

**MULTIPLE DIMENSIONS OF HIGHER EDUCATION POLICY:
IS THERE A COMMON GOAL?
The Case of the 2011 Hungarian Higher Education Policy Reforms**

by
Aniko Toth

Submitted to Central European University
Department of Political Science

In partial fulfillment of the requirements for the degree of Master of Arts in Political Science
(2-year)

Supervisor:
Professor Matteo Fumagalli
Budapest, Hungary
(2014)

ABSTRACT

Higher education has been shaped by the effects of globalization, internationalization, and massification. As a result, there are various stakeholders in higher education and there are shifting relations among their interests, which can generate different takes on what direction higher education should head towards. The thesis focuses on the case of the 2011 Hungarian higher education reforms applying a structural approach to reveal the different dimensions the reforms are linked to and to assess the effectiveness of the policies. The macro (global and European patterns of higher education policy), meso (social, political, legal, and economic aspects of Hungarian higher education) and micro levels (students and higher education in Hungary) are revisited keeping the reforms the recurring reference point. The main proposition states that there is a mismatch between the Hungarian policies and the European and global patterns of higher education policy suggesting the existence of a policy-gap that remains unresolved by the reforms. The thesis reveals the gap, and based on the combined assessment of the three-levels of the analysis, it suggests recommendations on the advancement of the policy.

ACKNOWLEDGMENTS

First of all, I would like to thank my thesis supervisor Professor Matteo Fumagalli for his support, guidance, and important suggestions on my work. I am also thankful for Professor Liviu Matei and Professor Marvin Lazerson because their Higher Education and Public Policy class equipped me with the skills to study higher education and it also contributed a lot to the development of this thesis.

Special thanks to Josipa for her help and for her friendship. Finally, I would like to thank my family for their love and support.

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LIST OF ABBREVIATIONS

EC – European Commission

EU – European Union

FIDESZ – Fiatal Demokraták Szövetsége; Alliance of Young Democrats

Fidesz – Magyar Polgári Párt; Fidesz – Hungarian Civic Alliance

HaHa – Hallgatói Hálózat; Student Network

HE – higher education

HEI – higher education institution

HEP – higher education policy

HÖÖK – Hallgatói Önkormányzatok Országos Konferenciája; National Conference of Student Unions

IT – Information Technology

IMF – International Monetary Fund

KDNP – Kereszténydemokrata Néppárt; Christian Democratic People's Party

MDF – Magyar Demokrata Fórum; Forum of Hungarian Democrats

MSZP – Magyar Szocialista Párt; Hungarian Socialist Party

NEET – People neither employed nor engaged in education or training

OECD – Organization for Economic Co-operation and Development

OFÉSZ – Országos Felsőoktatási Érdekvédelmi Szövetség; National Alliance for Higher Education

VET – Vocational Education and Training

CHAPTER 1. INTRODUCTION

During the 2010-2014 government cycle the Fidesz-KDNP government introduced various structural reforms in Hungary. The conservative government coalition was formed after the 2010 elections where they achieved a 2/3 majority in the Parliament. The majority made it easier to carry out the proposed governmental reforms. Most of the reforms were communicated as part of a debt management action plan to decrease state debt and state budget deficit (“Széll Kálmán Plan” 2011; “National Reform Program” 2011; “Széll Kálmán Plan 2.0” 2012). As part of a complex education reform package, the 2011 higher education reforms were some of the most debated policy measures introduced. International and domestic criticism both expressed concerns. Within the domestic sphere, students became mobilized and raised their voice against the changes.

In short, the traditionally state-funded higher education system was reformed by increased state intervention in issues of funding, access and quality of education. Interestingly, state intervention brought about state withdrawal as state funding on higher education decreased significantly. Besides, one element of the reforms created a link between state-funded education and employment. Basically, students with state-funded statuses are now obliged to engage in Hungarian employment based on the length of their studies. In case the requirement is not fulfilled within 20 years after graduation, cost of education has to be returned to the state. The conditions are set within the framework of a student contract.

The reforms provide basis for contributing to the literature of higher education policy (HEP) for various reasons. First, they brought about specific measures unusual not only to the Hungarian but also to the European level of higher education policy-making. In the Hungarian context, dramatic state withdrawal from funding represented a different path given the traditionally state-funded higher education system that developed in the last two decades. The

high degree of redistribution of state fund based on economic interests of the state was also unfamiliar to the Hungarian system. At the European level, the objectives are centered to increasing access to higher education to reach the Europe 2020 goal of having 40% of Europeans completing tertiary education.

The policy measure uncommon both to the Hungarian and to the European legislation is the student contract, which binds students with state-sponsored places to seek employment in Hungary for a fix length of time. As the Ministry of Human Resource argues, in other European states there are either high tuition fees or sanctions similar to student contracts¹. However, the study of European higher education systems shows that the very same conditions cannot be found in Europe².

Second, within approximately one year, the reforms were modified numerous times. There were two main reasons for the changes: first, amendments often came in rudimentary versions indicating a policy-making approach that tried to do the most within the shortest time. In fact, the government communication referred to their program as a ‘now or never chance’ (“Széll Kálmán Plan” 2011). The second reason is that criticism made its way and shaped the current outcome of the policy. Finally, the discourse of the policies is also important from the perspective of the justification of the reforms and of public reception.

The case sheds light on the multiple dimensions of contemporary higher education policy, which has become a key policy field within the political agenda. However, the more aspects are involved, the more difficult it becomes to harmonize the different dimensions and interests. The case also reflects on a set of special policy measures at the state level and contributes to the literature on Hungarian higher education policy-making. Besides, the topic

¹ “Kormányzat - Emberi Erőforrások Minisztériuma - Hírek.” Accessed May 10, 2014.

<http://www.kormany.hu/hu/emberi--miniszteriuma/hirek/a-hallgatoi-osztondij-szerzodes-nem-roghoz-kotes>.

² “Eurydice - Eurypedia - Descriptions of National Education Systems and Policies.” Accessed May 10, 2014.

http://eacea.ec.europa.eu/education/eurydice/eurypedia_en.php.

is linked to the larger-scale debates as to what boundaries HEP has and what direction it is heading to. Therefore, the thesis contributes to the general literature on higher education and on higher education policy, as well. In addition, as the Hungarian reforms represent an instance of a two-thirds majority policy-making within a parliamentary system; studying this type of decision-making process supports further research not only on Hungarian reform programs but also on the dynamics of policy-making under supermajority rule.

At this point, it is impossible to assess long-term effects of the measures. Nevertheless, creating a larger picture helps reveal more about the contradictions of the case and explain how events were shaped by macro, meso, and micro-level dimensions. The first research question investigates how the case is related to these dimensions by asking: *how does the Hungarian case comply with international directions of higher education policy-making?* Compliance matters because the general trend is to use higher education as means of cultural, social, and economic development; all three being key concepts of today's globalized world that encourages interaction and integration of states (Altbach et al. 2012; De Wit and Adams 2010). To study higher education policy specifically, one of the most important questions is whether a given policy is effective (Tight, 2003). The second research question investigates effectiveness by asking: *are the 2011 higher education reforms effective and is there a remaining policy gap?*

To answer the research questions, the methodology consists of a structural approach revealing the different dimensions the reforms are linked to. The macro (global and European patterns of higher education policy), meso (social, political, legal, and economic aspects of Hungarian higher education) and micro levels (students and higher education in Hungary) will be revisited keeping the content of the reforms as a recurring reference point. The meso-level analysis will include a discursive approach to reveal more about the ideology and governmental justification of the policies. Finally a survey methodology will be added to the

micro level analysis of students' perspectives to measure their assessment of the reforms and of the current higher education system in Hungary.

The main proposition states that there is an expected mismatch between the directions the Hungarian policies took and the European and global patterns of higher education policy. This suggests the existence of a policy-gap that remains unresolved by the reforms. It will be shown that it is not simply a case of non-alignment because after introducing a number of alignment measures due to opposition about the first version of the reforms; some of the initially articulated problems were still not included. Thus, the overall effectiveness of the reforms at the time of introduction was clearly not sufficient. The policy evolution will show how and to what extent the reforms evolved since their introduction. Interestingly, the most debated element remained in the policy even after amendments.

In sum, the thesis will create a comprehensive understanding of the reforms, combining different approaches to reveal more about the connection between the case and the related dimensions of higher education-policy, as well as to assess the effectiveness of the reforms and identify the policy gaps that remain. The focus of the thesis will be centered to the state-level analysis of the reforms. However, it will be linked to the analysis of the global, supranational trends and to the micro-level of Hungarian students in order to create a better understanding on the multiple dimensions shaping higher education policies. Findings will provide the assessment of the three levels and the identified gaps in the policy. Moreover, policy recommendations will be added to advance the framework of the Hungarian higher education system in light of the findings. As a result, the thesis contributes both to the state-level and to the European Union-focused literature of higher education policy-making.

CHAPTER 2. LITERATURE REVIEW: DIMENSIONS OF HIGHER EDUCATION AND HIGHER EDUCATION POLICY

2.1 *Patterns of Today's Higher Education System: Where Is It Heading to?*

Knight and Altbach (2007) define globalization as a flow of different units ranging from abstract constructs to material ones. The broad consensus agrees that globalization is maintained by a circular mechanism that connects the world. Gürüz (2008) adds an economic perspective emphasizing integration and interaction as equally important assets. In line with this argument, Altbach et al. (2012) define globalization in higher education (HE) as the outcome of the “increasingly integrated world economy, new information and communications technology, the emergence of an international knowledge network, the role of the English language, and other forces beyond the control of academic institutions” (32).

Globalization resulted in the massification and internationalization of higher education. Massification refers to growing participation, ie. the transformation of higher education from an elite privilege to a public asset. Massification also brought about the expansion of HE programs and of institutions. Consequently, funding has become more central for policy-making (Musselin and Teixeira 2014, 1). In case of internationalization, the key elements are cooperation and competition. As De Wit and Adams (2010) sum up: “globalization is a social, economic, and political process to which higher education responds, and in which it is an actor, while internationalization is the way higher education responds to and acts in it” (221). As a result, there are challenges for higher education to respond to the specific processes induced by globalization. Accordingly, the literature can be divided to two themes as to how globalization relates to higher education. First, it explores changes needed by and resulting from globalization and second, it explores the ways internationalization has become the way to respond to these changes (Gibb et al. 2013, 15-16).

An important and related outcome of these processes is that higher education institutions became part of a competitive market within a knowledge society. In fact, the modern understanding on global and international higher education puts the student in the position of a consumer and education institutions into the position of providers (Naidoo et al. 2014). Also, graduates are expected to “think and act both locally and globally in an entrepreneurial way” (Gibb et al. 2013, 15). Accordingly, students can be interpreted as products (Mark 2013). In that model, students represent an input subject to a complex process (completing classes, being evaluated, writing papers, developing skills) after which they become outputs of higher education. Students are also managers investing into their human capital by education (Molesworth et al. 2010, 159) while universities are the sources of human capital, which is related to “factors of production used to create goods or services”. Humans are central to these factors of production as they “take charge of all economic activities such as production, consumption, and transaction” (“Insights: OECD Publication” 2009, 4).

The state - higher education institution dimension is also impacted by the changes. There is a twofold change in the traditional monopolistic relationship. First, the overall importance of external actors has grown. Second, these groups have bigger influence on international affairs and individual higher education institutions (Masseen 2000). The influence can be rephrased more directly as dependence of higher education institutions on external actors who might represent a potential threat to academic freedom and to institutional autonomy (Olsen 2005). However, dependence on the state in a public higher education system is also determinative. In that case the ‘power of the purse’ dictates. Nevertheless, the current trend is that states have changed their positions and gave up some of their power, which resulted in a supervisor-like position for the state and more institutional autonomy for higher education institutions (Masseen 2000, 377-383).

Similarly to the shift between institutions and the state, an important shift occurred within the supranational-national dimension in Europe. The European Union has become more interested in higher education both in terms of inter-governmental policies such as the Bologna Program, and in terms of supervision over country-level legislation of higher education (“Project Report” 1999). There is a proposed link at the supranational level among entrepreneurship, competitiveness and education (Gibb et al. 2013). In sum, higher education can be linked to multiple stakeholders with multiple interests. Some of these stakeholders are strongly connected to each other and some of them are experiencing shifting power relations. However, all of these stakeholders and their relations have been strongly shaped by the globalization, massification and internationalization of higher education.

2.2 Central Elements of Higher Education Policy-making

Although there have been shifts in the power relations of stakeholders, the key elements of higher education policy (HEP) remain to be centered to funding, access, institutional autonomy and quality. Basically, the legislation of contemporary European public higher education takes place at the state level. Nevertheless, supranational interests play an important role in setting the general goals for member states.

In Europe, state funded public higher education is the prevailing model (Casani et al. 2014). In fact, funding is one of the most important dimensions because it connects all areas of higher education policy. Policy discussions start from funding issues and return to them. Ness and Tandberg (2013) provide a comprehensive summary of research on determiners of funding policy. Politics (McLendon et al. 2009), tax support for higher education (Archibald and Feldman 2006), the balance wheel effect (Delaney and Doyle 2007), differences in funding among research universities (Weerts and Ronca 2006), and state financial aid spending tend to be the main factors (Doyle 2010; Rizzo 2007). Based on a somewhat

different distinction, state funding also depends on demographics, economy, and higher education characteristics (Ness and Tandberg 2013, 329).

Ness and Tandberg (2013) emphasize the importance of new institutionalism and institutional rational choice in the context of funding-related policies. In terms of new institutionalism, policy is a shared outcome of behavior triggered by rational choice and institutional features (333). Institutions include the “formal and informal rules, norms, and strategies of an organization; shared concepts used by actors in repetitive situations; the formal organizations and structures of government and public service; and patterns of behavior, negative norms, and constraints” (Ostrom 2007 quoted in Ness and Tandberg 2013, 333).

Institutional rational choice is a product of merging new institutionalism with rational choice theory, and was developed by Ostrom. The core idea is that policy outcome is a function of attributes of policy-makers, as well as a function of attributes of the decision situation. These attributes reflect the values, beliefs, information-gathering capabilities, and the internal mechanisms of decision making of the actors and they are also related to the specific measures introduced by policy-makers. For instance, such measures can be influenced by party affiliation of policy makers or by the formal powers their office operates with (Ostrom 2007 quoted in Ness and Tandberg 2013, 333). In sum, funding seems to be the main determiner of higher education policy in contexts where public funding prevails over private. As it is the case in Hungary, the thesis will show that in such system, policy attempts to introduce tuition fees or to increase the amount of tuition within an existing financial scheme trigger student movements.

