

**HE REFORM OF THE HUNGARIAN
HIGHER EDUCATION AND
THE NON-UNIVERSITY SECTOR**

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1. Overview of the system

One of the most important **weak points** of the Hungarian higher education (just like the Central European higher education system) in the communist era was the extremely **low access rate**, roughly around 10% of the age group in the region. Such a system cuts the way before a large percentage of the age group towards post-secondary education and we cannot help thinking about political considerations of the governing nomenclature behind it. In some countries of the region the situation could be qualified even anticonstitutional since the respective constitutions stipulated: Each citizen, having graduated from the secondary education system has the right to enter the **post-secondary education** in a filiere appropriately chosen according to his or her capacities.

Beyond this bottleneck at the access to higher education another common characteristic of the region higher education system were the inappropriate, if existing, **links** between **education** and **economy**. This bad relationship is especially dangerous in a period of rapid economical and social changes of the society. Regardless of the direction of the changes, the accelerated evolution of the society necessitates a high level of adaptability of the education and training system.

Traditional higher education systems with their long cycle courses - let alone the sometimes obsolete curricula - are not able to satisfy the rapidly appearing needs of the new economical system. In the same time on the traditional fields the good performance of the higher educational systems was well known. This gave the false justification for the higher education institutions to preserve their structure, profile, curricula, etc.

In 1990 the inherited Hungarian higher education system had already the **binary** structure. This means that the system had already undergone transformations aiming to go beyond the unique Humboldtian university model. A network of **colleges** had been established with three-year study length - which in many cases went already up to four years - and with a relatively well shaped **narrow profile**. A teacher training college subsystem diversified the teacher training in the bad sense leaving a discrepancy between diplomas delivered by universities and colleges. The colleges were supposed to be in more direct contact with the economical sphere and to ministerial help **monofaculty universities** have been created in the 80th and the remaining colleges keep trying to gain academic reputation and pass to universities. The motivation is at least twofold. First the academic thinking has not been able to drop the idea of the exclusive primacy of the university and is still reluctant to accept other values, and secondly, not less important, the **missing governmental concept** for the development of the non university higher education sector reflected among others, by the disparity between university and college financing.

Having these prevailing tendencies the first democratic government was faced with an extremely complex situation. Of course they shared the basic principle of the higher education of masses without knowing how to realise it. The only thing which was clear in the principles was that the system must ensure **equal chances** for the access to higher education for everybody graduating from a secondary school. On the other side they defended the basic values of the traditional higher education thinking that innovations would jeopardize these values.

In this very moment Hungary asked the OECD to prepare a profound survey of the Hungarian education and training system and to give recommendations for future development. The study was being prepared during two years and was finalized in December 1993. Let us cite some major statements:

- The vision about the role and development of the **non university** higher education sector is missing.
- The **short cycle** post-secondary education sector is non existent in the regular education system.
- The support of the **innovative** educational approaches (like distance education) is weak.

Without going further into the details of the OECD report we mention that it influenced heavily the debates of the Hungarian educational decision makers and even now has an impact on the actually ongoing legislative procedure.

2. Modernisational steps and the non-university sector

Since the OECD review of 1993, considerable changes have taken place in higher education in Hungary. However, given the inertia and the normally moderate pace of higher educational change, the new governmental policies and the new institutional strategies will only show their effect on the long-term. Furthermore, since 1993 new sources of conflicts and/or new forms of old conflicts have resulted in an even more mixed and confusing policy arena and trends. The most fundamental reference points in the changing policy arena have been:

- . the OECD reviews of national policies in 1993 (published in 1995);
- . the inauguration of a new government and the introduction of its higher education policy in 1994;
- . the report by the National Board of Audits on its inquiry into the Hungarian university education in August 1994;
- . a new governmental financial policy, including programs of fiscal restriction and restructuring affecting higher education from March 1995 on;
- . the parliamentary resolution of higher education development, enacted in Fall 1995;
- . the elaboration of a modernisation program by an operative subcommittee within the Higher Educational and Scientific Council by Fall 1995;
- . the revision of the 1993 higher educational law, which has just been drafted by a special expert committee and is due to be debated by the Government and by the Parliament this Spring;
- . a comprehensive public sector reform, initiated in early 1996, aimed at redefining the ways and means of support for most state-run services, including higher education.

This sequence of actions suggests active higher education policy at national level with several centres, including various governmental, professional, buffer and international organisations. However, it is still difficult to measure to which effect and to what extent did these activities influence institutional actions of restructuring, reform or renewal.

