

OVERREPRESENTATION OF ROMA IN SPECIAL EDUCATION IN HUNGARY

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Abstract

In Hungary almost every fifth Roma child is identified as mildly handicapped, which is a much higher rate than the non-Roma children. Consequently, Hungary has around three times more mildly handicapped children than any other OECD country. According to several studies a big proportion of the Roma children identified as having special needs do not have a mental disability, but come from a multiply disadvantaged family. In several cases, courts have found that this misdiagnosis results in the segregation of Roma children.

There are three reasons why Roma children are disproportionately represented in the mildly handicapped category. First, because the meaning of mildly handicapped is ambiguous in Hungary, it is easy to mistake children with behavioral or social problems for children who are actually disabled. Thus, many children who only have behavioral problems are placed in special schools instead of integrated ones.

Second, probably the most important incentive to recruit more children into special education is the additional financial support from the national government which the school maintainer (usually the local or county municipality) receives for children with special needs. Schools can ask for the 'county selection committee' to assess children with the hope of receiving the increased amount. The committee which assesses the children also has an interest in diagnosing children as being mildly handicapped. The committee itself is maintained by the county municipality which benefits from additional resources if the committee finds that the child is mildly handicapped.

Third, Roma parents are often unaware of the consequences of having their child categorized as mildly handicapped and teachers do not provide them with meaningful information about special education and their rights as parents. Therefore even though parents have the right to ask for a

review of the decision of the 'selection committee', very few Roma parents have the knowledge needed to exercise this right.

These discriminatory practices and the resulting segregation are very harmful for two reasons. First, unnecessarily placing a student in special education impedes the child's healthy development and creates disadvantages in their career. The curriculum of special education requires less from the children and has fewer subjects. According to statistical data, almost 65 % of all children with SEN (including mildly handicapped) continue their studies at special vocational schools, which do not provide competitive qualification for the labor market. In addition, around 15 % of children with SEN drop out of school before starting secondary education.

Second, this practice is costly for the whole society. Although the government invests double and triple resources for the education of children with SEN, around 60 % of children with special vocational degree will be unemployed after graduation. These unemployed people will not pay taxes and will require social support from the government. It costs less to educate students in integrated class rooms and almost 70 % of these children obtain a secondary school degree. Hence, their labor market prospects are much better relative to children who only have a special vocational school degree.

The aim of this study is to demonstrate that the segregation of Roma children into special education is not just very harmful for the career of the children but very costly for the society as well. Assuming that mildly handicapped children, like children who have behavioral problems or learning difficulties, can be successfully educated in integrated classrooms, they will have a greater chance to obtain a secondary school degree and to find a job. In addition, integrated education would cost less for society and would lead to increase tax revenue in the long - term. In this

paper I advocate a clarification of the line between children with behavioral problems or learning difficulties and children who are mildly disabled. By improving the distinction between these categories Hungary can decrease the number of students who are classified as mildly handicapped so that it is in line with other OECD nations.

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Introduction:

This paper is a MA thesis written for the Central European University – Department of Public Policy that focuses on one of the problems facing the Roma minority in Hungary.

Overrepresentation of Roma in special education for children with mental disabilities is a real problem in Hungary. According to the National Educational Institute in Hungary, Roma students are overrepresented in special needs education at a higher rate than any other OECD country¹. In Hungary, the majority of Roma students who are identified as having special educational needs are considered to be “mildly handicapped” – a diagnosis that is often mistakenly given to students with other school achievement problems. The main issue with this practice is that once channeled into special classes or special schools these Roma students are almost never able to reenter mainstream education. Thus, as several courts have found as well as OECD and National Education Institute studies, overrepresentation in the special school system is a form of segregation (RADO, 2007; OKI, 2007). The consequence of this segregation is a low quality of education for the students and a high rate of unemployment for the society. Additionally, the financing of the special school system costs more for society than funding regular education. First, the education of special educational need (SEN) children is more costly because the government provides extra resources for these students. Second, because children who only receive special education are not able to equally participate in the labor market they often remain unemployed and therefore do not contribute to the tax system and require social support from society. This thesis is focusing on SEN students, since the majority of Roma are classified as “mildly handicapped”.

My thesis will build upon preexisting studies that have already recognized some of the disadvantages of channeling so many Roma into special education by asking two questions. First,

¹ National Educational Institute: Report on the Hungary education in 2006

what are the reasons and incentives for the disproportional representation of Roma in the mildly handicapped category? And, second, what are the costs and potential benefits lost due to segregating Roma in the special education system rather than educating them in integrated schools?

In response to the first question, I will argue that procedural problems provide an opportunity for the interested local and county authorities and institutions to discriminate against Roma children in order to increase the normative funding they receive from the national government. In response to the second question, I will demonstrate that the long-term consequence of the initial decision to segregate is increased costs to both the local and national governments since the career of children who are classified as mildly handicapped tends to result in unemployment. Additionally, by segregating these students rather than allowing them to learn in an integrated classroom the government forgoes the potential benefits of having these children grow up to become productive members of society at a higher rate.

