



MINISTRY
FOR NATIONAL ECONOMY

Modern knowledge – modern Hungary

Focus

As a *sine qua non* of Hungary's renewal, we must establish a higher education offering competitive knowledge. A successful and rising country needs to permanently augment the capacities of fresh and creative knowledge that does not go without a modern higher education to meet labour market expectations as well as the actual demands of the economy and of the society.

Background

Quality of higher education is a driver of the country's competitiveness. The mission is to lay foundations of the development of the nation both in intellectual and economic terms with the objective of delivering and enriching competitive knowledge. The Hungarian higher education is now struggling with problems of quality, structure and operation. To solve these, reform measures are inevitable in the sector. The domestic higher education system faces very complicated issues. Reorganization is necessary in quality, role of the State, institutional framework and forms of education.

'Cornerstones'

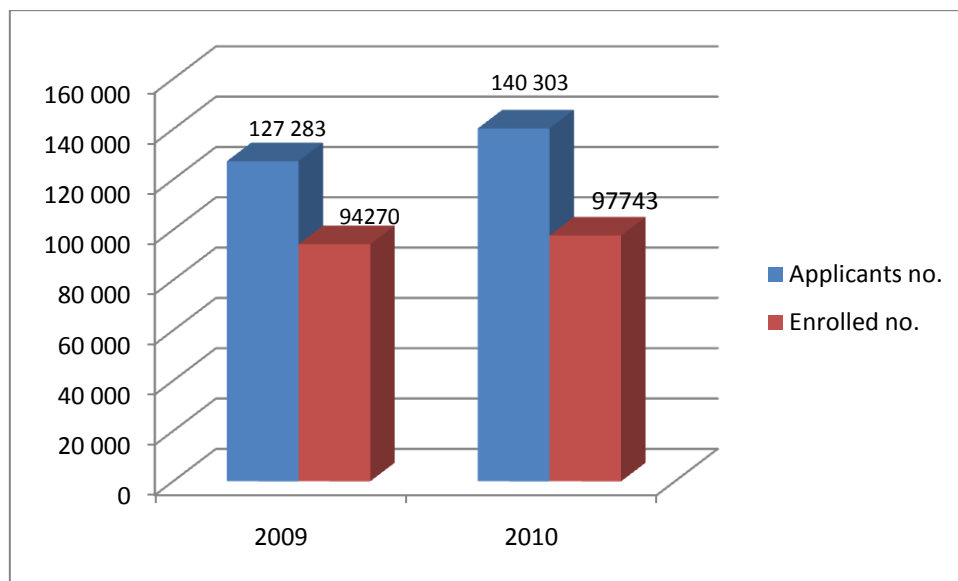
The Hungarian higher education misses clear sector-specific quality policies. The quality of education **deteriorated in several institutions** while performance levels of teachers and students are unequal. Mass expansion and impersonalized nature of higher education makes it difficult to provide for socialization for the role of intelligentsia, to establish student communities and work-in-group abilities.

Government responsibilities for administration, direction, financing and regulation of public higher education are unclear with **public expectations not fixed. Legal regulation of the**

sector is complicated, hard to embrace and affected with contradictions. Due to an unequal distribution, funds available in the financing system are just to keep on hold in certain cases while improving the quality of education and research is short of money. To develop competitiveness of the Hungarian higher education, more efficient use of resources available, unveiling existing reserves or, in some fields, even increasing funds are necessary. Applying public procurement, PPP projects and use of funds of tenders are complicated, slow and inefficient in economic terms in many cases.

The institutional framework is ripe for reform with obsolete structure of the sector due to **large number of universities and colleges and subdivisions of organization**. Such an internal structure of organization is detrimental to the competitiveness. In certain fields of education, significant number of teachers is missing since line reinforcement makes an unsolved issue. The teachers' remuneration does not reflect performance rates in fact.

Applications and enrollments in 2009 to 2010



Source: Felvi.hu

Problems of public education such as a demographic slump, unsteady *niveau* of education and a poor reinforcement in line of teachers are strongly felt in higher education as well. **Lacking technical knowledge, poor skills of natural sciences and foreign languages** are increasingly to exacerbate the number of students to be raised in the fields of critical importance for economic recovery. In the business sector, with special regard to the fact that

multinational companies generate the greatest demand, technical degree is most sought presently in the market. Domestic educational structure is not line with this requirement, also with reasons that higher education has recently gained human areas in particular.

Practical training in higher education presently **continues with out-of-date infrastructure and unsteady *niveau***.

In recent years, **examination requirements and performance expectations have been lax** as a result of which students mostly saw poor motivation, the development of their capabilities lagged behind and shortcomings in carrying capacity of learning burdens. The lack of regular talent care is a cause of concern in the selection of talented students.

International role of domestic higher education is not clear. Integration of Hungarian universities/colleges into international education system is unsettled. Both education by foreign institutions in Hungary and that one by Hungarian institutions abroad are in need of regulation including common training forms.

Conclusion

Hungary's higher education is not competitive. To change this situation, internal rates, composition and quality of education should be aligned with actual demands and future goals of economy and society, rather than the number of graduates in higher education increased in the years ahead. The Government's objective is to create an advanced higher education in line with market demands and offering quality services that is capable of contributing to Hungary's improved competitiveness.

Budapest, 25 February 2011.

Ministry for National Economy