

Achieving the Lisbon Goal:
The Contribution of Vocational Education and Training Systems

Country Report: Hungary

Author: Dr. Tamás Köpeczi-Bócz

This report is one of a series of European country reports. It has been written to support a larger report: Achieving the Lisbon Goal: the contribution of VET, prepared by the Lisbon-to-Copenhagen-to-Maastricht Consortium for the European Commission. This report is not intended as an official view. But rather independent insight into specific aspects of National VET systems in Europe.

Abbreviations:

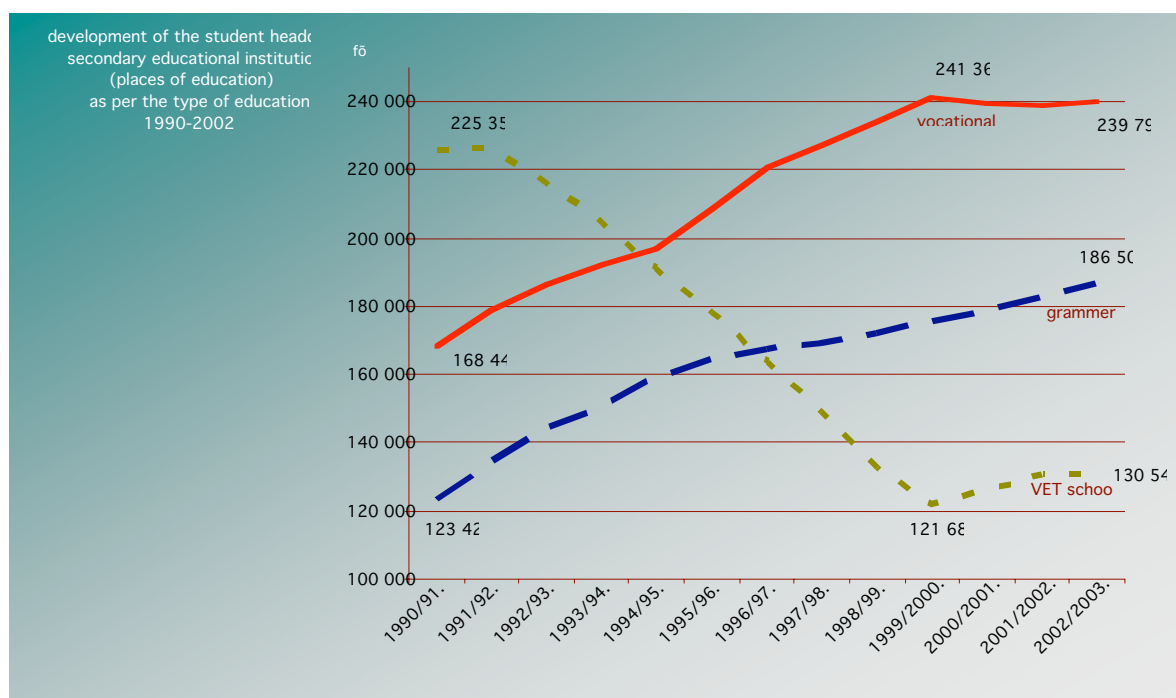
- *Ministry of Education (OM)*
- *Ministry of Employment Policy and Labour (FMM)*
- *National Vocational Qualification Registry (OKJ)*
- *Vocational Training Development Program (SZFP)*
- *Labour-force Market Fund (MPA)*
- *National Institute of Vocational Education (NSZI)*
- *National Educational Integration Network (OIH)*
- *National Development Plan Human Resources Operative Program (NFT HEFOP)*
- *Hungarian Chamber of Commerce and Industry (MKIK)*
- *National VET Council (OSZT)*
- *National Adult Training Council (OFKT)*
- *National Europass Center (NEK)*

Theme 1: Progress of national VET systems towards meeting the challenges of Lisbon

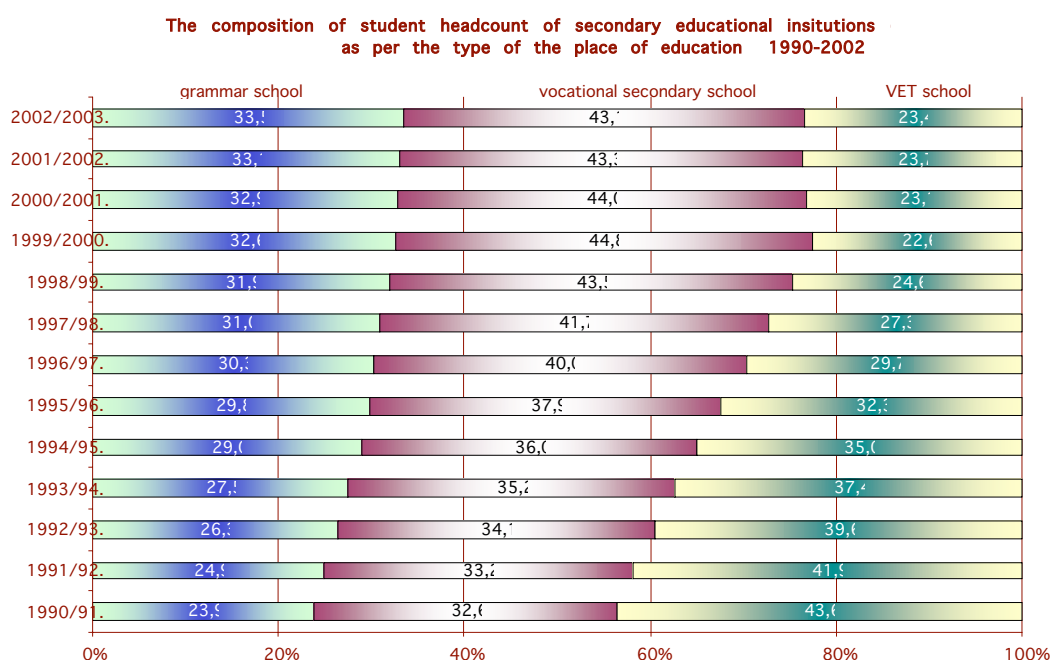
Strategies and barriers for improving the status, flexibility and attractiveness of Initial VET (IVET)

In Hungary, the operation of Vocational Education and Training (VET) is governed by two Ministries. The Ministry of Education (OM) is responsible for initial VET (IVET) and the Ministry of Employment Policy and Labour (FMM) is responsible for continuing VET (CVET). The Adult Education Act issued in 2001 provides significant regulations in the field of CVET, the Act on Vocational Education and Training issued in 1993 regulates both IVET and CVET. IVET as part of the secondary education is under the scope of other acts as well. Therefore, OM is responsible for the regulation of IVET at a national level. The tasks of maintenance are carried out by municipalities, foundations and the church supported by a system of normative financial assistance provided by the State. The practical part of VET is funded by corporations. Corporations are obliged to render 1.5% of their wages costs for this purpose. Considering the above, it can be concluded that the strategy in respect of IVET cannot be considered as uniform. OM has a current strategy, several maintainers have worked out such strategy, the VET institutions have also elaborated on their own strategies and organisations dealing with the allocation of contribution paid by corporations have also worked out their own strategies. In general, there is no planned cooperation among these different strategies. The issues set out in the following are based on the strategy of OM, considering that it is OM which is able to have the strongest influence on the whole system of IVET.

In the past 5 years, on the basis of the changes occurred in the school system, VET, apprenticeship education belongs to the category of IVET. It is based on the fact that until the age of compulsory education, that is the age of 18, this is the only type of school in which vocational training can be acquired. The other two forms of secondary education are grammar school (high-school) and vocational secondary school. Students graduating from such schools must take a final examination, and in addition thereto, students attending the latter acquire vocational basic skills, but not any qualifications. The question is therefore, how the prestige of vocational education can be raised against the two forms of institutions providing general education. The student headcount is demonstrated by the following chart.



