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Authors

Ms Krisztina DOMJÁN, Junior researcher, Observatory for Educational Development

Mr György MÁRTONFI, Senior researcher, Hungarian Institute for Educational Research and Development (OFI), Budapest

Ms Orsolya POLYACSKÓ, Junior researcher, Observatory for Educational Development

Ms Lídia VINCZÉNÉ FEKETE, Junior researcher, Observatory for Educational Development

Contributed to the validation of the report:

Judit ADLER, Dr., Research Manager, GKI Economic Research co.

Magdolna BENKE, Dr., Researcher, National Institute of Vocational and Adult Education (NSZFI), Budapest

Ágnes HÁRS, Dr., Senior researcher, Kopint-Tárki Institute for Economic Research Ltd.

Judit LANNERT, Dr., Managing Director, Tárki Tudok Centre for Knowledge Management and Educational Research

György MÁRTONFI, Senior researcher, Hungarian Institute for Educational Research and Development (OFI), Budapest

Mária NAGY, Dr., University Professor, Head of Department, Eszterházy Károly College.

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Introduction

In 2009 Cedefop commissioned members of the ReferNet network to prepare research reports exploring key themes and findings of current national VET research in four areas. Two of the topics were mandatory and selected according to Cedefop's medium-term priorities (the benefits of VET, VET and employment-related mobility and migration), while the other two were left to the choice of ReferNet members based on national priorities. An analytical summary of the first two topics will be published by Cedefop in 2010. The optional topics offer insights into the state of current research in the member states.

With regard to the *benefits of VET*, high quality research has been carried out in several countries. In Hungary, research has primarily focused on the labour market returns to vocational education. The wider benefits of VET, however, are hardly paid attention to, even though the social significance of education and training seems to be a truth generally acknowledged. Nonetheless, available research findings confirm that while participation in education translates into better socio-economic status in general, this is not the case for VET students. Partly for this reason, one of the optional chapters reviews research issues and outcomes related to socially disadvantaged *groups at risk in the labour market*.

The *professionalization of VET teachers and trainers*, introducing new approaches and attitudes, may play a key role in changing these trends. The state of initial and continuous training of VET professionals seems at last to have received the research attention it deserves; hence it has been selected for review in Chapter 4.

Even though the volume of *migration* to Hungary has been insubstantial as to its volume – in 2009 foreign nationals accounted for 1.9% of the country's population –, and the participation of immigrants in VET is even more so, the issues of *mobility* have important implications for the labour market. On the one hand, an increasing number of Hungarians seek work abroad; on the other, internal mobility within the country – and especially the lack thereof – is also of importance, for it has a role in maintaining regional inequalities.

The chapters are not meant to be fully comprehensive: in line with Cedefop's requirements only those research outcomes and publications are discussed here which seemed the most relevant from the point of view of VET, and were published in the last five years.

Research findings, however, cannot be isolated from research and policy recommendations which logically follow from them.

The extension of research findings may logically lead to conclusions with regard to both policy recommendations and directions for further research.

Two of our previous publications, both prepared within the ReferNet programme, may be of assistance in better understanding the policy context of the issues discussed here, or the definition and usage of specific concepts. For further information, see: Vocational education and training in Hungary 2009 (http://www.observatory.org.hu/wp-content/uploads/TO7_eng.pdf) and VET policy report 2008 (http://www.observatory.org.hu/Feltoltott/ReferNet/PR_En.pdf).

Chapters of the research report were prepared by Observatory for Educational Development

Dr. Tamás Köpeczi-Bócz
National ReferNet Representative
Observatory for Educational Development
Corvinus University of Budapest

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Theme 1: Benefits of VET

Krisztina Domján¹

Abstract

Generally speaking, relative wage returns to education have been steadily and significantly growing since the regime change in Hungary in 1989, albeit with one exception: wage returns to vocational qualifications are in decline. According to some studies, the training of skilled workers in vocational schools yields miniscule or even downright negative returns for both the individual and the state budget. The employment rate of skilled workers has dropped, while an increasing number of workers are seeking employment that differs from their original qualification. They are being pressured into career changes by their circumstances and/or opt for better opportunities and advantages to be found elsewhere; many of them, however, are forced into unskilled jobs. Alongside the shortage of skilled workers there seems also to be a surplus of trained workers, however, for several reasons they do not constitute supply in the labour market. In addition to the shortage of skilled workers, the main reason for the problems in the employment of skilled workers is the low quality of their training, and in particular the lack of attention to the development of general competences and transferable skills. Moreover, certain types of skilled labour job – i.e. those which do not require well-developed general (literacy) skills – are also naturally dying out in Hungary. Precisely because of this, vocational school students, the group with the highest rate of low-educated family backgrounds, are planning to reach a higher level and continue with their studies, even if that requires a greater personal investment. The realization of their ambitions, however, is contingent on their social background: VET research confirms the slowing down of social mobility, i.e. that Hungarian society is becoming increasingly segmented and rigid.

1. Introduction

The great majority of the research into the benefits of VET conducted recently in Hungary has focused on the labour market returns of vocational education, mainly the impact of educational attainment on wage returns and employment prospects. They

¹ Krisztina Domján, junior researcher, Observatory for Educational Development, Corvinus University of Budapest. **Reviewed by:** Judit Adler, Dr., Research Manager, GKI Economic Research co.; Magdolna Benke, Dr., researcher, National Institute of Vocational and Adult Education (NSZFI), Budapest; Judit Lannert, Dr., Managing Director, Tárki Tudok Centre for Knowledge Management and Educational Research; György Mártonfi, senior researcher, Hungarian Institute for Educational Research and Development (OFI), Budapest.

compare and contrast the benefits – or lack thereof – of different types of vocational qualifications on the one hand, and the output of VET with that of other forms of education on the other. That is, investigation into the benefits of education concentrates on studying its returns. However, it is important to emphasize that research is not limited to recording the strictly material returns of education. Vocational education and training – especially ISCED 3C/2C level vocational schools – perform so poorly that researchers cannot leave the broader context unexamined. Thus the mapping out of the labour market benefits of VET often includes both the causes and the consequences of the inadequacies of secondary level vocational education and training, covering a wide range of issues, such as the deficiencies in the quality of the education system or the role that VET schools play in reproducing social inequalities.