Access is another important field. Increasing or decreasing the number of people in higher education has become a critical issue for governments and similarly to funding-related policies, significant changes in access usually generate debates among students. It will be

shown that the general tendency at the supranational policy level is to keep increasing access and have more and more people complete higher education. In case of the Hungarian reforms, decreasing the number of participants was one of the first objectives of the 2011 policies.

Similarly to funding and access, the degree to which government grants institutional autonomy matters because the relationship between government and higher education institutions has changed and today these institutions operate based on a 'social compact' that connects them with the state and with the society. In short, autonomy from political and corporate influence should be granted to institutions. As the state has become more of a guardian over institutional autonomy, this shift is assisted by policy instruments that provide funding, professional self-governance, and academic freedom to universities (Enders et al. 2013, 7). In Hungary, after the regime change in 1989/1990, organizational patterns of student unions were reformed so that the unions would not be influenced by political parties³. Institutional autonomy from such influence was also provided by the *1993 Act on higher education*⁴. Given the centralized legacy of the communist era, these changes had key importance in the development of Hungarian higher education policy (Baráth and Cseh 2007).

The last dimension discussed is quality of education. Quality assurance constitutes some of the most controversial part of HEP fields because there are various definitions and overlapping interpretations of these concepts. According to Stensaker (2007), the means of quality assurance can be put into practice at different levels. Quality includes the maintenance and improvement of the academic achievements of students (Dill 2007), the diverse range of quality assurance systems of the institutions, and the quality assurance schemes of the state (Stensaker 2007).

³ “Az OFÉSZ Krónikája.” Accessed April 23, 2014. <http://www.hallgatoimozgalom.hu/posts/2-az-ofesz-kronikaja>.

⁴ 1993 Act of LXXX on higher education. Accessed April 23, 2014. <http://www.complex.hu/kzldat/t9300080.htm/t9300080.htm>

In Hungary, an important claim of the reforms was to increase the competitiveness of degrees and equip students with more professional and technical knowledge. However, as the reforms were part of a debt management scheme, what was taken from one subfield of higher education was given to another one. For example, state gained a larger role in influencing which major is competitive and which is not, and it determined funding based on that decision (“Széll Kálmán Plan” 2011).

What remains challenging about the dimensions of higher education policy is the extent to which supranational, state-level, and institutional-level policies can function meaningfully given the shared and differing interests of each player and how this interaction affects opportunities of students. For this reason, the Hungarian case will contribute to the scholarly debates on the challenges of globalization in higher education, as well as to the debates on the aspects of higher education policy along with the multiple dimensions within which it has to meaningfully function. It can also be the basis of further research on policy-making dynamics specifically to the Hungarian reforms or to the larger context of policy-making patterns.

The case will reflect on the state – institution relation, and on the national – supranational relation. Furthermore, it will add specific policy recommendations to cope with the challenges of the multiple dimensions of higher education policy and to advance the current framework of Hungarian higher education. Although the policy problems are not new to the discussion, some of the policy solutions shed light on challenges that affect the relation between economic and individual interests in higher education.

CHAPTER 3. METHODOLOGY AND RESEARCH DESIGN

The study of higher education policy (HEP) provides for a diverse range of approaches. The goal of the thesis is to explain the Hungarian policy reforms within a multi-level framework of the relevant policy dimensions. So far, literature has not approached the topic with a strategy that connects all dimensions and presents the events as they were shaped by these dimensions. Also, criticism has not been refined as to what could be improved and how. Some aspects of the changes have been studied but a comprehensive analysis can contribute to the depth of the academic literature on the topic. Most of the studied aspects were preliminary studies and articles written when the first news reached the media about the upcoming changes (Andor 2011a; Polónyi 2011; Cseke 2011; Kenesei 2011; Fejér 2011). Some of the articles focused specifically on one sub-theme such as analyzing OECD data from the publication of *Education at a Glance* (Harsányi & Vincze 2012), analyzing the Hungarian case in light of the *Europe 2020 Strategy* (Ladányi 2012; Andor 2011b), or relating the case to its Central-European context (Keczer 2012).

But why is the Hungarian case relevant to study? First, some of its elements represent directions in policy implementation that respond to the challenges of today's globalized environment by linking state funded higher education (HE) and labor market requirements. This direction is indeed an important challenge of higher education where massification is contrasted to maintaining quality of education; the latter impacting the economic opportunities of students. In the studied case, economic interest is linked to state funding by a student contract.

There have been learning contracts between institutions and students specifying “a set of shared understandings about learning” (Goodman and Beenen 2008, 522) to boost quality of education, however, these are not linked to the state and do not serve as a basis of a trade-

off between state funded education and labor market. In the United Kingdom and in France, a written document sets the conditions of enrollment. In the Netherlands, some of the applied loan schemes require prompt completion of the studies⁵. Although documents exist to set curriculum and learning outcome-related requirements (learning contracts), as well as financial and other legal issues of enrollment (enrollment documents); the Hungarian solution in the current form of the student contract is not used in Europe. Nevertheless, the contract represents measures to problems shared by European countries such as high unemployment rate of young people or growing migration flows from economically less prosperous countries to Western countries⁶.

For this reason, the reforms can be linked to the larger context of higher education and globalization. Accounting for the lack of possibility to conduct time-series analysis, the thesis will create an in-depth contribution to higher education policy studies by combining different methodological means. The thesis not only looks at specific events and formulation of the content of the reforms over time but also connects the dots with the multiple dimensions of higher education policy.

Drawing from Tight's (2003) approaches for researching system policy, the recurring reference point of the thesis is a national policy analysis of the 2011 Hungarian HEP reforms, which is related to diversification, entrepreneurialism, globalization, internationalization, managerialism, marketization, and massification (122).

Furthermore, the structural multi-level approach of HEP of Saarinen and Ursin (2012) creates the building block of the methodology. The authors distinguish among actor, agency,

⁵ "Kormányzat - Emberi Erőforrások Minisztériuma - Hírek." Accessed May 10, 2014. <http://www.kormany.hu/hu/emberi-eroforrasok-minisztariuma/hirek/a-hallgatoi-osztondij-szerzodes-nem-roghoz-kotes> and "Eurydice - Eurypedia - Descriptions of National Education Systems and Policies EACEA." Accessed May 10, 2014. http://eacea.ec.europa.eu/education/eurydice/eurypedia_en.php.

⁶ "Europe - International Organization for Migration." Accessed May 11, 2014. <http://www.iom.int/cms/en/sites/iom/home/where-we-work/europa.html>.

and structural approaches. The actor approach interprets actors as the driving force for policy change. Actors are interpreted as individual or institutional “change agents”. To some degree, this model takes the structural approach into consideration because it assumes that actors are located in and are dependent on structures. The weak point of this approach is that it tends to judge actors mainly by their positions. As opposed to the actor approach, the agency approach is more inclusive as it understands policy change as the outcome of the interaction between actors and domains set within a structure. From a methodological point of view however, the approach is costly as it includes data combining the interactions of actors and structures (2012, 145-153).

Out of the three approaches, the structural approach is the most commonly used analytical approach, which interprets policy change as the product of well-established structures. It focuses on the use of macro, meso, and micro levels or alternatively; on actors such as the state, the institutions, or students. Shared 'self-sustaining' structures are the basis of this type of analysis. In case of the reforms, the state is seen as “a stable structure reacting to societal changes” operating with practical goals to foster knowledge-production on understanding the dynamics of higher education (Saarinen and Ursin 2012, 146).

The reason of selecting the structural approach is that it is analytical and understandable for a wide audience. Besides, it is strategic, practical and provides proper basis for a descriptive design which aligns with the case study. As opposed to the actor approach, the structural approach is more inclusive. Yet, in terms of data analysis, it is less costly than the agency approach. The structural approach also has limitations: having little explanatory power and taking issues for granted, which means that structures tend to explain the studied phenomenon (Saarinen and Ursin 2012, 145-153).

Furthermore, some might argue that capturing policy-reforms becomes outdated soon as policies are constant subjects of changes (Tight 2003, 24). However, via the means of a

multi-level structural approach, it is possible to meaningfully explore the complex environment in which such policies take place at the state level and by doing so; the results can be related to the larger context and challenges of higher education policy.

A discursive approach will also be applied. On the one hand, the approach requires a strong justification as it has troubles with defining the difference between policy construct and policy reality and it implies too much textual data to analyze and synthesize. On the other hand, discursive analysis makes policy background visible as it focuses on the texts and on the realities that produce them (Saarinen and Ursin 2012, 153). Besides, higher education policy is a “textual business and consequently, it is easy to accept the use of texts as data in educational policy studies” (2012, 152). Also, as the policy has to pass numerous levels of decision-making, it becomes the product of actors and structures and it provides data for analysis.

Specifying the discursive approach, Musselin and Teixeira (2014) focus on the driving forces of policy change such as specific reasons, theories and ideologies that informed decision-makers (2). Policy design is defined as a “choice of design elements [that] reflects political and social values, historical precedent, national trends in ideas about ‘good’ policy, as well as a host of ‘local’ knowledge that leads to enormous variability in policy designs across time and space” (Schneider and Sidney 2009, 105). As a result, understanding policy evolution is important because it defines contradictions, possible redefinitions and reorientations of the reform based on ideas, representations, ideologies and theories that represent shaping forces in the policy-making (Musselin and Teixeira 2014, 7). It will also be central to the analysis of the 2011 reforms. In the Hungarian case, ideology, political, and social values played an important role in the construction and justification of the reforms. Therefore, the approach will be applied within the meso-level analysis and will be specifically related to the language of the governmental communication on the reforms. Mostly, the

language of the official governmental plans and programs will be studied. The discursive analysis will also be used to understand the policy evolution ie. how the content of the reforms changed over time.

Finally, to study student perspectives at the micro level, the relation between students and HEP reforms will be revisited, focusing on the political presence of young people and on previous student demonstrations. Furthermore, an online cross-section type self-completion survey will be applied with a questionnaire design. It aims to reveal and interpret students' opinions on the 2011 reforms and to gather data on critical reflections on the current HE system. Participants are active college and university students. The questionnaire collects data on attitudes and opinions and is constructed in Hungarian using *Google Form*.

An introductory text introduces the broader project, the specific topic, and the purpose of the questionnaire. The respondents are informed that participation is voluntary, anonym and that they can stop filling out the questionnaire any time. Snowball sampling method is used via means of social media. This method “relies on referrals from initial subjects to generate additional subjects” (Gideon 2012, 11). Internet connection is needed for completion; therefore a limitation of the method is that individuals without Internet access have low probability to participate.

Altogether 118 responses are analyzed. Mainly closed questions are used such as multiple-choice questions with multiple answers (referring to what level of HE the respondent is enrolled in), and with one answer (on the relation between student contract and number of people studying abroad). Moreover, scaling questions measure how informed people feel about the topic. Also, they measure respondents' satisfaction and agreement with different elements of the reforms and of the HE system. An optional open-ended question closes the questionnaire. Including it is useful for the research because the respondent can elaborate on his or her opinion. Answers for this question are coded based on what policy measure they

react to, and what change (if indicated), and implementation they suggest (where applicable). The English translation of the questionnaire can be found in the appendix.

To recall, the RQs are (1) *how does the Hungarian case comply with international directions of higher education policy-making?* and (2) *are the 2011 higher education reforms effective and is there a remaining policy gap?* Throughout the analysis, communication is created between the levels based on the complex assessment of what each level individually, and what all three levels together capture. The macro, meso, and micro levels of the analysis along with the applied approaches and the related sources are presented in Table 1 (below).

Table 1. Research design

Unit of analysis	Subject of research and source	Type of approaches	Related research question
Macro-level: Global and European tendencies and policy context of HE	Global higher education tendencies: <i>OECD Education at Glance 2013</i>	Descriptive approach: mapping the global context of the reforms with a focus on OECD statistics on education	RQ1: How does the Hungarian case comply with international directions of higher education policy-making?
	European Union tendencies and policy context: <i>Official Publications, Documents, and Policies Released by the European Commission:</i>	Descriptive approach: harmonization of findings from EU literature and policy documents	
Meso-level: Hungarian higher education system and its legal, social, economic and political environment	Legal framework: <i>Legal documents on government policies on HE</i> (acts, enactments, decisions, amendments) Social and economic framework: <i>Official Statistical databases and publications on demographics and on HE system of Hungary</i> (Statisztikai Tükör, KSH datasets, felvi.hu, eduline.hu, Ministry of Education) Political framework: <i>Documents related to governmental politics and communication of the reforms</i> (Széll Kálmán Plans, Hungarian National Reform Program)	Descriptive approach: demographics, higher education policy-making, and political environment Discursive approach (study of policy evolution): legal documents, governmental communication revealing reasons, theories and ideologies involved in policy-making and in public discourse	RQ2: Are the 2011 higher education reforms effective and is there a remaining policy gap?
Micro-level: Students: the group affected most by higher education policy-making	Students and politics: <i>Data on demographics and political presence of young people</i> (KSH, valasztas.hu) Students and higher education policy; history and activity of student unions: <i>OFÉSZ, HÓOK, online media</i> (eduline.hu, origo.hu, index.hu) 2011 higher education policy and student opinions: online questionnaire	Descriptive approach of assessing data from statistics, studies, student union reports, and online documentary on students and HEP Quantitative approach studying student opinions on Hungarian HE with one open-ended question to involve more critical reflections	RQ2: Are the 2011 higher education reforms effective and is there a remaining policy gap?

In sum, studying the 2011 reforms brings about some limitations such as the lack of opportunity for creating a time-series analysis on the effects of the reforms at selected levels of analysis. At the same time, the limitations of the recent nature of the topic justify the use of an in-depth multi-level analysis. Discursive aspects are also useful in researching national policy reforms (Musselin and Teixeira 2014). It might be argued that the thesis wants to capture 'too much' beyond the scope of feasibility, but in the selected case, a comprehensive analysis tells 'the most' and can serve as the basis of further research, as well as a contribution to the general higher education policy challenges.

CHAPTER 4. MACRO, MESO, AND MICRO-LEVEL ENVIRONMENT OF THE HUNGARIAN CASE

4.1 Global Patterns and the European Union Context: Education, Economic Opportunities, and European Competitiveness

This chapter analyzes statistical data, policy reports, journals and publications of the European Union (EU) on the current patterns and prevailing mechanisms of contemporary higher education (HE) policy context at the macro level to contribute to answering the first research question on whether the Hungarian case complies with international directions of higher education policy-making. The global patterns are limited to OECD countries using the latest edition of *Education at a Glance 2013*⁷, which is one of the most comprehensive in-depth analyses on HE. The European Union context will weigh more in the discussion because Hungary is a member state. Therefore, harmonizing policies with the supranational legal setting is a requirement, which was actually debated in case of the 2011 reforms.