The 12-year absolute scale is also influenced by the continuous decrease of student headcount, but as the chart below indicates, the distribution of the annual student headcount among school types does not provide a better figure either.



The chart clearly indicates that besides the drastic decrease of students participating in vocational training, the dynamic growth of the other two types of schools can be experienced. The headcount participating in vocational training touched bottom in the academic year of 1999-2000.

The most significant characteristics of the changes relating to the vocational training sector was the decrease of the number of worker trainees (students attending VET

schools) to more than half of the existing figure, and the increase by over 40 % of the students attending vocational secondary schools. It is to be expected in the future that the rate of vocational school graduates will further diminish and, in the meantime, the rate of high-school graduates will increase. While the number and rate of students participating in secondary and higher education increases, the number of students attending secondary educational institutions decreased (from 517,000 to 502,000) in the past ten years. The number of students participating in educational forms providing a high-school degree significantly increased (from 302,000 to 387,000) and a significant decline (from 394,000 to 358,000) may be experienced in the number of students attending vocational schools. The decline was accompanied by an internal reorganisation: the number of students attending vocational secondary schools increased (from 168,000 to 241,000) and the number of students attending vocational training decreased (from 225,000 to 116,000) (considering the total term of the education). It can also be concluded that the social structure of the students participating in the education was also rearranged, today, **students attending vocational schools are coming from mainly disadvantageous backgrounds and have weak theoretical learning abilities in the aspect of theoretical education.**

The reasons influencing the evolution of the situation may originate in the following:

- *From 1997, the expansion of higher education is a continuous educational priority;*
- *The significant decline of the social prestige of vocational education and training;*
- *The two major vocational development projects funded by the World Bank (1999-2001) were carried out in secondary vocational schools;*
- *Poor pedagogy and methodology in vocational schools;*
- *The drifting apart of practical training and the labour market (nearly 70% of the vocational training is carried out in school workshops).*

Improve the attractiveness of IVET?

In order to increase the prestige of vocational training, the government launched the Vocational Training Development Program (SZFP) in 2002. Between 2003 and 2006, the program will cover 90 vocational schools, and aims at providing a complex solution for the major problems raised in vocational schools:

- completion of compulsory education, acquisition of general skills and fundamentals for the sake of entry to vocational training,
- the material and methodologic reformation of the preparation for the acquisition of vocational qualifications,
- keeping the disadvantaged students at school, and offering and providing alternative educational possibilities in order to enable such students to acquire vocational qualifications.

Components of the project:

Public knowledge and vocational orientation component, which aims at the reformation, raising of the standard of the contents of public knowledge, vocational field and vocational group education in grades 9-10, the improvement of the material conditions of training, and development of the methodologic and vocational skills of the teachers.

Vocational-methodologic (competence-development) component, which wishes to promote the support of the efficient transfer of competences necessary for the acquisition of qualification orientated at the labour market, taking place in grades 11-12, the development of the vocational methodologic knowledge of teachers and the improvement of the material conditions of vocational training.

Disadvantageous students reintegrational component, which aims at the elaboration of a one-year inclusion training for vocational schools training disadvantaged youth who have reached the age of compulsory education, but have not attained a primary school qualification and wishes to start the revision of prequalification requirements for vocational qualifications set out in the National Vocational Qualification Registry (OKJ).

School development component, development of school governance

The flexibility of the system is characterised by the vertical and horizontal permeability of the institutional system. The age-group 14 attends the 9th grade in each type of school. General education is carried out in grades 9-10 in every secondary institution. By accepting the EU strategy of life-long learning, it is necessary that the student should acquire skills which enable it to acquire knowledge independently, to acquire knowledge essential for successful modification of career, ability to be mobile and motivation. On the other hand, these two years provide an opportunity to postpone an early choice of career. As it may be well known, the postponing of the time frame of such career decision is a European tendency.

The system, however, is flexible. It is possible for both types of schools (vocational school and vocational secondary school) to carry out vocational preparatory education, grounding education by vocational groups, vocational groundwork education and career orientation within the framework of general education. In the meantime, the student gets acquainted with the vocational qualifications and relating types of activities set out in the National Vocational Qualification Registry. This system is well-suited to support the students' choices and decisions.

What are the main barriers to achieving these objectives?

It is lowly appreciated socially to be a skilled labourer. It is primarily a labour-policy task to provide appropriate information and to perform the activities of planning, development and implementation properly at a regional and national level.

It can be concluded from the above, that the efforts of a sole Ministry are not adequate in themselves to raise the prestige of IVET, but a complex provision would be necessary requiring the active joining of government resources and social partners.

The preferences of the students are shifted by the expansion of higher education towards the two secondary types of schools.

In line with the principle of the provision of the right to study, the expansion of higher education implies the reorganisation of secondary training. This process is irreversible both on the short and the long term.

The aim is to minimise the lack of student headcount through decreasing the failures at school of disadvantaged students having learning difficulties.

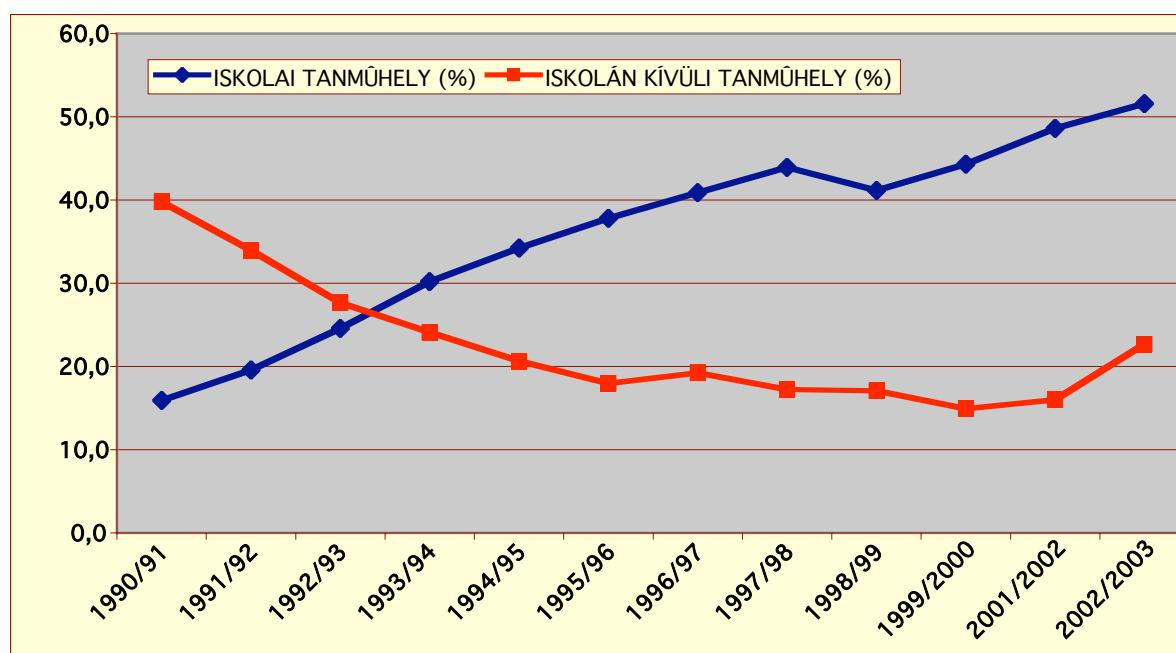
Contra-selection in respect of the teachers of vocational schools

Similarly to the decline of prestige of the whole of vocational training, a certain contra-selection can be experienced in respect of the teachers teaching at vocational schools. The career of such teachers can be characterised by ageing and the lack of the application of modern training equipment and methods. It takes a long time to eliminate this situation.

The separation of vocational training and the labour market

One of the most major problems of vocational training is the fact that in the past 15 years, practical training has shifted towards school workshops to such an extent that it significantly influences the gap between the vocational skills of newly graduated students and the requirements at work.