The following chapter focuses on the state of school-based secondary level VET. The reasons for excluding other forms of VET are manifold. First, this is the area that has attracted the most interest with regard to the benefits of education, and therefore a sufficient number of high quality research papers and publications are available for a detailed overview. Second, some other forms of vocational education (continuing vocational training run by companies, for example) are so underrepresented in Hungary that even if there was research on their labour market returns (which there is not), it would be disproportionate to include the results here in detail.² Third, even though higher level vocational education and training – a relatively new level of VET awarding ISCED 5B level vocational qualifications – is gaining an increasing share of VET, it is too early to draw any conclusions with respect to its benefits. What can safely be said is that it is not yielding direct labour market returns; rather, it functions mainly as a springboard to higher education.³ Fourth, even though adult training provided outside the school system constitutes an important segment of VET, there are no direct statistical data available with regard to its labour market returns, nor is there any comprehensive research carried out in this field.⁴

² For the weak presence of continuing vocational training run by companies see Cedefop (European Centre for the Development of Vocational Training) (2009): *Continuity, consolidation and change. Towards a European era of vocational education and training*. Cedefop Reference series; 73, especially 5.2.2 (“Participation in and provision of continuing vocational training” pp. 65-68).

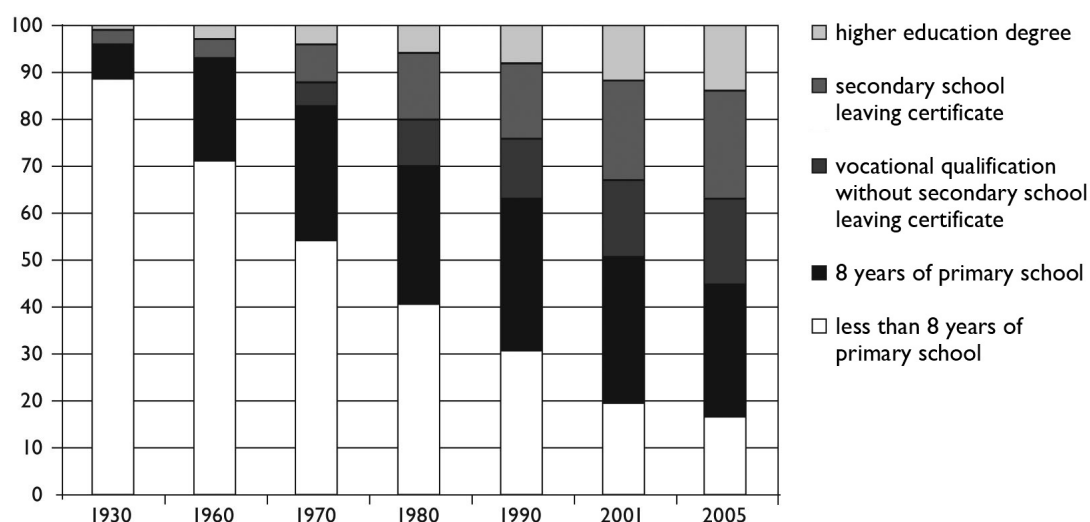
³ Higher level VET [*felsőfokú szakképzés*] was launched in 1998. It can be run by colleges or universities, or provided by secondary vocational schools under the supervision of a higher education institution. It does not award a higher education degree; however, the credits earned by students enrolled in higher level VET programmes can be used toward their entry into higher education institutions. For a brief description of higher level VET, see section 4.7 in ReferNet Hungary: *Hungary. VET in Europe – Country Report 2009*. pp. 49-51. http://libserver.cedefop.europa.eu/vetelib/eu/pub/cedefop/vetreport/2009_CR_HU.pdf . For more detailed research, see Györgyi, 2009.

⁴ As for the relative weight of adult training, see Juhász et al., 2009. According to the authors’ calculations, approximately three times as many people obtain their vocational qualifications in adult education or training programmes than do within the school system. What is clear, however, is that in comparison with school-based VET, vocational qualifications obtained in adult training programmes prove to be less of a safeguard against unemployment. Furthermore, those with both types of qualifications (i.e. from within and outside the school system) have better chances of securing employment if their further training matches their original vocation. Conversely, those who participate in re-training programmes and try to start a brand new career are more likely to become unemployed.

2. Context: the expansion of education

The political and economic regime change in Hungary in 1989 resulted in a significant increase in the labour market value of education. Supply was also quick to adjust to the new type of demand; and the expansion of education that began in the early 1990s seems to confirm that education is a good investment. Both the number of students and the number of school years have increased, and so have the immediately realizable benefits of education: as several studies have shown (see below) higher educational attainment has a decidedly positive effect on both employment prospects and wages.

Figure 1. Educational attainment of the Hungarian population, 1930, 1960, 1970, 1980, 1990, 2001 and 2005 (%)⁵



Source: *Report on Hungarian Public Education 2006*, p. 46.

The rapid expansion of education has, obviously, increased the number of secondary and higher education graduates.⁶ Contrary to popular belief, however, this has not led to substantial over-education or overproduction of graduates; the increased number of diplomas and secondary school leaving certificates (Matura qualifications) issued have retained their value. Studies (Galasi, 2004a/*2005, 2004b, 2004c; Kertesi and Köllő, 2005) show that employers, relying on the surplus of educated workers available to them, have raised – because they could raise – the standards required of their employees: “this process should not be mistaken for over-education; rather, it

⁵ For precise figures see Appendix, Table 1. The number of students and educational institutions between 1960 and 2009 are shown in Tables 2 and 3.

⁶ For the expansion of higher education, see Appendix, Table 4: Tertiary undergraduate (BA/BSc) and postgraduate (MA/MSc) training (1990 –)

has resulted in better education/occupation matches” (Kertesi and Varga, *2005a, 649-50).

In general, education seems to have become a good (i.e. profitable) investment for all parties involved in the labour market. On closer inspection, however, a more differentiated picture is revealed. That is, the expansion of higher education has changed the function of secondary-level education. Most students in secondary grammar schools and secondary vocational schools obtain their secondary school leaving certificate (ISCED 3A) at the end of their studies. As this is the prerequisite for successful entry into any higher education institution, grammar schools and secondary vocational schools prepare their students to pursue their studies further.⁷ Vocational schools, however, do not offer their students the option of taking the exam;⁸ as a result, they cannot participate in the opportunities offered by the expansion of (higher) education, and cannot take advantage of the subsequent labour market advantages that come with higher educational attainment.

2.1 The restructuring of secondary VET

In accordance with the employment and earning trends that followed in the wake of the social and economic transformations of the regime change and the consequent expansion of education, secondary VET has undergone a fundamental restructuring. On the one hand, the decline in enrolment figures reveals just how drastically vocational schools on the whole have shrunk; on the other, the number of students attending secondary vocational schools has significantly risen.

