

PETER RADO

# The institutional conditions of adapting to future challenges in the Hungarian education system

## ABOUT THE PROJECT

The “**Future Challenges to Education Systems in Central Eastern European Context**” (EDUC, <https://cps.ceu.edu/research/educ>) is a two year comparative research project aiming at assessing the ability of the education systems of five Central-Eastern European countries to adapt to various ongoing changes, such as technological changes and their impact on labor markets, demographic changes, populist politics and autocratic governance, old and new inequalities, changing gender roles, globalization, etc. The research focuses on the adaptability of education systems determined by the interplay between governance and the institutional operation of schools in Poland, Hungary, Slovakia, Serbia and Romania. This report was supported in part through a grant from the Open Society Foundations.

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THE INSTITUTIONAL CONDITIONS OF  
ADAPTING TO FUTURE CHALLENGES  
IN THE HUNGARIAN EDUCATION SYSTEM

Peter Rado

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## INTRODUCTION

This country study on Hungary is a contribution to the “Future Challenges to Education in Central-Eastern European Context” project of the Central European University – Democracy Institute.<sup>1</sup> The purpose of the study is to contribute to the comparative analysis of the adaptability of education systems that is created by the interplay of the capacity of schools to change, and of educational governance to incite and support school-level change. It also provides input to the contextualization of the impact of various future challenges on education systems. This study is based on the concept paper of the project (Radó, 2020/a).

In an introductory section, this study provides a brief overview of the major systemic changes in primary and secondary education that were introduced by the consecutive governments between 1990 and 2020. The second section attempts at assessing the contextual weight of various external (technological, social, demographic, etc.) challenges to education in Hungary. Due to the special circumstances in Hungary, this section also describes the political context of educational policy making. This is followed by a section that provides an overview of the key educational outcome indicators in connection with the actual preparedness of Hungarian schools to respond to those challenges that are outlined in the analytical framework of the CEU research (Radó, 2020/a). In the form of a very recent litmus case, a separate sub-section summarizes the preliminary information that is available about digital educational practices due to the COVID-19 pandemic that are highly relevant in relation to the problems addressed by the research. Section 4 analyses the institutional conditions for school-level adaptation: the changing scope of school autonomy and the institutional frameworks of school operation before and after of the major educational system reshuffle initiated in 2011. The section also addresses the latitude for school-level change by adjusting to parental expectations. Section 5 is an analytical overview of the use of various governance instruments that have the potential of initiating, enforcing, and supporting school-level adaptation: mid-term planning and information management, the various process- and outcomes-based instruments for setting goals in education, quality evaluation, intervention in poorly performing schools, and financial incentives. Finally, the study draws certain summary conclusions.

Since during the last decade most of the institutions that traditionally conducted regular systematic empirical educational research and policy evaluation have been gradually dissolved in Hungary, the evidence pool of the analysis for this country study is relatively poor. Therefore, the primary sources of this study are mostly comparative international data sets, Hungarian statistical data, and a limited volume of research literature. Due to the shortage of independent research and policy evaluation results, the analysis on the following pages heavily builds on the prior work of the author of the study.

1 <https://cps.ceu.edu/research/educ>

## 1. THE WEIGHT OF EXTERNAL CHALLENGES AND THE EDUCATIONAL POLICY AGENDA

The educational policy discourse in Hungary during the last five years must be assessed against the relative importance of various external challenges to primary and secondary education. The underlying analytical framework for this study lists eight disruptive future changes to which education systems are required to adapt (Radó, 2017; Radó, 2020/a): (1) technological changes, (2) the transformation of the structure of job supply and the workplace, (3) demographic changes and various forms of migration, (4) the tide of populist politics and the increasing number of new types of autocratic regimes, (5) the tenacious survival of old societal forms of inequality and the emergence of new ones, (6) changing gender roles, (7) climate change, and (8) globalization.

The actual weight of the various external challenges can be assessed only through a separate, detailed comparative statistical analysis. This study cannot go beyond making a limited estimation of the former on the basis of certain signals against which the relevance of actual educational agendas might be evaluated.

### 1.1. The relative weight of external challenges to education in Hungary

As far as technological changes are concerned, the main challenge is adapting to the all-pervasive digitalization of work, social life, citizen participation and all other aspects of individual lives. With very few exceptions, school-aged children – especially those of secondary education age – all use digital devices. In 2019, 99 percent of 16-19 year-olds were using the internet on a regular basis.<sup>2</sup> The educational challenge is equipping future adults with those competences that enable them to use these devices at an acceptable level of proficiency. At the time being, only 49 percent of the Hungarian adult population has a basic competency with ICT.<sup>3</sup> The DigComp 2.0 framework of the EU classifies the necessary competencies into five areas: information and data literacy, communication and collaboration, digital content creation, safety, and problem solving.<sup>4</sup> Due to the scale of changes that the digital transformation will bring during the following decades, strengthening technological adaptability must be of high concern in all countries.

Although the transformation of the structure of job supply and the nature of work at all workplaces includes digital competencies, the challenge is much broader than that. Strengthening individuals' adaptability in relation to fast and deep structural changes in the labor market and to the changing nature of a wide range of preexisting work requires less focused but much more fundamental educational change. It calls for a radical rethinking of the very basic goals that education systems serve; they should more effectively promote the development of learning competencies and adaptive skills, such as problem solving, co-operation, critical thinking, etc. The exposure of different economies to the potential labor market impact of the fourth industrial revolution is not uniform. For example, a 2018 McKinsey analysis showed that Hungary is among those countries where the potential effect of

2 EUROSTAT <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

3 EUROSTAT [https://ec.europa.eu/eurostat/databrowser/view/tepsr\\_sp410/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/tepsr_sp410/default/table?lang=en)

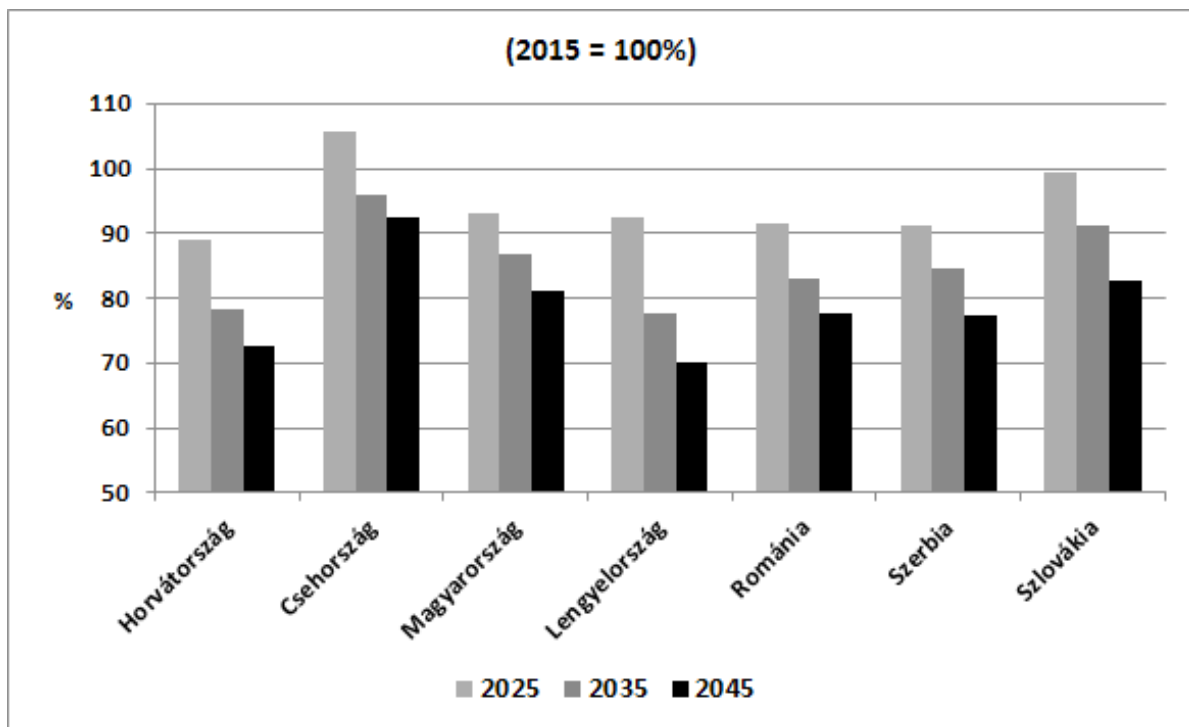
4 [https://publications.jrc.ec.europa.eu/repository/bitstream/JRC101254/jrc101254\\_digcomp%202.0%20the%20digital%20competence%20framework%20for%20citizens.%20update%20phase%201.pdf](https://publications.jrc.ec.europa.eu/repository/bitstream/JRC101254/jrc101254_digcomp%202.0%20the%20digital%20competence%20framework%20for%20citizens.%20update%20phase%201.pdf)

technological change on the labor market is among the strongest in Europe, and identical with the global average. According to the results, the automation potential determined in terms of the proportion of working hours that might be affected automation of existing technologies is 53 percent in Japan, 51 percent in Czechia, 49 percent in Hungary and Poland, 47 percent in Germany, 43 percent in the USA and 40 percent in Denmark (The EU-28 average is 44 percent) (McKinsey, 2018).

Of course, it is possible that not all this automation potential will be fully realized. According to the McKinsey midpoint scenario for Hungary, 24 percent of current working hours will be automated during the following decade. Still, this 24 percent might mean the automation of the present work of more than a million people in the country. This magnitude of labor market restructuring comes very close to the shock of the extremely rapid structural changes that occurred after the collapse of Comecon. Due to the relative shortage of labor reserves, this change seems to be inevitable if the country is to maintain growth by increasing productivity. Ensuring the employability of young people – as well as contributing to the reskilling of the existing labor force – represents a major challenge to education.

In terms of demographic changes, the most important challenge is the persistent decline in the number of pupils. The school-aged population has permanently declined in Hungary during the last three decades. According to projections, after temporary stagnation in the coming years, the number of individuals in the cohorts aged 6-17 will continue to decline until the middle of the century. It is estimated that during the following three decades the number of primary and secondary pupils will decline almost by a quarter (Széll, 2010). With the exception of Czechia, the shrinkage of the school-aged population is expected in all Eastern-European countries. The projection for Hungary is for a smaller decline than in Croatia, Poland, Romania, or Serbia.

**Figure 1. Projection of cohorts aged 0-19 in Eastern-European countries<sup>5</sup>**

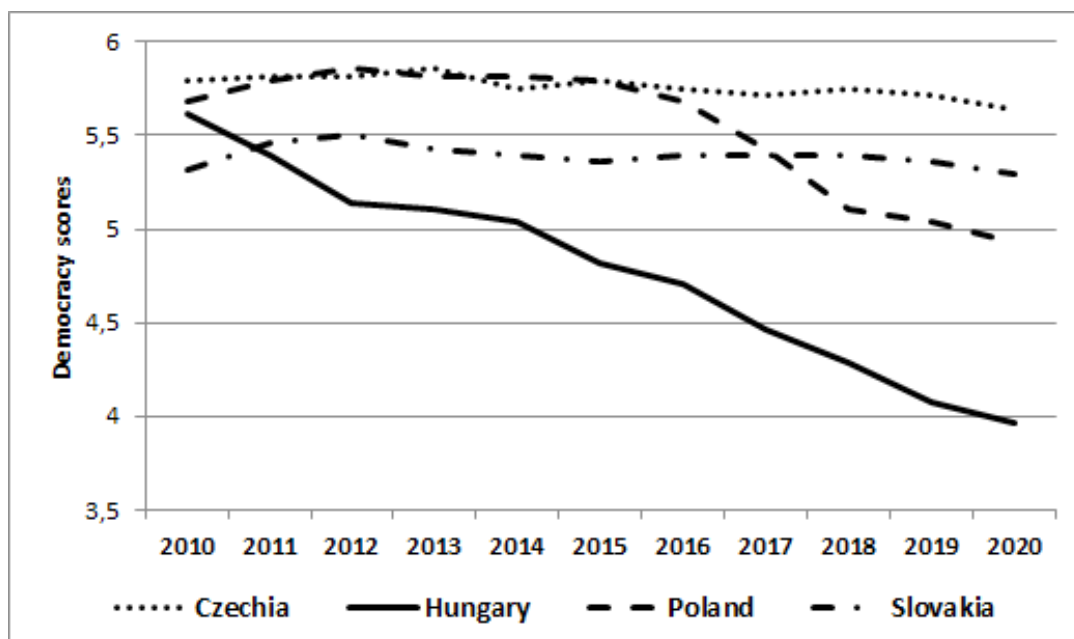


5 United Nations Population Division. Probabilistic Population Projections based on the World Population Prospects: The 2017 Revision.

The continuous past and future decline of the number of pupils is not simply associated with an efficiency challenge. Maintaining the balance between school capacities and the number of enrolled pupils is also a matter of outstanding importance in relation to two other issues: the integration of pupils with varying backgrounds, and the enrichment of the learning experiences that schools are providing. Previous analysis proves that in Hungary the fragmentation of the school network (i.e. the large number of small schools) is one of the strongest factors in extreme social selection, which, as a side-effect, is increasing the segregation of Roma pupils (Ercse-Radó, 2019, Radó, 2020/b). In addition, strengthening the adaptability of learners through the development of adaptive skills requires a rich offering of meaningful learning experiences that is better provided at a certain efficiency of scale (Radó, 2017).

The most obvious example in the Eastern-European region of the damage that populism and autocratic governance might cause to the adaptability of education systems is Hungary. The tendency to weakening of the rule of law, the termination of checks and balances, and declining democratic institutions and procedures started immediately after the landslide election victory of FIDESZ in 2010. During the last decade, the authoritarian character of policy-making and governance has been gradually and permanently strengthened by the Orbán government. According to the 2020 “Nations in Transit” report of the Freedom House, due to this permanent deterioration Hungary has ceased to be a democracy and now qualifies as a “hybrid regime.” As can be seen in the following figure, at the beginning of the last decade all of the four “Visegrad countries” were consolidated democracies. Ten years later, only Czechia and Slovakia have preserved this status, while in 2020 Poland became a “semi-consolidated democracy” and in the same year Hungary ceased to be a democracy (Freedom House, 2020) However, it is important to see that Hungarian public opinion does not reflect the assessment of international watchdog organizations. In spite of the undeniable decline of democracy during the last ten years, according to the results of Pew Research Center opinion polls, the proportion of those who are satisfied with the way democracy is working in Hungary grew from 21 percent in 2009 to 45 percent in 2019 (Pew Research Center, 2020). This contradiction might be explained by the weakness of democratic values and by the effectiveness of the ongoing populist government propaganda that is facilitated by heavy government control over the large majority of media.

**Figure 2. Change in democracy scores in the four “Visegrad countries” (2010-2020)<sup>6</sup>**

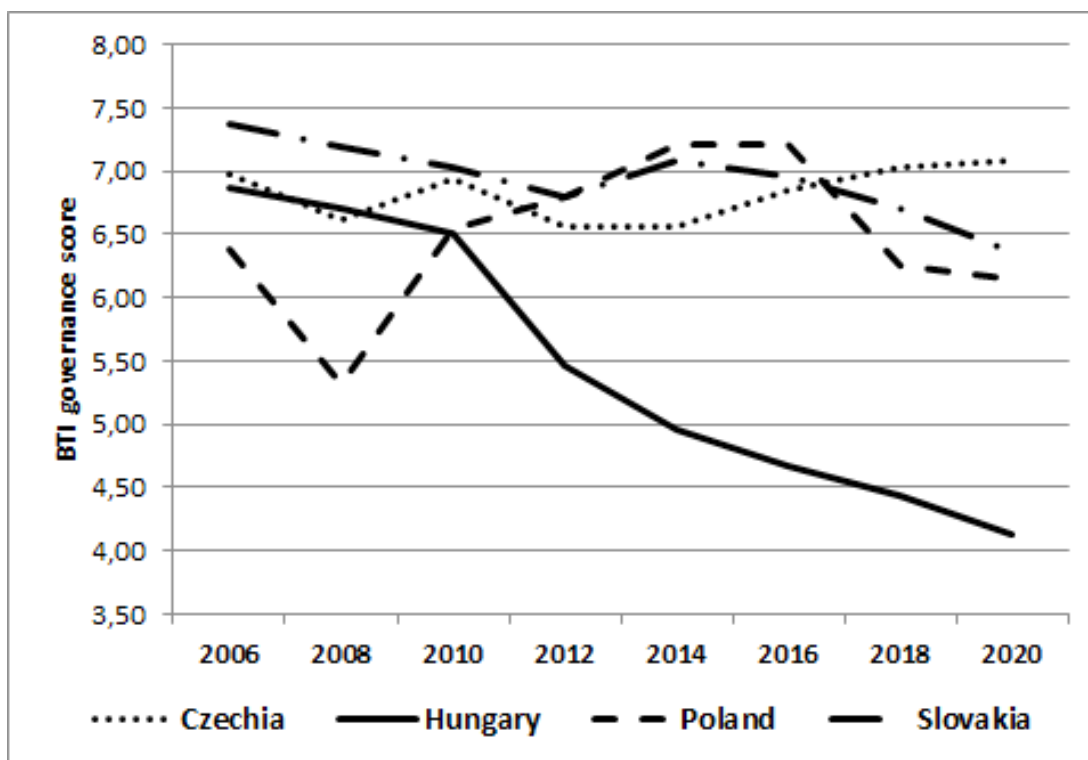


6 Freedom House: Nations in Transit 2020.



As will be discussed in detail in the following sections of this country study, the authoritarian features of governance directly affect the quality of the governance of the education system, resulting in a large number of “governance failures” (Radó, 2010). The overall decline in the quality of governance in Hungary that has occurred in parallel to the construction of an increasingly autocratic political system is clearly indicated by the change in the BTI governance index (the index measures the political management of transformation processes and is constructed on the basis of an assessment of performance in four areas: steering capability, resource efficiency, consensus-building, and international cooperation. The results are multiplied by a factor that is determined by a country’s individual level of difficulty). Comparison with the three other Visegrad countries on the following figure makes the rapid decay in the quality of governance in Hungary apparent. While during the last ten years the other countries of the region remained relatively well-governed, Hungary’s ranking among the 138 countries covered by the BTI governance index plummeted from 14 to 93 (Sikk, 2020).

**Figure 3. Changes in the BTI governance transformation index in the Visegrad countries (2006-2020)<sup>7</sup>**



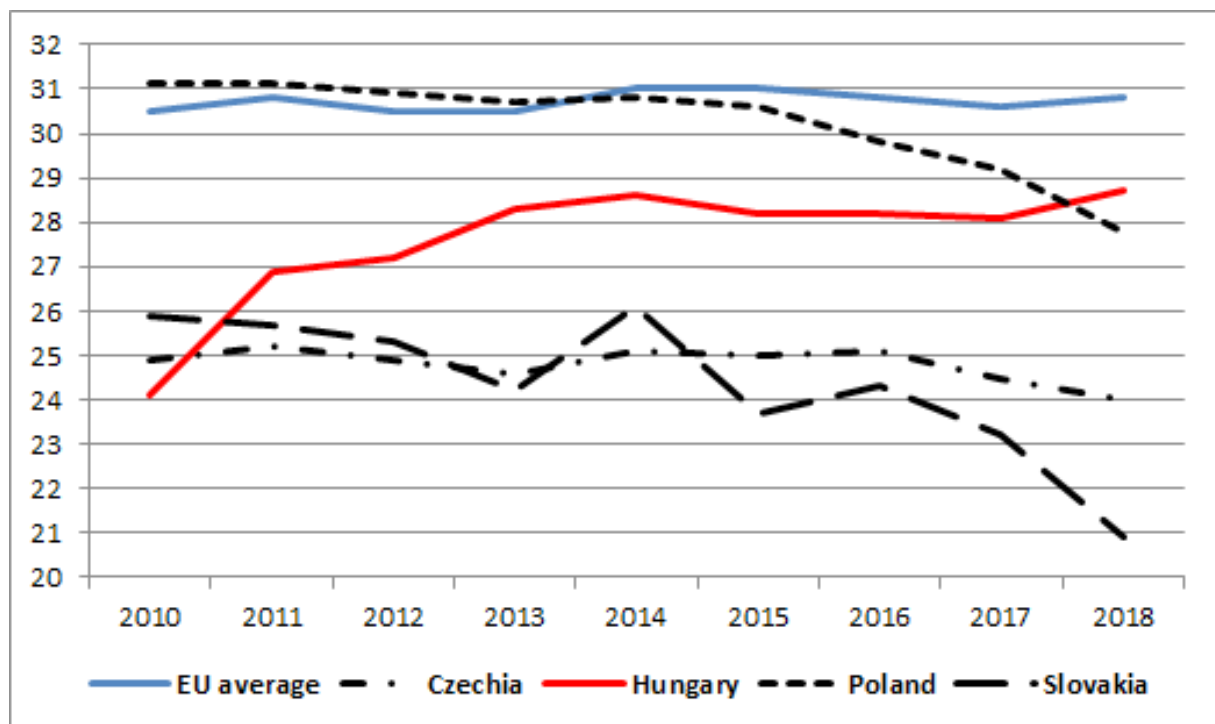
This strong connection between democracy and good governance permits the conclusion that, in Hungary, a democratic political turn and restoration of the rule of law are among the most important prerequisites for restoring a governance system that is capable of creating the institutional conditions of educational adaptability in the long term.