The chart below shows how the workshop structure was reorganised in the past period.



The process was started by the collapse of the system of large corporations system at the beginning of the '90s. The process, however, intensified by 1998 to such an extent that following a short temporary improvement the situation further deteriorated.

The most serious problem is the lack of interest of corporations in vocational training.

Reducing the number of early school leavers

Drop out is a major problem in vocational schools and also a problem in vocational secondary schools. In spite of this, no official data are available. Clause 1.7 of the strategy of OM defines the issue with a sole sentence as follows:

Drop out of school cannot be measured as assessable information due to the complexity and permeability of the training system, therefore, it is necessary to create a new measuring methodology.

Who leave education or training at the earliest opportunity and with few or no recognised qualifications?

Drop out of vocational schools is, however, a problem which can be measured at a social level, its average percentage between the enrolling into school at the age of 14 and graduating from school four years later at the age of 18, reaches 25%. This figure contains those students who continue their studies in another school type in the meantime (typically at the age of 16), the number of such students does not exceed 4-5% according to the estimations. The main reason for the problem is that due to the reasons already mentioned above, students enrolling into vocational schools are typically at a disadvantage. Several measures have been made for addressing the issues relating to socially disadvantaged youth, it requires, however, further efforts to provide a relaxing solution to these problems. It should be emphasized that the access to vocational training for disadvantaged young people, particularly for the Roma population, is a problem. The vocational training of disadvantaged, especially Roma, young people faces two problems: on one hand, the majority of these young people does not acquire vocational qualifications due to the lack of primary school education and socio-cultural disadvantages, because they are not able to enter the formal secondary schools (vocational schools, vocational secondary schools). On the other hand, young people who are able to enrol into secondary schools, enrol typically into vocational schools, and vocational schools are not prepared for teaching and training a significant number of young people with a deviant behaviour in the most cases. Therefore, the level of dropping out of school is high, many young people enter the labour market without any vocational qualifications, making it impossible to find jobs.

Increasing VET at tertiary level

From the academic year of 1998/99, an accredited school system higher vocational education and training was introduced, which corresponds to the training level of the European post-secondary education. The characteristics of the training is that it is implemented in different ways in institutions of higher education and vocational secondary schools. Only higher educational institutions are entitled to start such trainings, however, several agreements have been concluded with vocational secondary schools (provided by the law) to conduct such trainings.

The introduction of this training was supported by a PHARE-project, the primary goal of which was to strengthen the relationship between the economy and the higher education, and to provide for the diversification of higher education, which was in line with the expertise of EU Member States, and with the aim of the government to enrol more and more young people in higher education.

It is more and more the task of higher education to create technicians who comply with the requirements of the labour market. This was difficult to be achieved within the framework of conventional college, university education. One of the missions of higher vocational education and training was to promote this.

Higher vocational education and training has been operating for seven years in college and university education as a separate system in many aspects including its structure and contents.

In the academic year of 1998-99, higher vocational training and education received outstanding attention from *vocational secondary schools*. The interest of vocational secondary schools was enhanced, including but not limited to, by their relationship with the economy, their practical experiences gained in specialized vocational trainings built on the final graduation examinations, the attempt to keep the reducing number of young people and the use of their institutional capacity as well. Besides, vocational secondary schools, *given their relatively large number, proved to be able to assist young people in finding jobs and participating in higher education by providing the further training of young people living in small towns*. The number of vocational secondary schools performing accredited higher vocational education and training has increased. It can be clearly stated, however, that there is a significant difference in the number of schools having acquired licence to start courses and schools actually carrying out the training. The number of vocational secondary schools having acquired the licence to start training was 230 in 2003, and the number of such higher educational institutions was 45. The number of institutions actually conducting the training is lower, 130 in respect of vocational secondary schools.

The applications to start training, to a large extent, were not based on real demands, even having acquired the licence, the schools were not able to enrol students for a group of vocational qualifications. It is a typical data that nearly 80% of the students participate in 20% of the licensed vocational qualifications.

Higher educational institutions were motivated by different factors to participate in higher vocational education and training:

- establishment of training programs complying with their own basic vocational subjects,
- increasing the number of young people applying
- positive changes in financing from 1999
- higher vocational training and education played a preparatory and selection role for the entrance examinations and provided a certain base for enrolling.

The higher and secondary education statistics do not contain data in respect of the number of institutions providing higher vocational education and training.

The headcount number of students indicate that the number of people studying in student legal relationships have dynamically increased.

Total number of vocational secondary schools students participating in higher VET and students attending higher educational institutions ¹						
Number	1998	1999	2000*	2001	2002	2003**
Students (higher education)	819	2183	3450	4475	6128	7219
Students (secondary education)	1255	3533	2831	5085	8893	9500
Total	2074	5716	6281	9560	15021	16719

The total number of students compared to the students acquiring vocational qualification requiring the passing of the final examination is 22.5% in 2001 and 30% in 2002. In the same relation the ratio of college/university students is 13% in 2001 and 20% in 2002, so the number of students attending vocational secondary schools decreased.

In 2002, the number of students participating in higher VET is 2% of the college/university students.

The trainers established that the students were not motivated by the intention to acquire a vocational qualification but to be able to enter into the higher educational institution concerned, or they found a “parking lot” in the training. The number of those students who continued their studies in higher education can only be estimated (approx. 80%), and there is no data available on how the labour market greeted these graduates. It can be concluded, however, that the absorbing effect of higher education was stronger than that of the labour market.

The enrolling opportunities of vocational secondary schools were reduced and the maintenance of the student headcount was rendered impossible by the demographic reduction (low birth rates) of the population, the change of regulation in respect of contents (the shifting of VET to grades 13-14), in relation thereto, the expansion of grammar schools, the higher VET introduced in higher educational institutions and the continuous increase of schools entering into VET as maintainers. In this situation, not only did they remain open for providing higher VET on the basis of cooperation agreements, but it was also their elementary interest to grab every opportunity.

There are higher educational institutions which have concluded cooperation agreements with 15-20 or more vocational secondary schools. Considering the, in many cases 200km, long distances, the cooperation is rather formal, does not include daily cooperation between the organisers of trainings, does not include vocational services, development and further training, which is set out by the law for such co-operations. The review of cooperation agreements could provide substantial information for the improvement of the system.

The number of students participating in the training increased continuously by every year. Since the number of students graduating from secondary schools gradually reduces, the framework figures provided for higher educational institutions are not filled in the past few years, not even with the increase of participants in higher education. This phenomenon may be experienced in the basic training departments.

Incentives for updating knowledge & skills

What initiatives and measures are the following taking to motivate employees to update knowledge and skills?

Government

A duality evolved in the regulation of VET outside the school system: the Act on VET grants the tasks of sectoral control to the Minister of Education, while the Minister of Employment Policy and Labour is responsible for the regulation of adult education. The statistical data of adult education indicate that 90-95% of the training carried out

is foreign language training and vocational training. Program financing plays an important role in the financing of VET outside the school system, which receives resources from the budget subfunds and the economy. As the financial resources are not guaranteed for institutions carrying out training (there is no obligation to maintain an institution, nor guaranteed state norms), they are compelled to make their services sellable. Regardless of the customer being the state (labour offices), business association or natural persons, the system is characterised by market trends and tight relationship between the trainer and the customer.

The system of institutions of trainings outside the school system has four poles: state training organisations, which include regional labour-force development centers, non-profit organisations, business associations carrying out the training as their main activities and employers. The number of trainings and participants dynamically increased between 1997 and 2000, by more than 50%, and as of today, the number of participants exceed 600-700,000.