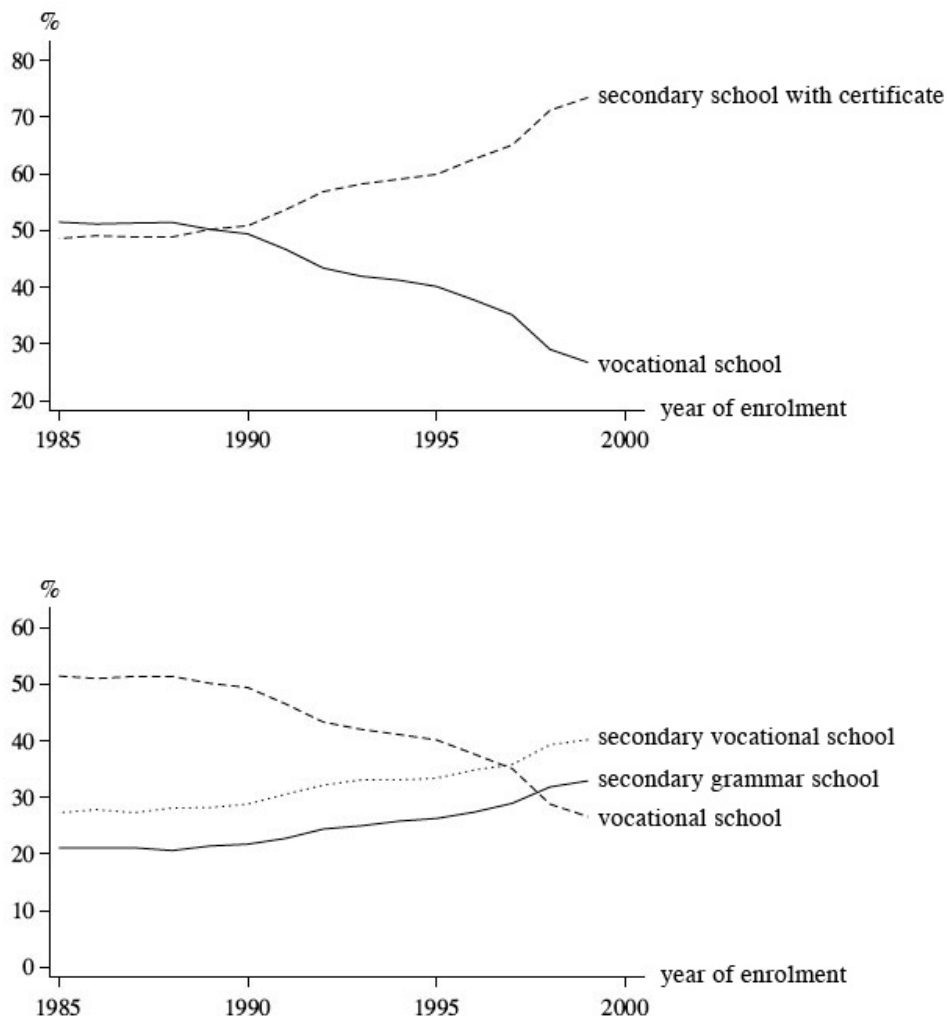
⁷ Almost 90% of secondary grammar school graduates and two thirds of secondary vocational school graduates do so, and spend at least a few years in higher education before entering the labour market (Kézdi et al., 2008/*2009).

⁸ Students in vocational schools can take the vocational examination only (awarding ISCED 3C or 2C vocational qualifications). If they wish to pursue their studies further, they need to spend an additional three years in a general education adult training programme in order to be able to pass the secondary school leaving examination. For more information on secondary level education in Hungary, see section 4.1 and Annex 2: Structure of the Hungarian education system in ReferNet Hungary: *Hungary. VET in Europe – Country Report 2009*. pp 33. and 104. http://libserver.cedefop.europa.eu/vetelib/eu/pub/cedefop/vetreport/2009_CR_HU.pdf .

Figure 2. The restructuring of VET: the distribution of student enrolment by school types (%)

The trends shown below have remained basically the same since 2000.

For exact figures until 2005/2006 see Appendix, Table 5.



Source: Kertesi and Varga 2005, 651-52.

In comparison with the beginning of the 1990s, the number of students attending vocational schools fell by almost half (dropped under 25%),⁹ while the number of students obtaining secondary school leaving certificate – in tandem with the changing demands of the labour market – rose from 36.9% to 54.5% within a decade. Almost half of all secondary level students (about 43-45%) attend secondary vocational schools; 10% of them pursue their studies there having completed vocational school first (Koszó et al., 2007). At the same time, however, the sudden boom in secondary school leaving certificates has a more negative connotation to it: its absence, if possible, is more stigmatizing today than it used to be (Lannert, 2004/*2005). The story behind the rise and fall of attendance figures described here is quite

⁹ Lannert, 2004: from more than 40% to 24%; Koszó et al., 2007: from 43.5% to 23.6% by school year 2002/2003.

straightforward: students with more ambition and better school performance have fled vocational schools en masse: these are the people who once constituted the ‘cream’ of vocational schools but now attend secondary vocational schools instead. Thus the former remains a repository for the most disadvantaged students with the lowest abilities. Even students who are stuck in vocational schools are well aware of the low labour market value of the qualification they will obtain here; according to a survey, a great majority of them (approx. 80%) are planning to study for the secondary school leaving certificate at a later point in their lives (Mártonfi, 2004; for more information see 2.6.2).

2.2 Vocational schools: both absolute and relative loser

After the regime change, “uncertified”¹⁰ vocational qualifications drastically lost their value. To be more precise, their devaluation continued in terms of both their overall quality and usability.

2.2.1 Stagnating wage returns

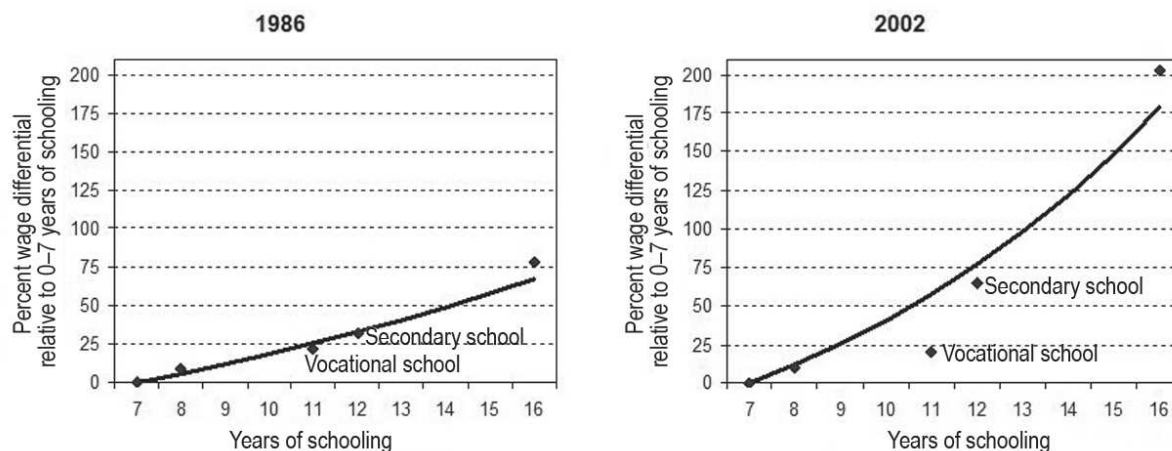
Wage returns to education in general have been continuously and significantly growing since 1989. While in 1987 each additional year at school translated into a 7% higher pay, in 2002 it was 11-12%. Most of the difference, however, can be accounted for by the steep increase in the returns to tertiary education (for which earnings took off in the second half of the 1990’s, and have continued to rise ever since, even if at a slower pace).¹¹ In sharp contrast, wage returns to primary and (“uncertified”) vocational schools got stuck where they had been in the middle of the 1980s (Kézdi, 2004/*2005, Kézdi, 2008/*2006, Kézdi et al., 2008/*2009). For skilled workers with a lower level of education, wage differentials relative to 8 years of primary schooling were at best stagnating between 1989 and 2002 (between 10-14%); during the same period returns to completed secondary education and especially to higher education skyrocketed to 40 and 150% respectively (Kézdi, 2004/*2005).

