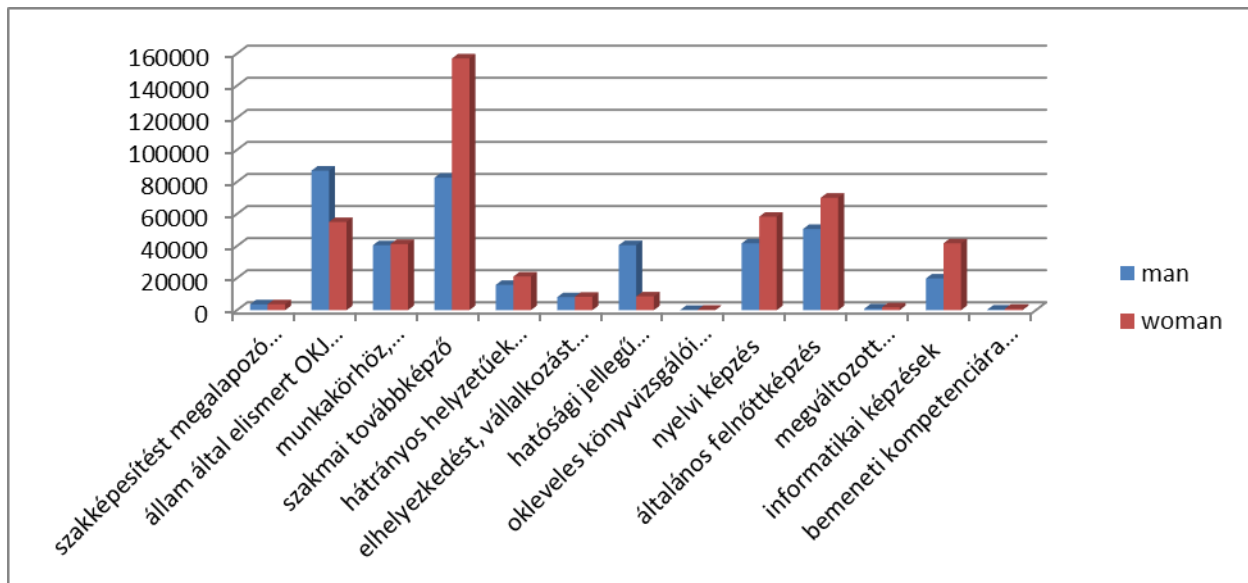
Results, Experiences, Regional Characteristics

As a result of the project, we could gain an insight into the process of adult education policy planning in Hungary. We could get to know the areas of implementation and the financing system of adult learning, thereby the impacts of policy-making on adult education.

Although it was not included in the 3 examined regions, from some of the interviews and other statistical data it came out that beside usual similarity among regions, Western Transdanubia has some unique features. One of the unique regional characteristics was the relationship between the key industry and vocational training and adult education (Győr and Kecskemét; Audi and Mercedes). The main source in this region is corporate financing for employee training, which is continuing vocational training or potential retraining of employees. In all other regions trainings are usually paid by EU funds or by the trainee (Central Hungary).

Number of persons enrolled in training – based on the 2014 data of the NSDCP (National Statistical Data Collection Programme, in Hungarian: OSAP)			
Type of training	men	women	TOTAL
Initial vocational education and training for further vocational training (IVET)	3653	3720	7373
State accredited training providing a vocational qualification certified by the National Qualification Register (in Hungarian: OKJ)	87024	55027	142051
Trainings providing a vocational qualification required for job and occupations, but not included in the National Qualification Register (in Hungarian: OKJ)	40526	41245	81771
Continuing vocational education and training (CVET)	82640	157025	239665
Inclusive education and training for the underprivileged population	15835	20988	36823
Trainings facilitating employment or business start-ups	8118	8383	16501
Trainings preparing for employment by authorities (transport, telecommunication and water regulatory authorities)	40552	8609	49161
Trainings for chartered accountant qualification	153	255	408
Language trainings	41712	58306	100018
General adult education and training	50635	70130	120765
Rehabilitation training for people with impaired work abilities	1064	1805	2869
IT trainings	19823	41726	61549
Trainings providing competences for the entry into adult training, or vocational training	401	928	1329
TOTAL	392136	468147	860283

Source: Adult education statistical data from the National Statistical Data Collection Programme (in Hungarian: OSAP)