Employers, other stakeholders

The financing system of adult education has several parties. The principle goal of the financing system of adult education is to establish a society based on knowledge, to increase the employability, and the competitiveness of employees. Subsidies promote entering into adult education and, by the state resources and incentives promoting individual input, contribute to the completion of life-long learning. The main elements of the system of funds are state normative funds, tax allowance in respect of training, assistance of the training of employees from the vocational training contribution and the subsidising the operation and development of training system by using the development subfund of the Labour-force Market Fund (MPA). The funding of the training of the unemployed and the people endangered by unemployment is provided by the employment subfund of the MPA comprising employers and employee contributions.

The personal income tax allowance is an incentive of the subsidy system of adult education promoting further training and re-training of the active part of the labour market, which provides direct state subsidy for the self-financed re-training of adults having an income and vocational qualification.

The direct establishment of training demand by the economy is realised in the use of vocational training contributions paid by business associations for the training of their own employees (one-third of the obligation, 0.5% of the wages costs). Within the framework of the subsidy reducing obligation, employers can subsidize the training of their own employees for the purpose of a higher level of working.

Please provide examples (if any) of the contribution of VET to successfully promoting inclusion

Significant amendments in respect of legal regulations, organisation, financing and contents occurred in the education and VET of disadvantaged young people in the past 10-12 years. A multi-colour educational-training structure was created admitting students at a disadvantage.

The legal background was created by the secondary education, the VET and budget acts. The Act on Secondary Education provided for the doubling of the training period in respect of VET, the Budget Act set out the framework of financing by providing a higher normative subsidy for the training-education of such young people than for other children, and the amendment of the VET Act as of 2003 sets out that

outstanding attention must be paid to students requiring special VET, and the promotion of providing opportunities by VET in the labour market for young people with disabilities.

As a consequence of the above, on one hand, *the network of special VET schools were strengthened*, especially that of the VET schools developing skills which carried out the vocational training of disadvantaged young people with disabilities.

In the course of the development of the National Vocational Qualification Registry, special attention was paid to work out interactive curricula and vocational qualifications in a modular system promoting communication, establishment of contacts, cooperation, thus developing social skills, which can be used in the training of young people with disabilities and mental discrepancies, and enable young people at a disadvantage to acquire vocational qualifications recognised by the state and the labour market as well.

The opportunity to acquire two vocational qualifications provided by the state free of charge also helps the inclusion and vocational training of people with a disadvantage.

Upon the establishment of normative contribution, a student participating in inclusion education must be considered as two students. The budget norm provided for young people participating in inclusion education have increased more than three times until 2003. The material and qualitative reformation of the training was realised in the course of the creation of framework teaching plans (syllabi).

The *creation of competence input*, the provision of acquiring vocational qualifications compatible with the labour market, the promotion of the acquisition of every, not final examination based, vocational qualifications accepted by the National Vocational Qualification Registry, competitive in the region concerned has outstanding significance in the case of students at a disadvantage.

According to 2003 spring data, nearly 400 students at a disadvantage are being trained in 18 schools. State provides subsidy for basis schools for performing their functions.

In the past few years, several hundreds of millions of forints have been spent partly on the development of tangible assets of institutions dealing with the training of young people with disabilities, and in parallel thereto, on the adaptation of the programs of vocational qualifications recognised by the state. Special curricular materials, textbooks, interactive materials and correspondence education packages have been compiled organised by National Institute of Vocational Education (NSZI).

Workshops have been created and asset development programs have been subsidized in vocational schools carrying out Roma minority educational-training programs.

Integrational preparation programs can be started in grades 1 and 5 of primary schools and in grade 9 of VET schools. Integration aims at the joint education of children from different social and cultural backgrounds, and the provision of similar value of education.

Government provides that developing teachers, leisure-time organisers and gypsy family coordinators may be employed in the most underdeveloped schools. The equipment of schools with informational technology devices started in 2003 with HUF 6.5 billion, buildings have been reconstructed and refurbished.

In the first half of 2003, the building out of National Educational Integration Network (OIH) was finished, which may help the work of teachers in a broad circle.

Meeting the challenges of an aging population

VET does not have a program on national level which aims at the training of older people (55+). The Employment Office and the County Labour Centres provide training programs on the basis of a local strategy which aim at the training of the population concerned. These attempts, however, are not coordinated and do not provide a substantial outcome.

Effectiveness and efficiency of VET

The establishment of cost-effectiveness may be based on several interacting factors. It is important to emphasize that the issue of efficiency cannot be confined exclusively to the issue of budget or financial efficiency. In the course of the review of the latter, however, it is not necessarily taken into consideration that with a certain size of input, what material results are created by VET, what vocational standard is achieved by the services. In fact, the issues of efficiency and quality cannot be separated from each other. Modern government policies serving the efficiency of education generally lay on two pillars:

- cost-effectiveness, and
- the improvement of the quality and successfulness of learning.

In the current the national debate, how effective is the system of VET perceived to be?

The data of international comparative analyses clearly show the problems of financial inefficiency problems of Hungarian secondary education system. While in 1999, Hungary rendered from its GDP 73% of the figure typical for OECD countries on primary and secondary education, the income of teachers working on these educational levels was, in the same year, and in GDP ratio, only 57 % of that of working in OECD countries.

Such difference cannot be explained by the factor that Hungary rendered a smaller part of its secondary education costs on wages, than OECD countries, since the ratio of wages costs was hardly lower in Hungary (around 75%, compared to the OECD average figure of 80%). **The explanation is that the education of the same size of student population is carried out by the employment of a significantly larger number of teachers compared to the other countries.** Thus, Hungary is not able to spend so much on the remuneration of a single teacher. Whereas 74 fulltime teachers were employed, in primary and secondary education, for the education of 1000 students in the EU Member States at the end of the 90s, in Hungary the same number of students were educated by 93 fulltime teachers, 26% more than in the EU.

Specific expenditures constitute an important indicator for the efficiency of financing. One of this is the **size of budget expenditure in respect of one student**, the size of which is influenced by several factors. When there is stability in the institutional system, the size of this indicator is established by the extent of pay-raise of teachers and the inflation elements causing the increase of material expenditure. Besides, the

size of the indicator is also influenced by the structure of institutions, the number of institutions and classes of students, and especially the number of students in one student class (often referred to by local decision-makers as “full-capacity”). The changes in the structure of the institutions affecting specific costs occurred in VET in the past three academic years. As a result of the regulations of the VET Act, the number of student classes increased in the VET grades 13-15. The number of students per class in these grades, however, is only 14-15. As described above, the increase of the number of student classes result in an increase of tasks for the maintainers of institutions, the demands of subsidy, however, increased in a greater extent than the income due to the low capacity of classes. The implementation of practical training remaining a school task within VET has a similar effect: this completely uses the VET contribution as an external financing resource and significantly increases the specific costs.

The efficiency problems of Hungarian secondary education are inseparable from the fragmented institutional structure resulting from the characteristics of the structure of settlements. The type of liability to perform educational tasks as set out in the municipality and secondary education acts results in a less efficient institutional structure in respect of financing. **As regards the full-capacity of student classes, the financially detrimental process continued, which is mainly caused by demographic reasons.**

In the current national debate, is the VET system seen as offering efficiency/ good value for money?

Reviewing the inefficiency of VET budget in broader spectrum, the effects of the following factors must be taken into consideration:

- establishment of the contents of VET tasks;
- allocation of responsibility to perform tasks among control levels and parties;
- the importance of cost-effectiveness in sectoral policies;
- the emergence of the requirement of size-efficiency, the sizes of institutions;
- structure of schools, term of training;
- expansion of student social services;
- number of compulsory lessons given by teachers, the change of the ratio of non-teacher employees;
- the expansion and the method of organisation of school system practical VET

The above indicate that the complexity of the problem would require a structured collection of data, such data, however, are not available.