Basically, higher education includes post-secondary education along with vocational programs that provide certificates, and college and university programs that issue degrees. Higher education studies include 'tertiary A' programs that are more theory-oriented and 'tertiary B' programs that are more practice-oriented. Doctoral programs belong to a higher category and are not considered to be part of HE in the same sense as bachelor, master and vocational programs.

As global recession made youth unemployment a key policy issue, the relation of education, employment, and social mobility remain central to the report. On the short-run, global recession means demoralization of the general attitude of young people. On the long-run, it means loss of skill, de-motivation and growing pessimism about the chances of finding

⁷ Education at a Glance is published by the OECD Directorate for Education and Skills and covers for the 2008-2011 period.

a job. Regarding employment and participation in education, in 2011, across OECD countries, 16% of the average proportion of people between 15 and 29 years belonged to the group of NEET (people neither employed nor engaged in education or training). It was 20% in case of the 25-29 year-olds. These tendencies are argued to be consequences of the crisis on underemployment of young people. Additionally, high youth unemployment can be the outcome of both economic context and of specific policies (“Education at a Glance” 2013, 13-14).

Based on the data, educational attainment had an impact on employability and on income from employment, which impact was strengthened by the financial crisis. On average, 4,8 % of people who had tertiary degree were unemployed in 2011 contrasted to a 12,6 % of unemployed people from those without a tertiary degree. The gap between people with low levels of education (across all age groups) and people with high levels of education widened during the period from 2008 to 2011. Sadly, there is a rise in unemployment at both sides but the 1,5 % point increase for people with higher level of education attained remains moderate compared to the 3,8 % point increase for people with lower level of education attained (2013, 13).

Program orientation is a key issue in OECD countries in fighting youth unemployment. General or vocational programs both in secondary and in tertiary education are important. In fact, the report concludes that “[f]or young people who do not continue into tertiary education, vocational education clearly offers better prospects for their employability than general, more academically oriented upper secondary education” (2013, 14). With similar arguments, Vocational Education and Training (VET) programs have become central to the justification of the 2011 reforms, as well⁸.

⁸ “Vocational Education and Training in Hungary.” CEDEFOP. Luxembourg: Publications Office of the European Union, 2011. Accessed 9, May 2014. http://www.cedefop.europa.eu/EN/Files/4103_en.pdf.

Ideally, VET is profitable for participants, for businesses, and for the government. For participants, it provides work-place training that helps students acquire the proper skills for specific qualifications that are based on market-needs. Moreover, it contributes to personal and professional development. Due to the structure that consists of a co-operation between educational services and business partners; the prospective employers do not have to spend on recruiting as they get trainees from VET programs who can continue working after program completion. For the government, VET programs are fruitful because the costs are shared with public entities, thus, there is no requirement for a significant share of the public budget while the creation of skilled work-force remains supported (2013, 29). In Hungary, although the arguments were similar as above, tertiary education VET places were eventually cut by the 2011 reforms, which will be shown in the chapter on the exact measures of the reforms.

Vocational and university/college degrees remain important when it comes to income. The gap between highly educated and low-educated people has widened significantly. Across OECD countries by 2011, the average difference between the income of highly educated and low-educated people reached 90 % points from its former value of 75 % points. Moreover, education contributes to starting a job and is related to security providing the chance of getting an increased income over time.

Clearly, global tendencies support the existence of a closely interdependent relationship between education, employment and expected earning that results in an environment where young people are more motivated to create strategies in order to get better opportunities on the long-run. Turning to higher education and acquiring specific competitive skills instead of directly getting employed after secondary education seems to be the prevailing strategy. Regarding the period from 2000 to 2011, *Education at a Glance* reports a 10 % point increase in the proportion of adults with tertiary education across OECD countries (2013, 15). Connected to these results, EU has similar goals to increase participation in HE.

The reason is simple: for most people who attained tertiary education, this strategy paid off in terms of social mobility. The high skills – high wage, low skills – low wage equilibrium stands. Yet, there are people whose projects did not turn out the way they expected them to do. One explanation the report lists is the discrepancy between job market and qualification when high skills do not match the required high skills from the side of the employer. Another reason can be the existence of certain policies that do not advance the situation of skilled young people (2013, 15). Alternatively, there is a market need for specific professionals but many of those professionals migrate to other countries for more competitive wages, which leaves a gap behind that remains unresolved. These arguments will be revisited in case of the Hungarian reforms as parts of the governmental communication.

As it has been discussed earlier, funding remains the central concept of higher education policy (HEP). In terms of funding, data indicate two things. First, during that 2008-2011 period, governments did not change the allocated budget for education radically. Second, what changed was rather the allocation of spending within education and the kind of policy decisions that were made (2013, 15). According to the patterns revealed in this chapter, the following policies constitute the most important measures governments should focus on: increasing participation, fostering the attainment of skills required by the job market, increasing completing rates, improving the quality of education in secondary education, and ensuring that students can make informed career decisions.

The European Union objectives are in line with the global trends. In fact, there has been a shift of interest regarding higher education policy. Originally, HEP was only a matter of national policy but as the concept of knowledge society gained prominence over the world, the European Commission started to get more involved. In 1999, the Bologna-Declaration was introduced with the aim of creating the European Higher Education Area by 2010. Besides, the political initiative aimed to transform Europe so that it would become 'Europe of

knowledge' besides being Europe of Euro, of banks, and of economy (Zgaga 2009, 176). Joining the Bologna-system was voluntary for the states allowing for flexibility in implementation. These facts indicate that although supranational concern has strengthened over the regulation of higher education, complete harmonization of HE systems is not required. Instead, the Bologna-system was designed to create connection between these systems⁹.

The “full range of purposes” of higher education was also centered to the EU (Zgaga 2009) including preparing students to be active citizens, preparing students for future careers, enabling their personal development, creating and maintaining knowledge base, and stimulating research and innovation (“London Communiqué” 2007). Accordingly, HE is understood as means to carry out policy objectives: democratic means fostering democratic citizenship, economic means fostering creation of high-skilled human capital, and social means fostering knowledge, innovation and development. The *European Commission Communication* (2003) document sums up the refined strategic goals:

The knowledge society depends for its growth on the production of new knowledge, its transmission through education and training, its dissemination through information and communication technologies, and on its use through new industrial processes or services. Universities are unique, in that they take part in all these processes, at their core, due to the key role they play in the three fields of research and exploitation of its results, thanks to industrial cooperation and spin-off; education and training, in particular training of researchers; and regional and local development, to which they can contribute significantly (1).

⁹ “Building the European Higher Education Area.” Accessed May 4, 2014. <http://www.eua.be/eua-work-and-policy-area/building-the-european-higher-education-area.aspx>.

Later on, in Lisbon, the European Commission (EC) set the ambitious long-term goal of becoming “the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion” and to make European higher education system a ‘world-reference’ (“Lisbon European Council” 2000; “EC Communication” 2003).

The *Lisbon Strategy*¹⁰ has remained central to EC objectives. The most recent strategy is called *Europe 2020*¹¹ and it focuses on three priorities: creation of a smart, sustaining, and inclusive economy (“EC Communication” 2011). Under smart growth, there are three flagship initiatives: *Digital agenda for Europe*, *Innovation Union*, and *Youth on the Move*. Under sustainable growth, there are two initiatives: *Resource Efficient Europe*, and *An Industrial Policy for the Globalization Area*. Under inclusive growth, there are also two initiatives: *An Agenda for New Skills and Jobs* and *European Platform Against Poverty*. The Commission has created five main objectives which are employment, innovation, social inclusion, climate/energy and of course, education. The targets related to the objectives are aimed to achieve by 2020 constitute the following list:

- employment: 75 % of 20-64 year-olds should be employed
- innovation: research and development: 3% of the EU's GDP to be invested in it
- social inclusion: at least 20 million fewer people in or at risk of poverty and social exclusion
- climate/energy: greenhouse gas emissions 20% or even 30% lower than in 1990, 20% of energy obtained from renewables, 20 % increase in energy efficiency
- education: reducing the rates of early school leaving below 10%, at least 40% of 30-34-year-olds completing third level education

¹⁰ “European Commission. CORDIS Programmes.” Accessed May 5, 2014.
http://cordis.europa.eu/programme/rcn/843_en.html.

¹¹ “Europe 2020 – Europe’s Growth Strategy - European Commission.” Accessed May 4, 2014.
http://ec.europa.eu/europe2020/index_en.htm.

All of these objectives are inter-related and both public education and higher education have key roles in achieving them. For example, the Digital Agenda for Europe supports distance learning programs and the creation of networks between HE institutions all over Europe by granting funds for the best projects. Innovation Union focuses more on the development of research and on the innovative ideas contributing to knowledge society. Youth on the Move includes mobility-related policy initiatives with the aim of raising the employment rate of young people. Resource Efficient Europe, and An Industrial Policy for the Globalization Area are center to sustainability, however, they also rest on advanced knowledge and on application of innovative ideas. An Agenda for New Skills relies on the importance of acquiring the right skills for ‘jobs of today and tomorrow’.

The initiative also wants to strengthen the quality of jobs and working conditions. The EC introduces the term ‘flexicurity’, by merging flexibility and security in the labor market context. Finally, the Initiative of European Platform Against Poverty offers a wide range of policy responses in order to fight poverty and decrease social exclusion, and some of these responses focus on education, as well. As will be seen in the next chapter, Hungarian policy-making connected education with debt management strategies, relying on HE as means to decrease debt and to stabilize the economy.

In sum, the global and supranational contexts reveal the prevailing impacts of internationalization and globalization of higher education at the macro level. There is a strong connection between education and economic opportunities. Therefore, increasing participation in higher education remains an important policy goal regarding both access and funding-related policies. Technological aspects of education have also gained importance and are seen as the maintaining forces of future education. Solving distance and access problems will let more people enter into higher education and to become more competitive players of the labor market, however, such new directions of education might cause quality issues.

Besides economic considerations, knowledge and innovation are expected to contribute to the society by supporting cultural integration and competitiveness. Moving to the meso level, it is interesting to see how Hungary's higher education policy can align with and can be at the same time in contrast with the macro-level tendencies and European Union policy objectives.

4.2 Higher Education Policy Context of Hungary: Past and Present

4.2.1 The Legal Framework of Hungarian Higher Education

Contemporary European higher education systems follow three models: centralized mode of regulation (top-down), concerted regulation, and de-centralized mode of regulation (bottom-up). Hungary is categorized as a country with 'concerted regulation'¹², meaning that "the state recognizes the legitimacy of the academic profession and of the higher education institutions, but [...] the rhetoric of the 'public interest' is used to impose decisions on the academic profession that are not necessarily those that the profession would prefer" (Le Feuvre and Metso 2005, 6). This way of defining higher education governance in Hungary can be linked to the 2011 reforms because in many aspects, the public interest overruled the preferences of academia.

Since the regime change in 1989/1990, regardless of the different governments, higher education (HE) was seen as a policy field subject to constant modernization and development. Sometimes, the ideas for development worked in theory but resulted in unsuccessful implementation (Rappai 2005, 515). Traditionally, there were three different directions in the development of HE: the Humboldtian, the Napoleonic and the Anglo-American models. The Humboldtian model promotes "pure knowledge production and the integration of teaching and research in multi disciplinary universities", the Napoleonic model promotes "multiple

¹² As Le Feuvre and Metso (2005, 6) explain, the term comes from Catherine Paradeise. (1998). "Pilotage institutionnel et argumentation: le cas du développement du département SHS au CNRS." in Sociologie et connaissance. Nouvelles approches cognitives, edited by Anni Borzeix, A Bouvier, and P Pharo. Paris: Editions du CNRS.

higher education institutions and autonomous public research centres”, while the Anglo-American model promotes “education and research that is responsive to ‘market needs’” (Le Feuvre and Metso 2005, 8-11). The European higher education system was mainly shaped by the German (relying on the Humboldtian approach) and French (relying on the Napoleonic approach) higher education models (2005). In case of Hungary, the German influence prevailed and shaped universities (Ministry of Education 2002).

During the era of the communist regime (1949-1989), the country became isolated from the international academia. Instead, it was subject to the soviet academia, governed by and adjusted to the interests of the regime. In short, the regime wanted to catch up with the west via fostering science and technological development (Glatz 2002). To reach this aim, the first “thoroughly designed politics of developing knowledge and science” was implemented by strong centralization and dictation (Polónyi 2009, 96).

After the regime change, a set of important reforms were introduced to create the basis of today’s HE system. The first legal milestone was the *Act LXXX of 1993 on higher education*¹³. With various measures, it contributed to the integration of the fragmented higher education system (Setényi 1994). To set the scene for a new system, the *Act* defined higher education institutions (HEIs) and their autonomy, restored academic freedom, and set the goals of higher education. To move towards international competitiveness, the Anglo-Saxon system of academic degree levels was applied.

Moreover, ‘normative funding’ was introduced linking funding of HEIs to the state. The more students were accepted, the more funding an institution received. This was an initiative to increase participation in post-secondary education and to increase the number of HEIs in the country. The amount of funding was divided on the basis of majors instead of

¹³ The act was in force between 1 September 1993 and 28, February 2006, because it was repealed by the Act CXXXIX of 2005 on higher education.

institutions so that newly formed and traditional institutions received the same amount of state funding for the same type of major program offered. More emphasis was put on programs requiring tuition fees, which granted states income from higher education and initiated a market-oriented approach. The first successful introduction of tuition resulted in quality problems: HEIs did not want to lose self-financing students, thus, there was a small drop-out rate in these programs. Consequently, comparing a degree acquired with a state-funded status and one from a self-financing status made a difference in quality when students entered the job market (Rappai 2005, 515).

The next important step was the *2005 Act of CXXXIX on higher education*. The Act reacted to the country's accession to the European Union from the perspective of higher education. It points out that Hungary has to adjust to the changing conditions brought about the EU membership and should be able to provide a higher education system that creates and transmits knowledge. Besides, equal access, academic freedom, academic mobility, and quality education are set as objectives. To specifically reform access, a new standardized and more flexible final examination system is introduced by the 2005 reforms, closing secondary studies in high schools and most vocational secondary schools with two available levels for each subject: intermediate and advanced¹⁴. Finally, the application of the Bologna-system followed. The motifs of the framework are described earlier but the main point is that it created the European Higher Education Area with an inter-governmental reform. Introducing mobility programs and improving preparation for the job market were some of the main practical objectives¹⁵.

¹⁴ "Oktatáskutató és Fejlesztő Intézet: Kétszintű Érettségi." 2014. Accessed April 7, 2014. <http://www.ofi.hu/tudastar/erettsegi>.