The study will have four chapters. The first chapter provides an overview of the special education system in Hungary, focusing on the various categories of students and the identification procedures. The second chapter presents statistical evidence that demonstrates the extent to which Roma students are overrepresented in the Hungarian special education system, especially in the mildly handicapped sub-category. It also details three systemic problems that cause indirect discrimination against Roma resulting in the overrepresentation of Roma in the mildly handicapped category. The third chapter of the thesis is an argument based on an analysis of the typical career of a SEN child from when he enters primary school until he enters the workforce. Specifically, the argument is based on a calculation of the educational costs and possible benefits of a mildly handicapped child educated within a special education setting compared to a child with achievement problems who is educated in integrated classes. This chapter demonstrates

that special education of these students is not cost-effective because despite the increased governmental expenditures, the future prospects of students educated in a special needs environment is much lower than a child educated in an integrated classroom. Finally, the fourth chapter builds on the structural issues identified in chapter two as well as the cost-based argument made in chapter three by offering several policy recommendations. Addressing the systemic challenges identified in chapter two will help decrease the overrepresentation of Roma in special education and the argument set forth in chapter three provides yet another reason why policymakers should pursue these reforms.

Chapter 1: Special Education System: An Overview

The special educational system was created in the 19th century. The system was created based on the belief that children who have similar special needs should learn together in specifically designed learning environments, where they can receive the particular attention necessary for their successful development (Singer Peter, 2007). In Hungary at both the primary and secondary levels there is a network of special schools and special remedial classes organized in regular schools. These special schools offer a curriculum that is parallel to the national curriculum, but it has fewer requirements and includes fewer subjects. The purported goal of this type of education is the integration of SEN children into the regular education schools and society. However, this goal cannot be realized when these children are being educationally isolated from their peers and most of them never leave the special education system (Kapszane Nemeti Julia, 2007).

Upon the referral of a kindergarten or primary school teacher, children are assessed by the county-level Professional Committees for Assessing Learning Abilities (“selection committee”). This committee decides which children with SEN have to be educated in special schools and which can be educated in the mainstream system. According to the Public Education Act² (PEA) this “selection committee” makes the expert decisions about the abilities of the children and the type of education they need. Paragraph 121 of the Educational Act³ differentiates the two categories based on the origin of the given disability. If the disability has an “organic origin,” the child has to be educated in a specialized institution with specialized teachers, however if the disability does not come from organic causes then the child must be educated in mainstream schools with specialized teachers.

The Public Education Act, most recently amended in 2007 only differentiates between students with organic and non-organic disabilities. Valera Csepe’s article, the only scholarly work to consider the categorization of special needs students following the 2007 changes to the PEA,

² 1993 act of Education, paragraph 27, (1)

³ 1993 Act of Education, paragraph 121 (1) 29.a, b

identifies two additional categories by considering not only whether or not the students have “organic” disabilities but also whether they can be educated in an integrated setting. Csepe’s four categories are described as follows: *Category 1* students are children who do not have special needs; *Category 2a* students are children who have difficulties relating to academic achievement, but their needs can be addressed by the average classroom teacher using an individual development plan (although the teacher can ask for the assistance of a psychologist or Educational Advisor if necessary); *Category 2b* students are children with non-organic disabilities whose academic achievement is extremely low, unlike *Category 2a* students, their special educational needs are diagnosed by the “selection committee,” but these students are still educated in mainstream classrooms with the support of special education teachers; *Category 3* students are children with organic disabilities diagnosed by the “selection committee” and sent to segregated special education schools. The four categories are illustrated in the graph 1 (see Appendices).

There are two perspectives on how to classify children. One view is to classify them according to whether they are educated in an integrated or segregated environment. The majority of pupils are educated in integrated settings, which can include children with special needs too (on the graph these are the groups 1, 2a and 2b). Only students in Category 3 must be educated in a segregated setting. The second perspective on how to classify children is based on the needs of the students. Under this analytic framework both Categories 2b and 3 include children with SEN diagnosed by experts while Categories 1 and 2a are students without special needs.

Students with disabilities whom Csepe would place in either Category 2b or 3 (children with special needs who may or may not be educated in an integrated setting) are further classified into three sub-groups by the “selection committee”: mildly, moderately and seriously disabled children. Most Roma students who are identified as having a special education need fall into the

mildly handicapped sub-group. If the source of a mild handicap is found to be organic, the child can be sent to a special education school (placing them in Category 3), however if the handicap is caused by a non-organic source the child may remain in an integrated institution with special supports (Category 2b).

Based on the Statistical Yearbook of Education there were 61,585 primary school pupils with “selection committee” identified organic and non-organic special educational needs in the 2006/07 academic year. Out of this group, 33,277 SEN students were educated in regular classes. This means that approximately 50% of special needs children belong to Category 2b and the other 50% to Category 3. There are no statistics about the distribution of the 1 and 2a Categories as both are registered among children without special needs (See Table 1 in Appendixes) .

Chapter 2: Overrepresentation of Roma in the Special Education System and Systemic Causes

2.1. Evidence of Overrepresentation

Data collection based on ethnicity has been prohibited in Hungary since 1993; however, estimates from studies and secondary data indicate that a high number of Roma children who are channeled into special education are identified as mildly handicapped. According to the National Education Institute, ten times more Roma students are in the special education system than non-Roma students (OKI, 2006). The accessible statistical data prior to 1993 demonstrates that in 1974-75 Roma students constituted 25% of the special school population, but by 1993 this percentage increased to 45%. After that time we do not have official data; however several sociological studies dealt with the issue. A 1997 survey involving 309 special schools estimated the percentage of Roma students is over 40% in these schools. Another county level survey conducted in 1998 found that in Borsod County around 90% of children in special education are Roma (OSI, 2007).