In January 1996 a new Minister of Culture and Education was entrusted to prepare a comprehensive revision of the Law on Higher Education. It was accepted by the Parliament in July 1996, and the legal basis of the main topics of modernization has been established:

1. Reshaping the training structure: legally defining post-secondary education and establishing the legal options for permeability between various training programs;
2. Reshaping the institutional structure: assisting the integration of institutions into larger units which provide the organisational capacities of increased effectiveness and efficiency;
3. Restructuring the institutions and buffer organisations of state governance and central coordination;
4. Defining the legal basis for institutional independence (including accountability and transparency) and for effective leadership and management structures.

2.1. Towards a more diversified but integrated training structure

The new higher education law identified two main areas for change: the definition and regulation of post-secondary education, and providing the possibility of a more open and integrated training structure with channels between college and university programs through a unified credit-system.

The newly revised law established post-secondary education as part of higher education. Over the last three years a large number of programs were started by secondary schools, higher educational institutions and other non-profit or profit organisations beyond the 12th grade. At present almost as many students study in these training forms as in mainstream higher education. Our task in the law was to establish the criteria according to which training programs could be integrated to higher education through accreditation but to which they also respond to employment classifications. This system of short-cycle programs allows for institutions to become more responsive to local and regional labour market needs, much like community colleges in the US.

The law also defines various forms of retraining and further education as integral part of a lifelong learning process in order to help individuals further improve their skills or modify them according to the changing needs of the labour market. In this context, a better co-operation between ministries of education, labour and finance has been started last year. Within this co-operation, an inter-governmental Committee on Tertiary Education was established by the Ministries of Education and Labour to co-ordinate the emergence of new tertiary training forms.

The planned development of a unified credit system and a strong, independent and professionally coordinated accreditation system is expected to make the system more flexible by allowing various university and non-university type institutions to start B.A., B.S. or M.A. and M.S. equivalent programs. Given the autonomy of higher education institutions, the so far slow spontaneous development of credit-structures may be replaced by the elaboration and voluntary acceptance of a national promoted credit system.

The 1993 Law replaced the previous doctoral system with new Ph.D. type graduate programs and diplomas. Since then, approximately 240 Ph.D. programs have been accredited and over 1500 students started their systematic post-graduate training programs. The new Ph.D. programs appear to offer significantly higher quality training than the old doctoral system. The present legal regulations and practice fully comply with the appropriate 1993 recommendations of the OECD. In order to protect the Hungarian Ph.D. degree, the parliamentary resolution on the development of higher education proposed to strengthen the examination criteria of doctoral programmes and also to keep within reasonable limits the classification as doctoral degrees of the "university doctoral degrees" issued in large numbers in the communist era.

It is widely expected the system of program accreditation and the credit system will help to reorganise teacher education into a unified system. Teacher training programs will be uniform for future teachers to educate pupils from the 6th to the 12th grade. Contrary to the present system, all kinds of university and non university institutions will be eligible, upon accreditation, to engage in these uniform teacher training programs. Normative financing will motivate teacher training programs with multiple majors (focusing on more than one teaching subject) thus assisting the more effective use of the teaching force. We have started to formulate new policies of assistance for further education of teachers.

2.2. Development of incentives and policies promoting the integration of higher education institutions

As early as in 1990, the government's higher education policy laid great weight on promoting the integration of higher education institutions. A considerable portion of a World Bank loan for the development of higher education was used for the promotion of integration through the so-called Universitas program. However, since no clear objectives and criteria were tied to the funds allocated, this policy only brought modest achievements.

In 1995, both the Bank and its Hungarian counterparts expressed again their interests in trying to find more effective solutions for increasing the institutions' effectiveness through a better defined and more closely monitored integration process and through introducing up-to-date internal elements of professional management as well as through new collective bodies of financial supervision within institutions. The proposed integration process will either result in outright unification of small specialised institutions or will establish associations of institutions which aim to protect their respective academic traditions and are ready to engage in only a gradual program of unification. The process of preparation for the new World Bank is underway, focusing on further elaborating the normative (or formula) financing system. The aforementioned integration process and on improving both the governmental as well as institutional skills of co-ordination and management.

2.3. Towards more open access and more responsive services in higher education

The most significant development in Hungarian higher education is the radical increase in the number of admissions as well as in the overall number of students. The relative enrolment to full-time studies has increased from 17 to 19%. This was achieved through sharp increase in the admissions and through the decreasing size of incoming age-cohorts. In a half decade, the number of full-time students has grown by more than 50% and both the absolute number as well as the relative enrolment rate will continue to rise throughout this decade even without necessarily increasing further the number of first year admissions. In another half decade the OECD recommendations in this context appear to be achievable since the number of the affected age group will decrease and seats in higher education will increase. According to a recent report on 1996 admission rates the dynamism of expansion is unbroken.