¹⁵ "Diplomán Túl: A Bolognai Rendszer és Az Új Szakok." Accessed April 7, 2014. http://www.felvi.hu/diploman_tul/munkaadoknak/szolgalattas_cikk_bolognai.

4.2.2 Demographics: The Social and Economic Framework of the Hungarian Higher Education System

The most recent national population census was conducted in 2011. According to the data, population decreased by 261000 people from 2001 to 2011. Regional differences strengthened in population concentration and in employment. The highest economic activity remains in the capital city of Budapest. There are more economically active people, yet, the proportion of economic activity among age cohorts changed significantly. In short, less people are economically active below the age of 30, while the number increased in the 30-44 age cohort and multiplied by 2,5 in the case of the age cohort of 55 year olds or older (“Oktatási Adatok” 2013, 8-19).

The population change of the young and older generation aligns with most of the supranational tendencies. The three age cohorts of young people and the three age cohorts of the elderly are included in Table 2. There has been a decrease in all age cohorts of the young. Conversely, age cohorts of the older generation show a constant increase in number between 2011 and 2012. The only exceptions are people between the age of 50 and 54, as their number started to decrease during the last few years.

Table 2. Population change in Hungary based on age cohorts in 2001 and in 2012 (in thousand)

	2001	2012
15-19	645,3	544,5
20-24	769,5	616,7
25-29	790,8	660,6
50-54	713,9	654,3
55-59	613,8	747,9
60-64	520,8	623,9

Source: Központi Statisztikai Hivatal. 2013.

Results are more optimistic about educational attainment. According to the 2011 census, people attaining 8 years of primary education made up less than 5% of the population in 2011. At the same time, the number of people completing final examination at the end of

their secondary studies rose and exceeded 50% of the adult population. More importantly, the number of people attaining tertiary level education¹⁶ made up 17% of the population in 2011 while it was 11% in 2001 (“2011. évi Népszámlálás” 2013, 15-18).

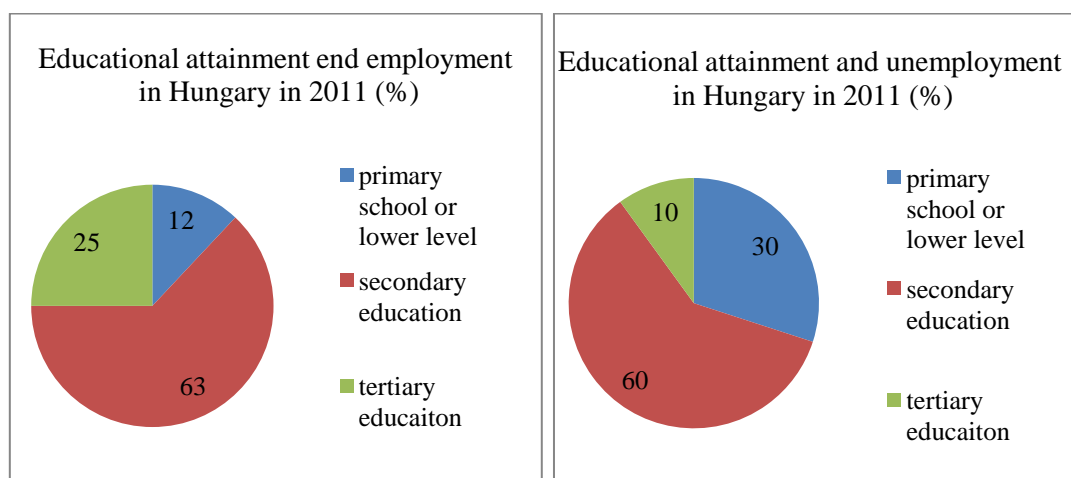
Educational data from academic year 2012-2013 shows that in the case of early school leavers,¹⁷ Hungarian results are relatively good with 11,25% compared to a European average of 13,5 % (“Oktatási Adatok” 2013, 2). There are less people in secondary education, which is problematic because they give the basis of higher education (HE). In 2012, due to the 2011 reforms and to the effect of demographic changes, there were 17% less people in higher education. The most popular majors were engineering, economics, and liberal arts programs in this order of importance (1-3, 2013).

When comparing the distribution of people with different educational attainment based on employment, results tend to differ (see Figure 1). There are twice as many people with tertiary education attainment in an employed status than people with primary school level education. In terms of unemployment, the ratio is 10% to 30%, meaning that people with tertiary education make up 10% of unemployed people and people with primary school attainment or lower constitute the second biggest group among unemployed people.

¹⁶ In the Hungarian case, post-secondary education covers tertiary education and vocational higher education, for this reason, tertiary education covers for programs that give tertiary-level degree.

¹⁷ Early school leavers cover 18-24 year old people who leave the education with a low level of attainment or without any attainment and never continue their studies (Statisztikai Tükör: Oktatási Adatok, 2012-2013, 2)

Figure 1. Distribution of people based on educational attainment in terms of employed and unemployed status



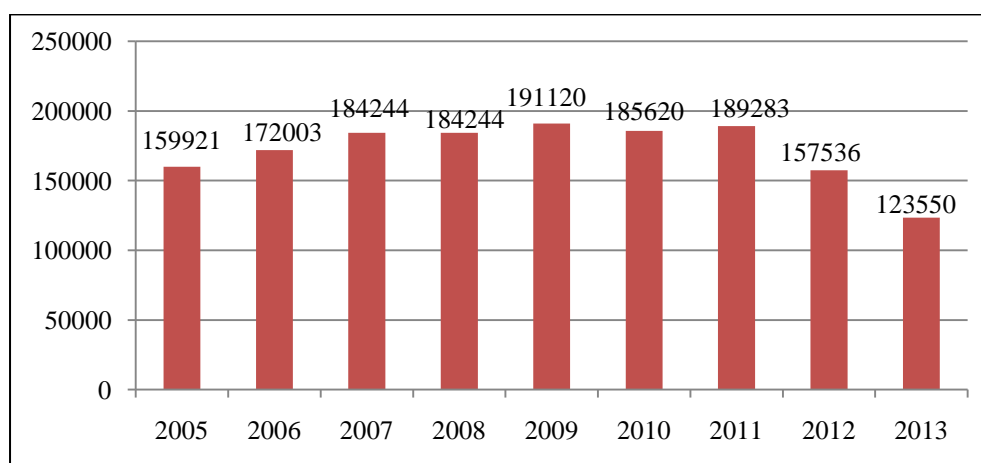
Source: KSH, Statisztikai Tükör: Oktatási Adatok 2012/2013

Employment rates reflect the positive effects of higher education if the actual rates are compared to educational attainment levels. The highest employment rate belongs to people with tertiary education attainment. Both college and university studies grant an employment rate around 70%. Vocational education is also important with an employment rate around 61%. Rates are much lower for high school attainment (39,9%) and for lower educational attainment (19,9%) ¹⁸.

There are two more important factors: participation in HE and government spending. Figure 2 (see below) shows that in nominal terms, public expenditure increased or remained stable between 2005 and 2011. Since the year of the introduction of the reforms, nominal expenditure on higher education started to decrease.

¹⁸ “ Foglalkoztatási Ráta Befejezett Legmagasabb Iskolai Végzettség és Nemek Szerint, 2011.” Accessed April 29, 2014. http://www.ksh.hu/docs/hun/xtabla/munkerohelyz/tablmh11_08.html.

Figure 2. Government expenditure on higher education in million HUF (2005-2013)

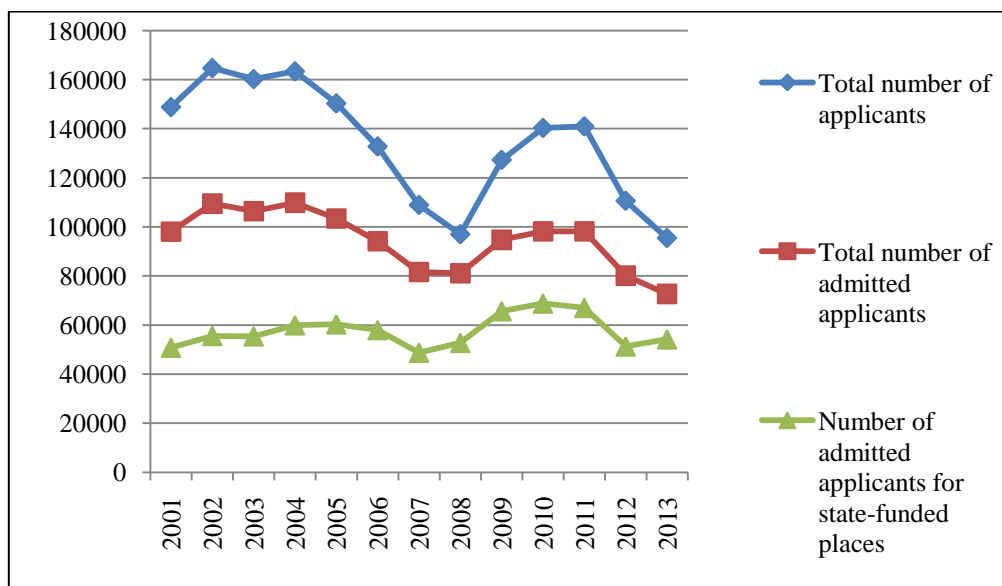


Source: Felsőoktatási Ténytár, 2014.

Finally, data on the demand for higher education follows. Figure 3 (see below) is based on data from the official website of the Hungarian application system called *felvi.hu*. According to the results; the number of applicants, the number of admitted students, and the number of students admitted to state funded places move along the same trajectories. There can be three different periods distinguished. One, roughly between 2002 and 2008 with a decreasing number of students applying, getting admitted, and within that: getting admitted to state-funded places. The lowest point of that period is due to the fact that in 2004, ‘zero year program’ was announced which covered 5 years of high school studies with an extensive focus on language learning¹⁹. Thus, around 10.000 more students graduated in 2009 instead of 2008. The second period can be established between 2008 and 2011, when the numbers started to rise again. Then, there was a radical drop after 2011. As student movements and other criticism made their way after the initial introduction of the 2011 reforms, changes were introduced to give more space for students approaching state-funded places. Consequently, the number of admitted students on state-funded places started to increase a little.

¹⁹ “Esélyegyenlőség a Nyelvi Előkészítő Évfolyamokon.” Fehérvári, Anikó. *Oktatáskutató és Fejlesztő Intézet*, 2009. Accessed April 29, 2014. <http://www.ofi.hu/tudastar/fehervari-aniko>.

Figure 3. Comparing the number of applicants, admitted applicants, and applicants admitted to state-funded places in Hungary during the standard application period (2001-2013)



Source: Felvi.hu, 2014.

In conclusion, Hungarian demographics align with EU tendencies in the sense that the younger population is decreasing while the older is increasing. In a more detailed generational-breakdown, there are differences within the degree of these changes. Similarly to global and European trends, higher education degrees have gained key importance in the labor market in Hungary. Based on educational attainment, most unemployed and most employed people completed secondary education. The number of people attaining only elementary school has decreased. Furthermore, employment rate also supports the key role of higher education as it is the highest among people with university and college attainment. Vocational education is the second in line, accounting for the importance of professional and practical knowledge on the labor market. Contrary to these tendencies, government funding on HE has been slowly decreasing and the 2011 policies also left their mark on the numbers.

The results show that educational attainment and economic opportunities are closely related in Hungary, as well. The basic idea of the reforms, to link economic interests of the state to higher education has indeed a valid concern both within the supranational and within

the national context. The question is rather how to balance such relationship between economic interests and higher education because economic interests are related not only to the interests of the state but also to the interests of students.

4.2.3 The Political Environment

The political environment in which the reforms were introduced starts with the 2010 elections where the Fidesz-KDNP²⁰ conservative coalition won with a two-thirds majority in the Parliament and soon started initiating significant changes. One of the most important policy changes was the revision of the 1989 constitution and the creation of a new (Fleck et al, 2011). Before the current Fidesz-KDNP government, the socialist party, MSZP²¹ was in charge for eight years from 2002 to 2010. The party's popularity started to decrease right after their second term in 2006 and they lost the 2010 elections against Fidesz (Beck et al. 2011, 193-194). It can be concluded that since the party system became stabilized around 1998; MSZP and Fidesz remained the representatives of the major political forces competing with considerable chances for winning.

The legacy of the 2002-2010 period of the previous socialist governments includes important policies and events that shaped the discourse of the 2011 reforms. In 2004, Hungary joined the European Union²². Also, the second higher education act was accepted since the transition. Besides, an International Monetary Fund (IMF) loan was taken to reestablish the economy, which was severely impacted by the financial crisis (Csáki 2013). The 'crisis loan' was later conceptualized as a deliberate act to direct the country into a 'hole' by the following Fidesz government ("Széll Kálmán Plan" 2011, 13).

²⁰ The full name of the parties are Fidesz – Magyar Polgári Szövetség (Fidesz - Hungarian Civic Alliance) and Kereszténydemokrata Néppárt (Christian Democratic People's Party).

²¹ MSZP stands for Magyar Szocialista Párt (Hungarian Socialist Party).

²² "Eu.kormany.hu." Accessed April 29, 2014. <http://eu.kormany.hu/a-magyar-eu-tagsag-tortenete>.

4.2.4 The Policy Evolution of the 2011 Act of CCIV on Higher Education

4.2.4.1 Preparations and Plans (December 2010- April 2011)

The studied period is divided into three parts. Data on state-funded places and legislation were retrieved from *Magyar Közlöny*, the official Hungarian gazette. In addition, governmental documents were retrieved from the official website of the Hungarian government. The first period includes the initial steps that led to the reforms: the quota changes in state-funded places and the introduction of the *Széll Kálmán Plan* and the *Hungarian National Reform Program*. The second period includes the introduction of the reforms in the form of the *2011 Act of CCIV* and the introduction of the *Széll Kálmán Plan 2.0*. The third period covers the modifications, the explanations for them, and the outcome currently in effect.

The first period starts in the year of the elections when the Fidesz-KDNP government won the parliamentary elections with a 2/3 majority and launched its project of structural reforms. In 2010 when the new government set up, the only higher education related act was the yearly decision on quota for state-funded places (see Table 3 below). Since the *2005 Act of CXXXIX*, it was the government's responsibility to decide on these numbers. The quota followed a very stable pattern until 2011. Then, numbers were cut by 2550 places in 2011, followed by another decrease in 2012 providing 11363 places less.