Most experts agree that the level of overrepresentation of Roma in special education is unreasonable and could only occur if students who do not actually have real special needs are being funneled into the special needs system. Many of these misdiagnosed Roma children are placed into the mildly handicapped category. This contributes to the extremely high number of mildly handicapped children in Hungary – in fact, Hungary has approximately three times more mildly handicapped children than any other OECD country (OKI, 2007). The European ratio of registered children with (physical and mental) disabilities is 2.5-3% of the general school population, however in the 2003-2004 school year 5.9% of the general Hungarian school population studied in institutions or classes that follow the special curricula (OKI, 2006). The number of children registered as disabled from among the total general school population has been increasing each year for the past 4 academic years. Furthermore, due to the overrepresentation of Roma, mild disabilities are disproportionately represented. 3.3 % of the

total student population is identified as mildly handicapped and are studying in schools with special curricula.

2.2 Structural Causes of Overrepresentation

Existing studies identify three structural problems that create perverse incentives that result in the channeling of Roma students into the special education system: the ambiguous definition of the “mildly handicapped” category; the financial incentive to the schools and expert committees to diagnose students as being handicapped; and, the misinformation and disempowerment of Roma parents in the identification process.

The first structural problem is that the meaning of mildly handicapped is ambiguous in Hungary. Valeria Csepe’s article and the National Education Institute’s report, point out that the meaning of mildly disabled is so ambiguous and flexible that it is easy to mistake children with behavioral or social problems for children who are actually disabled. Because Roma have a different cultural and social background from the majority society, they are the most vulnerable to be miscategorized as a result of this ambiguity. Csepe states that the high number of mildly handicapped children is due to the fact that the line between the 2a group, children who actually do not have special educational needs, but have problems with school achievement and the 2b category, children who have non-organic special needs is not clear (Csepe, 2008). The problems caused by the ambiguous definition are compounded by the outdated instruments and the non-standardized testing methods used to diagnose mental handicaps. County committees are permitted to use various methods to assess the children. Moreover, the tools are not developed to take into account social and cultural differences that may affect children’s abilities; hence Roma children are disadvantaged throughout the process (Hermann -, 2008)

Second, probably the most important incentive to recruit more children into special education is the additional financial support from the national government which the school maintainer

(usually the local or county municipality) receives for children with special needs. The identification procedure is initiated by primary schools and kindergartens when they ask the “selection committee” to assess students. Because schools receive additional money to educate students who are classified as SEN, schools might start the procedure with the hope of receiving the increased amount even though in some cases sending a child to the committee is unnecessary as the student’s needs could be met by a normal classroom teacher. Moreover, the committee which assesses the children also has an interest in diagnosing these students as being mildly handicapped. The committee itself is maintained by the county municipality which benefits from additional resources if the committee finds that the child is mildly handicapped. Therefore both the school and the selection committee itself have financial incentives to find that a student requires special education.

Finally, the third structural reason why Roma children are disproportionately represented in the mildly handicapped category is related to the role of parents. Roma parents are often unaware of the consequences of having their child categorized as mildly handicapped and that there is a great chance for children identified as SEN to be unemployed after completion of their studies. Teachers, the selection committee, and school directors often fail to provide Roma parents with meaningful information about special education and their rights as parents. The following is a list of the most important parental rights in the special education identification. Although the exercise of these rights can have an impact on the outcome of the process (Hermann – Horn, 2008), but usually the parents do not know about them.

- At the parents request, the selection committee have to take into consideration a minority child’s special linguistic and socio-cultural characteristics;
- The process cannot start without the consent of the parents, however if the parents refuse, a local notary can require their consent;
- The procedure cannot start without the presence of the parents;

- If the selection committee finds that the child has special needs, then it must provide the parents with different schools that their child can attend within the region and the parent have the right to chose among them.
- The parents must be informed about the decision and also about the fact that the implementation of the decision can only start with their consent. If the parents do not agree with the selection committee decision, they can submit a request for review to the notary.
- In the case of students with mildly mental disabilities, the selection committee reviews its opinion one year after its initial decision, and then in every second year until the child reaches the age of 12. After this time, the review is carried out every three years.

Taken together, these three structural problems make it easy for the selection committee and the schools to discriminate against Roma children. Thus, many children who only have behavioral problems or problems with school achievement are placed in special schools instead of integrated ones. According to studies a big proportion of Roma children identified as having special needs do not have a mental disability, but come from a multiply disadvantaged family. An ECRI report found that sending Roma children into special education is a partially automatic practice of the selection committee (ECRI, 2000). In several cases, courts have found that this misdiagnosis results in the segregation of Roma children (Ostrava, Tiszatarjan), which in turn greatly impedes their future prospects.

Chapter 3: Making the cots argument:

These discriminatory practices are very harmful for the children's career; usually once a child is channeled into special education it is almost impossible for him or her to transfer back to the

mainstream education or to continue at four-year secondary schools. Besides being procedurally discriminatory, special education not only hurts the career of the children, it is also costly for society. In this chapter I argue that the indentifying so much Roma with special needs is not just harmful for the life of the child but very costly for society as well. Assuming that mildly handicapped children, such as children with behavioral problems or school achievement problem (2a group on the graph), can be successfully educated in integrated classrooms, they will have a greater chance to obtain a secondary school degree and to find a job. In addition, integrated education would cost less for society and would lead to increased tax revenue in the long – term.