This widening gap is precisely illustrated by Figure 3, which contrasts data from 1986 with the figures for 2002. Returns to secondary and tertiary education rose sharply, while time appears to have stood still as far as vocational schools are concerned, with the curve of average returns growing increasingly distant from them. In short, the labour market is divided into two distinct groups: those with and those without the secondary school leaving certificate.

¹⁰ Vocational qualifications awarded by vocational schools without the secondary school leaving certificate, as Kézdi et al. (*2009) so aptly put it.

¹¹ It is in international comparison that the strikingly high wage returns to tertiary education in Hungary can be appreciated; see for example *Education at a glance 2008*, pp. 161-189. (Appendix, Table 6).

Figure 3. Returns to education. Years of schooling versus school types, 1986 and 2002



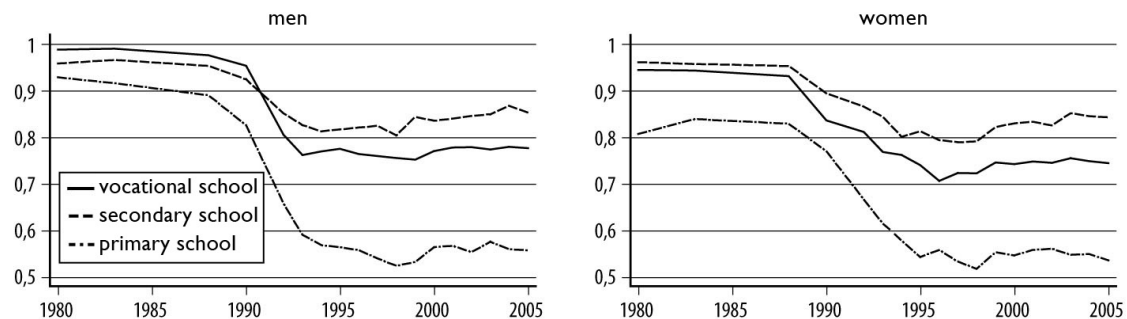
Source: Kézdi et al., *2009, 128.

As it stands currently, “uncertified” vocational education is not a profitable investment for any of the parties involved. For example, human capital theory differentiates between private, social and fiscal returns to education, with the rate of return usually descending in that order.¹² However, one study that compares these three different dimensions of returns to education (individual, society, state) has found that in Hungary it was just the opposite between 2000 and 2007. Due to significant government revenues (from personal income tax and employer/employee contributions after earned income), fiscal returns were the highest in the period examined for almost all school types, and – most unusually – they even exceeded private returns. Vocational schools, however, were the exception to the rule. Private returns for low-educated workers (with primary or vocational schooling) were either negative or below 1%; in the case of skilled workers, however, even the state lost on the investment (which is all the more striking since fiscal returns exceeded private ones for every other school type) (T. Kiss, 2007).

¹² For a definition of these concepts, see for example OECD (1998): Human capital investment: an international comparison: <http://browse.oecdbookshop.org/oecd/pdfs/browseit/9698021E.PDF> ; for a detailed explanation of the most common methods used to calculate returns to education, see Psacharopoulos (1995) The profitability of investment into education: concepts and methods: commdev.org/files/1863_file_Profitability_Investment_Edu.pdf The author of the paper discussed in this paragraph used the so-called short-cut method.

2.2.2 The decline of the employment rate

Figure 4. Changes in the employment rate by highest educational attainment (primary, vocational and secondary school graduates) and by gender (men aged 20-59, women aged 20-54)



Source: Nagy, 2008. p. 11.

After the regime change, the employment rate fell in every segment of the labour market. With regard to VET, there was an overall decline in the demand for skilled labour with vocational qualifications, with the only exception being that of the service sector. The virtually full employment that characterized state socialism (almost 100% for male, 90% for female skilled workers) dropped to 80% and 70% respectively. While the rate for skilled workers working in occupations different from their qualifications or not working at all had stood at 35-40% prior to the political and economic changes, today it stands at around 60% (the rate increased from 30% to 60% for men, from 50-60% to 70-80% for women). One third of those who do not find employment matching their qualifications for an extended period are not employed at all; two thirds work in unskilled jobs that do not require vocational qualifications (Kézdi et al., 2008/*2009).

2.3 Shortage of skilled workers: facts vs. fiction

As several studies emphasize, the conflict between labour market data (earnings, employment) indicating the depreciation of vocational qualifications on the one hand, and the shortage of skilled labour as often articulated in public discourse (media, economic chambers, policy makers, etc.) on the other is not real. In many cases it is in fact just an apparent contradiction; it has little to do with the realities of the labour market since the figures cited rely on questionable methodologies.¹³ Of course, there *is* also a real shortage of skilled labour; that, however, is not an issue of quantity. Rather, it has more to do with the quality of VET: properly trained skilled workers who are prepared for lifelong learning and capable of adjusting to constant economic and technological change are, in fact, in short supply (Kézdi et al., 2008/*2009).

¹³ For the compatibility and usability of the data available, see Juhász et al., 2009.

In addition to the scarcity of good quality workers, there are other factors that may account for the simultaneous unemployment and shortage of skilled labour. One study devoted to this paradox of supply and demand lists around half a dozen potential explanations. For example, the so-called career changers or career leavers who comprise approximately 50% of the economically active population – i.e. those who do not work, or have never worked, in jobs matching their qualifications – are also included in supply reports, and thus add to the number of the theoretically available labour force. In connection with Hungarian workers, their allegedly low degree of mobility is often cited: however, even though a large number of them would be willing to commute or relocate, in lieu of necessary conditions supply and demand are often unable to meet, in a quite literal sense. Often surprisingly overt discrimination by employers against stereotypically disadvantaged groups (the Roma, women with young children, the elderly) is another obstacle that prevents qualified people from securing employment. Moreover, dysfunctions and miscommunications in the process of job seeking and hiring, as well as the lack of correspondence between the needs of employers and those of employees further contribute to the paradox of simultaneous unemployment and shortage of skilled labour (Juhász et al., 2009).