Various forms of societal inequalities are external to education in the sense that they exert pressure on the school system, thereby significantly influencing the behavior of various actors. However, it is important to keep in mind that – to a different extent in different countries - education itself is also contributing to the reproduction of these inequalities.

7 Bertelsmann Nations in Transition index <https://www.bti-project.org/en/index/governance.html>

According to EUROSTAT data, at the beginning of the previous decade, social inequalities in terms of income distribution – as measured by the Gini coefficient – were significantly smaller in Hungary, Slovakia, and Czechia than the EU average, and were basically at the average level in Poland. During the last ten years, however, while in the three other Visegrad countries income distribution has become more equal, inequalities have grown in Hungary to a significant extent, especially in the period between 2010 and 2014. The most important reason for this negative change was the “perverted redistribution policy” of the Orbán government that replaced most former social allowances with universal tax allowances, which in fact shifted public financial support from low-income families to higher-income families (Szikra, 2018). The underlying aim of this shift is to strengthen the financial position of the middle classes. In spite of this change, the Gini coefficient is still a little bit lower in Hungary than the EU average, and the declining unemployment rate caused by a growing shortage of labor has resulted in a decline in the poverty rate.

**Figure 4. Income distribution inequalities in the Visegrad countries: changes in the Gini coefficient (2010-2020)<sup>8</sup>**



What is of major relevance for education, however, is not only the actual measure of social inequalities, but the further closure of channels for social mobility. This is clearly indicated by the data in the following figure about intergenerational mobility according to which family background determines the social status of the large majority of Hungarians over their lifetime (OECD, 2018). This applies especially to two overlapping groups in Hungarian society: to those living in small regions where poverty is concentrated very much, and to highly marginalized Roma communities. It is important to see that among all different dimensions of societal inequalities, socio-economic status has a decisive effect. With the exception of certain impaired individual abilities, all other inequalities emerge along social status differences. This applies to traditional dimensions of inequalities, such as those related to

8 EUROSTAT Data [http://appsso.eurostat.ec.europa.eu/nui/show.do?lang=en&dataset=ilc\\_di12](http://appsso.eurostat.ec.europa.eu/nui/show.do?lang=en&dataset=ilc_di12)

residential or ethnic differences, as well as to new ones, such as the digital divide. Thus, in spite of the somewhat improved indicators of social inequality, extremely rigid social stratification – and all the other inequities that follow from this – are among the most important external challenges to education in Hungary. The congeal of intergenerational mobility in Hungary is clearly illustrated by the 2018 OECD analysis that calculates the expected average number of generations required for the offspring of a low-income family to reach the average income at the current level of mobility. According to the results, this requires 2 generations in Denmark, 3 generations in Finland and Sweden, 4 generations in Spain and the Netherlands, 5 generations in Italy and Austria, 6 generations in France and Germany, and 7 generations in Hungary (The OECD average is 4.5 generations) (OECD, 2018).

According to the 2020 Women in Work Report, (PwC, 2020) in terms of the key indicators of gender inequalities, in international comparison the related problems in Hungary are not outstandingly serious. OECD and EUROSTAT data show that the gender pay gap in Hungary does not significantly differ from the OECD average – it is wider than in Poland but narrower than in Slovakia and Czechia. Similarly to the other Visegrad countries, female labor force participation is a little bit below the OECD average in Hungary, while the gap between male and female participation is basically the same as in the other three countries. In Hungary, the female full-time employment rate is the highest among the OECD countries. As far as attitudes towards the equal rights of women are concerned, the 2020 Pew research Center opinion poll results draw a rather positive picture of Hungary in regional comparison. The proportion of those who think it is very important that women have the same rights as men in their country is 85 percent in Hungary, 70 percent in Czechia, 69 percent in Poland and 67 percent in Slovakia. The same applies to views about an egalitarian marriage. In the same opinion research, 71 percent of respondents in Hungary, 69 percent in Poland, 67 percent in Slovakia, and 60 percent in Czechia consider it a more satisfying way of life when both husband and wife work and take care of the home and children. The proportion in Hungary is somewhat lower than in most Western-European countries, but higher than in the other countries of the region. Overall, gender inequalities are not greater in Hungary than in most other European countries. Nevertheless, due to the growing awareness in the society of gender issues, pressure on the education system is expected to further grow.

Climate change is a global process that calls for national, local, and individual action. To a large extent, successful action depends on the willingness and capacity of governments to initiate, steer, and incite changes that make the economy more sustainable. In this respect, the performance of the Hungarian government during the last decade indicates a clear setback – a much bigger one than that of Poland: the BTI economy status sustainability sub-terrain index declined for Hungary from 8.5 points to 5.0 points between 2010 and 2011, while in Poland during the same period the index declined from 8.0 to 6.5 points (Bertelsmann, 2020).

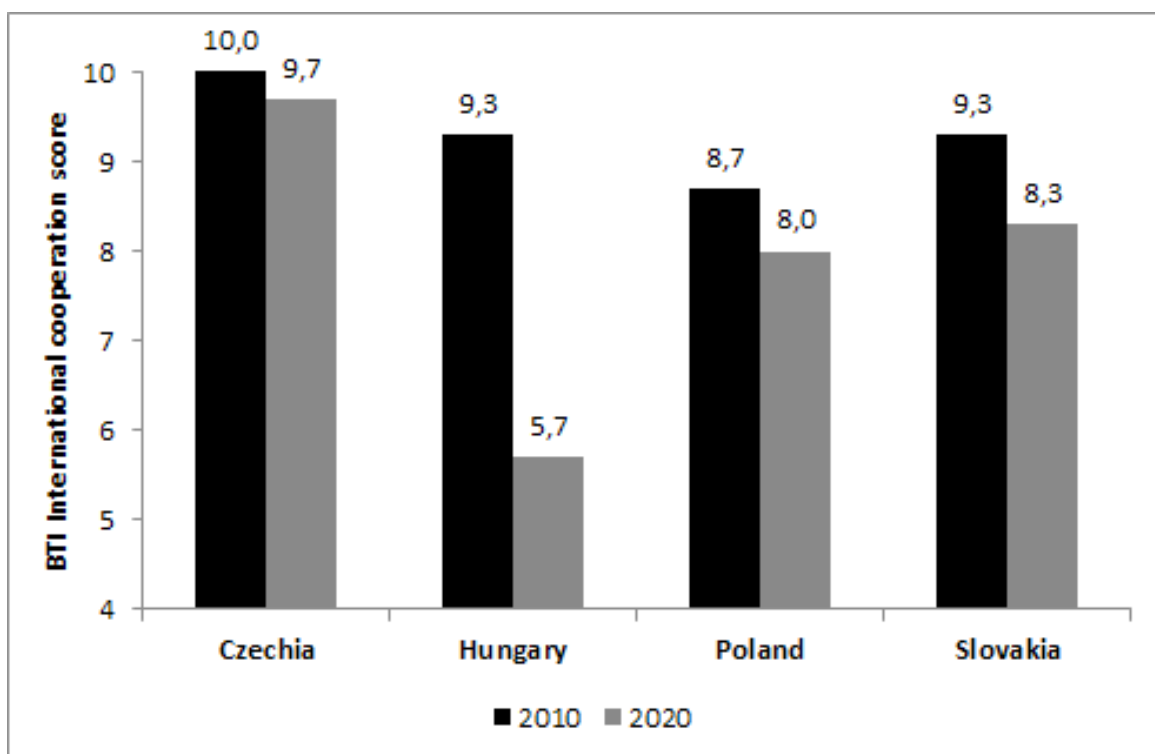
According to the results of the 2016 European Social Survey, 91 percent of Hungarians were aware of the changing climate, in the same proportions as they were aware of fact that climate change is partly caused by human activity, and 77 percent of them expected bad consequences from this. Also, more than a quarter of the Hungarian population was very or extremely worried about climate change. While these result are very similar to those measured in other European countries, the strength of pro-environmental norms among Hungarians turned out to be rather weak. Among the 26 participating European countries, the average score for feeling a sense of personal responsibility to help reduce climate change was weaker than the Hungarian average only in Russia and Czechia.<sup>9</sup> This suggests that

9 <https://www.europeansocialsurvey.org/data/round-index.html>

– similarly to the case of gender-related attitudes – the formation of attitudes towards the protection of the environment will become a much more important matter in Hungary. However, some attitude surveys now indicate some positive generational changes. For example, according to the results of a piece of research from 2016, members of the 15-24 age group are less prone to shift the responsibility to politicians and big enterprises than the older generations, and are more likely to emphasize the personal responsibility of individuals (MSZT, 2016).

International connectedness and globalization has already radically changed the basic conditions for success at the national, institutional, and individual levels. At the national level, benefiting from the opportunities that globalization offer without suffering its negative side-effects largely depends on the ability of governments to manage and foster international cooperation. One of the sub-terrains of the BIT governance index is international cooperation, which is assessed in three areas: the effective use of support, credibility, and regional cooperation. During the last decade, in this respect Hungary’s performance declined to the same extent to which the overall quality of governance deteriorated. Bearing in mind the EU membership of the country, and placing this into regional comparison, this decline seems to be even more dramatic. It suggests that the recent isolationist mode of governance has become one of the main obstacles to institutional and individual adaptation to internationalization. Due to the growing internationalization of education (especially within the EU), it has a direct negative impact on the quality of educational policies. Also, it signals very low interest by the government in using education to prepare pupils to live in a highly globalized world.

**Figure 5. Changes in the international cooperation sub-index of the BITI governance transformation index in the Visegrad countries (2010-2020)<sup>10</sup>**



The other precondition of successful individual adaptation to internationalization, with very high educational relevance, is the foreign-language competences of individuals. According to 2016 Eurostat data, the disadvantage of the Hungarian 25-64 year-old population is large both with regard to the EU

<sup>10</sup> Bertelsmann Nations in Transition index <https://www.bti-project.org/en/index/governance.html>

average and to the other three Visegrad countries. Only 42.2 percent of Hungarians belonging to these age cohorts reported they knew one or more foreign language, while the proportion was 88.2 percent in Slovakia, 79 percent in Czechia and 67 percent in Poland (The EU-28 average was 64.6 percent). Looking at English-language skills – of outstanding importance – in the whole population, the gap between the EU average and the Hungarian data is even larger: in 2014 47.6 percent of EU citizens spoke English at a conversational level but only 16 percent of Hungarians.

Overall, in the Hungarian context, the relative relevance of the eight sets of challenges varies to a great extent. The challenge of adapting to technological changes is not specific to Hungary, but is an essential factor with importance far beyond its impact on the labor market alone; it affects all aspects of the life of individuals. However, since individual preparedness to adapt to already ongoing labor market changes, especially to the growing and changing skills demand on the labor market, is a wider problem of educational modernization, which includes the improvement of digital skills, too. Therefore, the separation of the latter two factors would be groundless. The second challenge of outstanding importance in contemporary Hungary is the negative impact of the populist and autocratic political regime on the quality of governance. This directly determines the quality of the governance of education system, but also has major negative consequences for other areas, such as the adaptability of the labor market, the management of the pressure of demographic shrinkage on the school network, mitigating social and ethnic exclusion, slowing down climate change and tempering its detrimental effects, as well as adapting to globalization. Thus, poor governance has become one of the most important root problems in Hungary, aggravating many external challenges. The third set of issues of high educational relevance is related to the persistent reproduction of social and ethnic inequalities that, in theory, education has the potential to mitigate.

## **1.2. Political context, educational policy-making, and the policy agenda**

One of the first public sectors in which the Orbán government started to build an autocratic governance system was pre-higher education. In order to terminate the relative independence of educational policy-making from direct political control, the government systematically removed all organized stakeholder groups from the educational policy space. With the 2011 new “Act on National Upbringing” all institutionalized consultation mechanisms (i.e. the Educational Policy Council, the Educational Council, and the tripartite consultation mechanism) were terminated. The law also mandated the membership of teachers in the government-established “Teachers’ Chamber,” thereby – together with the restrictions on exercising the right to strike enacted in 2010 – effectively weakened the trade unions of teachers. By terminating the autonomy of schools and through their merger into an administrative organization, educational service providers lost any latitude for channeling feedback into policy-making processes. Due to the takeover of local self-government-owned schools and by moving to a policy of direct central budget funding, the government eliminated municipalities as educational policy actors (the weight of non-church private school owners is marginal in Hungary, and the traditional Christian churches that own a relatively large – and growing – proportion of school networks are the political allies of the government) (Ercse-Radó, 2019). Through the nationalization of textbook publishing and professional services, market service providers were squeezed out of the education sector. Due to the termination of institutionalized consultation mechanisms, parental and pupil organizations lost their ability to influence policy decisions, while their former organizational frameworks were made

ineffective. Finally, the direct political-administrative control over publicly funded research institutions has rendered independent research in education almost impossible, and has led to a dramatic decline in the knowledge basis of policy-making. Educational policies are formulated almost exclusively on the basis of administrative data of questionable reliability (CKP, 2016).

This systematic space-clearing of the educational policy system has resulted in a governance regime in which all means of public management are used as transmission belts for extending political control to all individual school principals and teachers. This political control has not been institutionalized (as it was prior to 1990 by the communist party organizations in the workplaces), but works more through the so-called “chilling effect”; that is, through the inhibition or discouragement of the legitimate exercise of legal rights due to the threat of administrative sanction.

The rapid build-up of this highly centralized governance system that now operates under political control has had major consequences for how the educational policy agenda is formulated and on the educational policy discourse in general. The educational policy agenda is formed through hidden bargaining processes among fast-changing informal fractions of the government in complete secrecy (CKP, 2016). Policy changes are announced after decision-making without any preliminary consultation, or with only the pretense of consultation. (For example, major stakeholder organizations are given a few hours to comment on draft amendments to legislation.) Key actors in education and independent stakeholder organizations are not involved and not informed, and are thus unable to influence the policy agenda; they react only to government initiatives. Although the government always claims to work with a large number of experts from the respective areas, the name of these experts is kept secret, and, with a very few exceptions, researchers and experts working for the government are maintained incognito.

Due to the autocratic nature of the political regime, there are two parallel, basically disconnected educational policy discourses: an “official” one and a critical “opposition” one. There is a prevailing single official policy narrative that is typically based on street-level justification. In the communication of the government’s public policies, professional argumentation is completely substituted by rather simple political and ideological narratives. (For example, the government being a “national government,” the National Core Curriculum is national in character. Therefore, expressing critical views about the curriculum is perceived as anti-national political action that serves “foreign” interests.) The official political discourse successfully weakens any critical professional views by framing evidence and analysis-based argumentation as “oppositional” and embedding academic and professional actors into a political role (i.e. research-based professional opinions are not just “other opinions,” but labeled as a politically motivated.) As a consequence, in order to avoid this occurring, even many of those academics who are not intimidated by the government are dissociating themselves from critical views about government policies. A side-effect of the bipolar discourse is a fading out of a diversity of views, approaches, and values within the single “opposition” discourse. This semblance of unity is strengthened by solidarity among those who share critical views about government policies. Overall, the polarization of parallel educational policy discourses and the lack of free competition among diverse views leaves very limited space for rational argumentation and deliberation in Hungary. In addition to this, among the above-described circumstances the reality and problem perception of key actors of central governance in education has gradually become distorted during the last decade.

As a result of all this, none of the external challenges outlined in Section 2.1 appear on the educational policy agenda of the Orbán government. The need to adapt to technological changes is



rarely referred to by government officials. References to the “needs of the labor market” are frequently used, but basically only in relation to the radical vocationalization of upper-secondary education and to the intention of directing more pupils from upper-secondary general education to vocational education and training. The government has created a system in which the “needs of the labor market” are interpreted exclusively by the government which they attempt to satisfy by directly defining the number of pupils that can be enrolled annually at each individual schools in each vocational area. Therefore, the labor market relevance of primary and secondary education is considered exclusively in structural terms (i.e. the number of trainees needed for the different professions), which represents a U-turn from the already competence-oriented vocational education policies of the pre-2010 period.

For ideological reasons and in connection to the rejection to any form of immigration, the goal of reversing population shrinkage in general is very high on the agenda of the government. Therefore, any adaptation to the expected long-term continuation in the decrease in pupil numbers would be an admission of failure by the government of its efforts. In addition to this, the governance system created between 2011 and 2015 does not allow for the maintenance of a balance between school capacities and the number of enrolled pupils. Since the takeover of the schools from local self-governments in 2013, the school-maintaining authorities have not amalgamated or closed schools.

Since 2010, the terms “equal chances,” “equity” and “educational inequalities” have been lacking from the vocabulary of the government. (This does not apply to all documents submitted to the EU Commission in the English language.) Instead, all official texts and statements use the term “catching-up” (“*felzárkóztatás*”), which refers to support provided to pupils who are falling behind. Due to the extreme standardization of the teaching-learning process, in the educational practice “catching-up” means a kind of “more-of-the-same” approach, only without any flexibility that would allow for adaptation to the diversity of pupil backgrounds. In the specific Hungarian context, the use of this term represents a symbolic return to the early nineties, when, as a negative side-effect of a supplementary grant provided for “catching-up programs” for Roma pupils, the number of segregated Roma classes increased. In fact, the government has clearly prioritized providing extra support for pupils of a middle-class background in the form of “gifted education,” or as the “development of talented pupils.” The prevailing policy approach to “gifted education” in Hungary is still based on providing extra learning opportunities and support to those who are selected as “talents” (i.e. pupils whose performance is at a high level), not on differentiation and enrichment. Due to the very strong impact of family background on the performance of pupils, the social status of pupils participating in “talent care” programs is higher than the average. Therefore, prioritizing gifted education instead of equity has the effect of redirecting educational resources from disadvantaged pupils to better-off pupils.

For ideological and political reasons, changing gender roles, climate change, and globalization have no chance of being integrated into the educational policy agenda of the government. The ideological alignment of the ruling far-right parties emphasizes the protection of “traditional family roles” and “Hungarian national interests.” Therefore, gendered approaches and any forms of institutionalized internationalization are dealt with as threats from which pupils have to be safeguarded. As far as climate change is concerned, the government clearly prioritizes the “interests of the economy” over environmental considerations.

At the beginning of 2016, a strong teacher resistance movement started that mobilized mass demonstrations with tens of thousands of teachers on multiple occasions. The teachers’ movement subsided in the middle of the year without achieving any substantial reconsideration of the key elements

of the system that were created in the first part of the decade. Ever since, apart from minor corrections, the official educational policy agenda has been dominated by two major themes: the development of the New National Core Curriculum and the government's effort to use education to promote its nationalistic and Christian ideology. In 2018, the two themes were connected because the government was not satisfied with the first draft of the new National Core Curriculum. Therefore, instead of involving educationalists, it was "further developed" by ideological-political advisors of the government and by the staff of the central educational administration.

Since the beginning of 2016, independent NGOs (educational protest networks, professional associations and trade unions) have cooperated within the Public Education Civil Platform. During the last four years the Platform has continued issuing critical analyses and launched several policy-advocacy campaigns. However, these critical reactions did not influence the policy agenda of the government and can reach only a small minority of citizens through the channels of the very few remaining independent media actors and through social media.

## 2. THE ACTUAL PREPAREDNESS OF THE HUNGARIAN EDUCATION SYSTEM

The overview of the actual weight of various external challenges in the Hungarian context in Section 1.1 revealed three sets of issues that deserve special attention: (1) the impact of technological changes, especially in connection with demand for skills on the labor market, (2) the impact of the autocratic regime on the governance of education, and (3) problems in relation to social and ethnic inequalities. Governance-related matters will be analyzed in detail in the following sections of this country study. Thus, this section on the assessment of the preparedness of the Hungarian primary and secondary education system in relation to its capacity to respond to external challenges focuses on the two other terrains: technology, and the skill demand of the labor market and social inequalities. The analysis of the two following sections is mainly based on educational statistical data, as well as on Hungarian and international comparative student performance assessment data. The third section is a deeper overview of the shift to remote teaching and learning due to the Covid pandemic. This case reveals a great deal about the preparedness of the Hungarian education system to adapt to change.