The first part of the chapter presents the most typical scholastic path of special needs children until entering the labor market relative to children with school achievement problem. Than I am going to calculate the costs and benefits of special education towards the Hungarian government taking into consideration the educational costs and possible employment profits too.

3.1 Career of the pupils with special educational needs and school achievement problem:

We know from the above that overrepresentation of mildly handicapped children in Hungary is due to the discriminatory practice and to the difficulty of differentiating children with mild mental problems and children with school achievement difficulties, Therefore many children, mostly Roma are channeled into special education instead of an integrated one. My main assumption is that children from 2a group, who have problems with school achievement, but do not have special needs and are educated in an integrated classroom (see graph 1 in the Appendices) have greater chances to obtain a secondary school degree and to be more competitive at the labor market. Thus, in this chapter first I am going to present the possible career of a mildly handicapped child from secondary education until working. Next I will

compare the career of a child with school achievement difficulties; however I lack statistical data for certain elements.

Secondary education:

Children remain in these schools, with lower academic requirements, until their abilities are considered sufficient to reintegrate into mainstream education. However, usually children stay in the auxiliary system throughout their primary education, with practically no chance of continuing to secondary schools afterwards. From my perspective, the most relevant issue is the ‘outcome’ of this type of education to consider the costs and benefits of this system is for the society.

Looking at the first table, we notice a dramatic decline in numbers. The decreasing number of children with SEN at secondary level indicates the high level of drop out and repetition at the 8th grade level, because there is a little chance for the reintegration. Most of those pupils who continue their studies apply for special vocational schools or vocational schools; very few enroll into secondary schools.

According to Gabor Havas, a sociologist who have done many research in this field, a majority of the pupils with SEN who have had basic special education go to special vocational education (47.4%) or simply drop out from school (Havas Gabor, 2004)(see table 3 in the Appendixes). Few of them will obtain secondary school degrees-- mostly those students who have hearing or sight disabilities (Banfalvy, 2004). Thus, most of the students with SEN have two options after primary school, either attending a vocational or special vocational school or simply dropout from the school. In Hungary the secondary school degree is a basic requirement at the labor market and to enter into higher education (Kertesi-Kezdi, 2006). Therefore most of the students with SEN enter with disadvantages at the secondary, tertiary level and at the labor market.

Other scholars in this field have done research as well. Köpatakiné Mészáros – Mayer – Singer searched the career of the pupils with SEN (Mészáros – Mayer – Singer, 2006). The aim of the study was to explore the studies of SEN pupils at the secondary level and their labor market opportunities. According to their findings, most secondary schools do not accept children with SEN or children who have different backgrounds relative to the majority. Some of the schools accept pupils with SEN; however these children would need external expert support and collaboration with the parents in order to successfully complete with the other pupils. However, according to this study too, most of the pupils with SEN chose to continue their secondary studies at special vocational schools, which almost accept all of the applicants and provide specializations which are uncompetitive at the labor market.

Based on the Table 1, 14 666 pupils with SEN are in the secondary level: 9% of them continue their study at secondary vocational schools, 7.3% of them at secondary general schools, 18.4 % of them go to vocational schools and 65.2% study in special vocational schools. While, 75 % of the pupils who do not have special educational needs attend secondary vocational or secondary general school which provide for them secondary school degree, this rate is much lower relative to pupils with SEN.

According to the 1985 Act I. About the education, the state has to care about the career of the disabled students who are unable to develop alongside their peers. This task is fulfilled by these special vocational schools. The special vocational schools are specialized for different disabilities. There are vocational schools for children with hearing or sight disabilities; as well as some for mildly, moderately or seriously mentally handicapped children too. This education lasts for two years after 9th and 10th grades; paragraph 4 says that the special vocational school degree qualifies the students for skilled jobs and semiskilled labor, which they can acquire through practice

(betanított munkás)⁴. According to the study written by Mészáros – Mayer – Singer, the students receive certificates for such specializations which are not competitive at all at the labor market (sewer, gardener - varró munkás, kerti munkás, parkgondozó) (Mészáros – Mayer – Singer, 2006).

Labor market

Social integration of special needs students after the school is very hard due to their isolated education. Most of them have little chance of receiving a job or joining society; however we have little data about the employment of special needs people. In order to get to know more about their employment situation of student with SEN, we have to look at the data of the entrant jobseekers. The National Employment Service collects data about the unemployed; however not all unemployed people are in its system. To be a registered member, the unemployed must go to the unemployment office and request the registration. In order to receive the social benefits and social security support from the NES, the unemployed must be a registered member.

In recent years more students have been obtaining secondary school degrees and college/university degrees. According to the Annual Report of the National Employment Statistical and Assessing Office (Ignits Gorgy, 2007), 40% of the registered entrant jobseekers do not have general education, 18 % had a vocational school degree, one third of them have a secondary school degree and 8.3% have a university degree in 2007. According to the report, the number of registered entrant jobseekers with secondary school or university degree has risen higher than in the previous years, but the number of people with low education levels did not decrease. This caused the labor market value of a vocational school degree to decrease. We do not have data about the employment of students with SEN but we can fairly assume that their employment opportunities are much more limited than those of their non-SEN peers. Furthermore, the Békés County in 2003 estimated the proportion of unemployment people based

⁴ Act of education 1985. I. paragraph 4.: “a speciális szakiskolán szerzett bizonyítvány szakmunkási, ill. betanított munkakör betöltésére képesít”.

on their education. According to this report 60% of students obtaining special vocational school certificate will become unemployed (in Bernath –Zolnay, 2007).