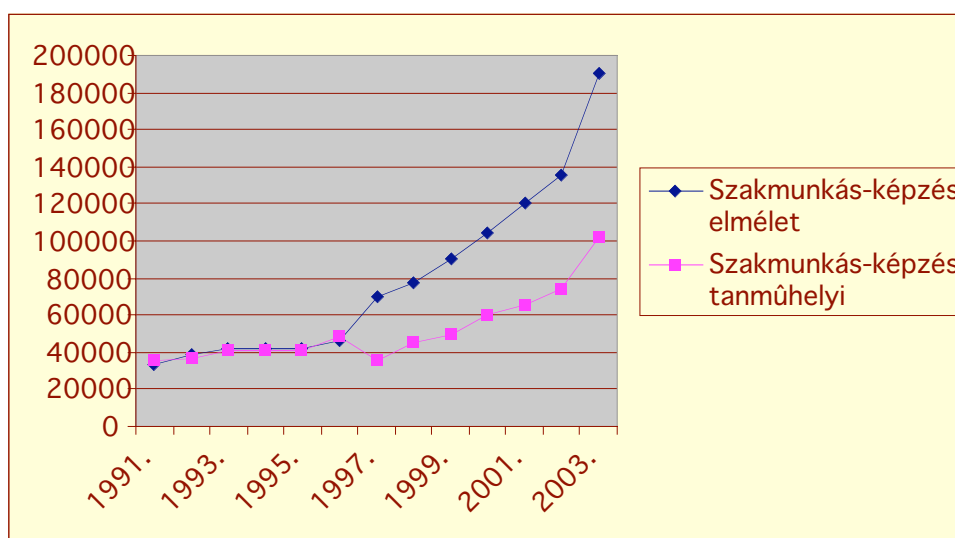
What are the main trends in terms of investment in VET

Vocational training is fundamentally financed from the following three major resources¹:

- central budget (from financial resources transferred in a normative system)
- subsidy of the municipality
- training subfund of the Labour Market Force Fund

This is supplemented by individual and corporate resources.

Within the vocational training, the state contribution to the initial VET is carried out through the system of normative subsidies. The chart below shows that in 2003, the state renders 5 times of the amount granted in 1991 in respect of academic education, whereas in the case of vocational training, the state subsidy is only 3 times of the amount granted in 1991.



The primary reason for this is the allocation of relatively decreasing state resources and the system of vocational contribution paid by employers.

The vocational contribution can be paid by undertakings to the development and training fund of the Labour Force Market Fund, it may be used to finance training within the undertaking, they may provide vocational schools with direct development subsidy, and since 2001, they may provide higher educational institutions with direct development subsidy.

The allocation among the various forms of completion is showed by the chart below:

Name	1998	1999	2000	2001
Development and Training subfund	8,6	11,0	13,2	14,3
Training within the corporations	5,7	5,8	5,9	6,5

¹ This is supplemented by the expenditure of individuals and families on students (let them be young people or adults) and the investments of corporations directly or indirectly rendered for the training of their own employees.

Development subsidy to vocational schools	16,3	19,2	24,2	25,0
Development subsidy to higher educational institutions	-			1,8
<i>Total Vocational contribution</i>	<i>30,6</i>	<i>36,0</i>	<i>43,3</i>	<i>47,6</i>

The value is stated in billion HUF, EUR 1 = HUF260

Theme 2 Innovation in Teaching and Learning Processes

Improvements in learning processes and contents

The necessity of methodologic development of education was the most categorically articulated at the time of the Hungarian publication of the PISA report.

According to the PISA 2000 survey, hardly more than half (52%) of 15 year-olds in Hungary have 3 level reading competence, which is regarded by experts as a threshold level for entering into secondary education. It can be concluded from the above that the insufficiency of key competences (instrumental knowledge) necessary for independent learning is a core element of the failure of 15 year-olds at school. This is accompanied by the close correlation between the performance of students and the school types, which demonstrates the lagging behind of vocational schools.

Vocational education and training in itself is not able to solve the problem. It became necessary to start a comprehensive educational development which comprises the following elements:

1. Extension of the term of education serving the development of basic written and communication skills in grades 4-6 of primary schools
2. Individual courses can be held in all types of schools, including grades 9 and 10 of vocational schools, to the extent of 12% of the weekly compulsory classes (previously this figure was only 5%)
3. There is textual evaluation in the first three grades of primary schools
4. Program packages necessary for the introduction of pedagogy which develops competence will be created within the National Development Plan Human Resources Operative Program (NFT HEFOP)
5. Methodologic reformation of teacher-training and further training
6. a more increased use of ICT technologies
7. creation of a National Media Educational Strategic Plan
8. expansion of measurement of competences

Development relating to vocational training are carried out within the framework of NFT HEFOP and SZFP. These two programs are expected, by 2007, the end of the program, to create tested methodologic packages which can be introduced, which

enable the application of competence developing pedagogy in vocational training as well.

The extensive introduction of the system of project based education is in the centre of developments (a student or a group of students is given mediate and long-term tasks, the implementation of which is supported by experts of the school). According to expectations, this systems develops the ability to work in a team, communication skills, problem solving abilities, and the ability to perform work independently.

The epochal education model is sharply outlined in the programs. Within the framework of this, certain vocational skills are learned in blocks, which corresponds well with the practical training model built in the work process.

The strengthening of e-learning in Hungary (within the framework of Sulinet Program each school is provided with internet access) has already provided several good examples for the project based education.

The nearly 200 economical-commercial secondary schools, operating real and virtual groups by the use of Internet within the framework of corporation based office practise training, are outstanding examples. In these groups, students manage a mostly commercial undertaking made up by them for a period of 6-24 months, and by this acquire vocational skills.

Improving the integration of different learning sites; integration of formal and informal learning

Relationships between the parties of vocational education and training School-economy

The basis of Hungarian VET is that it is carried out jointly by state players (schools) and the actors of the economy. It is a tradition (since 1972) that schools are responsible for theoretical training while business associations are responsible for practical training. It is a continuous priority for the current players of VET to maintain this statusqo. The most significant coordinator of the cooperation between the parties is the Hungarian Chamber of Commerce and Industry (MKIK). As indicated in theme 1 of chapter 1, it is an accentuated goal to increase the rate of practical training carried out by business associations in respect of the maintenance and raise of the status of VET.

School-school

The permeability of the institutional system in Hungary was significantly supported by the increase of the compulsory age of education to the age of 18. Following graduation from primary school at the age of 14, students continue their studies in secondary schools. Vocational secondary training and vocational training have both been formed in a way that after the grades of 9-10, students have the opportunity to continue their studies in another school type or profession in accordance with their knowledge, abilities and interests. The students at the age of 16 can continue their studies being able to take into consideration their previous studies and without losing a year.

Secondary school –higher education

Higher educational institutions do not take into consideration the knowledge of vocational secondary school graduates. There is no difference in the contents of training within a higher education study group, based on what type of school the

students were conducting their studies at. The dual level final examination will bring no significant change in the structure of higher education, it changes, however, the entrance exams. The reason for this is that vocational secondary school graduates will have the opportunity to pass an examination in a vocational subject, which will be considered as an entrance exam as well.

School system-labour market

Formal qualifications are recognised in labour market trainings. This means that in many cases further training is organised as entry requirements for people having qualifications recognised by the state. Not state qualifications can also be included in such trainings in a variable way by sectors. Almost all regulated professions and the sectors with strong producer representations (e.g. computer technology) can be considered as such fields.

Labour market –adult education

In the case of vocational training conducted within the framework of adult education, the trainer has all the possibilities necessary to teach the participants of the training only the skills which they have not acquired yet and which are essential for the acquisition of qualifications recognised by the state. The trainers can conduct preliminary knowledge surveys and can compile individual training programs for the participants. No financial resources are available for this in the trainings financed by labour offices, it is, however, crucial that the program planning corresponds to the knowledge and skills of the participants in the course of further training of the higher educated employees.