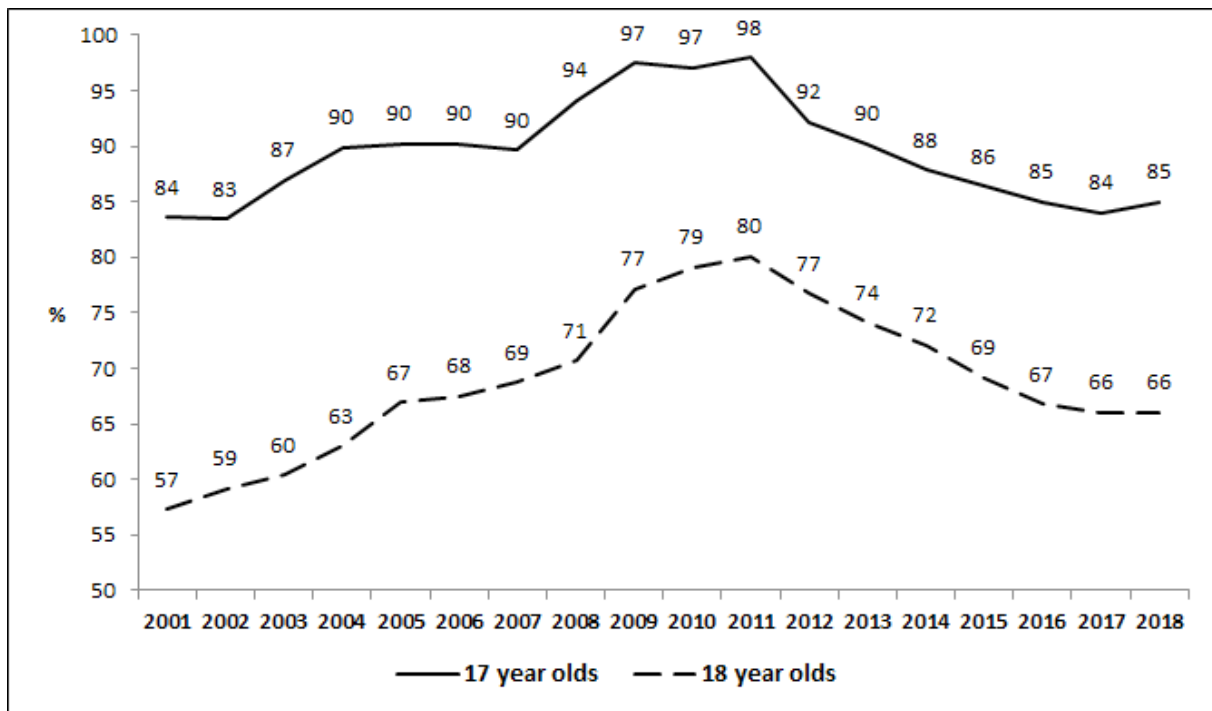
### 2.1. Preparedness for technological and labor market changes

The growing and changing skill demand of the economy entails increasing emphasis on the development of three sets of learning outcomes: (1) basic competencies as measured by many national and international standardized student performance assessment systems, (2) adaptive skills that are independent from the actual context of their application, such as creativity, individual and collaborative problem-solving, critical thinking, flexibility, social cooperation skills, etc., and, (3) a separate set of skills widely considered as threshold competences for working in a globalized labor market, such as digital skills, English-language skills, and intercultural communication skills (Radó, 2020/a). The effective development of these learning outcomes requires longer participation in formal education, especially in upper-secondary general education. As the data on the participation of 17- and 18-year-olds



in education shows, until 2011 the trend was positive in Hungary. However, from 2012 participation rates started to decline rapidly in both age cohorts (KRTK, 2019). This negative reversal of the trend was the combined effect of two changes. The first is the growing dropout rate that is caused partly by to the reduction of mandatory school-leaving age from 18 to 16, and partly due to the removal of the financial incentives for schools to enroll and retain all pupils possible. The second change is the decrease in the length of upper-secondary vocational education and training.

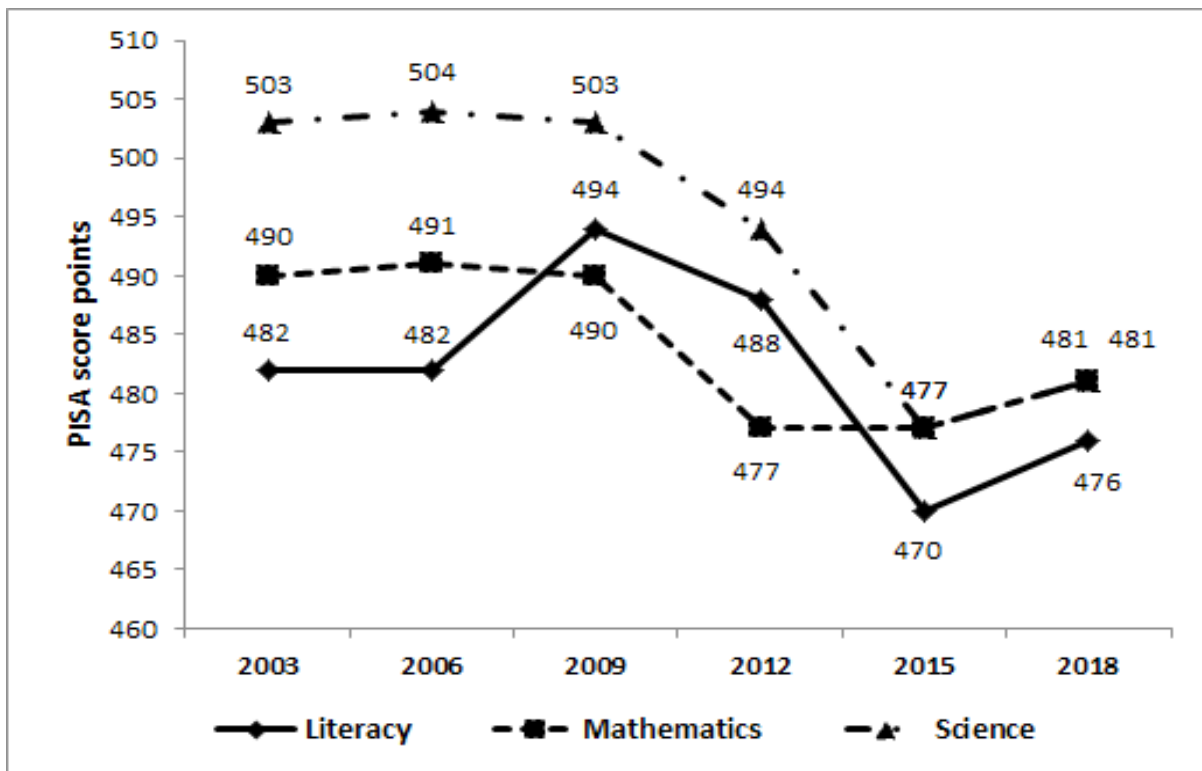
**Figure 6. Participation of 17- and 18-year-olds in education (2001-2018)<sup>11</sup>**



A negative turn can also be observed in terms of the basic competencies that lay the foundations for any further learning, too. According to the consecutive OECD PISA assessment surveys, the science and mathematics competencies of Hungarian 15-year-olds stagnated at around the OECD average until 2009, and their literacy competencies improved. In 2012 and 2015, however, there was a significant decline in the performance of Hungarian pupils that stabilized at a much lower level in 2018. Analysis proved that, to a determining extent, this decline was caused by the cumulative effect of the complete reshuffle of education system that occurred between 2010 and 2015 (Radó, 2016).

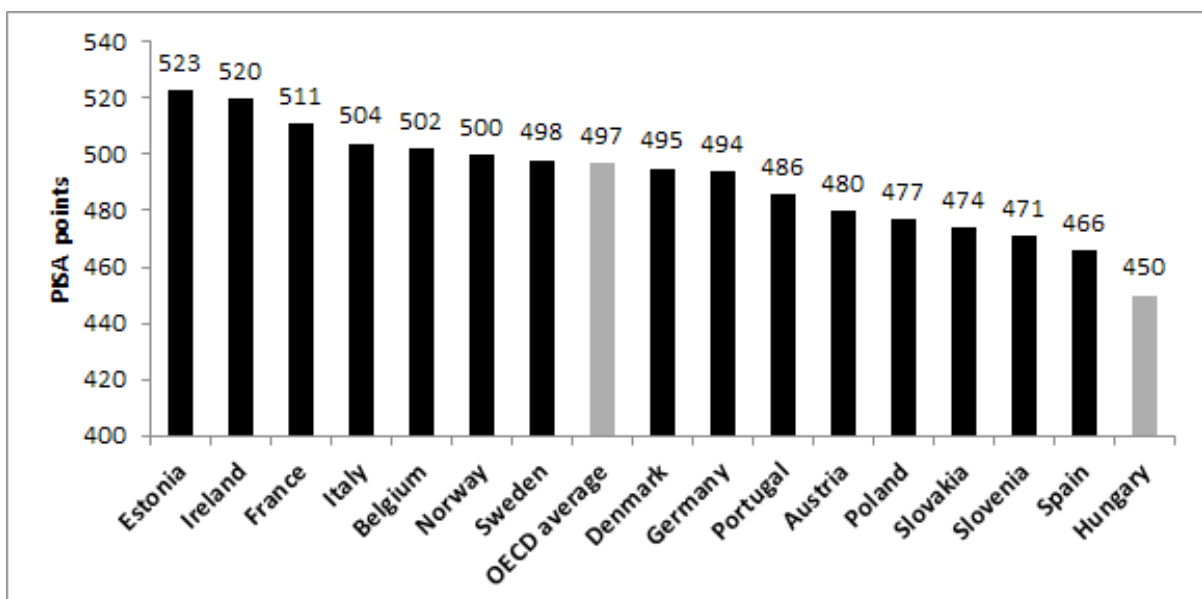
11 KRTK, 2019

Figure 7. The basic competencies of 15-year-old pupils in the PISA assessment surveys (2003-2018)



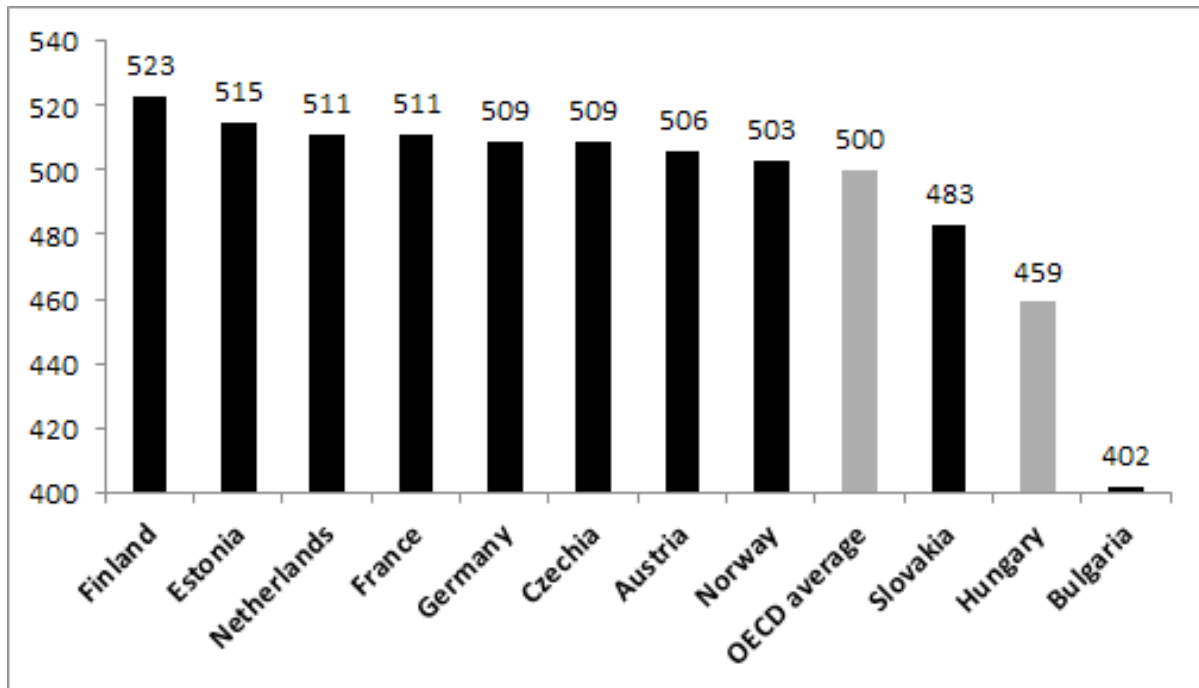
As far as the basic digital skills of Hungarian pupils are concerned, in international comparison they were rather poor in 2012 when the PISA survey first assessed both paper-based and digital literacy testing. The average digital literacy competence of Hungarian 15-year-olds was far below the OECD average, and was the poorest among all participating European countries. Also, the difference between traditional and digital literacy competencies in Hungary turned out to be one of the largest in Europe.

Figure 8. Digital literacy competencies of 15-year-old pupils in the participating European countries (PISA, 2012)



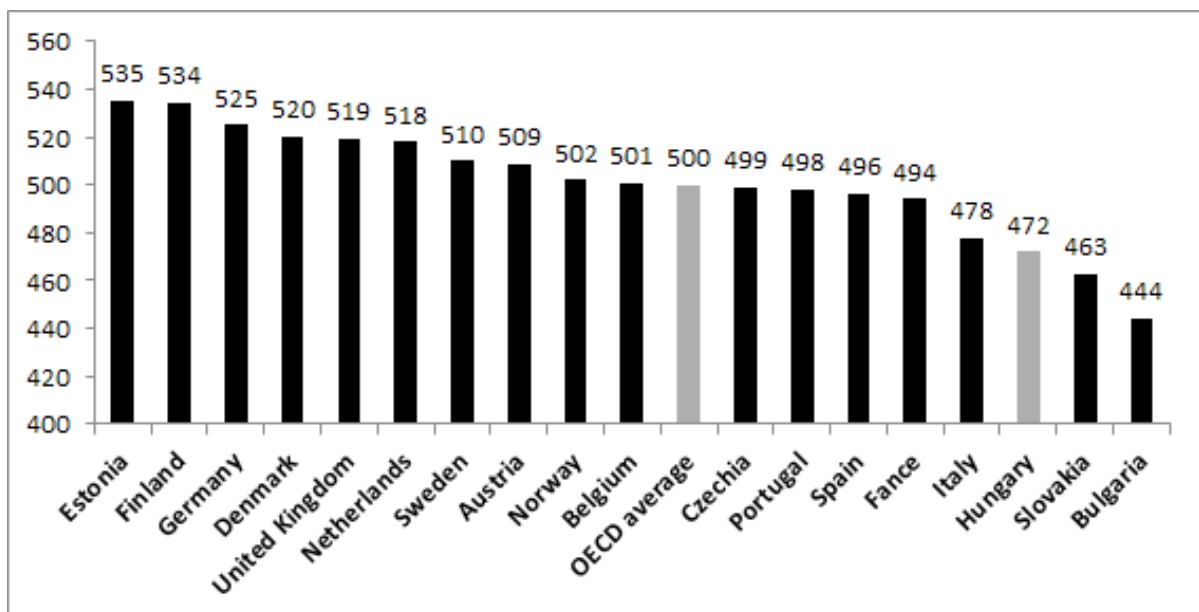
In international comparison, the preparedness of the Hungarian education system to develop adaptive (soft) skills is no better. According to the 2012 PISA survey on problem-solving competencies, Hungarian pupils performed far below the average level of OECD countries, too.

**Figure 9. Problem-solving competencies of 15-year-old pupils in participating European countries (PISA, 2012)<sup>12</sup>**



The same applies to the development of collaborative problem-solving competencies that was measured by the 2015 PISA survey: only in Slovakia and Bulgaria were average results poorer than those from Hungary.

**Figure 10. Collaborative problem-solving competencies of 15-year-old pupils in participating European countries (PISA, 2015)<sup>13</sup>**



12 OECD PISA 2012

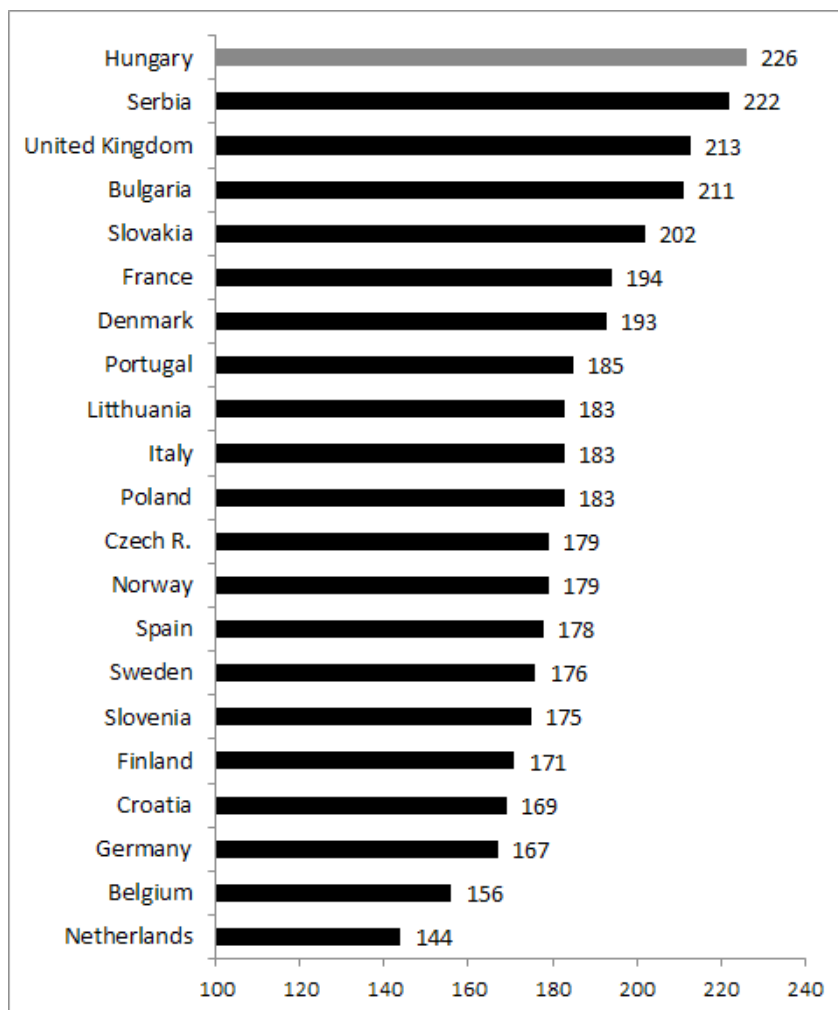
13 OECD PISA 2015

Overall, in light of the most important educational outcome indicators, the Hungarian education system is ill-prepared for empowering pupils to adapt to the most important technological and labor market changes. Basically, Hungarian schools are still focusing on the development of learning outcomes that fit the old paradigm of the industrial age and in international comparison are lagging behind in terms of responding to new external expectations.

## 2.2. Preparedness to mitigate inequalities

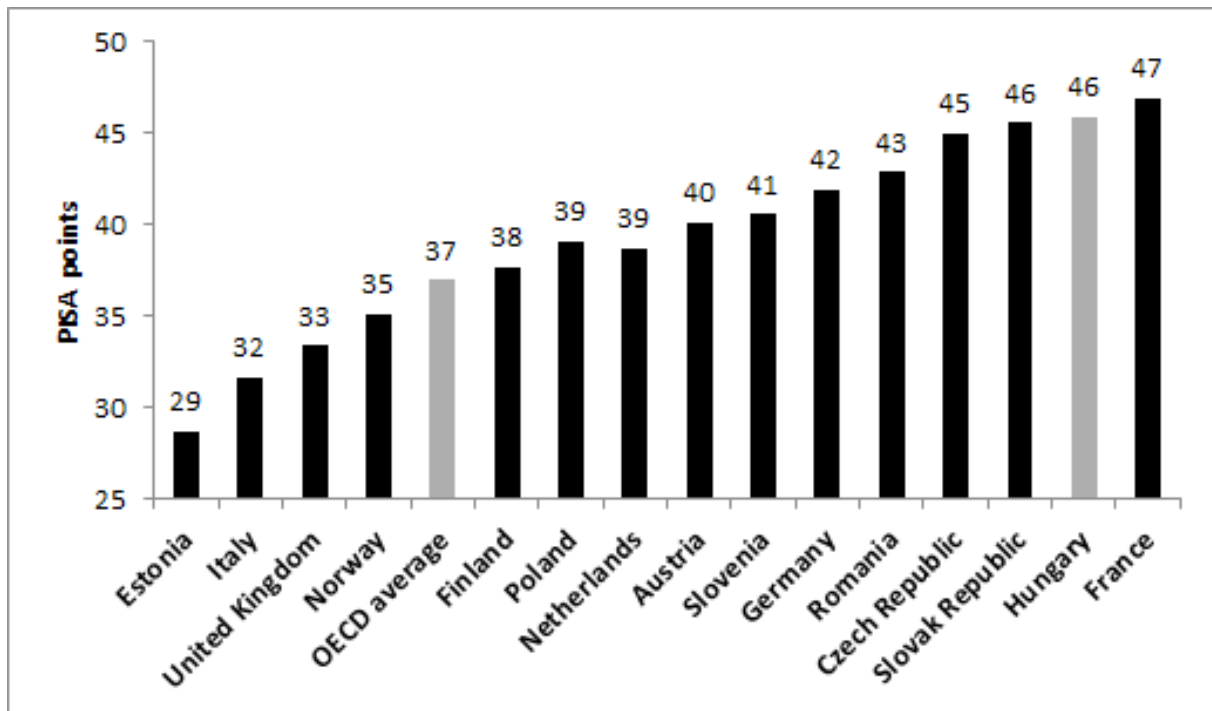
Analysis of various student performance data proves that in terms of mitigating social inequalities, education is not part of the solution in Hungary, but is much more part of the problem. The prevailing very traditional pedagogical practice – the lack of differentiation and the very weak provision of support for individual development – is unsuited for handling differences among individual children. As a consequence, large performance gaps emerge as early as in the initial phase of education. As the results of the 2015 IEA TIMSS survey indicate, in European comparison early performance gaps among pupils in the fourth grade are the largest in Hungary, proving the relative inability of Hungarian schools to prevent early performance gaps from evolving among pupils with different backgrounds.