To summarize we must first note that there is no collected national data about the employability of mildly handicapped children and children with children with school achievement problem. What we know is the following: most of the children with SEN continue their studies at special vocational schools, with only approximately 16,4 % of children with SEN attending secondary school (mostly those who have sight and hearing difficulties, but not children with mild disabilities). Furthermore, we do not have national statistics on the employability of children with special vocational school degrees, but we know from a County Employment Office's report (Bekes County), that 60 % of students completing special vocational school will be unemployed and the Regional Employment reports consists as well, that jobseekers with disabilities and special schools have much lower chances of finding a job.

For the 2a group, children with school achievement problems, we lack national statistics, but since they are registered among students without special needs, we know some features of the group. First of all we know that 70% of student without SEN (consisting of the 2a and 1 groups) obtain secondary school degrees. In addition, we know from national reports that 70,4 % of them were employed in 2007; thus around 30 % of people with secondary school degrees were unemployed (Ignits, 2008). Therefore, their labor market prospects are much better relative to children who only have special vocational school degree. Moreover according to the Kerdesi – Kezdi study, secondary school completion is a critical point in the Hungarian educational process because it is the gateway to both college and the labor market (Kertesi –Kezdi, 2006). Thus, those without a secondary school degree face much greater risks of unemployment in Hungary.

3.2. Financing system of education:

3.2.1. Methodology:

Beside to the fact that this discriminatory practice is very harmful for the children's career, we can see that neither profitable for the society in terms of the lost tax payment nor social benefit. I am going to argue that the educational costs of the mildly handicapped children are not profitable at all for the society; integration would be a better use of tax revenues.

In this chapter I am going to calculate the costs of education per a child and the future benefits or costs of his education towards the society. First, I am going to sum up the educational costs of a mildly handicapped child⁵. Based on the above described and researches, most of the mildly handicapped children continues their studies at special vocational schools after special primary education and approximately 60 % of them became unemployed, therefore I am going to calculate the costs and possible benefits around these three steps. Then, I am going to sum up the educational costs of children who have school achievement difficulties; however it will be zero since they are receiving the same amount of money as children who do not have any extra educational needs.

The main costs which I am going to calculate are the following:

- Cost of special education (budgetary regulation)
Supplementary normative at primary and special vocational school, dormitory
- Cost of supporting an unemployed person:
 - personal income tax paid after the earned income (calculating with the average salary)

⁵ This is the 'lightest' disability than the government provides smaller amount of money for their development, therefore their educational costs are lower than the seriously or moderately handicapped children's

- Social security contribution after earned income paid by the employee or employer
- Unemployment insurance
- Receipt of means –tested welfare benefits

There are not many studies connected to the costs of Hungarian special education. I will mostly rely on the budget regulation, the relevant laws, and study of Bernath-Zolnay, Kertesi- Kezdi. Bernath Gabor and Zolnay Janos in their unpublished study also tried to calculate the costs of special education in 2005; it is accessible at the webpage of the Roma Education Fund. Since their study, many aspects of the financing system have changed, for instance the Ministry instead of per capita financing introduced the performance indicators (see more lately) and the amounts of the normative have changed too. Gabor Kezdi and Gabor Kertesi, in their study calculate the long-term benefits of education. The aim of the study was to demonstrate that the investment into education of Roma is worth for the state, because its long term benefits are very profitable relative to not studying and became unemployed. Thus, the authors already collected the most relevant costs of the society in terms of an unemployed people.

Limitations and risks of the method:

The main difficulty in my research is the lack of reliable data, mostly about Roma. There are not data related to secondary education of mildly handicapped children; only are data about the whole group of children with SEN, and I have found only a county level estimation about the employability of children possessing special vocational school degrees. In spite of that, we know from the report of Regional Employment Offices those jobseekers with disability that have special vocational degrees have much lower chances of finding jobs than those who have vocational or secondary degree.

There are some elements which are not calculated among the costs. These are disability pensions, disability benefits, and increased family support. In terms of disability benefits and increased family support, only people who have moderate or serious disabilities are eligible. So, the calculation of the cost of a mildly handicapped does not involve either disability benefits or increased family support. In addition, it does not include the disability pension and other unemployment support, because all of them assume some working period, and it would complicate the calculations. However, such amounts would increase the value of the costs.

3.2.2. Educational financing:

The annual central budget decides about the annual budget of the local municipalities, which are in most of the cases the maintainers of the educational institutions. Hence, the central budget regulation consists the concrete amounts, which are accessible by the municipalities and the 1993 Act of Education involves the basic principles based on the resource allocation occurs.

Basically, the state is not responsible for the organization of the education, it proves central support to the maintainers in order to maintain, organize and education and organize its budge as well, and hence the schools do not have direct access to the central resources only through the involvement of the maintainer (Szudi, 2008). Furthermore according to the Educational Act the state is not obligate to finance the public education with 100%, the maintainer have to allocate the rest of the needed resources⁶. Thus, the budget of the educational institutions is coming through three main channels: central budget, maintainer (local municipality) and the educational institutions (through call for applications, renting of its properties ect.). The annual amount with which the state supports the maintainers is decide in every year by the National Assembly, usually 50 -70 % of the total budge of the educational institution is provided from the central budget (Szudi, 2008).