Table 3. Patterns of state-funded places (2005-2013)

	2007	2008	2009	2010	2011	2012		2013
Total number of state-funded quota of VET, Bachelor and Undivided programs*	56000	56000	56000	56000	53450	44637		Quotas were dropped 1668/2012 (XII.21.)
						State scholarship	Partial state scholarship	
						39087	5550	
VET programs	12500	11520	12500	12500	10000	3500	-	-
Bachelor programs	39450	40630	39750	39770	40610	32767	5550	-
Undivided programs	3250	3050	2950	2930	2840	2420	-	-
Master programs	300	3500	21700	19600	19600	19600	-	-
Doctoral programs	1000	1000	1000	1000	1300	1300	-	-

*Quotas for Faculty of Military Sciences and Officer Training and Faculty of Law Enforcement are not included.

Source: Magyar Közlöny (2006-2013²³)

The most striking change is the cut in the number of state-funded places within vocational education from 2010 to 2011. Also, there were proportional changes in the state-funded places among different majors. Table 4 (below) shows the specific majors involved in the quota changes. First of all, the two most affected majors were economic science and law studies. Technically, the state withdrew from supporting these programs. Social science studies also received 50% less state support. Funding instead went to support technological science, engineering, IT, and natural science programs raising not only the full state but also the partial state scholarship places for these majors. The full and partial state scholarship division was introduced in 2012, which will be mentioned in a more detailed manner in the analysis of the reforms.

²³ Magyar Közlöny is available online at <http://www.kozlonyok.hu/nkonline/index.php?menuindex=0300&pageindex=0300>.

Table 4. Distribution of quota before and after the reforms

	2010	2011	2012	
			state scholarship	partial state scholarship
economic science	6250	4900	250	-
law studies	850	800	100	-
social science	2750	2100	1000	-
engineering/technological science	9850	9850	10560	2350
information technology	4700	6400	4550	1500
natural science	4200	5200	4000	1500

Source: Magyar Közlöny (2009-2012)

The first important official document about the upcoming reform programs was the *Széll Kálmán Plan* published in March 2011. As a European Union member state, Hungarian HE policy-making has to take the *Europa 2020* strategic framework recommendations into consideration. The related documents on educational strategy, directions, and goals of development consist of the governmental plans *Széll Kálmán Plan*, *Széll Kálmán Plan 2.0*, and the *New Széchenyi Plan*. The strategic and development goals are to be carried out via the means of *Lifelong Learning Strategy* and the *New Széchenyi Plan*. They are funded by the Social Renewal Operational Program (Társadalmi Megújulás Operatív Program) from the European Social Fund. The different branches of education are governed by the new legal framework including the National Public Education Law (*Act of CXC on public education*), the National Vocational Education Law (*Act of CLXXXVII on vocational education*), the Law on Education and Training of Adults (*Act of LXXVII*), and the National Higher Education Law (*Act of CCIV on higher education*) (“National Education Systems” 2013).

Basically, the *Széll Kálmán Plan* was the next step after decreasing quotas in 2010. Also, it was a major building block of the 2011 reforms. The language of the plan focuses on linking *national state debt* to policy fields by attempting to solve the former via various policy measures. The text evokes the images of a *war for development and prosperity* and depicts a negative scene as the starting point. It emphasizes the *independence of Hungarian people*

saying *it should not be other people benefiting from the work of Hungarian people* and that *it is the nature of the Hungarian people to stand on their own feet and do not depend on others*. Debt is conceptualized as *dependence* and referred to Hungary's dependence on the International Monetary Fund due to the loans taken earlier by the previous socialist governments. There is a simile comparing debt to an *octopus that compasses the people and pulls them into the deep*. In another simile, *dangers of debt* are compared to *the dangers of blood pressure above 200*. A decision is proposed: *either us or the debt*; the two cannot manage at the same time on the long-run. The document calls for a *fight against debt*.

The means of the fight are expected *to handle the dangers*. The document is optimistic: it declares that the government *goes to win* by conducting a *comprehensive attack to conquer debt in every field of life*. Then, the document goes back to the initial point of supporting Hungarian people, who *are to benefit from this work*. Addressing people in plural form expresses a sense of belonging and relies on the consent of the people, which serves as justification for carrying out structural reforms. In other words, the 2/3 majority gets conceptualized as a *power*, as an *entitlement*, as a *now or never chance*, and as *a moment that has been waited for decades*.

Risk of potential disagreement is acknowledged: the document claims that the reformers are *ready to face criticism and conflicts* relying on *support, courage and power*. The word *renewal* is used various times to refer to the up-coming changes. It is understood as the process of *cleaning up the ruins of the previously failed system*. As a pre-condition for renewal, reforms are interpreted as means to *cut ties with the past*. Moreover, accountability issues are addressed referring to the need to *find the responsible people for the failures* and increasing accountability of governments is set as an essential goal to ensure that future governments would have to work within such framework of political accountability.

The previous government is criminalized in many ways by stating that they *conducted politics without consent, deliberately lied, destroyed international credibility of the country, sophisticated the budget and pushed the Hungarian people to a hole*. Additionally, it is claimed that the *constitution was not able to protect the country from drowning into debt* and that should be changed immediately. Clearly, this section refers to the reform of the constitution, which eventually produced the New Fundamental Law published in April 2011²⁴.

The *Széll Kálmán Plan* closes with the following action plan: investment should be put in stabilizing the country by getting rid of debts, which will boost economy. As a result, the following reforms are formulated mostly in the name of debt management and renewal: constitutional reform, debt and responsibility, debt and work, debt and pension, debt and public transportation, debt and education, debt and healthcare, debt and enterprises, debt and subsistence, debt and state, debt and state debt management fund.

The second important document presenting the plans of the government is the *Hungarian National Reform Program* published in April 2011. It sets off with the motto of a *strong Europe*, which is claimed to be achieved by leaving the *last traces of the crisis behind, boosting global competitiveness, and being able to align with the Europe 2020 Strategy*. Furthermore, the document declares that the aims of Europe and Hungary overlap and with a developing Hungarian economy, the country can contribute to the strengthening of the European economy, as well. In fact, the *Reform Program* is to solve the structural problems such as the low employment rate and the high amount of public debt; two important factors claimed to stand in the way of dynamic and well-balanced development.

²⁴ “A Magyar Államról - Az Alaptörvény.” *Kormany.hu*. Accessed April 29, 2014. <http://www.kormany.hu/hu/mo/az-alaptorveny>.

From a discursive point of view, the *Reform Program* keeps repeating how much the reforms are in line with the Europe 2020 Strategy. Two scenarios are presented: a conservative and a dynamic (more optimistic) one. The former is concerned with less significant changes but promises an overall well-functioning economic outcome on the long-run. The latter is concerned with a more dynamic change in case the reforms work out well not only as individual measures but also as a complex policy-unit with a joint effect influencing the development of the economy.

Table 5 includes the most important reforms introduced (see below). The table is based on the *Hungarian National Reform Program* and on the officially published legislation on the outcome of the reforms (Veres 2012; net.jogtar.hu; kormány.hu²⁵). Specifically, *the Reform Program* is centered to the fact that since the EU accession, state budget deficit surpasses 3% of GDP and as a result, public debt reached 80% of GDP. The main goals include decreasing public expenditure and public debt. Numerous policy fields are affected by the introduced measures. There is a general effort to strengthen the state's role. Some effects of the reforms are already visible. For instance, state budget deficit decreased below 3% as it was -2.0% in 2012²⁶ while the public debt decreased to approximately 66% of GDP, and the IMF loan was paid back ("Analysis on State Budget" 2013).

²⁵ See the exact pages in the reference list within 'Internet sources' section.

²⁶ "Az Államháztartás Hiánya (-) És Többlete (+) (2002–2013)." Accessed April 29, 2014. https://www.ksh.hu/docs/hun/eurostat_tablak/tabl/teina200.html.

Table 5. The policy environment according to the Fidesz-KDNP government's reform strategy (2010-2014²⁷)

	Problems	Policy goal(s)	Policy fields affected by the measures	Results
1.	Mortgages: many people are involved in (mainly Swiss franc-based) mortgages that resulted in a crisis due to radical changes in interest rates between international currency and Hungarian forint	help people get rid of financial burdens of these types of mortgages	actors of Hungarian banking sector	contracts and agreements between the banking actors and the government set in 5 points to help the people in debt ("Kormányzati Intézkedések a Lakáshitelek Érdekében" 2014)
2.	Business environment: low quality, affecting international competitiveness, too complex and often changing administration system, burden on entrepreneurs, corruption	increase opportunities for entrepreneurship improve business environment	enterprises	2011 Act of CVIII on Public Procurement Magyar Zoltán Public Administration Development Program
3.	Economic activity: relatively low rate of employment and low rate of economically active people, 60% employment rate for 20-64 year olds (one of the lowest in the EU), high number of people with low educational attainment women	mobilizing economically inactive people	taxation system labor-market policies institutional policies on employment financial aid systems communal work system	National Work Plan New Public Employment Program New Labor Code
4.	Pension system and social security: within public expenditure, too much is spent on pension-related expenses, expended to further increase due to aging society, low motivation force of financial aid system	more sustainable and well-balanced social security and pension system stricter conditions for retirement	pension system and social security system, age limit of retirement, conditions of disability pension, financial aid and sickness-benefit system	Pension Reform and Debt Decreasing Fund strengthened pension budget of the state community work system linked to financial aid
5.	Public transportation: low quality decreases international competitiveness, produces deficit, increases public debt	improve funding, administration, and management	public transportation system	'Hungarian State Railways Private Company by Shares' was reorganized costs of public transportation was harmonized new electronic toll and fee control

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²⁷ All policies included in the discussion cover the period before the next elections held in April, 2014.

	Problems	Policy goal(s)	Policy fields affected by the introduced measures	Results
6.	Local governments: fragmented structure, discrepancies between tasks and funding of organizational units	renewal of public administration increasing quality	civil service sector structure of local government system	2011 Act of CXCIX on Civil Service Career Model of teachers in public education
7.	Education: output of education system does not meet requirements of labor market <i>public education:</i> many people leave without acquiring basic skills <i>higher education:</i> many people graduate with noncompetitive degrees financed by public money while many who have competitive degrees go abroad to work	make education meet the requirements of the job market put more focus on vocational education	public and higher education mobility schemes funding of education access to education limit for compulsory public education	2011 Act of CXC on Public Education 2011 Act of CCIV on Higher Education 2011 Act of CLXXXVII on Vocational Education 2013 Act of LXXVII on Training of Adults

Following the publication of the *National Reform Program*, the government accepted the constitutional reforms. The Fundamental Law came into effect on 1 January 2012²⁸. By April 2011, the major guidelines of the up-coming reforms were introduced. The thesis described the two most important: *The Széll Kálmán Plan* and the *Hungarian National Reform Program*.

4.2.4.2 Plans in Practice: The 2011 Act of CCIV and the Széll Kálmán Plan 2.0 (December 2011- April 2012)

The second period is center to the *2011 HE Reforms* and to the introduction of the *Széll Kálmán Plan 2.0*; a follow-up document on the first *Plan* assessing the results of the reform programs and setting the next goals.

The *Act of CCIV on higher education* was published in December, 2011. It starts with a justification claiming the law is created in light of the *responsibility towards the nation, the faith in the Fundamental Law, the need for mental and spiritual renewal of the nation, the trust in the ambition in young people who become university students, and in the faith in the young generation that their gifts, strength, and spirit helps Hungary develop*. The introduction evokes the nation-centered phrasing of the *Széll Kálmán Plans* and of *The National Reform Program*.

The technical part of the *Act* creates a framework to increase quality of higher education focusing on competitive knowledge. Higher education institution (HEI) is defined as source of education, of scientific research and of art. In line with the Bologna Program, programs of HEIs include bachelor programs, master programs and doctoral programs. Post-secondary vocational education programs and professional postgraduate specialist training courses providing higher education (HE) certificates also belong to higher education programs. The major operator of the HE

²⁸ “The New Fundamental Law of Hungary.” *Hungarian Government*. Accessed April 12, 2014. <http://www.kormany.hu/en/news/the-new-fundamental-law-of-hungary>.

system remains the state, while institutions are maintained by institutional actors. Institutional autonomy from the political arena is emphasized in the text. Accreditation and state authorization are however, set as requirements of establishment of all HEIs.

In *Part 4*, the *Act* describes the changes in the conditions set for students. New terms are introduced as to how access and funding are related in practice. Three statuses are distinguished: Hungarian state scholarship, Hungarian partial state scholarship, and self-financing status. Interestingly, the official communication refuses to use the word *tuition*, emphasizing that there is no tuition fee but a system in which *students contribute to the cost of their studies*. This refusal remains in the communication even after the quotas were dropped in December 2012. In fact, the *1668/2012. (XII. 21) government enactment* (dropping the quotas) starts by stating that “the government explicitly refuses to create a tuition-fee based higher education system” (“Magyar Közlöny” 2012/176, 29760).

In Chapter XI, in §39, student contract is set as a pre-condition of state-funded enrolment. However, there is nothing further said on the conditions of the contract other than they are defined by the government. Interestingly, the most important component of the *Act* was actually not included in detail in the first version. To sum up the main points: (1) state expenditure on HE decreased from 2010 to 2011; (2) state funded student quota was cut and redistributed; (3) three statuses were introduced based on financial conditions; (4) and student contract was introduced in a rudimentary form without description on the exact conditions.

The *2.0 Plan* sets new goals: (1) from 2012 to 2013, state support in HE has to be decreased further, (2) role of state should be continued to strengthen, (3) 2012 is taken as a transition year in terms of funding as from 2013, the new act sets the framework for normative funding, (4) a new financing model will be created along with institutional development plans. An interesting contradiction within the document is that while it keeps arguing for having less people in HE, on page 52, the very first point under the title “reforming the HE system” says “increase access”.

4.2.4.3 Public Reception and Modifications: Can There Be a Consensus? (July 2012-May 2013)

Before introducing the reforms, public media has been debating about the up-coming changes²⁹. The most popular education-related website (run by the medium Weekly World Economics, HVG Magazin) *eduline.hu* published various articles about the possibilities³⁰. Along with the growing amount of public discourse, student movements also started during the fall of 2011³¹. They had been going on during the studied period with the leading of a newly formed organization called HaHa (Hallgatói Hálózat; Student Network), which was formed in 2011³².

In the beginning of 2012, the unclear parts of the first version of the reforms were clarified by the *2/2012. (I. 20) government enactment on student contracts*, which also impacted the volume of public debates. The document defines student contract in relation with partial and full state scholarships. Receiving any of these types of financial support binds students so that after completing their studies they have to have formal work in Hungary for a time period double than the original length of their programs. If this requirement is not fulfilled within a time limit of 20

²⁹ “Kié Az Egyetem?” 2014. *Eduline.hu*. Accessed April 20, 2014.

http://eduline.hu/felsooktatas/2011/10/24/Kie_az_egyetem_D278H9.

³⁰ See more: <http://eduline.hu/cimke/fels%C5%91oktat%C3%A1si+t%C3%B6rv%C3%A9ny+2011>.