Evaluation and quality assurance of VET provision

The transparency and appraisability of the final stage of vocational training, the vocational examination plays a vital role in the completion of the quality oriented education policy, which constitutes a great challenge for both the student, the educational or adult educational institution organising the exam, and the trainers preparing for such examinations. Therefore, the tasks relating to the development of vocational examination system, mainly the operation of the examination system and holding of vocational examinations should be paid special attention to.

The introduction of *quality control*, which started earlier in the school system, accreditation /program accreditation of registrations / institutions, besides providing transparency, enables the individual entering into life-long learning in the framework system to make connections with institutions providing services of appropriate level. The financing and quality control procedures created in a non-formal learning system may have a significant effect in the course of competition (tender) structures supporting informal learning and the creation of evaluating-assessing statistical procedures.

For the individual and institution

Training in the **school system** may only be conducted if its documents have been issued in relation to the National Vocational Qualification Registry. The maintainer of the school (generally the municipality) is responsible for the operation of the institution in terms of quality. The school organises its VET activities on the basis of the notary competent by the area, as an integral part of its local pedagogic program.

EFQM quality control model has been wide-spread in the school system VET since 1994. Comenius quality control model created by OM was introduced in 2000. Both systems operate on a voluntary basis.

The **Act on Adult Education** sets out that accrediting must be carried out in respect of both the institution and training programs. Accrediting is more simple and formal in respect of institutions which introduced a quality control system. The ISO quality control is wide-spread in adult education.

System of examinations as the foundation-stone of output regulated quality control

The current examination system regulating the output of qualifications recognised by the state were created in accordance with the requirements set out in legal regulations. **The preparedness of the examinees is evaluated by an exam committee which is independent of the trainer.**

Problems:

Observations indicate that regulation of an output which is central and independent of the trainer, uniform, being in accordance with the vocational and exam requirements and of the same quality in the whole country must be created. The continuous preparation and further education of professional exam committees cannot be provided.

Since it is not obligatory for the presidents of the exam committees to report about the vocational examination, there is no extensive feedback and most of the reports are formal. The examination observations, the minutes and the reports of the Chamber and the president of the exam committee are not processed, so the professional comments included in them cannot be used.

This task is not carried out by the currently operating advisory services. The examination passed following the training does not constitute the same quantity of knowledge and the knowledge of the examinees is different. Students who passed the vocational examination do not have the competences set out in the vocational and examination requirements. There is no central registration system of vocational examinations.

Necessary developments:

It is necessary to establish an independent examination centre. This examination centre could be responsible for the completion of school system and outside of school system vocational examinations, by operating an appropriate quality control system and for providing for the recognition of non-formal and informal knowledge.

The above solution would include, as an important element, the creation of and unification of the programs and requirements of VET in a modular way and the acceptance of credit based calculations similarly to higher education. This implies that the whole of the National Vocational Qualification Registry should be reformed in respect of contents and unified and its structural unity should be created.

It would be necessary to create a data-transfer network and a central database containing the (electronic and off-line) documentation relating to the examinations.

For the system

A government decree, as set out below, regulates the provisions aiming at the modernisation of VET required by the labour market:

- labour-market forecasts should especially deal with the labour market situation of professions, professions lacking workers and the employment of entrants with qualifications,
- labour-market reports must be directly used in the planning of processes developing education,
- in the course of the modernisation of the nomenclature of occupations a competence based input system must be created and the necessary documents must be prepared,
- in the course of the supervision of vocational and examination requirements, the requirements of the labour market must be met, with special regard to practical training.

OM decree no. 34/2003. (XII. 21.) on the conditions of the right to organise vocational examinations sets out further regulations regarding the examination system to be complied with in the future. The decree, among other things, states that **the right to organise examinations can be acquired by way of a competition tender and that the granting of right to organise examinations takes place by regions.**

The inclusion of the knowledge acquired through informal and non-formal learning must be taken into consideration in the course of the modernisation of the examination system. Its legal regulation must be created so that the citizen could, at any time, certify with a document that he/she acquired knowledge and competences based on vocational training. The inserting of examinations concluding a modul into the examination system should be elaborated on in parallel to the introduction of modular based VET.

In the next few years, the system of the examinations concluding vocational training must be completely separated from the system of institutions conducting the training. This independence may serve as a guarantee for the provision of the real labour-market value of the services offered by the trainers. A possible solution of this process may be the establishment of regional examination centres, which would be granted rights of authority and would nurse strong relationships with the organisations being able to articulate labour market demands.

Professional development and status of teachers and trainers

Initial teacher training

Linear training in Hungary comprises three main stages in accordance with the Bologna process (higher basic education, masters and PhD training. Teacher training is an integral part of this structure.

Diplomas of kindergarten teachers, primary school teachers and trainers may be acquired in basic education, teacher's and vocational teacher's degree, however, can only be acquired in masters education following the basic education. The training for teachers of general subjects and competences takes place minimum at one main department and at one ancillary department.

The teacher training of VET is not entirely sorted out. The training of practical teachers is not orderly. Several changes have occurred in the regulation of this area in the past few years, but the situation has not been settled in a comforting way. The

training of trainers is linked to the preparation of trainers who carry out their activities on the basis of student agreements.

Currently, there is no statutory obligation to separately support the experts of institutions conducting training outside the school system. Since, at the moment, it is not possible in Hungary to acquire a degree in andragogy, it can be taken only as an ancillary subject, a real short-term goal in higher education can be the acquisition of andragogic knowledge and the further training of adult education in a modular way.

Continuous professional development of VET teachers and trainers

Teacher training works on market base. The system has two important offers.

Teacher training has been operating in Hungary in a regulated system since 1997. The further training of trainers also forms a part of this system.

Programs meeting the necessary professional requirements in the course of an accrediting process can be offered in the teacher training system. The minimum number of lessons of the training is 30. Each maintainer receives separate financial resources for the further training of teachers, which can be used, at the request of the teacher, in accredited training programs as well. It is obligatory for all the teachers under the age of 50 to take part in teacher training of minimum 120 hours every seven years. If the teacher concerned does not comply with this obligation the employer is entitled to terminate the employment relationship.

In accordance with the Act on the legal position of Civil Servants issued in 1992, the remuneration categories in the segment of civil service concerned is subject to the years spent in the employment relationship and the number of degrees acquired. Due to this, almost all higher educational institution offers ancillary courses for teachers for a consideration (to be paid by the participant or its employer), and supplementary trainings for trainers. Degrees acquired in this system also meet the obligation of teachers to participate in further training.

Position of teachers and trainers within organisations

Teachers teaching in schools other than private schools or schools maintained by the church are so-called civil servants. Their employer is the director of the school. Their weekly compulsory number of lessons, annual overtime limits, remuneration category and other allowances are guaranteed by law. Certain qualification, which differs by school types, is a condition for their employment. The law does not set out a practice period for teachers.

Trainers employed by the school are also civil servants. In the cases where practical training takes place on the premises of a business association, the trainer is employed by the business association concerned. Its scope of activities is not necessarily confined to training activity. Trainers must hold vocational qualifications concerning the given profession and at least 5 years of practical experience. It is recommended but not obligatory to have passed the masters examination and acquired a trainer qualification.

Autonomy of teachers and trainers

Teachers and trainers have a high level of pedagogic autonomy. The teacher is not constrained, in any way, to freely use methods, textbooks and teaching instruments within the framework of the number of lessons and the organisational limits set out by the institution. It is the task of the teacher to integrate the curriculum taught by him/her in the pedagogic program of the school. This process is usually carried out

jointly by all the teachers of the school (including the trainers working at the business associations). On the basis of this, the school prepares its pedagogic program which should be approved by the competent notary.

Following this, the teacher is obliged to fulfil the requirements set out in the program, but he/she is allowed to define the methods applied, the way and time of evaluation and testing. School life and internal relationships are set out by the policy of the school. Each teacher is obliged to comply with and provide for the complying with the policy of the school.