**Figure 11. Point score differences between the average performance of the 10 and 90 percentiles of pupils in mathematics in grade 4 in participating European countries (TIMSS, 2015)<sup>14</sup>**



The Hungarian education system rolls these early performance gaps over to later stages of formal education, where the capacity of schools to compensate for a disadvantaged family background on the learning of pupils remains very weak. As can be seen in the following figure, in international comparison the impact of the socio-economic and socio-cultural status of pupils (ESCS index) on literacy performance expressed in terms of PISA score points – similarly to in Czechia, Slovakia, and France – is very high.

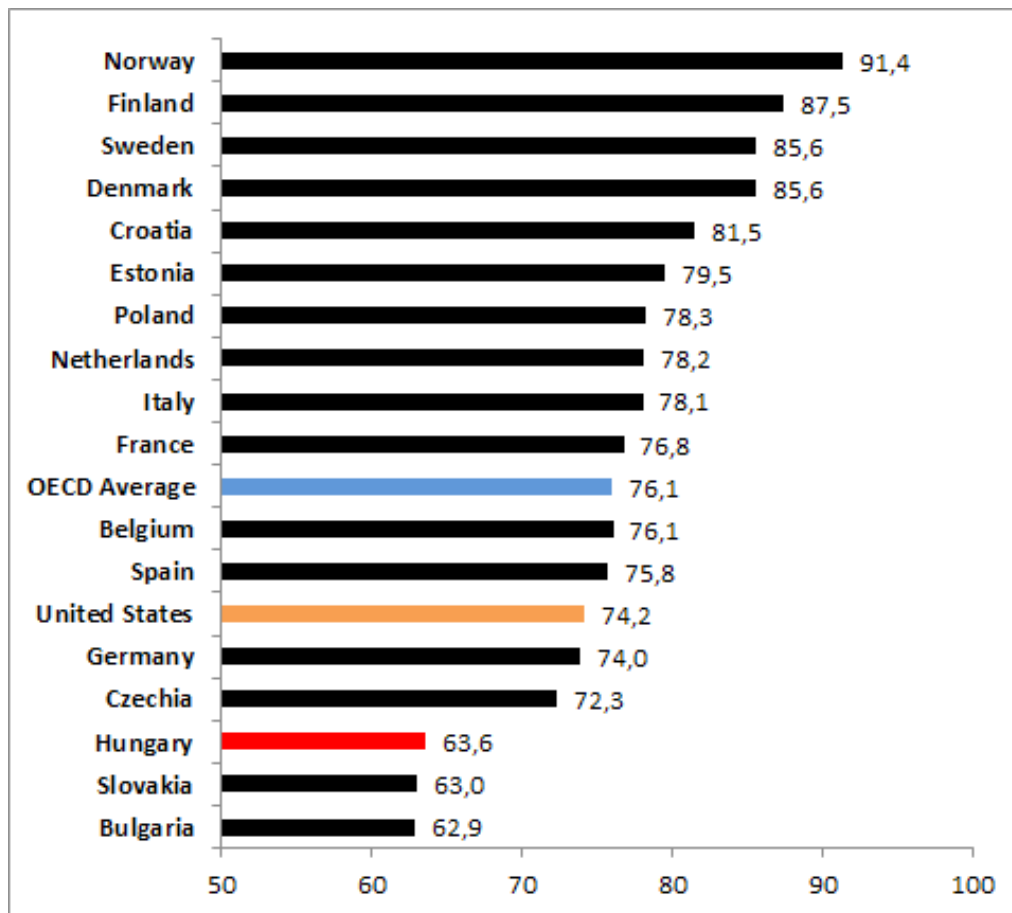
**Figure 12. The impact of a one point difference in the ESCS index of pupils on reading literacy performance in selected European countries (PISA, 2018)<sup>15</sup>**



The specific feature of the Hungarian education system is that low capacity to compensate for disadvantages is matched with extremely high social selection in education. Due to the combined effect of the fragmented school network, the large number of formal and informal selection points, the selective choices of higher-status parents, and various governance failures, Hungary operates one of the most selective education systems in Europe (Radó, 2020/b). For example, according to the PISA index of social inclusion, education is more selective in Hungary than in the overwhelming majority of European systems or in the United States. The only other European country that has a very low capacity to compensate for disadvantages and very strong social selection at the same time is Slovakia.

15 OECD PISA 2018

**Figure 13. The PISA inclusion index<sup>16</sup> in selected EU member countries and in the United States (PISA, 2018)<sup>17</sup>**



It is important to see that, beyond negatively impacting the socialization of pupils with different family backgrounds and denying the conditions of good education for low-status pupils, social selection also magnifies the negative effect of a weak capacity to compensate for disadvantages. The reason for this is the fact that in most countries the impact of low status on learning performance is transmitted primarily through the social status of schools. (The social status of schools is determined by the average family background index of all pupils attending the school.) As a consequence, although in the 2015 PISA survey the average impact of family background on pupil performance was bigger in Czechia, the difference between individual and school status impact is much bigger in Hungary. This suggests that this intensifying effect of school selection is extremely strong in Hungary – much stronger than in any other countries of the Central-European region.

<sup>16</sup> The inclusion index is generated on the basis of within-schools and between-schools variation of student performance data.

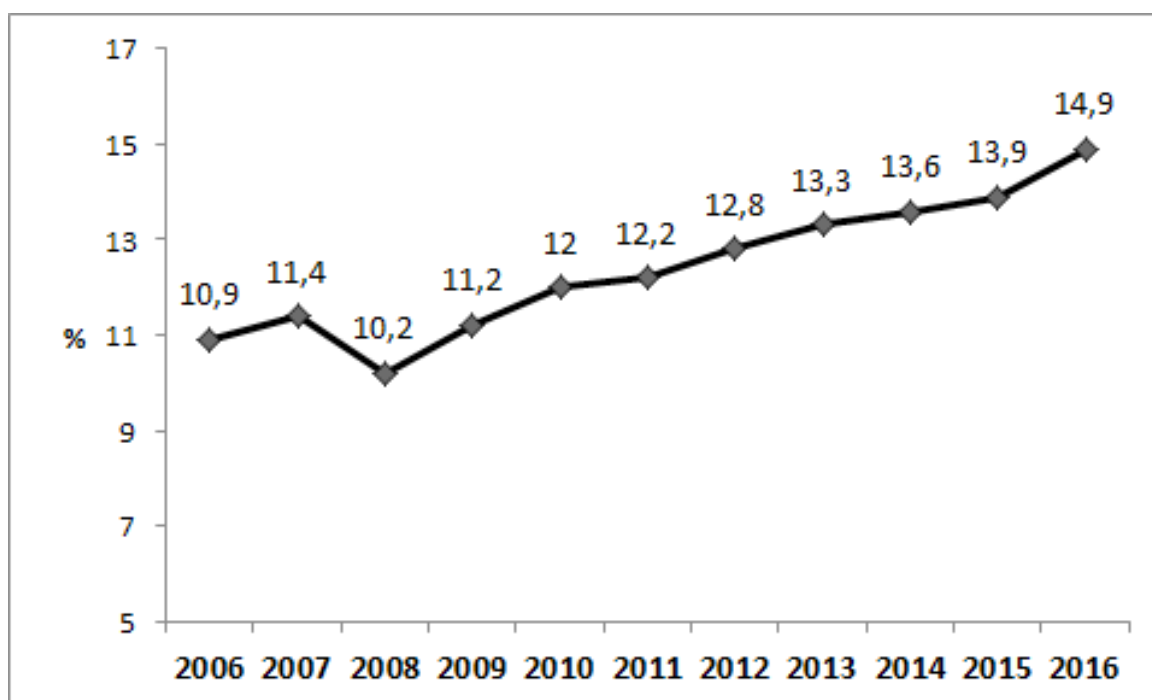
<sup>17</sup> OECD PISA 2018

**Table 1 . Impact of family background and school status on the science performance of pupils in selected European countries (PISA 2015)<sup>18</sup>**

Country	Expected performance gap caused by one unit difference in family status of pupils	Expected performance gap between two pupils with one unit difference between their family status index when status of their schools is identical	Expected performance gap between two pupils with identical family status index if there is one unit difference in the status of their schools
<i>OECD average</i>	<i>38</i>	<i>19</i>	<i>69</i>
Poland	40	31	39
Slovakia	41	13	82
<b><i>Hungary</i></b>	<b><i>47</i></b>	<b><i>6</i></b>	<b><i>96</i></b>
Czechia	52	21	98

The prevailing pattern of social selection and ethnic segregation are basically the same in Hungary: wide latitude exists for the selective school choice of higher-status non-Roma parents. (Kertesi-Kézdi, 2014; Radó, 2018) Therefore, strong social selection has a direct impact on the intensity of the segregation of Roma pupils. This is the reason why – according to data calculated on the basis of the institutional background survey of the National Assessment of Competences – the proportion of ghetto primary schools (schools with more than 50 percent of Roma pupils) – with the exception of a temporary break in 2008 – has continually increased since 2006 (Radó, 2020/b).

**Figure 14. Proportion of Roma ghetto primary schools in Hungary (2006-2016)<sup>19</sup>**



18 OECD PISA 2015

19 Hungarian Assessment of Competences; calculations by István Nahalka

### 2.3. The case of shifting to online teaching and learning due to school closure

The shift to “digital working arrangements” in Hungarian schools due to the COVID-19 pandemic involved a fast decision without any preliminary preparations. (The decision was announced on a Friday afternoon and schools supposed to teach online from the following Monday morning.)

Initially, acceptance of the decision to introduce online teaching and learning almost overnight among teachers was rather ambivalent. According to the results of the (not representative) sentiment analysis of a thousand comments posted in the “Online Homeschooling” (*Online otthonoktatás*) Facebook group, after the first week of “digital working arrangements,” about one-third of teachers (31.5 percent) received it with positive feelings, another third (33.4 percent) expressed rather negative feelings, and an additional one-third (35 percent) remained neutral (Fekete, 2020). At the two ends of the opinion spectrum, while many teachers regarded the situation as an opportunity for the renewal of education, others considered online teaching to be meaningless and would have preferred the complete closure of schools for the period of the pandemic.

In different schools, the shift to online teaching and learning was dealt with in many different ways. In certain institutions – typically in general and technical upper-secondary schools – the management and the teaching staff cooperated in establishing a common platform and protocol for online teaching. They determined the specific online instrument that all teachers should use, they rapidly organized training for teachers who had no prior experience in using the platform, and provided ongoing ICT support. Also, they defined time allocation priorities in order to reduce the workload of pupils. On the basis of available information, however, in the majority of primary schools the shift to online teaching was apparently considered to be the task of individual teachers, associated with very poor institutional support and internal cooperation. In the course of the shift to online teaching, 55 percent of teachers encountered problems that they were not able to solve alone. According to the results of a survey among teachers, 54 percent of primary school teachers did not receive any professional support or training from their employers (21 Kutatóközpont, 2021). In these schools – in line with the highly centralized character of the system – school principals and teachers rather typically demanded concrete instructions and support from their local school operating authority.

At the moment of the shift to digital education, access to online teaching was ensured for all teachers. There were no reports or any anecdotal information suggesting that teachers had no home access to the internet, while the majority of teachers worked using their private internet accounts with their own digital devices. In the very few cases when teachers did not have appropriate devices, schools were able to solve the problems. Due to the relatively high level of internet penetration among households, access to the online learning of middle- or higher-status pupils was ensured, too. However, as will be seen later, the proportion of pupils who have been denied access to online learning due to poverty among all disadvantaged pupils is large.

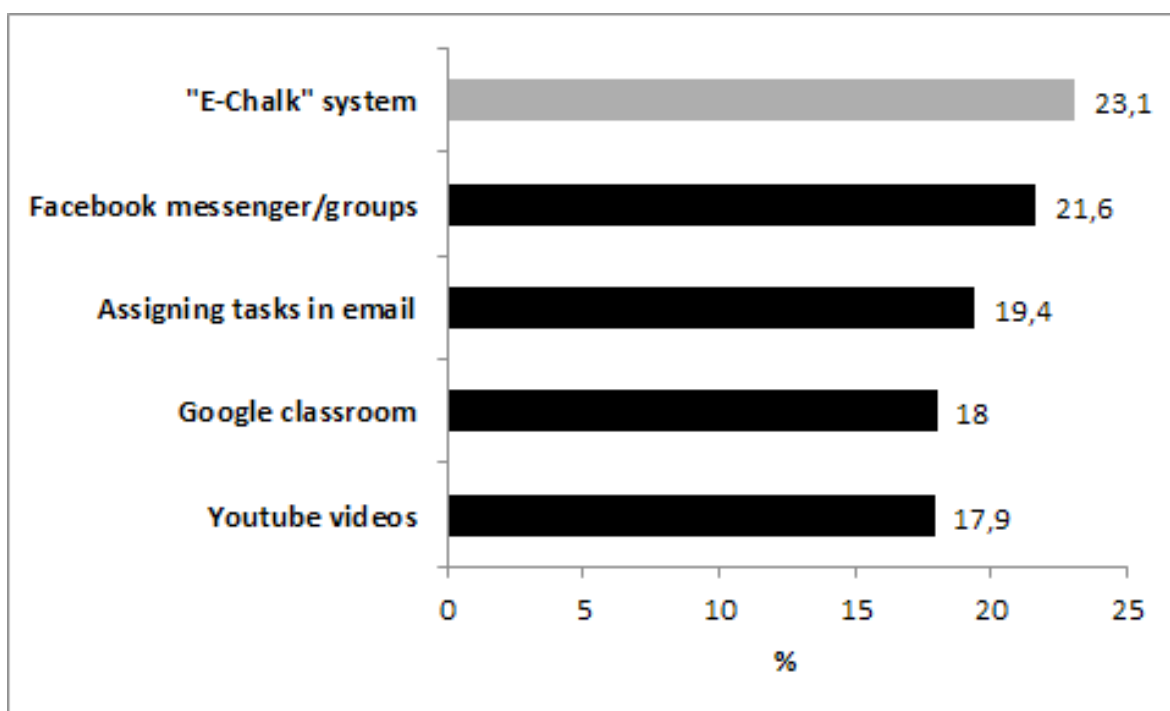
In theory, the official online platform for the “digital working arrangement” was the “E-Chalk”<sup>20</sup> (*E-Kréta*) platform, an online administrative registry platform that was introduced in all public schools in 2016, then in all other schools from 2018 on a mandatory basis. The introduction of the E-chalk registry system was designed to standardize the various electronic registry systems that schools used in line with the centralized administrative management system. Following the shift to online teaching, four updated versions of the E-Chalk platform were issued by the Educational Authority. In spite

20 Köznevelési Regisztrációs és Tanulmányi Alaprendszer



of this, partly due to the limited teaching and learning options it offers, and partly due to concerns about central monitoring of the work of teachers, it is still unpopular among teachers. However, since all education service delivery data (e.g. delivery of classes, tasks assigned to pupils, pupil attendance, marks given to pupils, etc.) are registered in the E-Chalk system on a mandatory basis, all schools were forced to use it to a certain extent. Therefore, schools either used it for teaching, too, or registered data on it while using other platforms for managing teaching and learning. According to the results of a non-representative online teacher survey based on the analysis of 1235 respondents, administrative obligations – and probably the insufficient digital preparedness of many teachers – made this public administrative system the most frequently used online platform for managing teaching and learning.

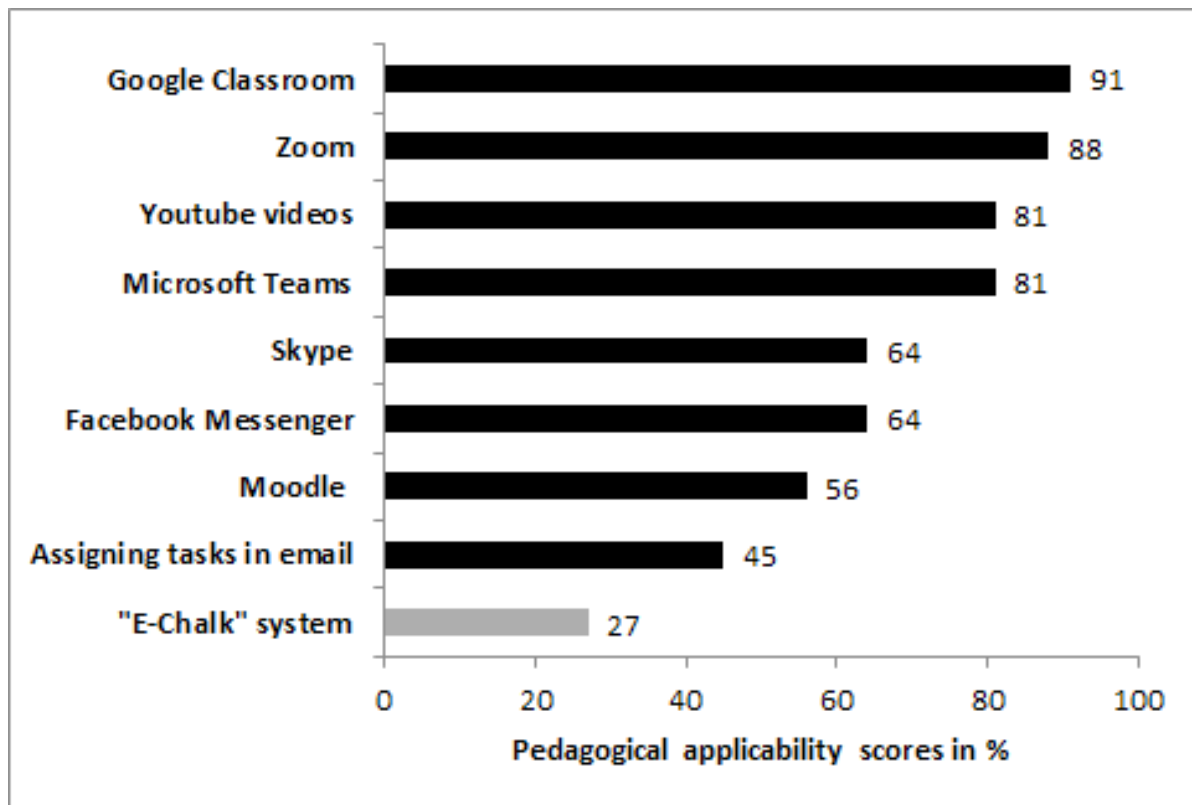
**Figure 15. Online instrument most frequently used by teachers at all levels of education during the time of “digital working arrangements” (DE Report)<sup>21</sup>**



However, when looking at the results of the same survey among teachers working in upper-secondary general education, who had much greater prior experience with using digital instruments, the success of the only public system appears to be rather doubtful: while 79 percent of teachers in upper-secondary general education reported that they were using the E-chalk platform, its pedagogical application was being employed by only 27 percent. The most highly regarded instruments used in secondary education were Google, Microsoft, and Facebook applications.

21 DE Report [https://create.piktochart.com/output/45101660-dio\\_report?fbclid=IwAR0zlnnuhKnLBs1\\_EpMHUSdVV546O23F4ScXd\\_6arjF2MIvPKb88CokuVZQ](https://create.piktochart.com/output/45101660-dio_report?fbclid=IwAR0zlnnuhKnLBs1_EpMHUSdVV546O23F4ScXd_6arjF2MIvPKb88CokuVZQ)

**Figure 16. Assessment of upper-secondary general education teachers of the pedagogical applicability of various online platforms (applicability scores in %)<sup>22</sup>**



The government support provided to schools, teachers, pupils and parents for online teaching and learning remained very poor throughout the entire period of cessation of offline schooling. In 2016, the government approved the Digital Education Strategy of Hungary. For the implementation of the strategy the government established the Center for Digital Pedagogical Methodology. Due to the limited resources that were available, however, the activities of the Center were limited to the development of regulatory instruments and to piloting small-scale experimental pilot projects. Also, the educational support service system, which was dramatically downsized in the first years of the decade, did not have the capacity to transmit the developed digital education know-how to schools and teachers, although the demand for such assistance has significantly increased. The Educational Authority made available “Methodological recommendations for the out-of-classroom digital working arrangement” on its site, but this initially mainly included methods and content developed by NGOs, business organizations, and professional associations. The content of the recommendations has been enriched in the course of online teaching, but it tends to be focused on gradually enriching educational practice than providing guidance for it.