³¹ “Egyre Több Egyetemista Tiltakozik Az Új Felsőoktatási Törvény Ellen.” *Eduline.hu*. Accessed April 20, 2014.

http://eduline.hu/felsooktatas/2011/10/7/20111007_nyugat_magyarorszagi_egyetem_felsooktatas.

³² Mission of Student Network (Hallgatói Hálózat). Accessed April 20, 2014. <http://hallgatoihalozat.blog.hu/tags/szakmai>.

years after graduation, the partial or full state scholarship should be repaid with a 3 % point interest rate. Formal employment can also be administered as voluntary military service (counts double), period of receiving pregnancy and childcare, and period of receiving unemployment benefit. People can get released from the obligations if they have three children, are multiply disadvantaged, or completed the requirements of working in Hungary according to the expectations. The reforms also set a limitation for completing state funded studies 1,5 times of the original timeframe.

Opposition came from political representatives, civil rights organizations, students, and from the Constitutional Court of Hungary. International criticism was also received³³. The non-profit organization called National Conference of Student Unions (Hallgatói Önkormányzatok Országos Konferenciája – HÖÖK) turned to Máté Szabó, the Commissioner for Fundamental Rights, who brought the issue to the Constitutional Court. As a result, the Court studied the conditions and in 12 July 2012, it released a declaration that the complete *2/2012. (I. 20) government enactment on student contracts* is to be overruled. The Court claimed that the right to access, the freedom to choose a profession, and the freedom of movement of goods was threatened by the enactment, which goes against the Fundamental Law³⁴ as these issues cannot be regulated at the level of enactment but at the level of act.

Shortly after, the act level regulation followed in the form of the *2012 Act of CXXIII* published on 14 July. It is based on the enactment previously overruled by the Constitutional Court but it introduces contracts not only for students with partial or full scholarship but for those with self-financing status. The former group has to sign a document called student scholarship contract (hallgatói ösztöndíjszerződés) and the latter group has to sign a document called qualification

³³ “Hungary Constitutional Reforms Signal Drift Away From Democracy.” *Spiegel Online*. Accessed April 20, 2014. <http://www.spiegel.de/international/europe/hungary-constitutional-reforms-signal-drift-away-from-democracy-a-888064.html>.

³⁴ “Visszadobta Az Alkotmánybíróság a Hallgatói Szerződésekről Szóló Rendeletet.” *Eduline.hu*. Accessed April 20, 2014. http://eduline.hu/felsooktatasi/2012/7/3/Alkotmanyellenes_a_hallgatoi_szerzodes_QBG2UL.

contract (képzési szerződés). In 9. §, the contract conditions are described. They are essentially the same for students with partial or state scholarship status. It is added that a period of completing formal work in Hungary can be aborted two times for maximum two years in case of study abroad programs. The 20 years for completing the requirements remains the same similarly to the criteria for being released from obligations.

In case of self-financing status, the qualification contract becomes the requirement of enrollment, however, there is nothing written about the exact content of the contract. It was not until the 31 August 2012; that the *248/2012. (VIII. 31) government enactment on implementing the 2011 Act of CCIV* was released and the contract was clarified. Basically, it sets the financial conditions for the self-finance status students. A further point is added on the admission process stating if the student is admitted to a partial or full state scholarship place and does not sign the student scholarship contract, the institution has to provide him or her a self-financing place as an alternative.

Due to ongoing domestic pressure (opposition parties, student movements, campaigns of civil right societies), forums and discussions were organized between the government and representatives of students, which led to an agreement. Eventually, the government cancelled quota legislation. Instead, student performance and institutional capacity remained the main determiners of admission³⁵. The legal outcome of the consensus was published on 21 December 2012 in the form of the *1668/2012. (XII. 21) government decision on renewal of higher education*.

Due to further external push, the time limit was shortened so that students with partial and full scholarships have to complete the same amount of time being formally employed in Hungary as their programs last. The name of the contract was also changed to ‘declaration’. It remains a bit

³⁵ “Orbán Viktor: Eltörlik a Felvételi Keretszámok Rendszerét.” *Eduline.hu*. Accessed April 20, 2014. http://eduline.hu/felsooktatás/2012/12/15/Orban_Viktor_keretszamok_bejelentes_AMZH2F.

vague though, because both *contract* and *declaration* are used to refer to the documents in the latest version of the Act. This latest modification was introduced in May 2013 in the form the *2013 Act of LXX modifying 2011 Act of CCIV based on the fourth amendment of the Fundamental Law*.

The fourth amendment of the Fundamental Law was introduced in March 2013 and it established the basis of the student contract system at the highest legal level. From that point on, law regulates that state funding in higher education can be connected to work governed by Hungarian legal framework.

It seems that the proposed changes were extreme to the traditions of the Hungarian higher education system and the government was prepared for opposition. A timeline will close this chapter representing an event-centered narrative from the first drafts of *the Act* to the last important modification connected to the fourth amendment of the Fundamental Law (see Table 6). To categorize the measures, policies are also connected to the aspects of funding, access, quality, and institutional autonomy.

Table 6. Policy evolution of the 2011 reforms

	2010		2011		
Date	April	8 Dec.	March	April	30 Dec.
Type of document/event	Hungarian Parliamentary Elections	1276/2010. (XII. 8) Government decision on number of state-funded places in HE in 2011	Széll Kálmán Plan	Hungarian National Reform Program	2011 Act of CCIV on national higher education
Source	valasztas.hu (official website of the elections)	Magyar Közlöny 2010/185. (official gazette of legislation)	www.kormany.hu (official website of the Hungarian gov.)	www.kormany.hu	Magyar Közlöny 2011/165.
Funding		-	✓	✓	✓
Access		✓	-	✓	✓
Institutional autonomy		-	-	✓	✓
Quality		-	✓	✓	✓

	2012						2013	
Date	20 January	April	4 July	24 July	31 August	21 Dec.	25 March	31 May
Type of document/event	1007/2012. (I. 20) Government decision on quota in HE in 2012 2/2012. (I. 20) Gov. enactment on state scholarship	Széll Kálmán Plan 2.0	32/2012. (VII/4) Constitutional Court decision on legislation of 2011 Act of CCIV (overruling 2/2012. (I. 20))	2012 Act of CXXIII. modifying the 2011 Act of CCIV (response to overrule)	248/2012. (VIII. 31) Government enactment on implementing 2011 Act of CCIV (defines qual. contract)	1668/2012. (XII. 21) Government decision on the renewal of higher education (quota dropped)	4 th amendment of the fundamental law (state-funded HE connected to obligations)	2013 Act of LXX modifying 2011 Act of CCIV based on the fourth amendment of the Fundamental Law (from double time to same length as HE program)
Source	Magyar Közlöny 2012/6	www.kormany.hu	Magyar Közlöny 2012/85	Magyar Közlöny 2012/99	Magyar Közlöny 2012/115	Magyar Közlöny 2012/176	www.net.jogtar.hu (collection of legislation)	Magyar Közlöny 2013/86
Funding	✓	✓	✓	✓	✓	✓	✓	✓
Access	✓	✓	✓	✓		✓	-	-
Institutional autonomy	-	✓	-	-	-	-	-	-
Quality	-	✓	-	-	-	-	-	-

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4.3 Mapping Students' Perceptions

As shown in chapters on demographics of Hungary and on European Union policy objectives: there is a decrease in the number of young people in Europe compared to the older generations. Furthermore, higher education policy (HEP) has gained a central position within the European policy agenda as means to foster economic development and European competitiveness. Similarly, in the studied period since 1989 until today: HEP has always been means to development policies in Hungary. The idea at the supra-national level is to increase funding and participation to reach the Europe 2020 objective stating that 40% of 30-34 year olds should complete tertiary education by 2020. Related to this objective, Hungary promised to increase tertiary education attainment among 30-34 year olds to 30,3 % (“National Reform Program” 2011, 16).

In practice, the Hungarian approach in 2011 was centered to debt management and it cut funding. Some of the initial parts of the reforms were eventually dropped as the youth raised its voice. This chapter looks at young people in Hungary, zooming on university students and their opinion on the rapidly changing higher education (HE) environment. It is claimed to be changing rapidly because the majority of the modifications of the *2011 Act of CCIV* happened within basically one year as presented in the previous timeline. One exception is the change in the time limit of Hungarian employment assigned to student contracts because it was modified in May 2013.

What are the most important characteristics of students and their interests? First of all, young people tend to participate in democracy less intensively than older generations, which can result in an intergenerational democratic deficit and some degree of marginalization (Berry 2012). In Hungary, low political participation can be shown not only in voter turnout results, but also in surveys on interest in politics and in public issues (“Tudományos Diákkör” 2010). Besides generally low political participation of young people, there is a relatively

young civil society in Hungary that lags behind the United States and Western-European societies (Nárai 2004, 632).

Assuming that politicians seek reelection so they make policies to win public support, (Schumpeter 1942, 296) a group of people that do not vote nor show high level of interest towards the political arena are not likely to be target group of favorable policies either. In the context of the young civil society and low political participation of young people, student movements nevertheless have a long political tradition. They had an important role in the democratic transition in Hungary. Student hostels created informal networks, conferences and worked together with civil rights advocates. Student alliances were formed. After the transition, students became depoliticized, which was partly due to the fact that FIDESZ being originally an alliance (Alliance of Young Democrats in Hungary), became a political party and left the ‘student milieu’ (Szabó 1998, 123-124).

Later, students mainly raised their voice when it came to financial issues in higher education via unions representing their interests. Looking at a historical timeline of student movements since the regime change in 1989/1990, it can be concluded that there were four main protests all connected to funding and access-related policies (Szabó 1998; “Diáktüntetések 1995-ben, 2006-ban és 2012-ben” 2012; “Az OFÉSZ Krónikája” 2014).

The first movement was connected to a decrease in nominal state funding. Minister of Cult Bertalan Andrásfaly published an enactment in August 1990 on a new funding scheme during the Hungarian Forum of Democrats (MDF) – Christian Democratic People’s Party (KDNP) coalition. As a result, in September, students organized a demonstration against the cut in the funding impacting welfare services as social allocation and meal allowance (Szabó 1998, 127). The demonstrations were considered successful as the National Alliance for Higher Education (OFÉSZ) concludes. The Alliance was registered in September 1989 and the organization is basically the predecessor in title of today’s most prominent student union

organization Hallgatói Önkormányzatok Országos Konferenciája (HÖÖK). The Alliance was also involved in the drafting of the *1993 Act on higher education*, as well.

The next event took place in December 1992 when the introduction of tuition fee appeared on the political agenda of the MDF-KDNP government. Demonstrations remained peaceful and resulted in a negotiation between student union and government representatives. The results set the requirements for tuition fee introduction stating that tuition can only be introduced after the act on higher education is accepted with a beneficial taxation system and with the establishment of an effective loan-scheme. OFÉSZ evaluated the outcome successful from the perspective of students. Finally, the *1993 Act on higher education* introduced tuition fee starting in 1994.³⁶

The third important movement took place in 1995-1996 when the ‘Bokros package’ was introduced by Minister of Finance Lajos Bokros during the Hungarian Socialist Party (MSZP) – Alliance of Free Liberals (SZDSZ) government. Again, the debate was centered to the introduction of tuition fee. This time, everybody would have had to pay a monthly fee. About 12000 students gathered at the Ministry of Finance to express their opposition. Although Lajos Bokros went to talk to the people, the students were not convinced and their movement continued. Then, Prime Minister Gyula Horn invited the representatives of the protesters to negotiate and mediated between them and the members of the government. Finally, the government introduced the monthly fee but gave up some of the proposed financial cuts. The fee stayed in legislation until the Fidesz government winning the 2002 elections made the acquirement of the first HE degree free (“Diáktüntetések 1995-ben, 2006-ban és 2012-ben” 2012).

³⁶ “Az OFÉSZ Krónikája.” Accessed April 23, 2014. <http://www.hallgatoimozgalom.hu/posts/2-az-ofesz-kronikaja>.

During the fall of 2006, students mobilized again as tuition fee was about to be introduced for all HE participants under the name of ‘development contribution’ by the Socialist Party. Students reacted similarly to tuition as before. The student union organization, HÖÖK tried to convince the government not to introduce fees. Although there were efforts to settle, a final consensus did not take place and students went to the streets in October. Eventually, a referendum initiated by Fidesz decided on the issue: the introduction of tuition fee was rejected in 2008³⁷.

In 2012, a civil organization Student Network (HaHa) became the main connecting point for students. Similarly to the previous confrontations, cut in funding was the central theme of the events. In this case, student contract was the other important theme, being the basis of the new funding policy. Various modifications, discussions, and forums took place because of the *2011 Act on higher education* before consensus was reached. The final version still includes student contract binding students with state funded-places to stay and work in Hungary based on the length of their program although the initial double length of time was decreased to the same amount of employment as the length of state-funded studies. In exchange for that, the state abolished the yearly announcement of state-funded places (quota) from legislation. Thus, institutional capability and student performance decide who gets in.

Clearly, some of the initial reforms did not work out. Decreasing access to higher education is not a feasible option on the long-run. Introducing tuition fee in a mainly state-supported public higher education system has been also problematic. To assess what students think about the arguments of the reforms, the introduced solutions to the problems, the changing conditions of the past years since 2011, and finally, about possible ideas on improvement; an online questionnaire was conducted. In the following, the results will be

³⁷ “National Election Office.” Accessed May 31, 2014. http://www.valasztas.hu/en/ovi/287/287_0.html.

presented. Altogether 123 people responded, but only 118 responses were analyzed because the responses of 2 people from PhD programs and 3 people who finished their studies were eliminated. Thus, only students with currently active status are included from all types of higher education programs available in Hungary. Responses to question 1 show the distribution of educational attainment of the respondents (see Table 7).

Table 7. Question 1: Number of respondents based on enrollment in higher education program*

VET program	16	13%
Bachelor program	69	57%
Master program	28	23%
Other (undivided program)	8	7%

*Two people indicated to be enrolled in parallel in a master and in a VET program, while one was enrolled in parallel in a bachelor and in a VET program. These people are indicated in both relevant groups in this table.

The rest of the questionnaire relies on four themes: assessment of governmental arguments for the reforms, assessment of introduced measures, opinion on expected effects of the reforms on participation rates, and assessment of HE system. The last theme consists of a closed scaling-type question and an optional open-ended one, which gives space for elaborating personal opinion.