2.3.1 Black and grey employment

The above list of factors that account for the virtual contradiction between the parallel unemployment and shortage of skilled labour would be incomplete without black and grey employment. That is, with regard to certain occupations in short supply unemployment is only a matter of statistical reports. In reality, labour force supply and demand find one another without any difficulty through black and grey employment. Illegal employment is the most widespread in the construction industry, commerce, catering, agriculture, and investigation and security services. With an estimated 100,000 illegal workers (approx. 30%), the development and construction industry is regarded as the blackest of all (Juhász et al., 2009). One study focussing on the degree and function of informal income reveals that people with the highest and lowest incomes are those who rely on black labour (either to supplement their income or as tax evasion). There are specific occupations (in the sectors mentioned above) in which illegal labour is guaranteed to yield consistently higher earnings (Girasek and Sík, 2006).

So the role that the black and grey economies play should be regarded with special emphasis: first, because it is one of the several factors responsible for the virtual contradiction between simultaneous unemployment and the shortage of skilled labour (and the extremely high rate of the inactive population in Hungary¹⁴); and second, because illegal employment is so widespread with such a strong presence in specific sectors of the economy that not taking it into account necessarily distorts the overall picture that labour market reports and statistical surveys outline – which make any

¹⁴ The employment rate was 53.8% in 2004, and 54.5% in 2005, that is 5-7 percentage points below the EU-25 average. (Világgazdasági Kutatóintézet, 2007, 2.)

subsequent claims or recommendations less well-founded. Since the 1990s the black economy is estimated to have a 20-30% share of GDP, with around 700,000¹⁵ people involved. That figure is high enough to warrant attention, considering that the total number of properly declared employees is only about 4 million.

2.3.2 Stakes and interests behind the figures

A clear understanding of the unemployment and shortage of skilled labour is a necessary precondition in bridging the gap between the potential labour force produced by VET on the one hand, and the needs of the labour market on the other. However, precise and reliable information regarding the true extent and form of the labour shortage is not available – partly because shortage estimates made by employers, as many experts point out, should be treated with caution (Kézdi et al., 2008/*2009; Nagy, 2008; Mártonfi, 2006). Exaggerating the number of skilled workers who are alleged to be missing lies in the interests of the corporate-entrepreneurial lobby, and quite understandably so. In this way they can attract attention and cause state funding of vocational training to be increased in areas (specific occupations) that suit their wishes; thus employers can ensure that they have just the right amount of skilled workers produced for them, to meet their present needs.

However, there is something profoundly flawed with the “I need 16 turners, so make 16 turners for me right away” kind of planning; that is, apart from employers, no one else can win from a vocational training governed by such short-term interests (Mártonfi, 2006). Within the context of rapidly paced economic and technological changes, employers can afford to dump and replace their employees once they (and their skills) become obsolete. However, workers trained to meet specific short-term needs are going to be around longer than that, optimally speaking for about 40 years, and they have to get by in the meantime. Consequently, they need VET that enables them for lifelong learning and continuous adjustment to the constantly changing circumstances. That is, the long-term interests of employees (and of society as a whole) are at odds with the – often too loud – rhetoric of shortage that takes only the current pressing needs of employers into account (Nagy, 2008). It should be added that students (would-be employees) would also often prefer short-term quick returns for their investment. That attitude, however, is often informed by the sheer necessity to survive from one day to the next. Such limitations, of course, do not really favour the recognition of long-term interests, let alone acting upon them (Benke, 2009).

Even if the distortions just outlined above were not there, and instead reliable prognoses were available to tell us precisely what sort of short-term demands should be expected, it would take mid-term forecasts to ensure a better match between VET and the labour market. Those, unfortunately, have not been prepared yet (Nagy,

¹⁵ According to a 2007 Eurobarometer survey, illegal employment in Hungary is estimated to stand at 18% of GDP (Vida, 2007).

2008). Furthermore, labour market prognosis as such is a rather problematic genre with many limitations and methodological issues which should at least be reflected on. As the author of an overview of current research on vocational and adult training put it, the enterprise of matching labour market supply with demand is mainly about “maintaining a static perspective in a rapidly changing world”. While new considerations should be introduced into the planning of VET – such as the quickly changing environment, the different forms of work organization, and the empowerment of workers – these concepts are not present yet (Benke, 2009).

As it is, the small number of expert opinions and research reports, which in fact are available, are more or less ignored when decisions are being made with regard to vocational programme offers and the proportions of student enrolment in vocational schools and secondary vocational schools. For example, right now the so-called regional development and training committees have the authority to determine how many students will be trained in VET schools and in what occupations. These decision-making bodies, however, are dominated by political forces and the interests of employers (economic chambers). As a result, “responses to inadequate questions collected from ill-chosen samples are being processed instead of the articulation and study of questions that really matter. What is even worse, the sour icing on the cake so to speak, is that information produced by the professional analysis of survey data by researchers is often left unconsidered” (Mártonfi, 2009, 34.). In short, that which should be researched is not; that which is researched is either not used – or barely at all.¹⁶

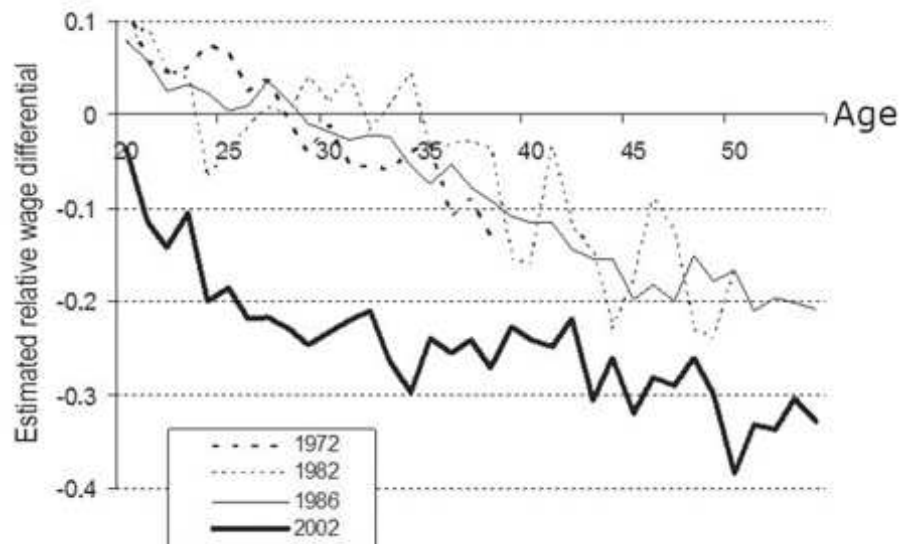
2.4 The crisis of VET

Nevertheless, it would be misleading to locate all the ills and problems with VET in the economic and social changes that began in 1989. An analysis of current data from a broader historical perspective reveals that the depreciation of vocational qualifications is not exclusive to the last 10-20 years; rather, the same phenomenon was present in the era of state socialism, but has become more visible and pronounced by now. Even before 1989, VET schools produced workers with specialized vocational skills that rapidly and continuously lost their value over a career path. That was masked, to some extent, by the relatively high wages young workers were able to earn at the start of their career (that was so for political reasons, as a means of ensuring the ideological and social basis of the regime). That, however, was a relative advantage that soon dissipated. Temporarily it was a good investment for both the