The lack of appropriate professional support from government agencies was to a large extent balanced by the horizontal exchange of information, know-how, and advice among teachers within schools and online on Facebook. One of the most useful initiatives was the “Online Homeschooling” (*Online otthonoktatás*) Facebook group for teachers, which became extremely popular; the initially

22 DE Report [https://create.piktochart.com/output/45101660-dio\\_report?fbclid=IwAR0zlnnuhKnLBs1\\_EpMHUSdVV546O23F4ScXd\\_6arjF2MIvPKb88CokuVZQ](https://create.piktochart.com/output/45101660-dio_report?fbclid=IwAR0zlnnuhKnLBs1_EpMHUSdVV546O23F4ScXd_6arjF2MIvPKb88CokuVZQ)

few hundred members grew to 86 thousand within days. This Facebook group later created a separate group for parents (*Digitális szülő*) and separate groups for teachers teaching Hungarian language and literature and other specializations. According to the results of a separate online survey among teachers of primary schools with a big proportion of pupils with multiple disadvantages and Roma pupils, only 25 percent of respondents had received support in the form of usable teaching materials from government authorities and agencies. At the same time, 86 percent of them identified relevant teaching material through internet searches and 81 percent said they had received support from professional Facebook groups (Kende-Messing, 2020). According to a representative teacher survey, in the case of encountering ICT-use related problems, 67 percent of teachers received support from other colleagues, 55 percent from family members, 47 percent sought out solutions on the internet, 24 percent received support from friends, 15 percent were helped by pupils, and only 7 percent reported to participating in training (21 Kutatóközpont, 2021).

Overall, the “digital working arrangement” in Hungary was built much more on the instruments developed and made available by multinational IT companies (Google, Microsoft, Facebook, etc.) and on the online educational content developed by Hungarian NGOs and professional associations than on the digital development efforts of the Hungarian government during the last decade. (The products associated with the rather heavy EU-funded digital content development of the previous decades are not compatible with the centrally issued curricula, and most of these are no longer for teachers.) This obvious lack of appropriate investment, and, as a consequence, the rather poor government support for facilitating the shift to online teaching and learning was very visible to the majority of teachers.

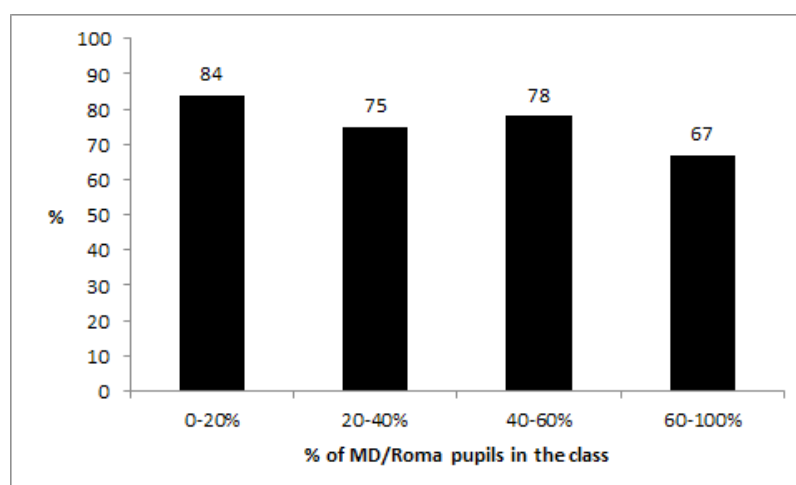
According to many narrative reports of teachers shared on social media and by the press, one of the most important effects of the shift to online teaching is that it has made visible and magnified the methodological differences among teachers. Those whose offline instructional practice was basically “frontal” (i.e. content-driven, based on unilateral classroom communication, and exclusively on summative pedagogical evaluations) attempted to continue the same practice online. They delivered online frontal lecturing, replaced a part of their teaching by giving students even larger amounts of homework, heavily relied on textbooks, and rigorously controlled online attendance and the delivery of assigned tasks. Apparently, this practice characterized the online work of the majority of teachers, especially in primary and upper-secondary vocational education. At the other end of the professional preparedness spectrum, many teachers felt liberated from the constraints of offline teaching and almost immediately shifted to the facilitation of active, autonomous, individual or small-group learning. Instead of everyday classes, these teachers organized learning into projects lasting multiple days or a week, and provided individualized support and feedback. (To a certain degree, teaching in classes before the final school-leaving exam was an exception, because in this period the pressure on students to acquire knowledge is high.) This approach to online teaching and learning was much more typical of teachers at many private primary schools and upper-secondary general schools. Another aspect of the individual preparedness of teachers that became essential among the circumstances of online teaching is self-reflection-based flexibility. Anecdotal information suggests that a large proportion of teachers were not able to consider the implications of the large difference between the context of organized group learning in a classroom and learning at home with parents or alone. The preparedness of teachers for digital education had a very strong generational dimension. The proportion of teachers who felt they had sufficient digital competence for online teaching was 83 percent in the age group younger than 29 years, while this proportion was only 26 percent among teachers aged 60 years old or older (21 Kutatóközpont, 2011). On the whole, the “digital working arrangement” seems to have led to

even greater polarization of the teaching profession; poorly prepared teachers who pursued traditional teaching practices became much less effective and struggled, while creative teachers with a rich instructional methodology repertoire became even more effective.

At the level of primary education, one of the critical aspects of the “digital working arrangement” is the sudden and heavy involvement of parents. Hungarian education already relied very much on parental support prior the COVID-19 pandemic – one of the factors contributing to the strong impact of family background on pupil performance. Online learning put an additional and significant burden on parents who very often found they were taking over a significant proportion of the responsibilities of teachers. However, the much greater involvement of parents into the learning of their children in many cases did not go hand in hand with intensified teacher/school-parent communication, and this became a source of a great deal of uncertainty and frustration. Also, online teaching made the work of schools and teachers much more transparent to parents, very often, if gradually – especially among higher-status parents – generating parental discontent. On the other hand, some schools recognized the increased importance of informing parents and developed new online channels to explain what the school was actually doing, for what reasons. In spite of these initial difficulties, according to a survey among parents after two months of online teaching and learning, 58 percent of respondents were basically satisfied with digital education.<sup>23</sup>

The most striking issue in relation to the shift to online teaching and learning in Hungary is the negative consequences of digital poverty; that is, the combined effect of a lack of access to online learning and the poor online learning competencies. These problems emerged along social divisions; basically, with pupils with multiple disadvantages (MD pupils) and Roma pupils who are most affected by digital poverty. The magnitude of the problem is indicated by another online survey on the experiences of teachers in schools that serve Roma and/or socially disadvantaged students. (The survey was initiated by a consortium of NGOs working with Roma youth,<sup>24</sup> while the online questionnaire was filled in by 425 teachers.) On average, the teachers reported that 75 percent of their pupils had joined in digital education. In other words, a quarter of their students had been lost in the process. The proportion of pupils dropping out of education after the closure of schools was much higher in classes with higher proportions of Roma/MD pupils (Kende-Messing, 2020).

**Figure 17. Share of pupils joining digital education according to share of MD / Roma pupils in class<sup>25</sup>**



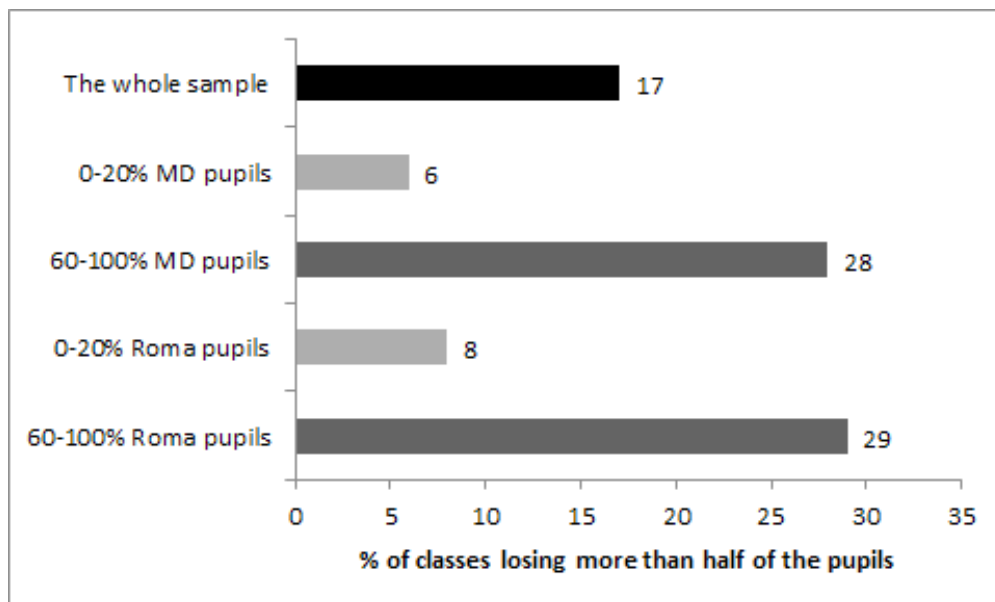
23 <https://markamonitor.hu/2020/05/12/digitalis-atallasbol-jol-vizsgaztak-a-diakok-kutatas-a-tavoktatas-megelerol/>

24 Rosa Parks Foundation, Motiváció Association, Partners Hungary Foundation

25 Kende-Messing, 2020

In many schools where disadvantaged and/or Roma pupils are concentrated, many classes lost more than half of their pupils in the course of online teaching and learning. These schools are concentrated in two north-eastern counties of Hungary. According to teachers, the greatest challenges for pupils that caused them to drop out of education were a lack of proper space at home, a lack of independent learning skills, and lack of computer/internet access (Kende-Messing, 2020).

**Figure 18. Proportion of classes losing more than the half of their pupils<sup>26</sup>**



During the entire period of the “digital working arrangement” the government, government agencies and authorities did not initiate any programs to identify pupils at risk of dropping out of online learning, or mitigate the reasons for dropout. Pupils in need of such support (e.g. who needed digital devices and internet access) received limited support only from NGOs.

### 3. OVERVIEW OF THE EVOLUTION OF THE INSTITUTIONAL CONTEXT

The evolution of the main structural characteristics of the institutional framework within which the Hungarian primary and secondary education system operates can be divided into five distinct phases (Radó, 202/c). These phases do not necessarily coincide with government terms; while certain stages incorporate changes that were implemented by multiple consecutive governments, others were initiated by a policy shift by the same government. The five phases are the following:

1. Phase 1. 1985-1995: *Decentralization in education;*
2. Phase 2. 1995-2003: *Building up the regulatory instruments of the decentralized system;*
3. Phase 3. 2003-2011: *Policy-substituting development in education;*
4. Phase 4. 2011-2015: *Extreme recentralization in education;*
5. Phase 5. 2016-2020: *Policy-substituting curriculum change.*

26 Kende-Messing, 2020

### 3.1. Phase 1. (1985-1995).

The systemic transformation of the Hungarian education system started as early as in the last years of the communist regime. The underlying intention of the new legislation in 1985<sup>27</sup> was to supersede direct political control over the operation of schools and replacing it with a system of professional self-management exercised basically through the collective decisions of teaching staff (See 4.1 and 4.2). In 1987, the government established a separate fund to provide small grants for initiating pedagogical experiments and in fact approved almost all applications for experimental school curricula. Due to the large number of schools running experiments, a great deal of unregulated curricular diversity was achieved by 1990, although in theory the centrally issued curriculum remained operative (Halász, 2003).

The engine of further educational decentralization in the years following the regime change in 1990 was not a genuine educational strategy; it was much more driven by adaptation to a radically changing constitutional and public administration environment. The 1993 Act on Public Education<sup>28</sup> served the coherent regulation of educational services already deployed to the responsibility of local self-governments and already was funded on a normative basis since 1991. (See: 5.3) In order to adjust to the new management structure, the law introduced a two-tier curriculum regulation system (a pedagogical program of schools developed within the overall framework of a National Core Curriculum). The pedagogical programs of schools were approved by the owners of the schools (typically municipalities) and the evaluation of schools became the task of owners, too. The law established the National Council for Public Education (a professional advisory body) and the Educational Policy Council (a stakeholder consultation body). Also, the law established regional educational authorities as deconcentrated professional and administrative bodies of the Ministry of Education. (The regional authorities basically undertook tasks deployed to the ministry, therefore they did not alter the division of labor among the different levels of educational management.) This initial phase of structural decentralization was concluded by the approval of the National Core Curriculum in 1995.

### 3.2. Phase 2. (1995-2003).

In this period, almost all major systemic changes in education – with the exception of the dissolution of the regional educational authorities mainly for political reasons in 1995 – served the development of the institutional conditions for operating the decentralized system on the basis of the 1995 comprehensive education development strategy. Between 1995 and 1998 – in parallel with managing the three-year implementation process of the two-tier curriculum regulation system – the socialist-liberal coalition government introduced mandatory mid-term planning at the county level (in 1996). Also, the state accreditation of school evaluation experts working for self-governments (as a substitute for government-operated school inspection) and the quality assurance (program accreditation) of in-service teacher training programs was introduced in 1997. The following conservative coalition government further enriched the toolkit of decentralized governance by initiating a large-scale program for introducing quality management systems into schools in 1999 through the introduction of centrally issued framework curricula for mediating between the NCC and school programs in 2000, and through the introduction of standardized annual mandatory assessments of the literacy and math competences of all pupils in grades six, eight and ten in 2001. The initial measures of the next socialist-liberal government

27 1985. évi I. törvény az oktatásról. <http://jogiportal.hu/index.php?id=linibq1d8t60zopmx&state=19910723&menu=view>

28 1993. évi LXXIX. törvény a közoktatásról. <https://mkogy.jogtar.hu/jogszabaly?docid=99300079.TV>



from 2002 fitted into the same pattern: an amendment to the Act on Public Education made the application of the framework curricula optional and made the operation of a quality management system in all schools mandatory (Halász, 2018).

### 3.3. Phase 3. (2003-2011)

Due to gaining access to relatively large amounts of EU funds for educational development since accession in 2004, the nature of policy-making changed in Hungary: the implementation of policy intentions mainly through institutional changes was replaced by large-scale central development programs that were supported by connected incremental institutional changes. In fact, development programs substituted traditional policy measures (Radó, 2015). These development programs were based on two comprehensive education development strategies: the 2003 strategy for one government term, and the 2006 mid-term strategy for the next EU budgetary period. There were two exceptions in relation to this policy-substitution development pattern. The first was the introduction of the “two-tier” final (“Matura”) exam in 2005 on the basis of a decision made in 1997, and that of the already developed examination requirements. This reform amalgamated the earlier two separate upper-secondary school leaving (matura) exams with the entrance examination for higher education organized and controlled by higher education institutions. A semi-standardized unified exam was introduced at medium and advanced levels. (The new type of exam was introduced in the legislation in 1997 and was implemented in 2005, when the first pupils who had started primary school in 1998 graduated.) Another substantial institutional change was brought in by the 2005 revision of the earlier Roma integration policy, which resulted in supplementing the former instrument based on financial incentives and development with more “hard measures,” such as re-regulation of the rules for determining non-mandatory catchment areas for individual schools.

In contrast to these measures, others were directly connected to development programs in order to establish their regulatory foundations. For example, the new National Core Curriculum, approved in 2003, which represented a shift from determining content to determining learning outcomes, as well as the introduction of “pedagogical systems,” were aimed at paving the way for the development of new pedagogical programs and their introduction in hundreds of schools at all levels of education. Also, the revision of the National Core Curriculum in 2007 aimed at adjusting learning outcome goals to EU competencies<sup>29</sup> in order to orient ongoing development programs. In 2008, the government decided to address a still lacking important element of the regulatory basis of decentralized governance: a professional accountability system (school inspection) that was compatible with decentralized management and extensive school autonomy. Again, instead of developing a strategy for new regulation and institutional change, a strategy was created and approved for a large-scale EU-funded development program without any amendments to the existing regulatory framework. Due to the government change in 2010, the implementation of the program did not happen, and the funds were rerouted to help build the new highly centralized system (See: 5.2.2). Another important element of decentralized governance that was lacking – namely, defining learning outcomes requirements (standards) for the end of primary education – did not appear on the educational policy agenda.

29 The updated version of the list of key competences: Council Recommendation of 22 May 2018 on key competences for lifelong learning. [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C\\_.2018.189.01.0001.01.ENG&toc=OJ:C:2018:189:TOC](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2018.189.01.0001.01.ENG&toc=OJ:C:2018:189:TOC)

### 3.4. Phase 4. (2011-2015)

In 2011, the conservative majority in Parliament behind the second Orbán government enacted an “Act on National Upbringing” (replacing the Act on Public Education) and a new Act on Vocational Training. The two new laws replaced all prior educational legislation. The most important structural characteristics of the new system established by the new legislation were all-pervasive centralization, a shift to administrative bureaucratic and political control, and the termination of the organizational, fiscal, and professional autonomy of schools. As a consequence, the regulatory instruments fitted to the formerly decentralized system (especially those standards that oriented the work of actors operating with a great deal of autonomy) either disappeared, or became geared to the centralized system. The former were typically replaced by discretionary administrative decision-making competencies attached to the heads of newly established deconcentrated educational management authorities, the local departments of the Klebelsberg School Maintaining Authority.

As far as the radical reshuffle of the management of primary and secondary education is concerned, on the basis of the new legislation all public educational institutions – with the exception of kindergartens – were taken over from the self-governments and maintained by the Klebelsberg School Maintaining Authority (KLIK). (This change is widely referred to in Hungary as the “nationalization” of schools.) In theory, the school facilities remained self-governing properties. State-owned schools were terminated as separate legal entities and were merged into the organization of KLIK. Therefore, from 2013 all publicly owned schools were directly micro-managed by 198 deconcentrated departments of KLIK, called school district directorates. At the same time, the organizational, fiscal, and professional autonomy of schools was terminated. School principals are appointed by the minister responsible for education, while school district directors took over all employment-related decision-making competencies from school principals. All teachers of these schools became employees of KLIK. Parallel to the “nationalization” of self-government owned schools, between 2012 and 2014 a major government-supported wave of privatization took place, and the larger Christian churches took over a large number of public schools (Tomasz, 2017; Ercse-Radó, 2019; Radó, 2019). Originally, upper-secondary technical and vocational schools were part of the KLIK-managed school network. In 2015 however, VET schools were taken over from the Central School Maintaining Authority by the Ministry of National Economy. (Later in 2018 the supervision of VET schools was moved again, this time to the Ministry of Innovation and Technology.)

After all teachers of public schools became employees of KLIK, the gradual introduction of a career scheme for teachers was started, in which advancement depends on predetermined criteria and procedures, and which is administered by qualifying committees (See: 5.2.2). Additionally, a “Teachers’ Chamber” was established by the government, in which membership is legally mandatory.

Since 2013, a new financing system has been applied that is based on centrally managed input financing on a “historical basis” (See: 5.3). Although in a transitional period returning operational costs were paid by local self-governments, since 2015 the responsibility for covering these expenses also moved to KLIK, thereby completely eliminating any self-government responsibility in relation to primary and secondary education (Ercse-Radó, 2019).

As part of the full education system reshuffle, and in line with the highly centralized systems of management and financing, a New National Core Curriculum and supplementary mandatory framework curricula were issued by the government in 2012, and were introduced in 2013 (See: 4.1 and



5.2.1). Another aspect of the disappearing autonomy of schools is the fact that from 2012 the operation of self-evaluation-based quality management systems ceased to be a mandatory task of schools (See: 4.3 and 5.2.2). The former demand-driven and sector-neutral system of all sorts of pedagogical services was also nationalized, although private and non-profit service-provider organizations were excluded. Instead, a network of Pedagogical Educational Centers was established under the supervision of the central Educational Authority. In comparison to the previous liberalized professional service network, the new network of very small agencies – sometimes serving the schools of multiple counties – have an extremely symbolic role in relation to their supporting capacity, and their services are not quality assured. Following 2012, the government gradually implemented free textbook provision for all primary school pupils, and in 2013 introduced a centralized and nationalized textbook distribution system. After 2015 – after the exclusion or buying up of all private textbook publishing companies – a single textbook system was introduced. In the new system, only church-owned schools are entitled to use textbooks other than the single government-issued ones.