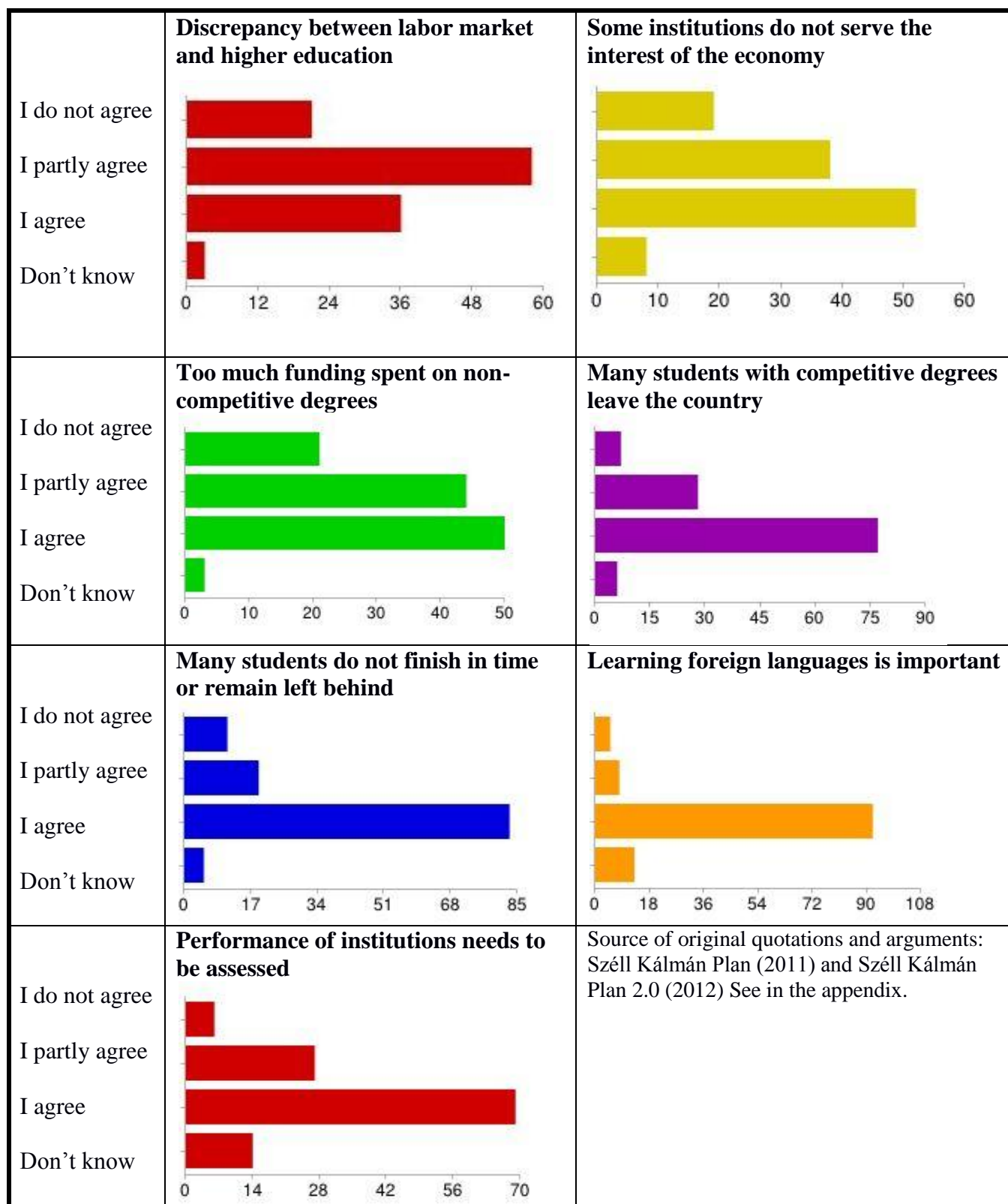
Question 2 measures how informed participants feel about the reforms. Most respondents (45%) marked 4 on a scale from 1-5 where 1 was “I feel absolutely uninformed about the changes” and 5 was “I feel absolutely informed about the changes”. Only 3% (3 people) stated they felt completely uninformed, while 23% of the people can be found in the middle of the scale, feeling somewhat informed, but not confident about it.

Question 3 assesses governmental communication about the reasons for the reforms. Full quotations and shortened major arguments were included from the *Széll Kálmán Plans* indicating the source at every item. Interestingly, in 6 out of 7 questions, most people selected ‘I agree’. Figure 4 (below) includes the shortened version of the seven arguments and the distribution of responses. The argument where more people selected ‘I partly agree’ than ‘I

agree' referred to the *discrepancy between labor market and HE*. In case of all other arguments, the majority of the respondents agreed. However, agreement was less clear in case of the argument about *too much funding spent on students acquiring non-competitive degrees*. One of the most sensitive parts of the reforms was indeed the attempt to influence students what to study and what not to. This attempt created conflicts because the discussion was never about questioning the importance of natural sciences, engineering or IT programs. Rather, it was about taking state support from economics and law studies, which were also seen as competitive in the job market³⁸. Finally, the topic that people tended to be the least certain about was *institutional quality assessment* (14 people selected 'I do not know').

³⁸ "Kihirdették a Tandíjakat: 150ezer és Egymillió Között a Slágerszakokon." *Origo.hu*. Accessed April 27, 2014. <http://www.origo.hu/itthon/20120120-felsooktatás-allamilag-finanszírozott-keretszámok-es-az-onköltséges-kepzés-arai.html>.

Figure 4. Question 3: Please evaluate the following measures taken from government communication explaining the justification of the introduction of the reforms



Question 4 investigates how actual measures introduced by the reforms are assessed.

(Q4: Please, evaluate the following policy measures based on how justified you find their introduction.)

Table 8. Question 4: Assessing policy measures

	I do not think it is justified		In some cases it is justified		It is justified		I do not know	
	Number of responses and response as % of all responses							
1 st version of the student contract (2011)	80	68%	27	23%	11	9%	0	0%
current version of the student contract (2013)	47	40%	44	38%	25	21%	1	1%
qualification contract (2012)	40	34%	23	19%	35	30%	20	17%
downsizing HE arena	40	34%	45	38%	30	25%	3	3%
abolishment of quota (2012)	45	39%	37	32%	19	17%	14	12%
returning 50% of costs of education in case of not competing program in time	37	31%	55	47%	26	22%	0	0%
more state-funding for engineering/IT/natural science programs	35	30%	29	25%	52	44%	2	2%
less state-funding for economics and law studies	60	51%	35	30%	19	16%	4	3%

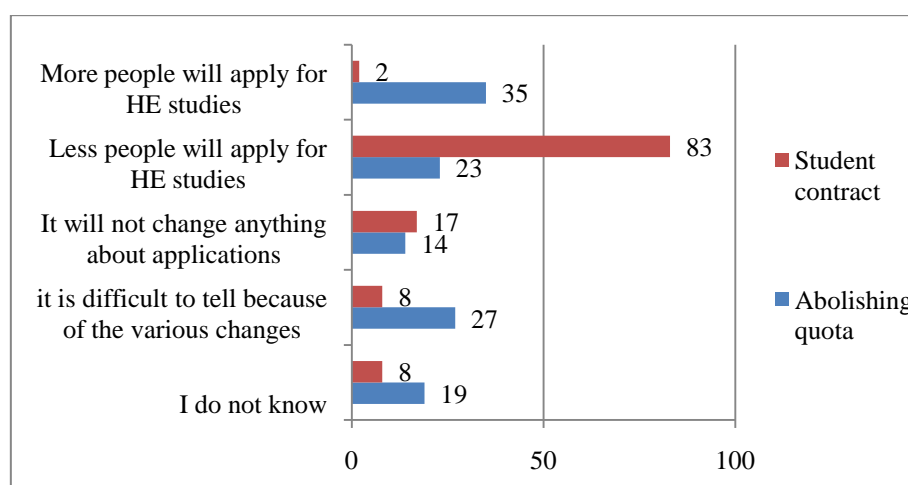
*Requires double amount of time in Hungarian employment as the length of state funded HE program.

**Requires the same amount of time in Hungarian employment as the length of state funded HE program.

Question 5 investigates student expectations on the effects of two important measures from the reforms on the number of people applying for HE (see Figure 5 below). The first one is student contract, and the second is the abolishment of quotas (*Q5: What do you think about the long-term effects of the following policy measures on participation in higher education?*)

Results show that most students thought that student contract would indicate less people applying for HE. In case of quota abolishment, there were altogether 35 people indicating that quota abolishment would increase the number of applicants. Within these sub-questions of Question 5, there was one response measuring clarity of the events. The answer ‘It is difficult to tell because of the various changes’ seemed to be popular in case of quota abolishment.

Figure 5. Student contract and its expected effect on the number of people applying for higher education



Question 6 (see Table 9) zooms on student contract. It reacts to the commonly published argument that mobility would be affected by making students stay in Hungary after finishing state-funded education (Bojár 2013; Jandó 2013; Makki 2012). The question asks: *What do you think about the relation between the conditions of student contract and the number of people studying abroad?* The responses show that nobody thought there would be less demand for studying abroad, while 75% said there would be more demand due to the changes brought about the contract. According to 23%, there would be no change in the demand.

Table 9. Question 6: The expected effect of abolishment of quota on the number of people applying for higher education abroad

There will be higher demand for studying abroad	89	75%
There will be lower demand for studying abroad	27	23%
There will be no change in the demand for studying abroad	0	0%
I do not know	2	2%

Question 7 assesses the overall HE system (*Q7: Please, evaluate how much you are satisfied with the following elements of the Hungarian higher education system.*). Connected to that, Question 8 provides optional space to elaborate on personal opinions (*Q8: Please, feel free to share any further thoughts linked to the current higher education system in Hungary.*)

Regarding Question 7, respondents in general were not satisfied with access. 36% scored 3 on the list of 1-5 where 1 was 'I am not satisfied with it, at all' and 5 was 'I am completely satisfied with it'. Transparency of HE system was also less popular, 31% scored it as a 2 and 32% as a 3. Assessment of the quality of information and communication has similar results with 42% scoring it as a 2 and 29% as a 3. Similarly, cost of participation was assessed as a 2 by 30 and as 3 by 42 people. Mobility and other scholarship programs, the range of available programs, the quality of programs, and the application system received the most positive feedback. Respondents gave less satisfied feedback on the yearly limit of admission points as 40 respondents selected 3 as their level of satisfaction with that option. Besides, 84% of them marked *the proportion of theoretical/practical knowledge in the curriculum* between 1 and 3, indicating that this proportion was not sufficient. This assumption is supported by the results of the open-ended question where the issue came up frequently. *Competitiveness of Hungarian degrees* scored around 3 on average. Finally, *student loan opportunities* received the most 'I do not know' (42 people, 36%) answers indicating that most respondents were not interested in these loans.

Table 10 includes the coded interpretation of the responses to Question 8 about students' opinions distinguished by what policy measure they react to, whether they propose a change and if so; how they present it. Categorization relies on the dimensions of funding, access, quality, and institutional autonomy. Altogether 30 people answered the optional question. None of the respondents belonged to the group of PhD students or to the group of 'already employed after graduation', therefore all 30 responses were included in the coding.

Table 10. Question 8: Assessment of student opinions

Dimensions of HEP	Problem/Related policy measure	Assessment and Proposal (where applicable)
Funding	Student contract	justified - if states finances students, they should not go abroad with the knowledge - as return on state fund is needed but competitive salaries are also required so that no one's interest gets hurt
		acceptable only if competitive salaries are provided
		has invalid claims as competitive salaries are not guaranteed, if they were so, claims would be valid
		problematic in terms of administration, still have not received the copy of the contract
		does not function well because it does not succeed in making the young stay, which could only be achieved by competitive salaries
		not effective - because there are no competitive salaries and economy needs to be developed, therefore, even more people will leave to be able to have a family, but it is a forced decision, not a desired one - because there are not enough jobs and salaries are not competitive
		unjustified - although current HE system is impossible to fund, it is only a short-term solution - instead, there should be lower fees introduced collectively for everybody (10-30.000HUF/semester) but the most important is to create jobs and competitive salaries which are long-term solutions
		wrong - as it goes against EU principles of free movement - it should be abolished and instead, more jobs and practical training should be provided
	Decreased funding in economics/law studies	wrong to withdraw funding from competitive fields
	Proportion of state-funded and self-financing places in HE	irrational - in case of some majors and it results in only a few people with state-funded places and many have to pay a lot to study what they want - also it is nearly impossible to switch between funding status even with good grades
		should be modified in case people do not finish in time so that they are automatically redirected to a self-financing status
	Increased funding in natural science programs	unjustified because there are not that many people applying even with such a support
	Student loan scheme	not preferred because loans should not be the solution for participation in HE

Dimensions of HEP	Problem/Related policy measure	Assessment and Proposal (where applicable)
Access	Admission points and general conditions of access	access should be widened and lower admission points should be introduced coupled with more strict grading
		there is not enough opportunity for talented people , therefore more opportunity should be given to them as they will be the basis of high quality labor force
		lack of undivided programs , therefore access should be provided again to undivided programs (pre-Bologna period)
		inefficient aspects of admission system: <ul style="list-style-type: none"> - admission based on final-examination results in quality problems because of the variance in application conditions ie. not everybody has to select the same level of attainment on the same high school class when they apply
		admission requirements should be more strict <ul style="list-style-type: none"> - for state-funded places - for engineer and primary and pre-school teacher programs
		minority people should not get less extra points for application (around 10), giving them 20-41 is too much and not fair neither to them nor to other students
Quality	Quality of the curriculum	programs should be about what their name suggests , there are too many irrelevant classes much more practical training is needed (compared to theory-oriented classes)
	Quality of teaching	teaching performance should be improved <ul style="list-style-type: none"> - professors should have more experience - those who have been teaching for a long time, should adapt to today's requirements - performance of professors should be evaluated more thoroughly - number of students/professor within a learning group should be decreased
	Quality of student competences	dropout rates should be decreased , people should apply because they are talented and motivated not because everybody does so
		oral and written examinations should be reintroduced to make application more selective (especially in case of psychology and teacher programs)
		creation of more career consultation service is needed
	Quality of degrees	cost-value proportion is not proper , too much time, energy and money is spent on education while quality of education and employment afterwards is never guaranteed
Institutional Autonomy	Internships	more practical training should be provided during classes but without compulsory internship programs which are poorly organized
	Institutional mission	new perspective is needed in HE system so that institution would produce students for business important for Hungary not for big companies that do not sustain the economy
	Institutional structure	more institutions should be merged (along with the content of their curricula)

Besides the topics and arguments summarized in the table above, there were a number of opinions that did not fully belong to any of the categories. For this reason, they were labeled as ‘other’. Some of these compared state involvement and market forces arguing that the latter would solve the dilemma between competitive and non-competitive degrees on the long-run. This economic approach suggests that there is no need for the state to decide what students should study as market will shape the process. It is also argued that state is better off without such an involvement because *it will not be blamed for career difficulties*.