⁶ 1993 Act of Education, paragraph 38, (1)

We can recognize based on the above described that the total budget of the educational institutions is almost vary by settlements. This is depending on the incomes of the maintainers and schools. Usually in case of 'richer' municipalities the budget of the school is higher, because municipality can organize more resources for the education. However, we must to notice that the organization of the education is the responsibility of the maintainer (local municipality), thus for instance if the municipality do not plan to invest so much into the education, it can use the educational resources coming from the central budget for totally else investments. This causes inequality in education (OKI, 2007).

The central budget do not make difference between the maintainer, they are equally access the resources. In the central the allocation of the budget is based on three type of normative: basic normative, supplementary normative and other resources for which the maintainer have to apply.

3.2.3. Financing of special education:

We do not have research on this field, so I almost used the central budget regulation and the Marta Bencze study about the budget of 2008. As I mentioned in the introduction, I am going to track the life-course of a child who is qualified as mildly handicapped. The basic financial principle is in the Educational Act, which says that every child with SEN has to be counted in terms of the financing and headcount as two or three children, depending on the degree of disability. This means that the municipality receives double the normative funding for a mildly handicapped child and triple the normative funding for a moderately or seriously handicapped child (the budget regulation details the accessible amounts and condition). Furthermore, in Hungary, the state restricts the maximum and minimum number of children in one class (it has an important role in the calculation of the performance indicator). Therefore, a mildly handicapped child must be counted as two children and a moderately or seriously handicapped child must be counted as three children in a class.

Related to the educational costs, I am going to summarize only those resources which schools can request in addition to the obligatory, basic normative funding for a mildly handicapped child. Based on the annual central budget regulation, the maintainer receives 2 550 000 HUF/performance indicator/academic year⁷. This amount is accessible to every kindergarten, primary school, and secondary school and dormitory as well. This is the basic normative funding that the government provides for every educational institution. On top of this amount, the municipalities can request further, supplementary resources which include the following:

1. Education of special needs children
2. Non-Hungarian education, Roma education
3. Bilingual education and minority language education
4. Support for pedagogical methods and programs
5. Support for certain municipality maintainer

The budget regulation does not differentiate in terms of financing between maintenance of mainstream schools, where children with SEN are integrated into classes, and special schools. In other words, both kinds of schools are eligible for the same amount of money. Therefore, all of the educational institutions (kindergartens, primary schools, secondary schools, gymnasiums, vocational schools, dormitories, special kindergartens, special primary and special vocational schools) can request 192 000 HUF per child with organic origin mild disability and 144 000 HUF per a child with non-organic origin mildly disability. On top of this, in the case of a jointly maintained institution (intezmenyi tarsulas), the maintainers can request money to support children who must travel to school every day. Based on the budget regulation the school can request 74 000 HUF for such a child between the first and fourth grades, 80 000 HUF for such a child between the fifth and eighth grades, and an additional 80 000 HUF per child if the school

⁷ The performance indicator is a new element of the financing system, which indicates the performance of the education based on the mandatory number of teaching hours, set of headcount in a class.

maintainer ensures school busing for these children. The listed amounts must be doubled for a mildly handicapped child and tripled for a moderately or seriously handicapped child. Therefore, besides the supplementary resource (192 000 HUF, 144 000 HUF), we must add the listed amounts if the mildly handicapped child has to travel to the educational institution (please see the table 4 with the final values).

Based on the budget regulation, a primary school/school maintainer receives 2 792 000 HUF more; the maintainer of a secondary school (special vocational, vocational, high school) receives 768 000 HUF more; and a dormitory receives 768 000 HUF more, for a mildly handicapped child (organic origin) than for a 'regular' child. In sum, the government invests 4 328 000 HUF more into the education of a mildly handicapped child (primary education, special vocational education and dormitory). However, educating children with school achievement problems, but not special educational needs, does not cost more than educating 'regular' children. As Csepe Valeria pointed out, the development of these children is the task of the teachers and does not require hiring special teachers. The results clearly reveal the incentives of the schools and committee to channel more children into special education, since the Roma are the most vulnerable group, and since their proportional representation is high.

3.2.4. Benefit lost:

There are not national statistics about the employability of children with special vocational school degrees, but we know from a County Employment Office's report (Bekes County), that 60% of students completing special vocational schools will be unemployed. The Regional Employment reports concur that jobseekers with disabilities and degrees from special schools have much lower chances of finding jobs.

Related to the 2a group we know that 70% of students without SEN (consisting of 2a and 1 group) obtain secondary school degrees. In addition, we know from national employment report

that 70,4% of people with secondary school degrees were employed in 2007 (Ignits, 2008). Therefore, the labor market prospects of people with secondary school degrees are much better relative to people who only have special vocational school degrees.

Based on that, I conclude that a mildly handicapped child has a greater chance of being unemployed, and for a longer time, than a child with school achievement problems. I calculated the potential profit lost to the state, if a mildly handicapped person is unemployed for 10 years longer than an unemployed person with school achievement problems. I used the average income for 2007 (185 000 HUF) and, based on that, I calculated the lost social security benefits and tax payments for 10 years. In addition, we can add social benefits such as the unemployment insurance and regular social benefits; however, the latter is not a fixed value, and so I omitted it. Ultimately, if a mildly handicapped person is unemployed for 10 years, then the government would lose 15 885 000 HUF and would pay an additional 3 312 000 HUF in unemployment insurance.