¹⁶ For the limited consideration given to professional research results see Fazekas, 2009. According to this follow-up study, the “hard/objective” findings of an empirical study (Fazekas and Makó, 2008), which had been commissioned specifically to assist the work of regional development and training committees, had only a “moderately significant” effect on the decisions made by the aforementioned bodies. The employers’ lobby often proved to have more influence.

individual and the economy, however, it did not hold up in the long run (Kézdi, 2008/*2006; Kézdi et al., 2008/*2009).

Figure 5. Skilled workers' wages relative to secondary school graduates' wages over the course of their careers, by age, 1972, 1982, 1986, 2002



Source: Kézdi et al., *2009, p. 99.

Authors' estimations based on Regression Equation (1). Data: Income Surveys (1972, 1982) and Wage Surveys (1986, 2002). Interpretation of relative wage differential: a value of -0.1 for instance means a 10 percent disadvantage.

Occupational mismatch (i.e. that vocational schools prepare their students for occupations in low or no demand on the labour market), while certainly an extant phenomenon, cannot in itself be singled out as the sole reason behind the depreciation of vocational qualifications. Rather, rapidly changing workplace conditions and requirements have resulted in an increased appreciation for general skills across the board; at the same time that was accompanied by a drastic devaluation of specific skills – regardless of how well a particular specific skill happens to match the demands of the labour market at a given moment in time. It is the content and quality of (“uncertified”) vocational education that has failed to adapt to the new challenges of the labour market in as much as it does not endow students with the ability to adjust to economic-technological changes, and to upgrade their skills accordingly (Kézdi, 2008/*2006; Kézdi et al., 2008/*2009).

International comparisons (e.g. IALS) reveal that the extremely low employment rate of the low-educated (workers with primary education or vocational qualifications) since the regime change is accompanied by their very low level of basic skills. Again, the phenomenon is not new; its root causes go back to the era of state socialism when masses of low-educated workers with low literacy skills were employed in occupations where these skills were hardly needed or used (that is, to a much lesser

extent than is the case with their Western-European counterparts). With the regime change, however, these jobs were swept away overnight, and the new type of labour market of post-socialist countries is now demanding new and higher level skills (more closely resembling to Western-European standards). At the same time, however, the content of primary and vocational education has not been reformed yet accordingly, i.e. to focus on the development of basic and general skills which are more in demand today (Köllő, *2006/2008). The consequent discrepancy between labour market needs and demands (higher standards) on the one hand, and the (still) low literacy skills of the “output” of vocational schools on the other has, of course, a “major impact on the employment prospects of low-educated workers in Central and Eastern Europe. Education programmes that neglect to emphasize the enhancement of basic skills leave their graduates in a despondent position.” (Kézdi et al., 2009*, 127.)

Even though the heritage of state socialist economy is still being dragged along, it would be misleading to blame all the problems of today on the previous regime. The fact that vocational school students and young skilled workers (many of whom graduated from vocational schools and started to work after 1989) perform rather poorly in national and international literacy surveys “closely reflects the way in which the post-socialist economies allocated workers with different levels of educational attainment to jobs involving different levels of literacy” (Kézdi et al., 2009*, 106). Even worse, however, that today primary and vocational school graduates lag behind in these surveys more than their parents did. “What is crucial now is the renewal of the education system, including both primary and vocational schools, so that students can graduate with well-developed literacy and general skills. That is the only way to ensure that at least the children of those who have been let down by the regime change can enter the labour market with better chances in a world which has become perhaps a shade too westernized” (Köllő, 2008, 36).

A comparative analysis of the results of international (PISA) and national assessment surveys has come to the same conclusion: the performance of vocational schools is consistently poor, both in absolute and in relative terms. That is, students in vocational schools score low, not only in comparison with the performance of students in equivalent educational institutions in other countries, but nationally as well, in contrast with other educational programmes (secondary vocational schools, secondary grammar schools), and they do so from the very beginning of their studies (Hermann, 2008).

What that means is that students enter vocational schools already with a significant drawback carried over from primary school, and then the years they spend in vocational education will only cause them to lag behind still further. Instead of having their deficiencies compensated for, they continue to fall behind to the degree that three quarters of them classify as functionally illiterate, with their mathematical skills no better (Hermann, 2008; Liskó, 2008/*2009). If that were not alarming enough, consider the proportions: vocational school graduates and dropouts constitute well over one third of the total output of public education (Kézdi, et al., 2008/*2009). In

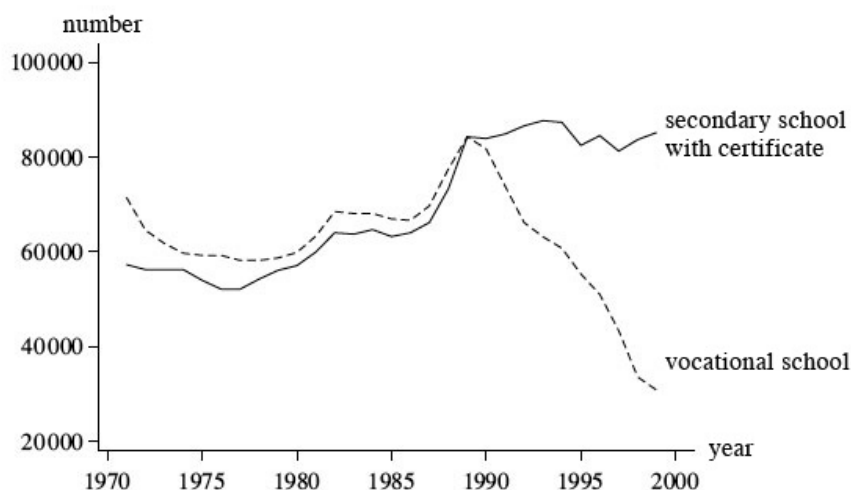
other words, those pushed to the peripheries make up quite a large crowd – and that is one of the main reasons behind the excessively low employment rate in Hungary.