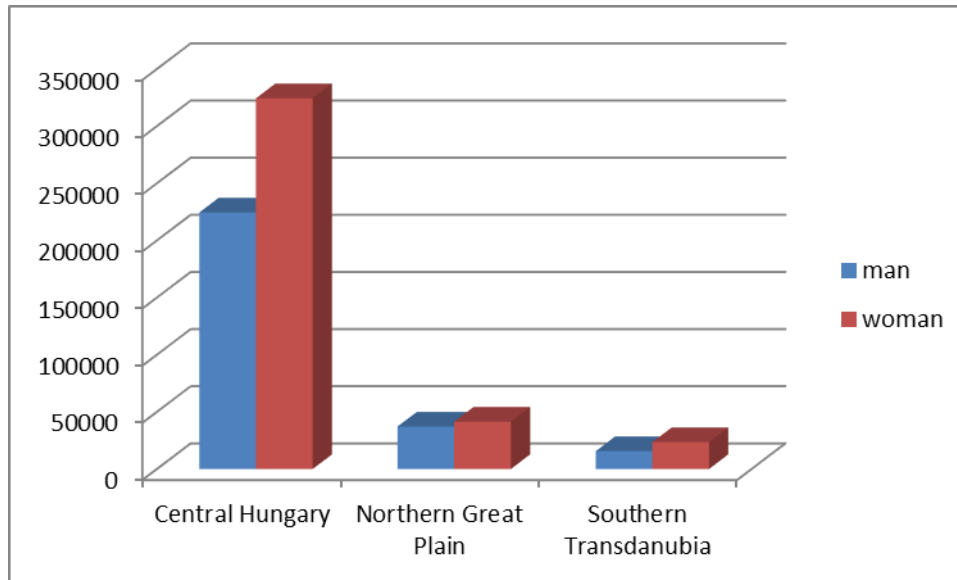


Columns from left to right:

1. Initial Vocational Education and Training (IVET)
2. state accredited NQR (OKJ) trainings
3. non-NQR trainings required for jobs occupations
4. Continuing Vocational Education and Training (CVET)
5. trainings for the underprivileged population
6. trainings for employment, or business start-up
7. trainings for employment by authorities
8. chartered accountant trainings
9. language trainings
10. general adult education
11. trainings for people with impaired work abilities
12. IT trainings
13. trainings for entry into adult education

Number of persons enrolled in training – based on the 2014 data of the NSDCP (National Statistical Data Collection Programme, in Hungarian: OSAP)			
REGION	men	women	TOTAL
Central Hungary	224555	324406	548961
North Great Plain	37189	41451	78640
South Transdanubia	15667	23574	39241

Source: Adult education statistical data from the National Statistical Data Collection Programme (in Hungarian: OSAP)



The role of the chamber/ chambers in vocational training:

The objective of the chamber is to serve and fulfil the labour market needs of companies that are members of the chamber and in general to reduce unemployment in Hungary. In order to achieve these objectives, the chamber received a definitive role in the transformation and re-regulation of adult education.

Although the 1993. Act on Vocational Training already granted a role to the chambers, due to the delayed promulgation of the Chamber Act, the chambers were unable to take part in vocational training to the required extent as with the closure and termination of big socialist factories as of 1990 the number of places for practical training was significantly reduced in Hungary.

The Financing of Adult Education in Hungary

The financing of adult education in Hungary has multiple stakeholders.

The four significant stakeholders include:

- the state,
- the companies,
- the individuals, and
- the EU.

The central budget and the National Employment Fund (in Hungarian: NFA) as separate state funds play a role in the financing of adult education. The domestic funds are complemented by

the EU funding that also helps and supports the implementation and development of tasks that are given priority by the state. The economic stakeholders contribute to the financing of adult education via tax systems, funds, foundations and also directly. The expenses of the population spent on education and training also play a significant role in the financing of the field.

Employers mainly train their own employees on their own cost, or from the vocational training contribution, which is to be paid by employers and a certain percentage may be used for training their own employees.

The other major financers of adult education are the individuals themselves who pay their own tuition fees through self-financing.

In 2012 circa 14% of training attendees studied from the financing provided by the EU. In 2013 the number of EU financed training programmes and the number of participants increased significantly and EU funding became the main source of financing for adult education (Social Renewal Operational Programme (in Hungarian: TÁMOP).

Vocational Training Contributions:

Ensures the vocational development part of adult education as part of the public finances and as a source for funding outside public finances. A certain part of the public financing is provided from the National Employment Fund (in Hungarian: NFA).