Professional status - social status and self-esteem - of VET teachers and trainers in the society

The headcount of teachers in respect of vocational secondary schools increased from 12,600 to 18,300 between 1990 and 2002, which constitutes an increase of 45%. The change of the headcount of teachers at vocational schools show a contrary tendency to the above. The number of such teachers reduced from 12,000 in 1990 to 9088 by 2002, which constitutes a decrease exceeding 25% (whereas the number of students decreased by nearly 50%). Out of the teachers teaching in vocational institutions at the turn of the decade, more than 80% of vocational secondary school teachers held secondary school teacher qualifications or vocational qualifications with a degree. One third of the vocational school teachers had such qualifications, the rest of the teachers had primary school teacher diplomas or vocational secondary qualifications. According to a survey prepared in 2000, the prestige of occupation as a teacher takes place in the last third of the entire scale. Several occupations requiring skilled labourer qualifications (e.g. carpenter) have a higher social prestige. The prestige of vocational school teachers and trainers is the lowest within the occupation.

Trainers usually have engineer, economist or similar diplomas and teacher diplomas. Their average salary is 1/3-1/5 of the salary of professionals working in the competitive sector with same qualifications and same experience. It can be concluded that the profession is strongly contra-selected and old. Teachers remaining in the profession must usually take extra jobs.

Innovative education and training practices benefit students, companies and society

The solution of the problems outlined above requires coordinated provisions. The VET developments concerning teachers include the improvement of ICT knowledge of teachers, the strengthening of educational integration of disadvantaged youth and the more increased introduction of competence developing pedagogy. OM has defined the following provisions in these three fields:

It must be initiated that the system of vocational teacher and trainer training and further training is developed, in order to be able to provide for the introduction of practice oriented education methods, and total introduction of ICT in VET, thus providing the opportunity for the introduction of efficient education methods and systems governing the learning process. The approval of training programs must be made more flexible and faster.

There are many young people among those applying for vocational schools who need *special care*, because of their socio-cultural disadvantages, learning and behavioural difficulties. It is often referred to, many times rightfully, that teachers stand alone in this, and the reason for this is that they were not prepared in the

course of their basic education how to face such challenges. The settlement of this issue must deserve a priority in the future at further education.

The emphasising of key competences implies the reformation of comprehensive methodological culture of teachers and institutions, which serve, including but not limited to, the following:

- the review and amendment of educational-training goals and of the regulating documents setting out such goals,
- the improvement of teacher training and further training,
- the assistance of innovations of teachers of institutional level and the spreading of successful practices,
- the development of the evaluation of students at school and, in general, of the evaluation and measurement systems
- the development of accredited educational programs,
- the strengthening of the multicultural contents of education.

Theme 3 Building European Competences for a European Labour Market

Challenges & policies in relation to the Lisbon employment strategy

The main challenges to achieving the Lisbon employment objectives for Hungary, according to the European Commission 'Kok Report'

Employment rate in Hungary is low, especially among people with lower qualifications, women and elderly employees. Unemployment rate, however is much lower than the average of the EU. This can be explained by the low rate of participation: the rate of inactivity is quite high in the population of working age (the employment rate is currently 56%). There are significant inequalities in terms of the labour market between the central and western regions, where modern economy is concentrated, and the rest of the country. The geographical and sectoral mobility is low.

Enhancing the ability to accommodate

The level of taxes (and other contributions) attached to wages is high, and this constitutes an obstacle for the creation of jobs. This factor contributes to working without registration.

Employment – a choice available for everyone

The state of health of employees is tragic, which can be an explanation for low activity. The conditions of work should be made more flexible and family-friendly, including the promotion of part-time employment, especially among women and elderly employees. It is necessary to create a modern state employment service, which promoted employment and geographical mobility. Efforts must be made, on the basis of the integration strategy (against social exclusion), in order to improve the labour market aspects of Roma population.

Investment in human capital

Steps should be made in order to work out the strategy of life-long learning. In the course of this strategy provisions must be created, by which:

- The rate of drop out of school can be diminished – IVET;
- The even chance in respect of the access to university education can be supported – higher education; and
- The opportunity to be able to participate in the training can be expanded, particularly among low qualified people – CVET.

Policies and strategies being developed to tackle these challenges.

Ability to accommodate

Significant steps have been taken in 2003 for the purpose of elimination of “black labour”- by introducing a more strict control in respect of the compliance with already existing regulations, on one hand, and by introducing new regulations, on the other hand.

Please note that as of 1 July 2003, legal regulations have been passed both in respect of the private and the state sector which facilitate the elimination of exigency enterprises (this happens when people are not employed under employment relationship but in similar relationships, where the “employee” issues an invoice for the employer, thus evading the obligation to pay social security and other contributions)

Employment

The Employment Office is designated as beneficiary of NFT HEFOP. The developments are carried out by the use of both EU and domestic resources. The integration of the Roma population in terms of market and training were previously supported by PHARE programs, and are currently supported by HEFOP programs. The Ministry of Education, by the amendment of the secondary education act as of 2003, applied a new positive discrimination system in respect of the integrated education of Roma population. The implementation of the above is provided by tenders within the framework of HEFOP.

Investment in human capital

One of the two main goals of the Vocational School Development Program (SZFP), mentioned above, in the field of IVET is the diminishing of drop out of school. New competence developing program packages are being created within the framework of HEFOP, which may assist young people with learning disabilities in obtaining vocational qualifications. The expansion of higher education is under way, it is not doubtful that the requested results will be achieved by the reforms. It can be estimated, however, that the “absorbing effect” of higher education results in the lack of qualified skilled labourers. The act on adult education issued in 2001 promoted the access to adult education programs. Pursuant to the act, as of 1 January 2003, every employee can use tax allowances in respect of the services of accredited adult trainers. This provision significantly improved the opportunities of further training of employed persons.

Obstacles standing in the way of reform of VET in relation to achieving the Lisbon objectives.

Ability to accommodate

The stricter labour controls were not accompanied by the reduction of contributions, and it is not planned either. The implied intention to increase tax and other contributions can also be experienced.

The reduction of tax and contributions, however, became an outstanding political issue.

Employment

Health care is expected to deteriorate further in the future. The cost-cutting measures in health care made the situation more difficult. There is no consensus in health policy. The privatisation of hospitals have been on the agenda, but no effect-assessment was made in respect thereof, thus, its outcome cannot be determined.

A part-time employment model has been created, similarly to the establishment of the fundamental elements of distance working programs. Its implementation, however is delayed, no significant development can be expected in this budget year.

Investing in human capital

The obstacles hindering the successful improvement of VET are the following:

- Fragmentation of the governmental control of VET
- Fragmentation of the VET system, lack of conditions for the maintenance of developments
- The link between the economy and the training, the accommodation of the training to labour market demands, adjusting the contents of the training to the demands of the economy
- Uncertain number of early leavers of the school system and drop-outs (no appropriate measuring is available)
- The spreading of successful innovations, the evaluation and transfer of observations are of low level
- The school system VET does not provide an appropriate basis for lifelong learning
- Dominance of outdated curricula and pedagogic methods
- No supporting relationship was formed between the educational goals, the evaluation system, the development of programs and quality development at an institutional level
- The system of indicators is not appropriate, the statistical data collection system is not certain and does not provide proper basis for the decisions
- The conventional VET becomes more narrow and the lack of technicians becomes steady as a result of the high appreciation of general training and the diminishing of the social prestige of VET
- The demographic processes adversely influence the institutional conditions of training

- The early school leavers and the adverse regional labour-market conditions may result in the continuous creation of permanent unemployment
- The problems of disadvantaged regions and settlements (the lack of their inclusion) may result in social and labour-market differences which cannot be settled in an easy way

Involving stakeholders

Planning at a local level is carried out by the maintainers.