### **3.5. Phase 5. (2016-2020)**

The 2015 “migration crisis” in general, and especially the resistance movement of large masses of teachers from the end of 2015 until the summer of 2016 stalled any classical policy-making in Hungary. This was replaced by “political governance”; that is, by substituting policy-making with government propaganda through political control of the overwhelming majority of print, electronic, and online media. As a consequence, all changes initiated to education by the government during the last phase were mere minor technical corrections aimed at mitigating the inevitable inefficiency of the highly centralized system without reconsidering its main structural characteristics created between 2011 and 2015. For example, one of the corrective changes involved amalgamating the deconcentrated network of school district directorates originally consisting of 198 centers into 58 directorates with limited financial management autonomy in 2016. This rather technical change did not alter the responsibilities of any educational actors.

The only exception to this pattern was the issuance of a new National Core Curriculum that was announced in 2016 as part of the communication campaign to appease the teacher’s movement. The new state curriculum was written in utmost secrecy between 2016 and 2020 and introduced in September 2020 without making any changes to the single-tier curriculum regulation system that was created in 2012 (Radó, 2020/c). The only change the new curriculum brought in was heavy use of conservative-Christian ideological indoctrination.

## **4. SCHOOL-LEVEL ADAPTATION**

As already mentioned, in 2011 the Hungarian Parliament enacted a new Public Education Act, a new Vocational Training Act, and a new Higher Education Act. The new legislation initiated a complete education system reshuffle that left no aspects or segments of the system of primary and secondary education untouched. In the period 2012-2015, all systemic changes were implemented that dramatically

altered the latitude for all actors in education and had major implications for the capacity of schools to adapt to changes. In this section, the following key problems will be addressed: the radically modified scope of institutional school autonomy, the institutional potential of schools to operate cycles of self-evaluation and school development before and after 2011, and the capacity of schools to adapt to challenges transmitted by parental expectations.

#### 4.1. The changing scope of school autonomy in Hungary between 1985 and 2020

Due to the gradual alleviation of the oppression by the communist regime from 1983, the withdrawal of direct political and administrative control from schools started as early as in the first part of the eighties. This happened on the basis of a “self-management” approach in the 1985 Act on Education that declared: “In educational matters the teaching staff meeting, the community of the educators of the school is the main conferring and decision-making body of the institution.” This sentence was incorporated into the 1993. Act on Public Education and into its amendment in 2003 without any changes and established an education system in which the autonomy of schools was the most important structural characteristics and in which teaching staff had stronger decision-making power than the principals of schools (Sáska, 2003). In 1993, the professional autonomy of schools was supplemented by giving them strong fiscal and organizational autonomy. As already described in the section on the evolution of the Hungarian institutional context, the instruments for governing a highly decentralized system were gradually developed by the successive governments between 1996 and 2003.

These institutional frameworks were radically altered in 2011 by the Orbán government in the opposite direction, and to the extreme. As of January 2013, all public educational institutions – with the exception of kindergartens – were taken over from municipal self-governments and maintained by the newly established Klebelsberg School Maintaining Authority. State-owned schools were terminated as separate legal entities and were merged into the organization of KLIK. Schools are now directly micro-managed by 198 deconcentrated departments of KLIK called school district directorates (*tankerületi igazgatóság*). (In 2016 the deconcentrated school district directorates were amalgamated into 60 directorates with strengthened fiscal management authorities.) All school principals are appointed by the minister responsible for education himself. School district directors took over all employment-related decision-making competencies from school directors, and all teachers are now employees of KLIK, not of their schools. School district directorates have started to operate centralized assignment systems. (The majority of school principals have already been replaced, and their selection is very much based on political loyalty.) From the 2015/16 school year, upper-secondary technical and vocational schools were taken over from the Central School Maintaining Authority by the Ministry of National Economy.

The organizational and professional autonomy of schools was terminated, or its scope for autonomy reduced to a symbolic function. This has had major implications for the latitude for implementing the core educational functions of the schools; that is, for the creation and implementation of the school program, determining the organization of teaching and learning, managing institutional pedagogical evaluation and instruction, as well as for its organizational functions, such as the management of organizational processes, the internal allocation of financial resources, the management of human resources, the management of school facilities, and the procurement of teaching materials and equipment. As far as the core educational functions are concerned, the most important change is the return to a single-layer central curriculum regulation system that constrains professional school autonomy to a

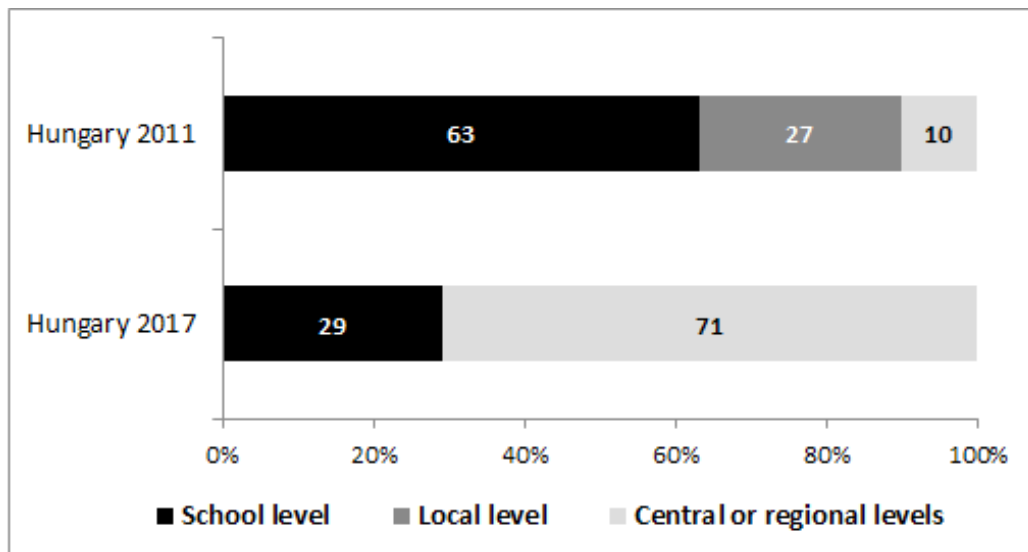
theoretical 10 percent of teaching time and to extracurricular activities. Formally, teaching staff have the right to approve the pedagogical program, but due to central curricular over-regulation this change has no financial implications, therefore, the change is rather symbolic. The new central curriculum and framework curricula basically fully determine how the three other core educational functions are implemented, too. The same applies to organizational functions. The introduction of direct central funding (involving the termination of the budgets and bank accounts of schools) and depriving school principals of all formal human-resource-management-related decision-making authorities has effectively eliminated institutional and financial management space for autonomous school operation. The former system of quality management in schools has been eliminated and replaced by centralized external professional supervision. Also, the introduction of a single textbook regime with a centralized textbook distribution system basically restricted the role of schools in textbook selection to annually reporting the number of enrolled pupils. (For the detailed analysis of these functional governance subsystems see Section 5.)

It is important to keep in mind that the general realignment of the governance system did not only narrow the scope of school autonomy to an extreme extent, but also changed the nature of external “interference” in the internal operation of schools: the “soft power” of municipality ownership has been replaced by hard administrative control and external micro-management by deconcentrated authorities. The school maintaining authority (from 2016: authorities) undertake three distinct sets of educational management tasks:

1. those central education management tasks not deployed to the Ministry of Human Resources, to the National Educational Authority, or to deconcentrated Government Offices;
2. all the ownership-related decision-making competences that were earlier the responsibility of municipal self-governments (councils or mayors), with the exception of the appointment of school principals, which in the new system is exercised by the minister;
3. the large majority of the former decision-making competencies of school principals.

Although – due to the rather complex relationship among the various levels and actors in educational management – describing the division of labor among them in terms of proportions of formal decision-making assignments is a superficial and often misleading task, the relatively sophisticated analysis of the OECD Education at a Glance indicator system is capable of demonstrating the depth of the realignment that occurred in Hungary within two years on the basis of the 2011 legislation. It is important to emphasize the following fact again: the central- and regional-level education management actors in Hungary are all central government agencies: either the ministry responsible for education and its national authorities, or the deconcentrated authorities of the central school maintaining authority that are directly supervised by the minister. (The impact of deconcentration is the opposite of that of decentralization; it strengthens the power of central government by strengthening its outreach.) Also, since schools are affiliated with the organization of the school maintaining authorities, the demarcation between schools and the authorities is no less artificial. This demarcation is basically regulated by the internal operational regulations of the authority and often alleviated by informal customs and personal relationships.

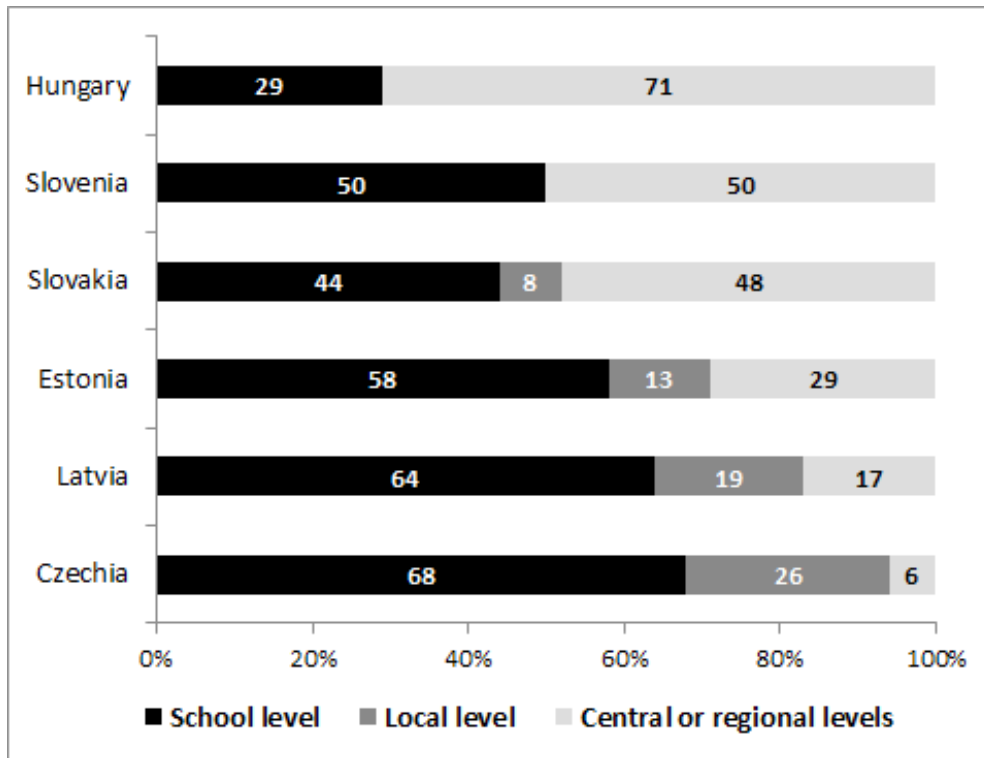
**Figure 19. Proportion (%) of decisions taken at each level of government in public lower secondary education In Hungary in 2011 and in 2017 (OECD EAG, 2012, 2018)<sup>30</sup>**



The magnitude of this change from one extreme to another can be demonstrated in regional international comparison. In the period 1990-1993, the Eastern European former communist countries allocated more decision-making competencies to schools than many of the Western European countries. (Among the circumstances of the regime change, this was much easier without the inertia of path dependencies caused by a system with a long legacy). In contrast, as far as the extent of strengthening the autonomous management power of municipalities is concerned, the differences among these countries are much bigger. This partly flows from the different size of the countries (in small countries with around two million population ministers of education may personally know all the secondary school principals), and partly from the different self-governance traditions of the countries, which were especially strong in Hungary (Radó, 2001). Overall, after the 2011-2015 system reshuffle Hungary became the only country that, in structural terms, returned to its pre-system (communist) arrangements, with the rather symbolic or nonexistent contribution of institutional-local educational management.

30 OECD Education at a Glance, 2012, 2018

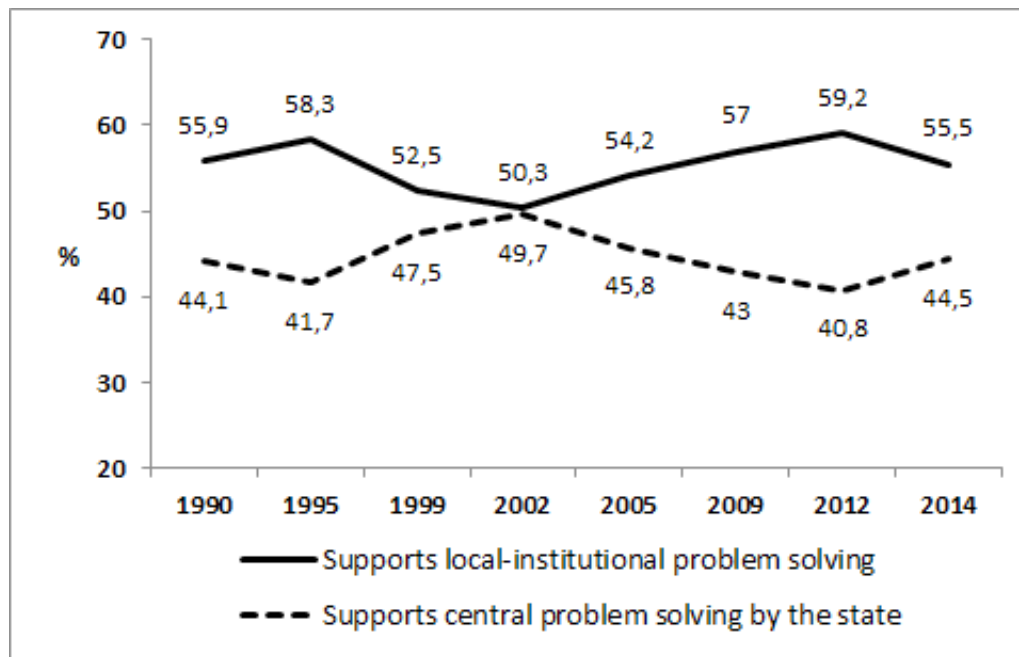
**Figure 20. Proportion (%) of decisions taken at each level of government in public lower secondary education In Eastern European countries 2017 (OECD EAG, 2018)<sup>31</sup>**



The above-described radical shift from a decentralized system to a centralized one was not initiated on the basis of popular support or on the basis of the demand of major stakeholder groups. Various opinion polls indicated that both the wider public and teachers preferred the predominance of the local-institutional level. According to consecutive opinion polls representing the views of the adult population of Hungary, to a varying extent, supporters of local-institutional problem-solving composed a clear majority. According to the results of a 2012 independent opinion poll, a year after the enactment of the new legislation that invoked the “nationalization” of schools, the majority of those who preferred decentralization had increased further (Lannert, 2013). The last opinion poll in 2014 to contain this question – administered by a government-controlled research institution – still identified this majority, although at this time, due to the growing political polarization, views about educational policy matters were already largely determined by political views and party affiliations. (The results of the 2014 opinion poll were classified and never made public.)

31 OECD Education at a Glance, 2018

**Figure 21. Opinions of the adult Hungarian population about centralization-decentralization in education according to consecutive opinion polls (1990-2014)<sup>32</sup>**



According to the results of a separate independent opinion poll among teachers in 2012, the majority who favored decentralization was even greater: two-thirds (66 percent) of teachers working at all levels of public education stated a preference for local-institutional problem solving, while 31 percent supported central decision-making.

#### 4.2. The institutional conditions of school-level adaptation before 2011

Prior to the 2011 “Act on National Public Nurturing,” schools had to strive to balance three major criteria related to the quality of primary and secondary educational services: compliance with national standards, responsiveness to the needs of local communities, and satisfying the clients of schools (parents and pupils). Since school autonomy ensured the necessary latitude for taking into account all of these – sometime contradictory – requirements, improving quality depended on the maturity of the organizational capacities of the schools to operate the cycles of self-evaluation and school development. The required institutional mandates and procedures were gradually built up during the period 1995-2003. Between 1995 and 1997 all schools had to develop their “pedagogical programs” that – among other items – included the institutional curriculum that became the main process regulation instrument in primary and secondary education.

The know-how about self-evaluation-based school improvement was introduced in Hungary in the period 1995-1998 through a relatively large-scale program funded by the Hungarian Soros Foundation: the “Self-improving Schools Program.” This was followed-up by the government-initiated and funded Comenius Program between 2000 and 2004 that introduced EFQM-based quality management systems to 800 Hungarian primary and secondary schools with strong external professional support. By

32 Lannert Judit (2013): Közvélemény kutatás az oktatásról. [Opinion poll on education] Jelentés a Haza és Haladás Alapítvány számára készült Fehér könyv az oktatásról projekt számára. (Kézirat) 2013.

a 2002 amendment to the Act on Public Education, in line with the 2001 EU guidelines,<sup>33</sup> operating a quality management system became the mandatory task of all Hungarian schools. All educational institutions were obliged to develop Institutional Quality Improvement Programs that – similarly to the Pedagogical Program – became basic guiding documents of the operation of schools. (School-based quality management was connected to the mandatory task assigned to municipalities that maintained schools of developing their own Self-government Quality Management Programs.) The three-year school-based quality improvement programs were intended to create regular cycles of self-evaluation-based school development: they included the identification of the main processes and educational outcomes, related problems, as well as the operationalization of a mid-term development plan in the annual action plans of schools that were aimed at solving or mitigating the identified problems. Thus, at the turn of the century the school-level procedures that served to increase institutional-level reflection and adaptation – primarily the regularly revised pedagogical programs and quality improvement programs – had been established in Hungarian schools.

Due to the “stop-and-go” character of educational policy-making in Hungary and because of the prevailing strong pedagogical approach to educational policy, since 1995 all the consecutive governments initiated curriculum reform (See: 5.2.1). As a consequence, in spite of the fact that all of these changes entailed the mandatory revision of the pedagogical programs of the schools, there was no single central curriculum that was properly implemented in schools. Therefore, the chain of interpretation through which schools were supposed to incorporate external expectations into their own educational goals and targets never worked properly. (OPEK, 2003) This led to the almost complete inflation of curricular regulation, and in most cases the revision of school curricula resulted in mimetic adaptation only (Caravella, 2011; Kende, 2020).

As will be discussed further in the sections on governance, the required school-based mechanisms of adaptation through school development work properly when various governance instruments are applied to incite, enforce, and support the interpretation of and adjustment to external expectations. During the decade before 2010, most of these external conditions were missing from the Hungarian education system. The most important reason for this was the widespread rejection of any government-operated professional accountability mechanisms among the most influential actors of education that prevented all governments from introducing any type of external school evaluation (school inspection) following the termination of traditional inspections in 1985. The situation was somewhat better in relation to the use of student performance assessment data. Following 2001 all schools and school-maintaining municipalities received a very detailed, tailor-made report on the performance of their pupils from the National Assessment of Competences on an annual basis (see 5.2.2). However, due to the lack of accountability measures connected or related to the test results, the assessment did not generate more serious school development. Nevertheless, the use of assessment data for various pedagogical improvement purposes gradually infiltrated the practice of schools. While in a 2005 survey only 28 percent of school principals reported that the results of the assessment were discussed by teaching staff, the rate had grown to 85 percent by 2009 (Balázsi-Horváth, 2011).

As far as other conditions of self-evaluation-based school development are concerned, they were also only partially in place. In spite of the fact that the system of professional support services in Hungary was a quality-assured multi-sector system with a very rich service offering, the large-scale government-initiated and managed development programs funded by EU resources completely

33 Recommendation of the European Parliament and of the Council of 12 February 2001 on European cooperation in quality evaluation in school education



occupied the capacities of public or private service providers. After the phasing out of the Comenius Program in 2004, the introduction of mandatory quality management in schools was not supplemented with professional support for self-evaluation and school development and there were no supplementary funds allocated to schools for the implementation of their school development plans. Therefore, instead of identifying their own problems and setting their own development priorities, schools focused on matters for which the central government development programs made resources and professional support available. As a negative side-effect of the abundance of resources for externally determined purposes, the largely supply-driven system of educational development strangled the gradual build-up of the practice of autonomous institutional development. Overall, the conditions of institutional adaptation were established basically only in those schools that participated in the Self-Improving School program in the nineties and/or in the Comenius Program between 2000 and 2004. In the large majority of schools, the operation of quality management system remained “paperwork” – mere administrative duties. This relative weakness of institutional quality management was indicated by the results of a 2012 opinion poll among teachers. When teachers were asked how much they considered self-evaluation to be a precondition of the improvement of the quality of schools, only a little more than one-third (37.1 percent) gave an unambiguous positive answer. According to 49.2 percent of teachers, self-evaluation is useful, but not a precondition of quality, while for 10.2 percent of teachers the instrument was meaningless (Lannert, 2013).

Overall, although the formal institutional conditions for school-level adaptation were gradually established in Hungary between 1995 and 2002, due to the strong discrepancy between the institutional settings in schools and the external governance conditions, the institutional engines of change and adaptation in most schools remained rather weak.