Number of persons enrolled in adult education broken down by financing sources – based on the 2013 adult education statistical data of the NSDCP (National Statistical Data Collection Programme, in Hungarian: OSAP)						
Type of training	Self-financed	Financed on employer's cost	EU-funding	State funding	From the NFA (MPA)	From vocational training contributions
State accredited training certified by the NQR (OKJ)	67723	33444	29425	3946	1305	1305
Trainings providing a vocational qualification required for jobs and occupations, but not certified by NQR (OKJ)	8327	26812	8746	587	425	204
Continuing vocational education and training (CVET)	35800	60261	42532	8131	9353	1263
Trainings preparing for employment by authorities	16941	14285	1329	60	99	524
Language trainings	42091	15954	68113	1625	391	1712
General adult education	22862	12332	33757	2041	33	165
IT training	5235	10901	21237	259	1428	93
Other training	3770	1997	8401	1032	2504	0
Total:	203749	175986	213540	17681	17578	5266

Policy Formulation

Due to the characteristics of the system and the job position of respondents, most respondents support FORMAL adult education.

As the Adult Learning Act is the single most important source of regulation on this field, AL is a stand alone item according to all respondents.

Typically, the main education policy principles are defined by the competent line ministries, but principles are tailored to the real needs and expectation on the local level.

Respondents attributed a significant role to consultations as well, whether they were managing, or representing ministerial, official or other organizational units. The purpose of such consultations is to ensure the concordance of adult education and adult training policy with the general social and economic strategies. Typically, the stakeholders share best practices and experiences with partner organizations of the same level in the framework of network cooperation, professional conferences, or consultations.

The term “Green Paper” may not be discussed, as there is no such document; the related question is non-applicable to Hungary. All respondents agreed on the refusal of Green papers as a possible source of AL policy.

When applying adult learning policy, beside national policies and regulations mostly regional or EU level policies are taken into account as sources of funding are available at these 2 levels. Local policies can be also used in certain locations. As a data source, national and local data are used.

The obligatory introduction and operation of quality assurance system(s) contributes to the evaluation of the content and implementation of certain adult education programmes based on satisfaction rates.

Act on Adult Education Article 14, Paragraph (1): “In order to continuously improve the quality of training provided by adult education institutes, the institutes shall operate a quality assurance system in conformity with the quality assurance framework set forth in the ministerial decree.

Paragraph (2) Adult education institutes - in conformity with the quality assurance framework set forth under Paragraph (1) – at least once in two years shall have an external evaluation preformed for the activity of the institute.”

Typically, the main means of financing is EU funding, followed by the national financing and finally the self-financed tuition payment (by students). Regarding this ranking most respondents shared the same opinion; differences were detected regarding the ratio of various financing sources, which can also be explained by territorial differences and special characteristics.

Policy Implementation

Under the implementation side, a wide variety of actions were mentioned regarding the role of the organization of the respondents. Implementation in general means the application of the regulation in most of the cases. Regulation, funding requirements and specifications are strictly describing the forms and possibilities of AL activities.

AL Funding

Funding is provided by EU and national funds (MPA) mostly and in a smaller share, by private funding.

PPP does not exist as the regulation is forbidding these types of contributions.

It was mentioned as a real problem in several cases that employers were unable, or unwilling to ensure the financing for their employees' trainings. This is probably related to the issue that employers cannot cope with the absence of their employees for the duration of longer trainings.

According to the opinion of respondents, the biggest challenge and the majority of problems are imposed by the excessive rigidity of regulations and the lack of required funding (drastic drop in the number of self-financed and employer-financed trainings).

Key findings

- Unified policy creation (rather application) and implementation by a strict, central regulation, based on a specific Act.
- However there are no real differences among regions in AL policies, the result can really differ, as other conditions (e. g. unemployment) are vary.
- The main source of funding are EU funds and central, national funds, while private funds are rare and PPP doesn't exist.
- AL's policy's only goal is to reduce unemployment.
- Other stakeholders than the ministry although participating in regular consultancies, have less words in the policy formulation process.

Conclusions

The purpose of the REGIONAL project is to identify the sectoral policy-making processes and evaluate them on the regional level. Another objective is to facilitate a more effective decision preparation and decision-making by evaluating and using the results and experiences gained throughout the project.

The result of REGIONAL can really help to identify underperformance in the AL system and to develop more sensitive and wider AL system, which may attract more private funding.



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