Another line of opinions emerged arguing that it cannot be taken for granted that economists will work as economists or engineers will work as engineers later. Some others actually argue that most HE institutions are producers of workforce for big multi-national companies that do not serve the country’s economy as smaller businesses do. A respondent proposes an interesting idea, referring to the ‘no matter what degree one has, he or she will have better chances for finding a job’ discourse. The proposal is that although degrees and the type of studies matter, students should not think that having a degree solves everything. They have to learn that without hard work and effort to improve, nothing will work out.

A different line of arguments is centered to the *Széll Kálmán Plan*. Both responses reflect critical thoughts on the content of the plan. First, it is argued that the *plan is rudimentary, full of clichés and even though it is correct about the problems* (as can be seen with Question 3, most problems government communication referred to were acknowledged by the students respondents, as well), *it selects wrong measures to solve them*. *Decreasing funding* is mentioned the most often as an example for such measures.

In the ‘other’ category, two proposals emerged as to what policy measures can be introduced. First, it is argued that HE reform *should not be a top-down approach but a bottom up, linked with other education reforms from the very first level*. Second, *instead of centralization, more diffusion should be introduced taking the regional differences of the*

country into consideration. In sum, the responses proved to be very useful to get insight to how students assess the reasons of the reforms, the introduced measures, and the possibilities to improve the HE system.

CHAPTER 5. FINDINGS

5.1 *Assessing the Reforms, Defining the Gap*

To answer the questions (1) *how does the Hungarian case comply with the international directions of higher education policy-making?* and (2) *are the 2011 higher education reforms effective and is there a remaining policy gap?* the thesis applied a structural approach to reveal the relevant macro (global and supranational trends), meso (Hungarian context) and micro (students and higher education in Hungary) levels linked to the case. Thus, the recurring reference point is the national policy analysis of the 2011 Hungarian higher education (HE) reforms. For conducting the policy analysis, the structural approach was completed with a discursive approach that looked at the governmental communication and to the policy evolution of the *2011 Act of CCIV on higher education*.

Results show that globalization, massification and internationalization shape today's higher education system, and thus, today's higher education policy. The global pattern on state – higher education institution relation reflects more autonomy of institutions and less authority of states. A shift between European Union and state-level legislation of HE policy also occurred giving more influence to the Commission over state-level policy objectives. Higher education is strongly connected to employability at the individual level and economic competitiveness at the state- and at the supranational-level. Vocational education and training programs have gained prominence in the labor market. Also, skills that higher education equips students with are not limited to specific majors but to general requirements of employers. Consequently, specific programs do not necessary define future career plans of students.

Finally, in Europe, the aging society adds a demographic challenge to the dimensions of higher education policy. The solutions promote increasing funding and widening access to higher education. Quality education is also essential to make higher education institutions

sources of valuable human capital. Competitiveness of degrees is also important for the students so that time, money, and effort invested into HE would be worth for them, as well. Of course, institutional autonomy is the basis of all of the above. Within this context, the Hungarian case represents a very interesting policy approach: an approach that connects policy fields to debt management by promoting economic interests of the state as opposed to individual preferences of students.

The following political, discursive, social, legal, and economic elements are found to shape the narrative of the 2011 HE reforms. First, the *political elements* (along with the discursive elements) include (1) the formation of a new government in 2010 (Fidesz-KDNP won the elections, following an 8-year long period during which the Hungarian Socialist Party was in power); (2) a debt management action plan aiming for renewal by every possible policy means; (3) and the governmental identification of HEP problems (as the claims about the mismatch between HE and labor market needs, the high drop-out rates; the number of people graduating late, the lack of competitive degrees that cost too much money, the number of people with competitive degrees who leave the country, the bad quality of VET programs, and about the lack of people with technical skills).

Discursive elements rely on images of ruins left by the previous government; images of war, fight, winning; and on the 2/3 majority conceptualized as entitlement and responsibility to carry out the plans. The *social elements* include (1) demographics-related findings such as the growing number of elderly people, the decreasing number of young people, the growing educational attainment, the growing tertiary education attainment and the high rate of unemployment especially for the young. Student movements opposing the changes (2) also belong to the social elements. *Legal elements* are (1) the policy environment characterized by prominence of state-funding in HE; (2) the *Act of CCIV on higher education*; (3) the introduction of student contracts and new approach of quota management; (4) and the

act of the Constitutional Court to overrule the first attempt to regulate student contracts. *Economic elements* include the national state debt and deficit of state budget (due to IMF loan and further traces of the legacy of the financial crisis).

Linking the micro-level to the rest of the findings, it can be concluded that students mostly agreed with the governmental arguments for introducing the reforms. What they did not agree with was the solutions and some of the specific policy measures introduced. Domestic and international criticism also pointed out the weak points of the 2011 reforms. Within one year, there were various modifications and amendments trying to find a way to fix these problematic parts. One of these important modifications was the deletion of student quota which happened after access and funding to HE decreased significantly due to the first scenario of reforms. Another modification was funding, which eventually started to increase again. After looking at all relevant levels and contexts, the following policy gaps can be revealed about the currently valid version of the *Act of CCIV on higher education*:

Table 11. Defining and explaining policy gaps

Problem	Gap remained after the introduction of the reforms	Explanation
mismatch between HE and labor market: lack of competitive degrees	lack of proper means motivating students to study and do what they are good at	pushing for competitive degrees such as engineering, IT, and natural sciences should not mean economics and law studies lose all state support
	flexibility of HE is not taken into account	directing what students should study should not mean that majors completely define future professions of people
mismatch between HE and labor market: too many of the people with competitive degrees go abroad after graduation	lack of economic motivation for students to stay	there are significant differences between employment opportunities and amount of salaries in Hungary
lack of people with technical skills, VET programs should be improved	existing VET programs were not improved in terms of funding, access, or quality	government communication referred to the need to improve VET programs but it cut the quota

Some of the initial ideas were not subject of debates. These include the requirement to finish a program within 1,5 times of its original length or the importance of policies promoting language learning. The contract that students with self-financing status have to sign was also acceptable to the public as it did not come with a binding force but with clarity over financial conditions. This contract resembles to enrollment contracts used in a number of other countries in Europe, as well. Dropping the quota was also welcomed, however, it was the consequence of the demonstrations and other criticism and not a goal originally introduced. Supporting engineering, IT, and natural science programs did not cause large debates either. The problem was that redistribution of state funding happened in the context of decreasing overall funding on higher education and that otherwise popular and internationally competitive programs lacked funding at the end.

After all, making higher education part of a more serious project of students was a legitimate goal. However, generalizing the stricter conditions for all state-funded programs and at the same time differentiating between programs via redistribution of state funding caused controversies and opposition. More importantly, it caused confusion. Ironically, one of the basic ideas of reforming higher education was to help people make informed career decisions by providing a stable, well-functioning framework.

5.2 Policy Recommendations

Changes and efforts aiming improvement are essential for long-term development. Reforms have to deal with the multiple dimensions involved in higher education policy and with the limitations resulting from them. In the Hungarian case, most problems articulated by the government were seen reasonable while solving them seemed to be more of a rush creating fragmented decisions within the framework of the *now or never* discourse. The perspective was problematic because higher education was only seen through the lenses of

debt management, which resulted in overlooking some of the essential features of higher education. The outcome led to opposition, confusion, and implementation problems. Based on the findings and student recommendations from the questionnaire, the following suggestions emerged.

First, both public and private sector should be motivated to provide more competitive salaries. Second, competitiveness is an international concept, thus, it should not be narrowed down solely to state level interest. Third, a more flexible system should be created between state-funded and self-financed places based on performance. Fourth, career service counseling should be established in secondary schools to help people make informed decisions. Fifth, for programs that require specific skills, oral exams should be reintroduced (e.g. teaching, psychology). Finally, generalizations should be revised about state-funded places and student contract in light of actual job opportunities in Hungary.

CHAPTER 6. CONCLUSIONS

The multi-level analysis, the discursive approach, the policy evolution timeline, and the assessment of student perspectives demonstrated the various ways the 2011 reforms were shaped by their multi-level policy context. The main proposition that there is an expected mismatch between the directions the Hungarian policy took and the European and global patterns of higher education policy turned out to be valid. The policy-gap unresolved by the reforms has also been identified.

The reforms were not effective upon their introduction. Instead, they were fragmented, unclear, and poorly communicated. In many cases, a new concept was introduced but was defined only later. Furthermore, the governmental discourse focused too much on debt management and little on features of matching higher education policy with international patterns and domestic needs. Thus, the reforms did not completely fit into global directions or to the European goals of increasing funding, access and quality. Institutional autonomy was the least influenced field within the discourse. Another important problem was that student unions were not involved in the drafting.

As the policy evolved and got amended various times due to critical social and legal reflections, it improved in content. Funding and access were finally increased and centralized limitation on state-funded places was dropped. The conditions of the contract were also modified by introducing the same length for engaging in Hungarian employment as the length of state-funded studies. Although a consensus was reached after a wave of student demonstrations against the reforms, the most crucial and – to the traditions of Hungarian higher education system – most unusual element of the student contract remained in the policy.

In short, the thesis contributes to the larger discussion of public policy and political science as it sheds light on the contradictions of interests between state and market forces in today's globalized world. Issues of centralization and decentralization are inherent elements of public policy. In higher education, the goal is to extend access to more and more people as education today is one of the most important means of development and the most convenient way to extend access involves state funding. The question emerges whether funding always brings about rules and responsibilities that contribute to a return on investment or in case of the state; there is no legitimacy for such an investment framework. In other words, how to best approximate the interests of the individual, the state, and the market? The Hungarian case presents solutions to these problems, which are not new, but are likely to gain more importance in policy discussions.

To conclude, centralization of higher education brings about limitations due to the increased integration of the globalized world. Production of human capital is linked to higher education institutions and state-funding plays an important role in providing equal and growing access for participation. The 2011 reforms highlight some of the limitations of higher education policy and also point out some of the state-level challenges that are not always in line with global and more specifically, European trends and objectives. Aspects of funding, access, quality and institutional autonomy remain the central fields of HE policies. However, effective harmonization of policies in the way that they align with the multiple dimensions of the policy environment remains challenging for policy-makers.

Related to the topic of the thesis, further research might be able to reveal the long-term effects of the more centralized higher education system in Hungary. Also, studying the implementation of the student contract would be an interesting dimension to add. Finally, studying policy-making under similar majority conditions might include the case of Hungary.

APPENDIX

English Translation of the Questionnaire (originally, the questionnaire was written in Hungarian)

Assessing student opinions on the 2011 Hungarian higher education reforms

Dear Students,

I am a master student studying Political Science at the Central European University. I am writing my thesis about the 2011 higher education reforms in Hungary and I would be grateful if you could share your thoughts on that matter. Filling out the questionnaire is anonym, and you can stop the process at any time. Thank you for your contribution.

Brief description of the reforms

- In 2011, quota on state-funded places was decreased. The measure was eventually dropped and quota was abolished from legislation in 2012.
- The reforms introduced three types of status within higher education: full state scholarship (100% state-funding), partial state scholarship (50% state-funding), and self-financing statuses (no state funding).
- Based on the statuses, students with full and partial scholarships have to sign a student contract as requirement of their enrollment.
- Student contract requires students to engage in employment in Hungary for the same amount of time as their state-funded studies lasted. 20 years are provided to fulfill the requirement after graduation. In case, it is not fulfilled, costs of education need to be returned to the state.
- Students with self-financing status have to sign a qualification contract including the financial requirements of the given program.

Questions

- 1. Which higher education program are you currently enrolled in? Check all that apply.**
 - ☐ vocational education and training
 - ☐ bachelor program
 - ☐ master program
 - ☐ other:
- 2. The 2011 higher education reforms introduced significant changes within Hungarian higher education system. How informed do you feel about the reforms? Mark only one.**

I feel absolutely informed about the reforms					I feel absolutely uninformed about the reforms
1	2	3	4	5	

3. Please evaluate the following reasons taken from government communication explaining the justification of the introduction of the reforms. Mark only one option in each line.

	I do not agree	I partly agree	I agree	I do not know
“there is a mismatch between the complete higher education system and the needs of the labor market” (Széll Kálmán Plan 2011)				
there are institutions maintained by state funding that do not serve the needs of the economy (Széll Kálmán Plan 2011)				
“much money is spent on college and university students who receive degrees that are not competitive and that do not help their integration into the labor market” (Széll Kálmán Plan 2011)				
many student who acquire a competitive degree from the perspective of the labor market, leave the country (Széll Kálmán Plan 2011)				
many people in higher education do not finish in time or drop out (Széll Kálmán Plan 2.0, 2012)				
learning foreign languages is a key field of higher education policy and should be improved (Széll Kálmán Plan 2.0, 2012)				
improving institutional quality assessment is needed				

- 4. Please, evaluate the following policy measures based on how justified you find their introduction. Mark only one option in each line.**

	I do not think it is justified	In some cases I think it is justified	I think it is justified	I do not know
the first version of the student contract setting twice as much time for Hungarian employment after state-funded studies as the length of the studies				
the currently valid version of the student contract setting the same amount of time for Hungarian employment after state-funded studies as the length of the studies				
qualification contract for students with self-financing status, setting the financial conditions of those programs				
decreasing access to higher education				
abolishment of quota				
requirement for students with partial or full scholarship to return 50% of the cost of education in case program is not completed within 1,5 times of the original length				
more state funding for engineering, IT, and natural science programs				
less state funding for economics programs and law studies				

- 5. What do you think about the long-term effects of the following policy measures on participation in higher education?**

	more people will apply for higher education	less people will apply for higher education	there will be no change in application because of these measures	it is difficult to assess because of the various modifications	I do not know
abolishment of quota					
current version of student contract (same amount of time spent in Hungarian employment as the length of their state-funded studies)					

6. What do you think about the relation between the conditions of student contract and the number of people studying abroad? Mark only one option.

- ☐ there will be higher demand for studying abroad
- ☐ there will be lower demand for studying abroad
- ☐ there will be no change in the demand for studying abroad
- ☐ I do not know

7. Please, evaluate how much you are satisfied with the following elements of the Hungarian higher education system. Mark only one option in each line.

	I feel absolutely dissatisfied					I feel absolutely satisfied	
	1	2	3	4	5		I do not know
conditions of access							
transparency of higher education system							
information, communication							
cost of participation							
mobility and other scholarship opportunities							
competitiveness of the Hungarian degree							
range of available programs							
application system							
quality of education in the selected institution							
internship opportunities							
proportion of theoretical and practical training in the curriculum							
admission points							
student loan opportunities							

8. Please, feel free to share any further thoughts linked the current higher education system in Hungary (optional).

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