The other aspect of increasing openness is the transparency of admissions. From this year on, a new system of admission will be introduced in Hungary. Unlike earlier, students are now allowed to apply in as many institutions as they wish, making the admission system more transparent and more meritocratic for the applicants. The application process will also be conditioned by the changing tuition system. At present, full-time programs charge a minimal tuition fee and extramural as well as short-cycle programs may charge significantly higher level tuition fees.

The more crucial challenge in the context of admissions is to channel the growing student numbers into more adequate programs and find the appropriate ways to motivate institutions to establish more up-to-date and responsive training structures. Besides of the growth of full-time mainstream programs, the emerging tertiary forms: post-secondary education, adult training and distance learning have contributed to a wider access to tertiary education. Some innovative colleges have been particularly

active in franchising their own training programs through adult education. Providers of tertiary education programs are also developing their own schemes of professional co-ordination and representation. Accordingly, a new Association of Distance Learning and its national network has been established to introduce and publicise these new training forms in Hungary.

Several institutions have started on their own modular training and established their own credit system. This helps student mobility and freedom of learning within institutions. A unified credit system is expected to assist this mobility among institutions as well. Institutions have also strengthened the service function through establishing trustees type boards, consulting centres and innovation parks to better serve the external users and local needs.

2.4. Comprehensive governmental financial strategy

After a long debate, a first phase of normative financing has started as of January 1996. This system is based for the moment on per capita calculations and will be complemented by various performance indicators, higher education policy incentives as well as labour market needs assessment. These elements will compose a comprehensive financing for training, whereas research and development as well as further investments in higher education will be sponsored through grant-systems.

The public sector reform and the fiscal restriction reached the institutions at a very sensitive period, as they were not prepared to formulate their own financial strategies including their strategies to seek outside sources. Following the legislative process, the government will engage in a comprehensive public sector reform which is expected to further challenge institutions to define their own financial strategy, widen their clientele and seek external, that is: non-state support. Unfortunately we do not have enough tax incentives yet to make external partners interested in sponsoring higher education services.

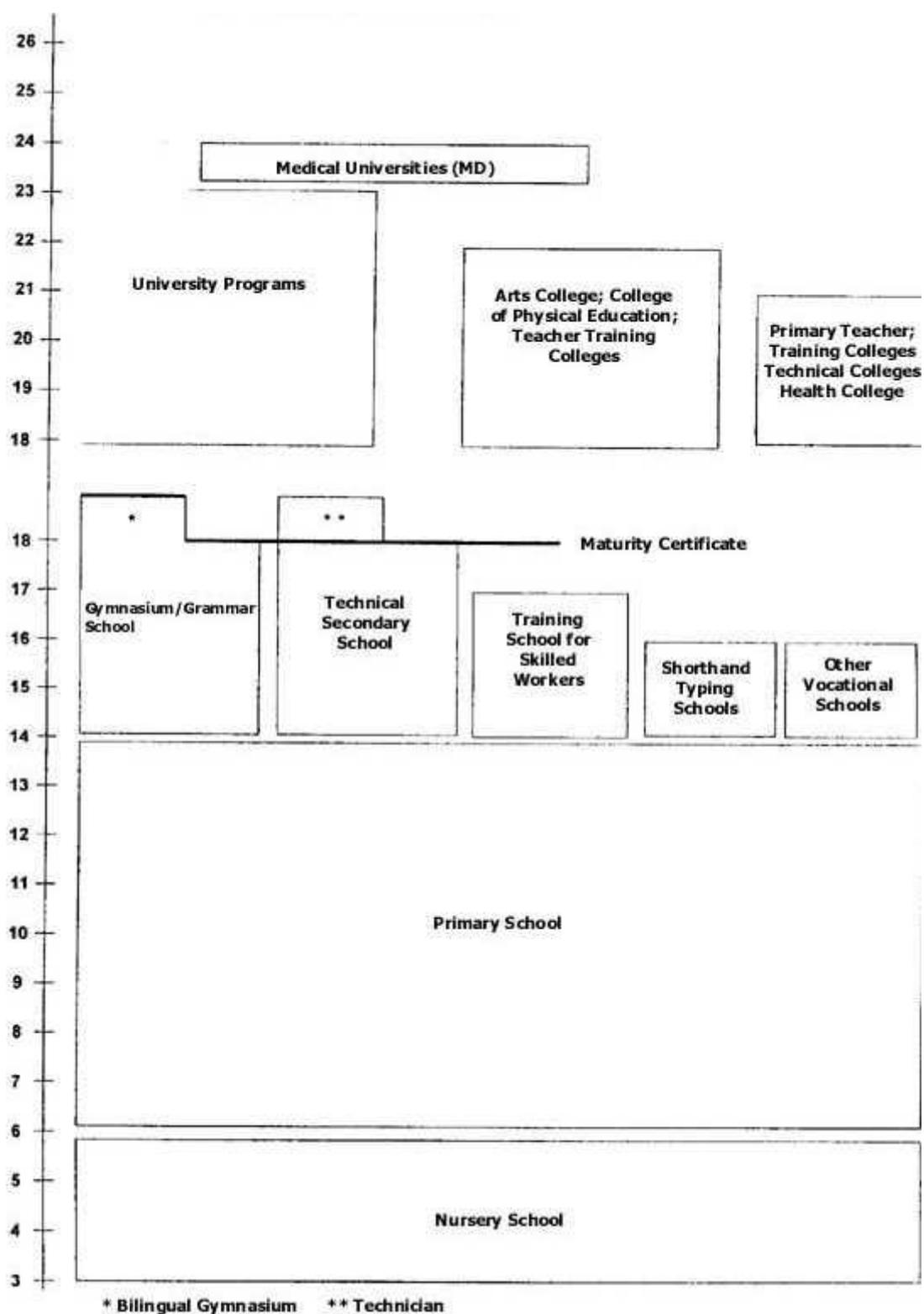
2.5. Buffer organisations, counselling agencies, the scientific life and higher education research in shaping the country's higher education policy