### **4.3. The institutional conditions of school-level adaptation after 2011**

Before engaging in the topic of this section, a limiting circumstantiality has to be premised. Any contemporary attempt at assessing the capacity of Hungarian schools to adapt to external challenges runs up against a major obstacle: due to political-control-generated self-censorship, research-based critical reflection in education – with very few exceptions – has almost completely ceased to exist. As a consequence, schools have become black boxes that leak only very limited information about their internal functioning. Since the government takeover of schools, teachers and principals have been allowed to talk to researchers or to the press only with the permission of the school maintaining authority. Empirical research in schools is also allowed only with the administrative permission of authorities. A review of the more than one thousand publications of researchers employed by the government-maintained education research institution (the Hungarian Institute for Educational Research and Development) – that is, by those entitled to do empirical research in schools – during the last ten years shows that there have been no papers published on the internal institutional operation of schools. Only two papers have offered critical evidence-based reflection on any elements of the new governance system that was created after the approval of the 2011 legislation. All other papers have addressed “safe topics.” Overall, any recent institutional level analysis is thus based on an extremely shallow pool of evidence.

According to a 2012 – several times amended – government decree<sup>34</sup> on the operation of public education institutions, the allocation of teaching time among subjects and classes, the pedagogical principles applied by the schools, the goals and objectives of teaching, etc. are in fact determined

34 20/2012. (VIII. 31.) EMMI rendelet a nevelési-oktatási intézmények működéséről és a köznevelési intézmények névhasználatáról



centrally. In theory, these functions regulated by the pedagogical programs of schools are almost identical to the content of the pedagogical programs before the 2011 Act. However, this similarity is misleading, since the extremely detailed 2012 National Core Curriculum and the single “Framework Curriculum” for public schools (in fact: syllabi for all subjects) together create a heavily over-regulated regime within which school basically fills up their pedagogical programs with the content of centrally-issued regulatory documents. As a consequence, the latitude for autonomous regulation of the goals and content of teaching and learning is limited to approx. 2-3 elective hours per week in primary schools and approx. four hours in secondary schools, as well as to extracurricular activities. (The formally autonomous, but in reality non-existent school-based determination of the pedagogical program is part of the 29 percent school-level decision-making indicated by the 2018 OECD EAG indicators.)

The new National Core Curriculum was approved by the government in 2012. The connected Framework Curricula for school types and subjects were issued in 2013 and were introduced as early as in 2014. (The “implementation” of the 2020 National Core Curriculum was even faster: it had been introduced to schools by September, 2020.) The introduction of the new regulatory framework into educational practice did not include any implementation support. “Implementation” was limited to adopting the necessary regulations and the monitoring of revised school documents by the school maintaining authority. Among these circumstances, autonomous reflection about how the core educational functions performed was not required and was not even possible. Apart from writing new documents, the only challenge schools had to face was allocating the elective hours. In this respect, the large majority of schools pursued a damage-reduction strategy. Due to the reduction in the number of weekly classes deployed on basic subjects (Hungarian language and literature, mathematics, etc.) and due to the hardly achievable overloaded central curricula, most schools allocated their free classes to these subjects. Also, in order to preserve special classes that had earlier attracted pupils, in spite of the very narrow space for special offerings, schools strove to set aside extra hours for them (Bánkuti-Lukács, 2015). Thus, sometimes one hour per week for arts qualified as a “special arts class.” In fact, most of the special offer classes provided by schools have been designated as extracurricular activities, further increasing the workload of pupils that was already made bigger by the central curricula. While rewriting the pedagogical programs of the schools, in spite of the extremely narrow latitude left by central regulations, schools attempted to preserve some autonomy, but this was based much rather on the intention to continue what they had been providing earlier than on professional reflection about the new goals transmitted by the central curricula or on any educational strategies. In terms of its effect, adjusting to the new curricular regulations rather disconnected the schools from their changing wider social, technological, and economic environment than incited them to adapt to these changes.

Basically, the same applies to the professional supervision system that was introduced by the government in 2015. The new professional supervision regime connects various functions in a unified and highly standardized system (See: 5.2.2) These functions are: (1) the external supervision of schools, school principals, and teachers, (2) the external qualification of teachers for career progression through a teachers’ career scheme, and (3) the self-evaluation of schools, school principals, and teachers. In fact, the self-evaluation elements of this system are not autonomous school functions; they are the administrative preconditions and one of the sources of external supervision. Thus, the underlying detailed standards for self-evaluation are identical with those for external supervision, and the results are uploaded to the same online platform of the Central Educational Authority on which the results of external supervision are registered. As a consequence, the purely administrative self-evaluation of

teachers, school principals, and schools is based on remote standards that leave no space for any school-based reflection on special institutional circumstances or on the very diverse societal environments within which schools are operating.

Apart from the extremely high level of standardization, the most important shortcoming of this system of self-evaluation is the fact that it serves an exclusively administrative control function, as the results are not fed back into any school development activities. In the very rare cases when certain schools undertake any sort of self-evaluation for any purposes, (such as for developing an application for an EU-funded thematic development project), the schools collect views and data on an ad-hoc basis, independent of the mandatory self-evaluation process embedded into external supervision. Among these circumstances, most of the staff of schools consider self-evaluation to be a meaningless administrative task in relation to which revealing real problems and challenges is highly counter-productive, or even dangerous.

Overall, in certain – rather specific – ways, the discrepancy between school-level mandates and the governance environment that existed before 2011 has been eliminated by the Orbán government that has systematically eliminated the basic conditions for institutional adaptation: the role of the pedagogical programs of the schools has become marginal and quality management was erased from the list of mandatory tasks that schools undertake. The new mechanism replacing it serves only to enforce administrative compliance with remote standards. According to sporadic information, due to the almost decade-long operation of this highly centralized system, the required capacities for institutional adaptation that schools accumulated during the previous two decades are gradually deteriorating.

Due to the removal of the two most important institutional procedures for reflection, problem solving and institutional adaptation, (i.e. the revision and improvement of school program, as well as self-evaluation-based school development), and due to the deprivation of school principals of the large majority of their former decision-making competencies, the organizational operation of schools is limited to traditional institutional rituals. Therefore, meaningful cooperation among teachers in most schools has become very poor. (This was made very much visible during the shift to online teaching and learning in 2020.) As a consequence, the basic conditions for organizational learning are no longer in place – not even in the majority of the rather limited proportion of schools that invested systematic effort into becoming learning organizations during the two decades before 2010.

#### **4.4. Parental expectations as drivers of adaptation**

In theory, one of the most important incentives for schools to adapt to societal changes is their responsiveness to parental expectations. While the outstanding importance of parents in shaping the alignment of the work of schools is almost never questioned by the actors of education, the relationship between parental expectations and school-level change is far from simple. In fact, this potential “driver” of institutional change may generate adaptation in schools only if three conditions are realized:

1. Parents are involved in the operation of schools, their satisfaction is a major reference in quality evaluation, and their expectations are considered in the course of the development of school programs;
2. Parents are properly informed about the type of education that will serve the future success of their children, and their satisfaction is determined by the perceived ability of the school to deliver that type of education;

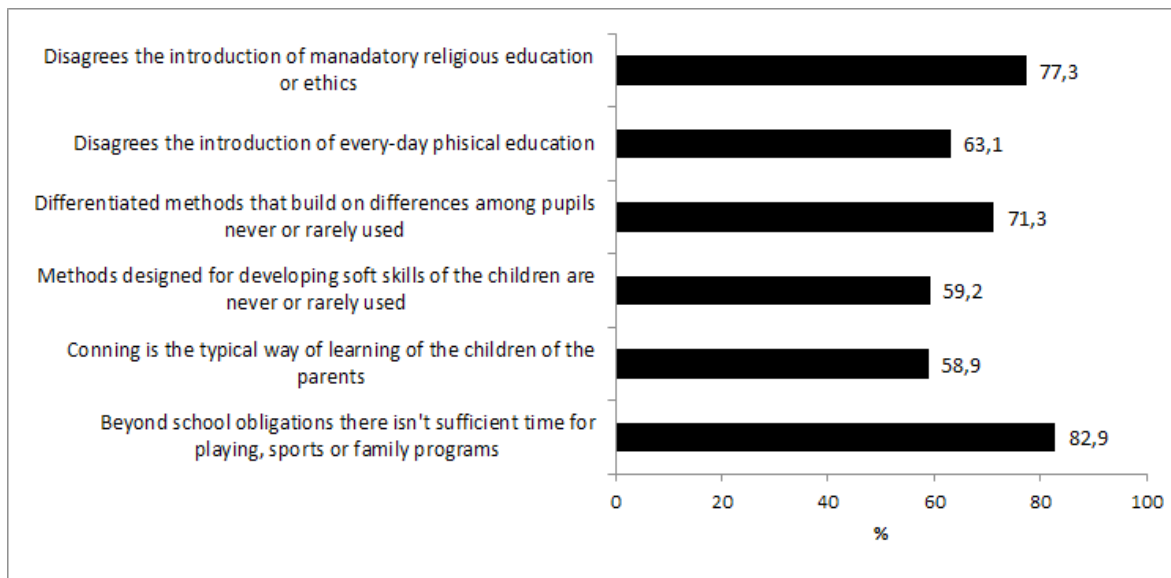
3. Parental views and expectations correspond to the major future challenges to which their children are to be enabled to adapt. In terms of this understanding of challenges, there is no major discrepancy between teachers and parents.

As far as the first set of conditions are concerned, according to the traditions of Hungarian primary and secondary education, parents were “socialized” by schools to occupy supporting roles, rather than to act as “clients” or “partners.” Teachers’ expectations towards parents in terms of supporting the learning of pupils at home and supporting the operation of schools were high, while their involvement in the core educational tasks of schools has been always relatively weak. This contradiction survived in spite of the formally ensured organizational representation of parents in the institutional operation of schools. This pattern gradually but slowly changed after the turn of the century due to the introduction of quality management systems that considered the satisfaction of parents to be one of the key outcome requirements of educational quality. Still, the influence of parents on the goals determined by the pedagogical program of schools remained rather weak. In this respect, the radical change of institutional context since 2011 has imposed a strong negative effect. While the formal frameworks of traditional parental participation have been left untouched by the new legislation of 2011, due to the extremely narrow scope of organizational and professional autonomy schools became very closed institutions. Although in 2010 the large majority of schools stopped operating quality management systems, a limited number of institutions continued to administer regular surveys of the satisfaction among parents. The standard school self-evaluation instrument implemented from 2015, however, no longer contained parental satisfaction among the standard evaluation criteria.

The takeover of key decision-making competencies from schools by the school-maintaining authorities narrowed the space within which schools were able to comply with any parental expectations. The main factor determining the work of schools became compliance with government standards, and with the administrative expectations of government authorities. This change was felt by many higher-status parents, who became active at resisting the government initiated and implemented education system reshuffle: they established a “Parental Network” in 2011, then the “Parental Voice” in 2016.

As far as the extent to which parents are informed about the type of education and their satisfaction with the schools of their children are concerned, the online opinion poll of the Parental Voice organization in 2019, based on the views of one thousand respondents, revealed a contradiction. The large majority of parents disagree with the most iconic changes introduced by the government after 2011 that directly affect the learning of their children, such as the daily physical education and the introduction of religious education or ethics as a mandatory subject. Also, parents are well aware that the recent prevailing educational practice is not in the best interest of their children; it is not differentiated, it is not aligned towards the development of the soft skills of children; and it basically builds on cramming factual knowledge and overloads the children.

**Figure 22. Views of parents about the key features of the education that Hungarian schools (Parental Voice opinion poll, 2019)<sup>35</sup>**



However, when parents were asked by the same opinion poll to indicate their level of general satisfaction with the schools of their children on a 1-5 scale, in contrast to the answers about specific matters, the result were surprisingly positive; 38.7 percent of respondents were satisfied or very satisfied, 36.7 percent indicated a medium level of satisfaction, and only 23.7 percent of parents were moderately or strongly dissatisfied. This suggests that the overall satisfaction of parents is determined by many factors beyond the actual quality of teaching and learning that schools are providing. In other words: schools are able to satisfy parents without adjusting their core functions to the expectations of parents.

Another way of assessing the potential of school responsiveness towards parental expectations in adapting to external societal changes is through comparison with the views of wider society and teachers about the goals that schools should serve. The 2012 independent opinion polls that represented the adult population of Hungary and teachers working at all levels of public education allow for this comparison: respondents were asked to determine the most important goals that school should serve (Lannert, 2013). In very general terms, some of the tasks of schools that are essential for preparing pupils for future adaptability, such as the teaching of foreign languages, the development of cognitive abilities and individual skills and teaching that increases pupils' collaboration with others are ranked rather highly on the priority list of both groups. However, the one item among these that was ranked highest both in the whole society sample and among teachers is the importance of teaching foreign languages. In relation to the development of cognitive/soft skills there was a significant difference between the views: teachers find them to be much more important than the average of the whole population. Other potentially future-oriented school tasks that in 2012 were ranked as being of medium importance by both groups included environmental education. Finally, there are two school tasks that have a high contextual relevance in Hungary that are very low on the priority list of both groups: citizenship education, and strengthening a competitive spirit. Overall, this comparison suggests that practicing teachers find the development of adaptive skills to be much more important than the whole adult population of Hungary. Therefore, strengthening parental influence on the work of schools will not necessarily result in more intensive adaptation to the challenges of the near future.

35 Parental Voice opinion poll among parents <https://szuloihang.hu/2018/03/01/szuloi-konzultacio-rossz-az-oktatas-de-tul-sokszor-beletorodunk/>

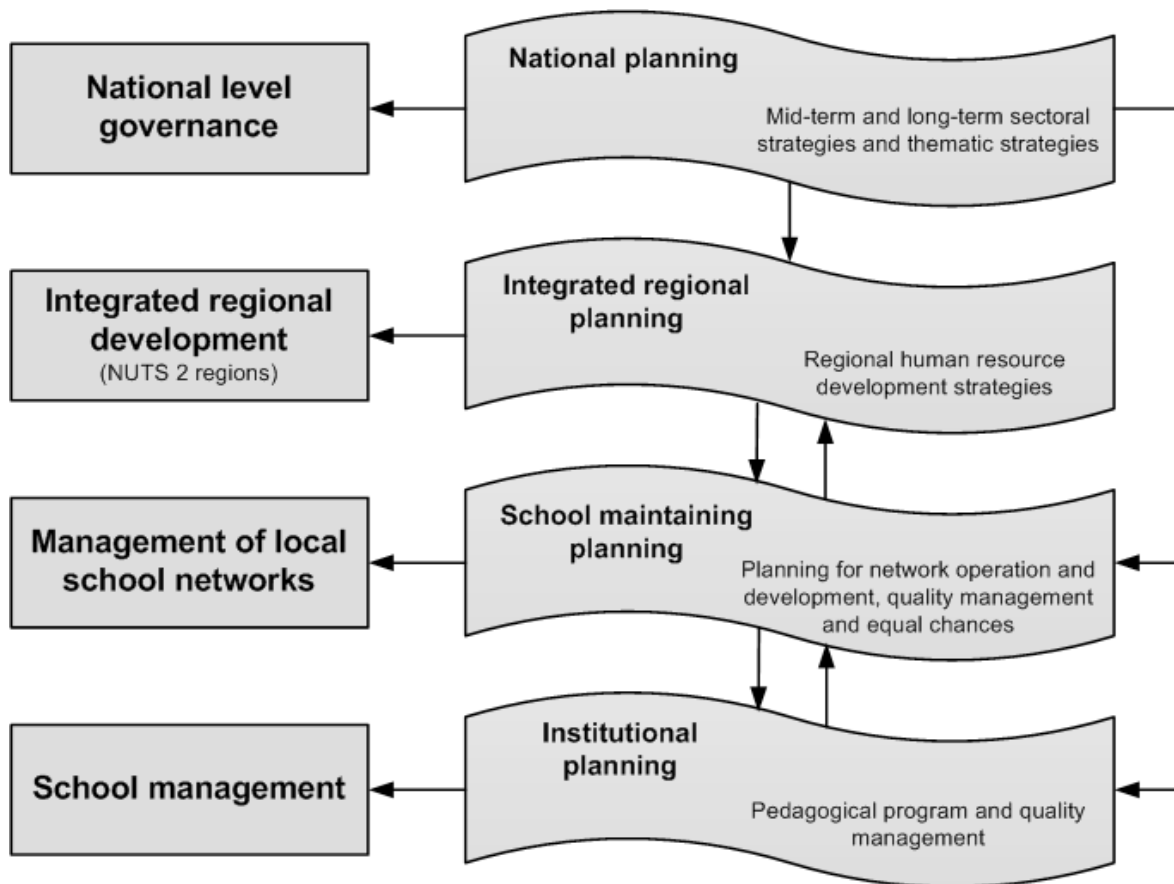
## 5. POTENTIAL GOVERNANCE DRIVERS OF SCHOOL-LEVEL ADAPTATION

In order to ensure that schools invest systematic effort into adapting to external challenges, educational governance systems should incorporate instruments that have the potential to compel, incite, and support this adaptation. The “drivers” of school-level change are governance instruments that convey external expectations in a way that is capable of overcoming path-dependencies by overwriting old institutional routines (Radó, 2020/a). This section provides an analytical overview of the latitude for applying such instruments among the circumstances that have been created in the system of educational governance in Hungary after 2011. These potential “drivers” are the following: (1) educational management, especially the system of mid-term planning; (2) performance management in education – that is, instruments for setting goals for schools, the quality evaluation system that provides and feeds back information about the extent to which these goals have been met, and potential forms of intervention in the case of poor performance; (3) the use of financial incentives.

### 5.1. The instruments of educational management

The most important management instrument, with high potential for influencing the operation of autonomous actors in education, is mid-term and long-term planning, which contributes to the harmonization of goals, incites vertical and horizontal cooperation, and orients the use of financial and human resources. The decentralized education management system in Hungary before 2011 included three connected management cycles: school management, the local school maintaining management, and national governance. (Returning management decisions were made only at the institutional and school maintenance level within the frameworks regulated at the national level.) In spite of the extreme fragmentation of the educational management system, in which 2900 local self-governments had full school ownership authority, the synergy within this decentralized management regime was to a certain extent ensured by a connected system of mandatory mid-term planning processes. In the practice, mid-term planning fulfilled its integrative potential only in cities in which self-governments operated local school networks. In smaller settlements, the management role of self-governments was confined to the maintenance of individual schools. In addition to these, the management of education was integrated into the mainstream public management system that – again, mostly in bigger settlements – permitted the connecting of various locally provided public services for the sake of solving various local societal and economic problems. Between national governance and local (municipal) management there was an interim layer of planning: regional human resource development planning, embedded into a system of regional development planning (NUTS 2 regions). This regional level of planning was established after EU accession for the coordinated use of cohesion funds.

Figure 23. The connected multilevel system of educational planning in Hungary before 2010



Planning is an extremely information-intensive activity. Therefore, one of the positive side-effects of extensive mid-term planning is that it generates strong demand for information and knowledge. This is the reason why, in parallel with the gradual development of the conditions of decentralized governance, all the consecutive Hungarian governments further improved the information system of public education. The regulatory framework for the Public Education Information System (*Közoktatási Információs Rendszer – KIR*) was created in 1997. At the present time, KIR contains almost fifty sub-systems and its data collection and reporting functions operate fully online. (Salomvári, 2014)

As already discussed in the previous sections, the key characteristic of the educational management system that was created after 2011 is all-pervasive centralization that serves for administrative and political control. After 2011, a single-circle educational management system was established in which the large majority of returning management decisions are made at the national level, or by the deconcentrated authorities of the government (which also belong to the national-level administration). The creation of a parallel, centralized educational management system without the involvement of local self-governments disconnected primary and secondary education from other public services and from the actual needs of local communities. Therefore, the regulatory mechanisms applied in the previous decentralized system – especially those various standards that oriented the operation of autonomous actors – either ceased to apply or have been adjusted to the new structural characteristics of the system.

These changes have major consequences for the system of mid-term and long-term planning. Beyond the removal of middle-layer actors (regional planning was centralized to the government level and municipal self-governments were squeezed out of educational management), the only planning



exercise that bureaucratic administrative organizations undertake is creating annual work plans. The well-documented common feature of the bureaucratic management of education in south-east European countries – which has also applied to the Hungarian educational management system since 2012 – is that when such organizations are obliged to do mid-term planning they “revise” or “update” their three-year plans every year according to their annual budgets (Radó, 2010). As a consequence, due to combined effects of the nationalization of schools, the administrative centralization of management, and the termination of autonomous school planning tasks (i.e. pedagogical programs and quality management), mid-term planning has practically ceased to exist in the Hungarian education system. In practice, planning has been replaced by an inflexible system of standard regulations that is tempered by wide latitude for discretionary ad-hoc decision-making and alleviated by “informal flexibility” in the application of regulations. (This pattern of public management is deeply rooted in the communist past.)