In order to better reflect the depreciation of “uncertified” vocational education and training, Kertesi and Varga suggest that – based on the number of completed years of education, the relative employment rate and the changes in the supply-demand relations of the labour market – vocational schools should be reclassified, i.e. should not be allocated to upper secondary (ISCED 3) level as they are now. If the classification is left unchanged, the average educational attainment of the Hungarian population looks deceptively high in international comparison (and thus distorts comparability in general, as well as the analysis of the employment rate by educational attainment in particular). If it is reclassified as less than upper secondary, however, the country’s educational attainment falls behind the EU average. The latter seems to better correspond to employment figures and results of literacy and skills surveys (Kertesi and Varga, 2004/*2005a). It should be noted that this discrepancy is not an exclusively Hungarian phenomenon; other countries (e.g. Slovakia or the Czech Republic) in the region have similar issues with regard to educational attainment and employment rates. Those in charge of ISCED classifications with relatively lower familiarity with post-socialist countries should therefore consider treating both vocational and primary schools together. As a result, the employment rate of these two groups would be more or less congruent with the EU average (Cseres-Gergely and Hámori, 2009).

2.5 The restructuring of secondary VET: the relative expansion of secondary vocational schools

The restructuring of VET can be assessed in different ways, depending on what one wishes to emphasize. For example, one can conclude that, all things considered, secondary level vocational education and training has not withered at all; rather, it has been completely restructured. The number of graduates is more or less the same as it used to be with a significant increase of those who complete their education to a higher level (i.e. secondary vocational schools). By the year 2000 more than 50% of vocational students left school with a secondary school leaving certificate. That certainly is a significant increase from the 37% of 1990, and a good indicator of the extent of changes in secondary level vocational education (for more detailed data, see Appendix, Table 7).

Figure 6. Enrolment of first-year students in vocational schools and secondary vocational/ secondary grammar schools, 1970-1999



Source: Kertesi and Varga, 2005a, p. 640.

Nevertheless, if students' aspirations to pursue their studies in higher education are considered, it becomes clear that the expansion of secondary vocational schools is only a relative gain. In comparison with secondary grammar schools, graduates from secondary vocational schools have much slighter chances of actually being admitted into higher education institutions, especially to high-ranking prestigious colleges or universities (Lannert, 2004/*2005). As opposed to the 95% application and 80-82% of admission rates characteristic of secondary grammar schools, only 53% of secondary vocational school students apply to higher education institutions, with just every other one (one quarter of all secondary vocational school graduates) actually succeeding. That is, secondary school leaving certificates obtained at secondary vocational schools are still worth significantly less (Liskó, 2004b).

As a consequence of the expansion and restructuring of secondary education, social inequalities today manifest themselves – for example in decisions regarding school choice as influenced by family background, and primarily parents' educational attainment – less along the lines of the secondary school leaving certificate (Matura) *versus* "uncertified" vocational education; and rather, the division is now based on the Matura certificate obtained at secondary grammar schools (as a straight road leading to a higher education degree) or VET (Hermann, 2004/*2005).

Nevertheless, secondary vocational schools – which prepare students for both the secondary school leaving certificate and a vocation – yield much better returns in the labour market than skilled workers' schools and vocational schools (see Appendix, Table 8). However, while graduates from secondary vocational schools are able to choose from a wider variety of jobs (as opposed to vocational school graduates), only

a small proportion of them (15%) finds employment to match their original qualifications (in the case of vocational school graduates, the correspondence between qualifications and occupations is much stronger at 58%). Many of the students upon completion of secondary vocational school find their first jobs beneath their qualifications: 26% (mainly from technical schools) start to work as skilled workers, 22% as semi-skilled or unskilled workers (Liskó, 2004b).

2.6 After secondary VET

2.6.1 Employment

In the past, secondary VET used to provide students with a relatively firm foundation on which to build a future, even if that future was clearly limited. That, however, is no longer possible. The opportunities available to young people with vocational qualifications are much narrower now, especially for young men graduating from vocational schools: in comparison with the 1980s, a significantly higher number of graduates start working in service sector jobs that do not require vocational qualification (33% of men, 54% of women). The chances of young men with vocational qualifications being able to start their career as skilled workers fell by 32%; and they are 17% more likely to find employment as unskilled workers (Róbert, 2004). That is, almost one third of skilled workers (32%) start working in semi-skilled or unskilled positions (Liskó, 2004b).

That is, the employment rates of vocational school graduates would look even worse – much worse in fact – had they not taken up unskilled positions en masse (that, in turn, implies the large-scale “crowding out” of less educated people, those with 8 or fewer years of primary school, from these jobs). Still, the unemployment rate of young people starting their career with vocational qualification is rather high. One relatively recent survey of the labour market position of vocational school graduates (based on a sample of almost 3,000 people) estimates the rate of unemployed career starters at 28.8%. Members of this group are characterized by low school grades and a low-educated family background (Makó, 2009).

2.6.2 Pursuing education further

One of the conclusions of a 2003 survey of graduating students is that they no longer consider secondary education to be the end of their years at school; instead of seeking employment, young people increasingly prefer to continue their studies at a higher level (Liskó, 2004a/*2005). Only those with the lowest grades want to start working. Another survey made in 2002 reveals that about three quarters of first year vocational school students plan to study further, with the aim of eventually passing the secondary school leaving exam; that is the majority of them are very well aware of the fact that their vocational school qualification is in need of correction (Mártonfi, 2004). In

comparison with their first-year counterparts, recent graduates from vocational schools are a bit more “realistic” about their plans for the future. Approximately 60% of them are still planning to continue their studies; around half of them want to apply to secondary vocational or secondary grammar school and/or college/university). However, from the point of view of their careers, they place a higher emphasis on improving their foreign language skills or on participating in continuing vocational training programmes (Makó, 2009).

As for their motivation, those who chose to pursue their education further are hoping to improve their labour market prospects and opportunities: according to a survey, 45-47% of students continue their education in the hope of securing potentially better jobs in the future, as well as expanding their marketable knowledge; 27% translate their ambitions into numbers and expect to earn higher wages. For many, continuing their education is a means of escape: for 7% it is an alternative to becoming unemployed, and 19% would like to postpone their entry to the labour market (Liskó, 2004a/*2005).

According to a 2003 survey and considering all forms of education (higher education, secondary education, full-time or evening education, off-the-job training, and training programmes for the unemployed), fewer than 20% of secondary graduates (ISCED 3) decided not to continue their studies. The direction of what students study and where they study it depends on their social backgrounds and position; it is also influenced by the type of secondary school they are applying from. In general, it is more characteristic of graduates from secondary vocational schools to enrol in programmes that supplement their original qualifications, while vocational school graduates are more likely to start afresh and study a new vocation. Whether that is because of the low market value of their first qualification, or simply because they had made a bad choice in the first place, vocational school graduates are the ones who need to go back to square one in great numbers. In addition, vocational schools yield the highest number of quitters (44%), i.e. those who do not continue their studies at all upon completing their compulsory schooling. (Liskó, 2004a/*2005)

2.7 The social context and consequences of changes affecting VET

The restructuring of secondary education, especially of VET, implies severe social consequences: the polarization of public education in the last two decades, the sharpening of social inequalities are both symptoms and consequences of a society increasingly pulling apart. At the same time, it also contributes to the reproduction of inequalities.