In conclusion, educating a mildly handicapped child costs 4 328 000 HUF more than educating a child with an academic achievement problem. This number represents the incentive of schools to channel more children into special education. Roma students are the group that is most likely to get swept into the special education system as a result of this incentive because in addition to linguistic and cultural differences, Roma families are often multiply disadvantaged. Consequently, Roma students are disproportionately represented in the special education system in Hungary.

Furthermore we know from the estimates and statistics that the vast majority of children with SEN go to special vocational schools after primary education; however these schools provide trainings which are not competitive in the labor market. Hence, the children who graduate from these programs have a greater chance of being unemployed. Assuming that a child with a special

school degree is unemployed 10 year longer than a child with academic achievement problems, than the government has lost 15 885 000 HUF in lost personal income tax and social security benefit. Additionally, the government will have to pay 3 312 000 HUF in unemployment insurance. Therefore, I conclude that if mildly handicapped children, like children who have school achievement problems, could be successfully educated in integrated classrooms, they will have a greater chance to obtain a secondary school degree and therefore, they will be more likely to find a job. Thus, not only does integrated education cost society less upfront, it will also lead to increased tax revenue and smaller social benefit and unemployment expenditures in the long-term.

Conclusion and recommendations:

In Hungary approximately ten times more Roma children are in special education than non-Roma children. Consequently, Hungary has around three times more mildly handicapped children than any other OECD country. Additionally, 3.3 % of the total student population is identified as mildly handicapped and are studying in schools with special curricula which is disproportional high relative to other categorizes. According to studies this high number of mildly handicapped children is due to the ambiguity of the mildly handicapped category, which makes it easy to mistake children with school achievement problems or social problems for children who are actually mentally disabled (Csepe, 2008). Since the Roma are among the most socially disadvantaged groups and they are culturally, and linguistically different from the majority society in Hungary, it is easy to mistake them for having actual disabilities and channel them into special education. Another reason recruiting more children, mostly Roma children into special education is receiving the increased support from the government. I believe the schools have two goals with channeling many Roma into special education first hoping to receive the double resources after the children, second to segregate the Roma children from the non-Roma. In several cases, courts have found too that this misdiagnosis results in the segregation of Roma children (Ostrava, Nyiregyhaza). Because of these incentives the teachers and committees do not provide for the Roma parents meaningful information about the consequences of special education and their rights as parents. Therefore even though parents have the right to ask for a review of the decision of the 'selection committee', very few Roma parents have the knowledge needed to exercise this right.

Vast majority of experts agree, the high proportion of Roma is unreasonable in the system, since the rate of handicapped children of different ethnic group should be around the same, the scientific evidences are very clear the rate of mental handicapped children does not depend on

the origin of the population. Based on that, my main assumption is that high number of mildly handicapped children in Hungary is unreasonable, and the majority of Roma children does not have special educational needs come from mental problem, but are socially disadvantaged, culturally and linguistically different (this is connected to their school achievement problems). Assuming that mildly handicapped children, like children who have school achievement problem, can be successfully educated in integrated classrooms, they will have a greater chance to obtain a secondary school degree and to find a job. In addition, integrated education would cost less for society and would lead to increase tax revenue in the long - term⁸.

Hence, I am arguing that indirect discrimination resulting segregation is very harmful for two reasons. First, unnecessarily placing a student in special education impedes the child's healthy development and creates disadvantages in their career. The curriculum of special education requires less from the children and has fewer subjects. According to statistical data, almost 65 % of all children with SEN (including mildly handicapped) continue their studies at special vocational schools, which do not provide competitive qualification for the labor market. In addition, around 15 % of children with SEN drop out of school before starting secondary education. However around 70 % of children who are in integrated classes (consisting of children with school achievement difficulties and children who do not have any extra need) have secondary school degree, which is an important starting point at the labor market and condition to enter tertiary education. There is a few data about the employability of children with SEN, but there is not data about the mildly handicapped children separately. However, we know that most of them complete special vocational school, based on a county level estimation, 60% of children with special school degree became unemployed, while 70, 4% of children with secondary school

⁸ I must to notice that the study does not argue that those children attending integrated schools will automatically obtain secondary school degrees and be able to find a job. However, those children completing special primary education has much lower chance to continuous their studies at high schools and to obtain a secondary school degree.

degree is employed. Hence we can conclude that children with special vocational school have much greater chance to be unemployed and that is reported by Regional Employment Offices too.

Second, this practice is costly for the whole society too. Although the government invests double and triple resources for the education of children with SEN the career of children result in is not profitable for the society. These unemployed people will not pay taxes and will require social support from the government. In the cost argument I presented the most presumptive career of a mildly handicapped children relative to children with school achievement problems, in addition I compared the costs and benefits in terms of employment and education too. Thus, according to the final results the educational costs of a mildly handicapped child is 4 328 000 HUF more than a child with school achievement problem, consisting of primary education, special vocational school and dormitory. Furthermore, in case of a 10 year unemployment the government have to pay 3 312 000 HUF as unemployment insurance. Related to the employability, as I mentioned the value of a special vocational school degree is much lower at the labor market at a vocational or secondary school degree, because special schools provides such specializations which are not competitive. Hence, a child with special vocational school degree has greater chance to be unemployed than a child with secondary school degree. Thus, in case of a 10 year unemployment the government's profit lost is 15 885 000 HUF relative to people who earn the average income.