The new highly centralized educational management system “inherited” a rather advanced information system, but due to the termination of almost all information-intensive management activities, the potential of the system is untapped. In educational practice its role was taken over by an extremely extensive reporting system. (The almost daily requests for information of local school-maintaining authorities to schools very often include data that are already available in the KIR system.) The same applies to knowledge management. As indicated already, regular representative surveys and empirical research projects have been discontinued, and the institution that was supposed to play this role was dissolved in the last years of the previous decade.

## **5.2. Performance management in education**

One of the most important potential “governance drivers” of school-level change applied by many educational governance systems is a professional accountability regime based on algorithms of performance management: namely, (1) setting goals in terms of learning outcomes, (2) assessment and evaluation of the extent to which these goals are met; (3) feeding back the results to all actors and targeted interventions in case of poor performance (Radó, 2007).

### ***5.2.1. Setting goals for schools***

In order to assess the potential of the regulatory system of setting goals for schools from the perspective of school-level adaptation to external challenges, both the instruments of process regulation (curricula) and outcome regulation (standards, examination requirements, and assessment frameworks) have to be considered. In spite of the international trend of shifting emphasis from the regulation of the teaching-learning process to the regulation of expected learning outcomes – which goes hand in hand with the reconsideration of learning outcomes; that is, of determining goals in terms of competences – the Hungarian regulation system remained very much process oriented throughout the last three decades. Nevertheless, between 1993 and 2010 a certain shift in focus occurred, primarily due to the gradual withdrawal of the government from the detailed regulation of the teaching-learning process. As early as in 1995 the first National Core Curriculum was organized into fields of education instead of subjects, and from 2003 the national curricula no longer contained mandatory factual knowledge at all. Also, all consecutive curricular changes served “modernization” purposes by updating the expected learning outcomes with the actually internationally emphasized competences. (In this respect, the most



important reference was the Key Competences Framework of the EU.) In parallel to these changes, the underlying standards (examination requirements) of the only school leaving exam, the Matura examination, were modernized and the examination itself became partly external and standardized. From 2006, preparation for a National Qualification Framework started, which was intended to connect the outcome regulation requirements of primary, secondary, vocational, and higher education. (The process was interrupted in 2010 and the NQF was not implemented.) This shift was not complete however: the eight years of primary education remained regulated only by curricula and for the short cycle vocational education programs only vocational outcomes were determined. Therefore, the entrance examination for upper-secondary education is still not based on examination requirements. Therefore, the lack of underlying standards prevents schools from properly preparing pupils. Also, upper-secondary education remained a dead-end educational track.

From 2011, the government returned to the highly centralized pattern of process regulation of the pre-1979 period. (The last national curriculum of the communist era, issued in 1979, left more autonomous space for schools than the 2012 or 2020 National Core Curriculum) The introduction of the 2012 and the 2020 central curricula involves contemporary learning outcomes, especially adaptive skills and key competences. (The only exception in this respect is a minor change in the 2020 curriculum: “critical thinking” has been replaced by “considered thinking” – which is widely interpreted as a clear message to emphasize the aim of educating subjects instead of educating independent citizens.) These goals, however, are doomed to remain unachieved due to the extreme overloading of factual knowledge. Both national core curricula – together with the connected single framework curricula – are in fact detailed syllabi. In the Hungarian context, the new system has an especially harmful feature: the prescribed teaching content is based on the cultural code of the educated middle classes, which is automatically exclusive for pupils with a lower socio-cultural status. (In this sense, the “national core curriculum” – beyond not being a real core curriculum – is not “national” either; educational experts agree that the large amount of knowledge cannot be covered through vocational education and training, in which the time allocated for general education subjects is very limited.) Surprisingly, the de facto return to setting goals in terms of subject knowledge did not impose an effect on the outcome regulation of upper-secondary general education; the latter remained basically competence-based. This created a rather unique situation in which the upper-secondary education for higher-status pupils – in spite of the curriculum overload – preserved some space for the development of adaptive skills, while the regulation of the general education components of the two tracks of vocational education – typically attended by lower-status pupils – returned to using a very subject-knowledge-oriented approach. Beyond these regulatory instruments, government expectations communicated towards schools are either ideological ones or related to the patriotic upbringing of children.

### ***5.2.2. Assessment and evaluation***

Self-evaluation in schools works properly if it can build on the input from external references typically provided by external school evaluations (school inspections) and/or regular standardized external assessments of the performance of pupils, as well as on an indicator-based educational information system that allows for benchmarking. Some of the characteristics of the Hungarian quality evaluation system have been discussed already in relation to the institutional conditions of school-level change in Section 4. As was mentioned already, prior to the extensive realignment of the governance system in

2011, schools were well-served with student performance assessment data. In 2001, a regular assessment system (*National Assessment of Competences - Országos Kompetenciamérés*) was established to test the reading literacy and mathematical competences of all pupils in grades 6, 8 and 10 on an annual basis. The system was improved in 2008 when the introduction of individual pupil IDs made the connection of the performance of individual pupils in different test possible (thereby allowing for the calculation of added value at all aggregation levels). The original underlying intention was to create an assessment system for purely formative purposes. (The first and rather weak attempt to use the test results for accountability purposes was introduced in 2007.) Therefore, external standardized testing results were used exclusively for formative purposes. The 1985 Act on Public Education terminated the former system of state supervision, which was not replaced by any institutionalized form of external school evaluation. In theory, since 1993 the supervision of schools has been the mandatory task of school-maintaining municipal self-governments, but in practice this rarely went beyond financial and legal supervision. As a consequence, the potential effect of professional accountability instruments (external school evaluation and student performance assessment) on generating demand for more serious self-evaluation and school development efforts in schools has been lacking (OPEK, 2006; Radó, 2007). Thus, although the formal institutional conditions of school-level adaptation were gradually established in Hungary between 1995 and 2002, there was a very strong discrepancy between the institutional settings in schools and the external governance conditions for change.

The new professional supervision system created on the basis of legislation in 2011 that became operational from 2015 has clearly been designed with professional accountability purposes in mind. With the application of a common set of requirements (standards), the new system connects the external qualifications of teachers with advancement through a career scheme, along with the external supervision of teachers, school principals and schools, and the self-evaluation of teachers, school principals and schools. The underlying standards are organized into eight areas of teacher competences, five areas of school principal competences, and seven areas of institutional operation. The standards also contain a large number of specific requirements and indicators for each area of supervision, leaving no space for considering the special circumstances of individual schools. The methods of external evaluation are document analysis, observation, interviews, and surveys.<sup>36</sup> The professional supervision of teachers, principals, and schools is basically a single-day event.

It is important to see that from the perspective of teachers and schools, the only high-stakes element of this system is the individual qualification of teachers, because according to the newly established career scheme teacher salaries are strongly differentiated along the five categories of advancement. In spite of the nature of the heavy administrative control of the new system, its weak accountability assurance potential stems from the lack of institutionalization. The government did not establish a professional inspection system with relative professional autonomy that employs qualified evaluators. Instead, those practicing teachers who are promoted to the “master teacher” grade are nominated by the Educational Authority to be evaluators in other schools. They are compensated by a significantly higher salary and a substantial reduction in their weekly mandatory classes. These practicing teachers are trained for their roles as evaluators through 30 hours of in-service training only. Not surprisingly, due to the solidarity among teachers, the results of the professional supervision for teachers and schools principals are evaluated as less than 90 percent only in extremely rare cases. Overall, due to the lack

36 Országos tanfelügyelet. Kézikönyv általános iskolák számára. Oktatási Hivatal 2019. [https://www.oktatas.hu/pub\\_bin/dload/unios\\_projektek/kiadvanyok/2019\\_psz/PSZE\\_altisk\\_kezikonyv.pdf](https://www.oktatas.hu/pub_bin/dload/unios_projektek/kiadvanyok/2019_psz/PSZE_altisk_kezikonyv.pdf)

of institutionalization that would allow for the professionalization of the external evaluation system, it is not able to meet any of the general aims of educational inspection: it does not ensure professional accountability, does not provide external references for self-evaluation, and does not generate demand for professional development. Therefore, even if the underlying standards for evaluation contain various requirements that are in line with our contemporary understanding of good teaching and schooling, the system is capable only of administrative control and for creating the appearance of inspection; it does not have the potential to effectively convey external professional expectations to schools.

### *5.2.3. External intervention in poorly performing schools*

In certain circumstances, the feedback of quality evaluation information on its own might lead to intervention. The ranking of schools on the basis of test results, inspections that label schools as poorly performing institutions, or benchmarking on the basis of various indicators might be very strong incentives for improvements due to schools' concern about losing pupils. This potential that quality evaluation now has did not exist before 2010. Data concerning the regular assessment of the competences of pupils was not used in Hungary in a performance-oriented accountability system or for the public ranking of schools. Also, due to the lack of a national educational indicator system, the data of the rather well-developed educational information system has not been used for benchmarking. In this respect, the situation did not change after the build-up of the new accountability system (Radó, 2007). Although recently all the results of professional supervision have been uploaded to the system operated by the Educational Authority, this information is not available to the public, and is not regarded as a reliable quality evaluation information. Therefore, the only instruments that might be capable of identifying poorly performing schools are the assessments of pupil competences. However, since the government emphasizes rather different goals than the pool of competences tested by the system, this option has not been considered for such purposes.

As far as active intervention measures are concerned, in European quality oriented systems they are typically part of the toolkit of inspectorates. Since before 2010 no external evaluation system was in place in Hungary, the government should have used other policy instruments for the development of poorly performing schools. Some of these instruments were the large-scale central development programs (introduced after the 2004 EU accession) that played a kind of policy substitution role. In theory, development programs have the potential to incite and support school efforts to overcome quality related problems. However – with the exception of programs designed for the improvement of the education of Roma pupils – these programs were not targeted at poorly performing schools. Therefore, most programs that operated through open calls and project proposals developed by schools deployed more resources to schools with stronger absorption capacities that typically provided an already higher-than-average quality education. The only condition that was in place before 2010 was a demand-driven flexible and rich supply of various external support services that partly served for the improvement of the capacities of schools for institutional evaluation and for managing development project, and partly for providing professional support and access to know-how in the actual fields that school development plans aimed at improving.

After 2010, the rather unique Hungarian model of inspection without an inspectorate or inspectors permitted the consideration of only one type of intervention: some kinds of measures by the deconcentrated school-maintaining authorities. This possibility, however, has been ruled out by

the fact that the school-maintaining authorities are capable only of administrative management and control; their mandate and capacities do not enable them to deal with professional quality issues. Overall, by building a highly centralized administrative regime, the Hungarian government basically disarmed itself in relation to overcoming quality-related problems. This fact was clearly indicated as early as at the end of 2013, when Hungary's seriously declining PISA results were made public. In response, Rózsa Hoffmann, the state secretary supervising public education called on the maintainers of schools to assign the task to school principals of drawing up a two-year action plan (within one month) for improving PISA results.<sup>37</sup> Obviously, this administrative intervention did not prevent the further decline of the PISA result for 2015.

### 5.3. The use of financial incentives

In 1991, the financial allocation system in Hungary turned to a per-capita based normative system that, in line with overall public management decentralization, was based on fiscal decentralization. This system has created two, basically independent funding relationships. In the first, the state budget provided non-earmarked educational grants for the owners ("maintainers") of schools through a transparent, formula-based, and sector-neutral financing system. In the second, the owners of the schools determined the annual budget of the schools on the basis of various task indicators that included funding for all recurrent and capital costs of schooling. Normative financing calculated on the basis of the number of enrolled pupils is an incentive per se; it creates vested interests for school owners and schools to enroll as many pupils as possible, and to retain them in education for as long as possible. In the nineties, this resulted in a radical reduction in primary and general secondary education in Hungary. In addition to this, from the very beginning the central-budget-provided earmarked educational grants for the school maintainers contained various supplementary funds for different purposes (e.g. the education of minorities, special needs education, professional development of teachers, etc.) that were also determined on a per capita basis. (The number of types of supplementary grants has continuously grown throughout the two decades of normative financing.) Since the amount of supplementary funds had little to do with the actual specific cost of the various special programs that schools provided, they served exclusively as policy incentives. School owners and schools reacted sensitively to all changes in the composition of financial incentives. For example, the rather successful integration of pupils with special educational needs after 2002 was the result of well-tuned financial incentives. Contrarily, in other cases poorly considered incentives caused serious damage, such as was the case of the supplementary funding provided for the "catching-up" education of Roma pupils from 1993 that led to growth in within-school segregation in the nineties. (This failure was corrected at the beginning of the next decade.)

As of 1 January 2013, the financial autonomy of government-owned schools was terminated. In the new financial allocation system, schools do not have budgets of their own; all minor expenses are covered directly by the school district authorities. In 2015, responsibility for funding recurrent operational costs was taken away from the self-governments, too, and was given to the central school maintenance authorities, thereby completely eliminating any remaining responsibility for schools on the part of municipal self-governments. Teachers' salaries, which comprise the largest element of educational financing, are transferred directly from the State Treasury. This led to the leveling of teacher salaries at the minimum, because all supplementary allowances that many teachers received

37 [http://eduline.hu/kozoktatas/Hoffmann\\_Rozsa\\_levele\\_PISA\\_2012\\_4X6XWP](http://eduline.hu/kozoktatas/Hoffmann_Rozsa_levele_PISA_2012_4X6XWP)

from the former owners of schools, as well as the majority of salary supplements for overtime work, were discontinued. Payment of salaries is carried out by the authorities for each individual school on the basis of headcount.

The new financing system introduced on 1 September 2012 is based on centrally managed input financing. Due to the vagueness of the underlying rules and the wide discretion this has given to local authorities, the new system is in fact input financing on a 'historical basis' (i.e. on a simple, previous-year spending basis). Non-government schools, however, are funded in a different way. The recurrent operational costs of schools maintained by churches and the national self-governments of minorities are still funded on a per-capita basis by the state budget. The salaries of teachers working in these schools are financed from the national budget on equal terms with those of teachers in state schools. Although the financing of VET schools is sector neutral, the underlying number of pupils permitted per school and per vocation is determined by giving an advantage to government and church-owned schools (Radó, 2019).

Overall, at the time being there are six parallel financing systems in place – each with a different level of centralization, with different underlying allocation mechanisms, and with different methods used to calculate funding (Ercse-Radó, 2019). Some of these are completely decentralized and normative systems that survived the 2011 system reshuffle (e.g. the funding of early childhood education, which is still provided by municipal self-governments). Others are fully direct input financing regimes (e.g. the financing of government schools that are under the school-maintaining authorities). Certain systems, such as the financing of church-owned primary and secondary schools, combine the direct financing of teachers' salaries with normative (per capita-based) funding of recurring operational costs. The state budget provides funding for the operational costs of all schools except for non-church private schools. The principles underlying the overall system are unclear, and the system lacks even a minimum level of transparency.

**Table 2. Parallel financing systems in primary and upper-secondary education in Hungary (Ercse-Radó, 2019)<sup>38</sup>**

Type of education/owner	Financial allocation mechanism	Purpose/basis of funding
<b>Kindergartens/local self-governments or private</b>	Decentralized normative funding	Block grant for pre-school education/per capita
<b>Primary and general upper-secondary/government</b>	Direct state budget input funding to regional school maintenance authorities + supplementary support	Salaries/average salaries Operational costs/ previous year spending Free textbooks and pupil meals/per capita
<b>Primary and general upper-secondary/churches</b>	Combination of direct state budget input funding (salaries) and normative funding (operational costs) to churches + supplementary support	Salaries/average salaries Cost of religious education in all public and private schools/average salaries Operational costs/per capita Free textbooks and pupil meals/per capita
<b>Primary and general upper secondary/national self-governments of minorities</b>	Combination of direct state budget input funding (salaries) and normative funding (operational costs) to national self-governments of minorities + supplementary support	Salaries/average salaries Operational costs/per capita Free textbooks and pupil meals/per capita
<b>Primary and general upper-secondary/other private owners</b>	Direct state budget input funding (salaries) to owners + supplementary support	Salaries/average salaries Free textbooks and pupil meals/per capita
<b>Upper-secondary VET/ government, churches and other private</b>	Decentralized input funding (salaries and operational costs) to VET centers + supplementary support	Salaries calculated on the basis of average salaries and operational costs/annually approved number of pupils Free textbooks and pupil meals/per capita

The new financing system has two major consequences. The first is that there is no a single actor in the management of education that is doing the type of financial management according to which a balance is maintained between revenue and expenditure. Since those who are making financial decisions are simply distributing public budget resources – using the term introduced by János Kornai as a metaphor – among the circumstances of “soft budget constraints,” (Kornai, 1986), the system is not able to control the flow of resources. The more important second consequence is the space that has been eliminated for the use of financial incentives to influence the “behavior” of teachers, school principals, schools, or any other actors of education. The removal of this policy instrument has largely reduced the ability of the government to encourage school-level adaptation to external expectations of any sort.

38 Ercse Kriszta – Radó Péter (2019): A magyar közoktatásban zajló privatizáció és annak hatásai.[Privatization in the Hungarian education system and its effects] In: Iskolakultúra, 2019/29(7)



## 6. CONCLUSIONS

1. All of the eight external future challenges to educational systems are relevant in the Hungarian context, and their cumulative effect points to an adjustment crisis in which schooling may lose its relevance. However, the contextual weight of the various ongoing changes is not identical in Hungary. There are three groups of problems that deserve special attention. The first is the modernization challenge of enabling schools to foster the development of those transversal skills that strengthen the individual future adaptability of pupils. These skills are primarily adaptive soft skills and digital competences. The second challenge is overcoming the extremely negative effect of autocratic politics on the work of schools and on educational governance, without which the Hungarian education system cannot meet any other external expectations. The third challenge, of very high contextual relevance, is enabling education to mitigate inequalities mainly through the effective reduction of social selection in education and by strengthening the capacity of schools to compensate for the negative impact of disadvantages.
2. The gradual evolution of the institutional conditions in the Hungarian primary and secondary education system between 1985 and 2010 – apart from various shortcomings that educational leaders became more and more aware of at the end of the period – created the foundations for further development for adapting to future challenges. However, the regime change in 2010 reversed this process, annulled almost all of the improvements of the previous two decades, and basically restored the institutional environment of education service delivery of the seventies. This return to the old patterns of governance was not the outcome of a genuine educational strategy; instead, it was caused by the building of an autocratic regime that operates through the means of administrative and political control.
3. Although before 2010 the formal institutional conditions for school-level adaptation were gradually established, there was a very strong discrepancy between the institutional settings in schools and the external governance conditions of school-level change. The creation of the highly centralized system on the basis of the 2011 “Act of Public Nurturing” has dramatically weakened the basic institutional conditions of school-level adaptation and change, especially in the remaining publicly owned schools. (Private schools owned by churches and other organization have retained some latitude for improvement.) As a consequence, most schools have lost their ability to adapt to contemporary challenges: they are not able to reconsider their programs in order to ensure the greater personalization of teaching and learning; they are not able to diversify how learning is organized; they are not able to accumulate those institutional professional capacities that are required for the individual development of the pupils; and they have lost their ability to cooperate with the key out-of-school actors concerning the individual learning environment of pupils.
4. Due to the radical set back in relation to the system reshuffle during the last decade, the stage of rebuilding the fundamental institutional conditions of school-level change cannot be skipped. Before any investments are made into improving the ability of schools to increase individual adaptability through personalized education, their professional, organizational, and fiscal autonomy have to be restored, their capacity to operate self-evaluation-based school development cycles, and to absorb external resources and professional support effectively has to be rebuilt and strengthened. Returning to the derailed process of building the fundamental institutional conditions at the level of schools, this may to a limited extent still build on the know-how and professional expertise that was accumulated during the two decades of educational development prior to the 2010 regime change.



5. While ensuring school autonomy and rebuilding the necessary institutional capacities of schools is basically a reconstruction process that requires major emphasis on the consolidation of the processes that will enable them to adapt, creating the necessary governance environment will not involve a simple return to the pre-2010 period. Apart from avoiding a ‘re-decentralization’ process that leads again to the extreme fragmentation of educational management, there are three necessary structural changes that should be made in comparison to the pre-2010 period. The first: the system of educational governance should break away from traditional curriculum-based, process-oriented regulatory systems and should shift to a pattern of governance by learning outcomes. The second is building a smart professional accountability system with a focus on the risk-based external evaluation of whole schools. The third is strengthening the relative independence of the governance of education by reinforcing the social and professional control of decision-making.
6. Among the recent circumstances of the Hungarian education system, there is no latitude for experimenting with future-oriented governance models (Frankowski et al., 2018). Any measures or programs aimed at initiating progress towards “network governance” or “societal resilience” models of educational governance must be preceded by structural reconstruction – that is, by a process of re-decentralization to local and institutional levels, and the reintegration of educational management to mainstream public management. In the meantime, opening up schools to cooperation with external actors is an important development that may be emphasized in relation to shifting the operation of the Hungarian education system towards future governance models.

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