The government is aware of the importance of consultation and co-ordination between the various agencies that shape the country's higher education policy. It facilitates implementation of the relevant OECD recommendation that Hungary was the first country in Eastern Europe to have such agencies and they already have an established routine by now. The most prominent and best known among them is the Hungarian Rectors' Conference, College Directors' Conference and the National Accreditation Committee.

Although not part of the governmental agencies, Hungarian higher education is strongly conditioned by a relatively powerful and professionally co-ordinated National Accreditation Committee which expresses influential opinion on both institutions, starting faculties and programs. The Accreditation Board's role is crucial in trying to maintain the academic quality in the midst of various external challenges, including the overall growth of the higher educational system as well as increasing financial challenges.

A key element of the governmental strategy is the restructuring of the Higher Educational and Scientific Council, a professional agency, set up to advise the government in higher education. As opposed to the earlier organisation, the advisory body will involve a much higher proportion of representatives from among the external users, business, professional and municipal agencies. Below the representative Plenum, two separate committees will be in charge of the main issues: finances and strategy development. Meanwhile, the concentration of administering other buffer organisations under the Secretariat of the Council will hopefully provide adequate governmental guarantees for reformers and sponsors of higher educational development.

Public organisations in scientific life began to mushroom after 1990. One of the most important signs of this is that professional representations are becoming more and more active. The organisation of physicists, for example, has carried out an evaluative survey of high-level physics education and wishes to be involved in the development of the national credit standards. By way of another major achievement, on the initiative of the Hungarian TEMPUS leadership the Round Table of Business Leaders has been set up to offer education policy guidance from an economic and business aspect, to higher education institutions. The question of the missing base of professional higher education research was raised when the background institutions of the Ministry of Culture and Higher Education were evaluated in the summer of 1995 and the decision-makers appreciated its importance.



2. HIGHER EDUCATION INSTITUTIONS IN HUNGARY



3. FORMER WEAK POINTS

- * Low access rate
- * Inappropriate links between education and economy
- * Long-cycle courses
- * Rigid binary system
- * Narrow profile of institutions
- * Missing governmental concept

SOME OECD STATEMENTS (1993):

- * Missing vision of the role of non-university higher education sector
- * Non existing post-secondary education
- * Weak support of innovative approaches

4. FUNDAMENTAL CHANGES UNTIL TODAY

- * New government - new higher education policy (1994)
- * New financial policy - fiscal restriction (1995)
- * Parliamentary resolution of higher education development (1995)
- * Elaboration of a modernisation program (1995)
- * Revision of the 1993 higher education law (1996)
- * Comprehensive public sector reform (starting 1996)
- * Increasing state subsidy for the higher education (+32%, 1997)

REDEFINING POLICIES

- * Reshaping the training structure
- * Reshaping the institutional structure
- * Restructuring the buffer organisations
- * Redefining the institutional autonomy