I conclude that channeling these students into integrated classes, who do not have mental disability, but only school achievement problem, will have greater chance to obtain secondary school degree and to have job. This would cost much less for the society in terms of the educational and social benefit, moreover it would lead to increased tax revenue in long-term.

In this paper I advocate a clarification of the line between children with school achievement problem and children who are mildly disabled in addition to stopping the discriminatory practice towards Roma.

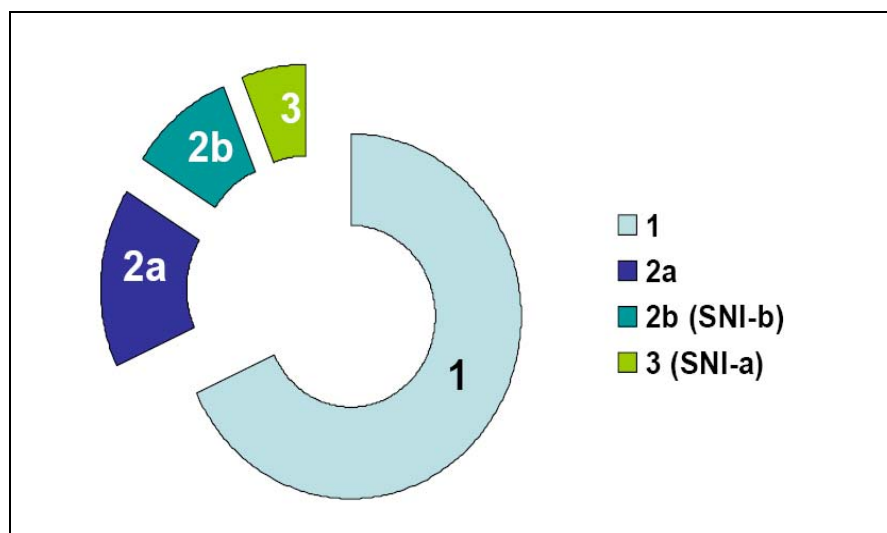
Recommendations:

I am recommending the following two important steps to the Hungarian government and to the relevant authorities.

- First of all the “selection committees” and schools have to stop the discriminatory practices towards the Roma children. The Hungarian government has the role to call the attention for the problem and to emphasize the damages of this practice;
- I advocate a clarification of the line between children with school achievement problems, who are educated in integrated classes and children who are mildly disabled. By improving the distinction between these categories and stopping channeling so many Roma into special education Hungary can decrease the number of students who are classified as mildly handicapped so that it is in line with other OECD nations and proportion of other categorize.

Appendices:

Graph 1: Categorization of students



Katona, 2007 in Csepe Valeria, 2008⁹

Table 1: Total Number of Students with SEN (Category 2b and 3) in the Hungarian Educational System

School year	Kindergartens	Primary school	Special vocational school	Vocational school	Secondary general school	Secondary vocational school
2001/02	4 249	46 575	6 291	619	351	425
2004/05	5 746	56 922	8 369	2 011	681	748
2006/2007	5 324	61 585	9 563	2699	1071	1 333

Students with SEN Educated in Mainstream Classes (Category 2b) out of the Total Number of SEN students (Category 2b and 3)

School year	Kindergartens	Primary school	Special vocational school	Vocational school	Secondary general school	Secondary vocational school
2001/02	2 490	6 722	...	619	100	389
2004/05	4 236	24 067		1 617	509	748
2006/2007	3 840	33 277		2 582	858	1 324

Statistical Yearbook of Education, 2006/07

Table 2: Special school graduates' further education directions

	2001-02	2002-03
High School	2 (0,2%)	4 (0,4%)
Vocational High	4 (0,5%)	35 (3,6%)
Short-term vocational Training	300 (34,4%)	305 (31,7)
Special Vocational	442 (50,7%)	456 (47,4%)

Did not continue	124 (14,2%)	162 (16,8%)
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Havas Gabor, 2004

Table 3: Rate of employed people based on the education levels in 2007

Qualification	Employment rate
Primary school	39,8 %
Secondary school	70,4%
University/Collage	80,2%

Table 4: Costs of special education of an organic mildly handicapped child

Normative	Primary education (HUF)	Secondary education – Special vocational school	Dormitory	SUM
Mandatory normative	2 550 000 HUF/achievement indicator	2 550 000 HUF/achievement indicator	2 550 000 HUF/achievement indicator	
Supplementary normative: - Organic mildly handicapped	192 000 HUF/child	192 000 HUF/child	192 000 HUF/child	
- Non-organic mildly handicapped	144 000 HUF/child	144 000 HUF/child	144 000 HUF/child	
Support for 'traveller' students: - 1-4 grades - 5-8 grades - 1-8 grades	74 000 HUF/child 80 000 HUF/child 80 000 HUF/child			
SUM	2 792 000 HUF	768 000 HUF	768 000 HUF	4 328 000 HUF

Table 5: Benefit lost in case of 10 years unemployment calculating with the average income in Hungary in 2007

Benefit lost	Amounts (based on the average income, 185 000 HUF)	SUM (benefit lost for 10 years)
Personal income tax	37 000 HUF/months	4 440 000 HUF
Social security contribution:		

- <i>Employer contribution</i>	63 925 HUF/month	7 671 000 HUF
- <i>Employee contribution</i>	31 450 HUF/month	3 774 000 HUF
SUM		15 885 000 HUF

Unemployment benefit for 10 years

Unemployment insurance	27 600 HUF/month	3 312 000 HUF
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