Municipalities maintaining VET institutions are obliged to perform the tasks of education, and they do not currently have forecasts indicating long-term labour market demands. Therefore, decisions relating to VET cannot be supported properly.

The regional conciliation of interests of VET is performed by the county (Metropolitan) labour council, in which social parties also participate. Currently, especially short-term labour market forecasts are available for labour organisations, which forecasts are based on the information of unemployment, entrants and business associations indicating the labour market demands.

At the moment, no medium-term VET demand is available from the part of the economy, although, we all know, that the institutional system is only able to react to the demands raised by the economy in 2-3-4-5 years.

The sectoral ministries are responsible for the sectoral planning

Broader authorisation should be granted to the ministries responsible for the sectoral regulation in order to effectively implement the coordination of ministries responsible for VET.

The two ministries performing the sectoral regulation of education and VET (OM, FMM) bear a serious liability towards the national economy. The enforcement of this liability is properly supported by the National VET Council (OSZT), the National Adult Training Council (OFKT), the OKJ committees and NSZI and NFI.

It is an outstanding task to prepare and introduce a standardised compulsory system of documents for everyone affected by VET. In Hungary, the fundamental documents of VET are partly subject to the regulation of the ministry responsible for VET, therefore, it is advisable to standardise the fundamental documents so that the specialities can be properly pointed out. International observations clearly demonstrate that standardisation does not only support the work of the teachers but also makes unambiguous the requirements to be met by the students, and promotes the efficiency of the control system. The application at a national, regional and school level of a system of documents created in accordance with similar aspects is an important criterion for quality education. It is advisable to strengthen the developing-service-providing institutions upon the creation of the above.

The human resources development plans of those undertaking training

Enterprises perform their own human development. If they wish to use state resources for the elements of training, or if they wish to enter the market as service-providers, they must take several steps in accordance with the Act on Adult Training. The most important of these steps is the preparation of Training Plan. The Adult Training Body of the undertaking is in charge of the Training Plan and its implementation. The undertaking is responsible for the management of this body, its

members include important actors of the region and the sector, as well as representatives of government organisations.

The primary resources for the financing of VET are the two subfunds of the state budget: the central budget and the budgets of local (county and town) municipalities and other maintainers of schools. The two levels of financing system should be separated from each other, one of this is the budgetary relationship between the central government and school maintainers. Allocation is carried out by normative subsidy. The other level of the financing system is the relationship between the maintainers of institutions and institutions themselves. Here, allocation is carried out by budgetary type of financing. These resources are supplemented by the various central and sectional budget estimates, objective financing and addressed financing. Financial resources outside of the state budget also play an important role in the financing of VET.

Economic sector: practical training, fund granted to schools, training of own employees, paying of VET contribution, provision of study leave etc.

Population: entrance fee, purchase of textbooks and instruments, international resources. The educational expenses of the budget in relation to the GDP is approx. 5%. On a national average, 55-60% of the expenditure of secondary schools maintained by municipalities is covered by state funding, therefore, in the lack of extra municipal resources, operational costs are partly funded by resources for development. Economy plays a rather important role in the financing of VET, by the system of VET contributions. Undertakings obliged to pay such contributions can transfer development resources to schools, they can finance the VET of their own employees, provide for the practical training of students, and finally can pay a consideration into the development and training subfund. The expenditure of the state budget and the extent of the obligation of contribution are approximately the same size, while the budget (state, municipal) resources show a decreasing and the contribution obligation show an increasing tendency.

Which actions to anticipate and recognise skills and qualifications needs (at national, sector or regional level) for your country do the European social partners identify as important in their recent report?

Actions taken at national level

In October 2003, OM and the Chamber of Commerce and Industry concluded an agreement on the performance of particular tasks of the state by the Chamber. The Chamber performs these tasks jointly with professional organisations and bodies representing employer's interests. The system of requirements and central training program of 16 vocational qualifications will be created financed by HUF 500 million (EUR 2 million) Besides, the accreditation system of practical training carried out at business associations will be established as well, which serves the basis of the quality control of practical training. The promotion of the conclusion of student contracts became a particular task of the Chamber. The student contract is concluded by the student and the business association providing practical training, and the countersignature of the Chamber is required.

The student agreement provides for the conditions of the practical training of the student, its remuneration and other conditions. The system of student contract will be obligatorily provided by law as of January 2005.

Action taken at regional level

The so-called Regional Development and Training Committees were reorganised in each region. The committees comprise the delegates of 5 parties (government, employer, employee, maintainer, the Chamber). The committees will be in charge of the allocation of regional resources, to which a regional plan and priority system must be established.

Transparency, recognition & mobility

Actions taken:

To establish credit frameworks

Even the basic conditions for the introduction of the VET credit system are not available in Hungary. There is no legal background, financing, and no evaluation system to assess the level of knowledge. The introduction of the credit system is, however, being prepared and the following tendencies have been defined in the Ministry of Education. The **modular creation** and unification of VET programs and requirements and, similarly to higher education, the acceptance of credit-based calculation would be important elements of the credit system. This implies the unified reformation in terms of contents and the creation of the structural unity of the entire system of OKJ. **A few hundred of competitive professions would be established**, replacing the current occupations, 820 in number at the moment. The modular elements of different systems building upon each other would enable the acquired knowledge to be documented. The aim of the system to be created is to establish a unified framework system for the facilitation of the recognition of qualifications and the mobility of persons **by a personal portfolio**, which the citizens may choose to use for the purpose of stating, at a national and international level, their qualifications and competences.

A system containing documents (electronic and off-line) **relating to examinations should be created** in order to secure the data processing of the credit system.

To establish or reform a qualifications framework

The structure and contents of OKJ, the quantity of vocational qualifications changed several times in the past ten years, the changes, however, cannot be regarded as significant.

There is no harmony between the structure of VET and the Sectoral Classification of Activities. OKJ, in its current state, is not suitable for the establishment of the entire modul system and the system of competence measurement.

The structure of professions today only correspond partly to the demands, requirements, national characteristics and traditions of Hungarian economy. Certain qualifications cannot be compared to the qualifications of EU countries in terms of duration of training and contents. Therefore, the transparency of qualifications is not automatically provided following the accession.

VET does not form a coherent systems in terms of the contents and standards of qualifications, and is not attached to the employment system, thus makes it difficult to create expertise which is able to adjust swiftly and creatively to the changing economic and labour-market circumstances.

To implement Europass

Europass documents, and the **National Europass Center (NEK)** necessary for the coordination and operation framework at a national level. Its appointment is in process, OM has passed the preliminary decisions in April 2004.

Provision of the Hungarian legal background necessary for the introduction of Europass in Hungary

1. Legal background for the certificate supplement:

The OM decree no. 26/2001. (VII. 27.) on the general rules and rules of procedure of vocational examinations, currently under amendment, mentions the document of the certificate supplement. According to the draft text, graduates can require a certificate supplement from the year of 2004, in respect of the qualifications listed in the National Nomenclature. It is not obligatory, though, due to the lack of financial resources concerning the tasks and it does not enable earlier graduates to require such a document.

2. Legal background for the certificate annex:

The Act on Higher Education no. LXXX of 1993 was the first to regulate the issue of certificate annex in Hungary. Section 97 (5) set out the following: “a Certificate annex may be issued, at request, for use in foreign countries, formulated in a foreign language, which provides information on the most important data of curricular obligations and scholar results” Following the publication of the Act, some of the institutions prepared the English translation of the certificate and the index for students requesting the issue of a certificate annex.

The Act no. XXXVIII of 2003 amending the Act on Higher Education supplemented the regulation of 1993 on the certificate annex and set out the following by inducting the section 97 (8): “The higher education institution issues a Hungarian language certificate annex at the request of the student in accordance with the certificate annex adopted by the European Commission and European Council. At the request and expense of the student, the certificate annex must also be issued in English.

3. CVs, mobility certificates and language learning diaries are not regulated by Hungarian law.