Generally speaking, the proportion of students in secondary VET has not changed, except that a growing segment of vocational education has been moved from ISCED 3 to a higher level. At the same time, the restructuring of secondary VET has taken place in a fundamentally selective fashion. Secondary vocational schools attract

students with better social backgrounds, as well as with better school performance and skills; vocational schools remain the repository of the weakest. Of course, skilled workers' schools, vocational schools were characteristically associated with the lowest social segments of society even before the regime change; and just like today, "uncertified" secondary VET held limited prospects for its graduates (since having a secondary school leaving certificate is a prerequisite for pursuing higher education studies). Still, prior to 1989 it opened up the possibility for upward mobility, however small-scale that may have been: the children of uneducated industrial and agrarian workers would become skilled industrial workers with a predictable career path, and that was a plus for them (Liskó, 2008/*2009). By today, even this minimal degree of mobility gain is gone.

One survey focusing on the family background of secondary school graduates has confirmed what everybody knows: students with better family backgrounds go to better school, and conversely, the children of disadvantaged groups fill up the schools at the bottom of the educational hierarchy.¹⁷ There is little news value in that. What deserves attention, however, is that the gap has become wider and deeper since the regime change. For the past two decades, both the reforms in public education and the distribution of available funds have been geared towards the development of school types associated with the middle classes; vocational schools, always synonymous with those at the bottom ranks of society, have been neglected and forgotten about (Liskó, 2004b; Liskó, 2008/*2009). The rigid, hierarchical school system, which has only a little potential for social mobility, has not gone away; instead it has become more polarized. Rather than making attempts to mitigate social inequalities, precisely the opposite is happening now.

Putting all of that in a historical perspective, the situation is even more depressing. As a result of the increasing social selection processes that started with the regime change, at the end of the 1990s the relationship between the education/occupation of parents (fathers) and that of their children shows a striking similarity with how strongly parents' social status influenced the educational opportunities of their offspring before the First and the Second World War. Contrasting current survey results with figures from the 1910 and 1930 census, one study draws the following parallel: in 1997 the children of low-educated parents had the same negligible chance (0.2-0.4%) of getting into an 8-year secondary grammar school as their counterparts – the children of agricultural and industrial workers – had had in the first part of the twentieth century, if they ever dreamed of pursuing their studies in a secondary grammar school (Andor, 2005).

The fact that in international comparison the relationship between parental-familial background and the performance of students is very strong in Hungary is another indicator that there is much left to be desired from the equal opportunities perspective.

¹⁷ In Hungary today, "the children of parents with college/university degrees are ten times more likely to be admitted to 6 or 8-year secondary grammar schools than to vocational schools, while the children of poorly educated parents are eight times more likely to enrol in vocational schools than in 6 or 8-year secondary grammar schools" (Liskó (2004b, 11-12).

Children of parents with college/university degrees perform well above the average in international assessment tests; while the drawback of children with low-educated parents (relative to the performance of children coming from highly educated families) is bigger than in other countries (Hermann, 2008).

2.8 Benefits of VET, theoretically speaking

The downslide of vocational schools and training, and the dramatic depreciation of vocational qualifications in the labour market have a wider effect that goes well beyond those immediately and directly concerned. It is not particularly difficult to understand that having about 20% of the population trapped in poverty and low educational attainment will have severe consequences for society as a whole, even if principles like fairness and solidarity are bracketed momentarily – as they have been more or less brushed aside in Hungary for the last two decades –, and even if we do not take certain non-material issues such as crime, health, etc. into consideration. The fact, for example, that in international comparison an exceptionally high rate of the Hungarian population is inactive (with all the macroeconomic, social, short and long-term effects of that) can be explained, in part at least, by the very high rate of low-educated and consequently less employable labour (Kertesi and Varga, 2004/*2005, 2005b).

However, there are theoretical calculations available that prove – in black and white – that investment in the education of the children of the disadvantaged groups of society would yield good returns. One analysis, for example, estimates the direct long-term benefits of investing extra public money into Roma education (from early childhood up to completion of secondary school). The results convincingly indicate that investment into the education of a person will yield returns not only for the person in question but also for the whole of society. More and better educated people would translate into better employment rates, and that, in turn, would result in increased government revenues (personal income tax, value added tax, employer/employee contributions after earned income) and decreased government spending (unemployment insurance, welfare benefits and public employment projects, incarceration costs, despite these savings not being substantial). The potential net budgetary benefit is estimated to be between 7-9 million HUF, even by the most conservative calculations (Kertesi and Kézdi, 2006a/*2006b).

3. Instead of a conclusion

Perhaps it is not an accident that over the last 4-5 years the great majority of the research into the benefits of vocational education has concentrated on raw figures, i.e. the labour market returns to education such as employment rates and wage returns. While education in general has had a beneficial impact on the individual's opportunities in general, for a specific segment of society, stuck in a specific form of education, there is nothing to be gained at all. Even worse, their disadvantages are further increased with education. We have a problem, and that is what researchers can confirm: "It is important to note that the inadequacies of vocational training reflect on the entire public education system, since those dropping out of, or graduating from, [vocational schools] continue to constitute well over one-third of the "final output" of the public education system; they make up the largest share of the population moving directly from public education to the labour market (Kézdi et al., 2009*, p. 97.).

The chapter has provided an overview of current research into the labour market returns to vocational education and training within the school system. The truly critical condition of secondary level VET is, of course, just partly responsible for the admittedly narrow focus. As pointed out in the introduction, this is the area where a substantial body of research concentrating specifically on VET is available for a systematic summary. Consequently, future research could and should expand its scope of interest to include other aspects and dimensions of the benefits of vocational education and training. On the one hand, studies of the non-labour market returns of VET are badly needed to complement the high quality and thorough analyses carried out by economists. For example, sociological investigation into the wider benefits of education in VET could make the diagnosis more comprehensive and nuanced. On the other hand, in addition to VET provided within the school system there are other, equally important, forms of vocational training that certainly deserve more attention.

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¹⁸ An asterisk following the year of publication indicates English translations of journal/book articles available in Hungarian as well.

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5. Appendix

Table 1. Educational attainment of the population between 1930 and 2005

Number	Less than 8 grades of primary school	8 grades of primary school	Vocational school (without leaving secondary school certificate)	Secondary vocational school & Secondary grammar school	Higher education (college, university)
1930	6 625 138	551 315	–	190 024	84 744
1960	6 228 137	1 893 360	–	389 250	226 377
1970	5 066 421	2 662 192	446 463	775 593	396 557
1980	3 901 548	2 821 456	922 004	1 299 921	567 090
1990	2 966 447	3 046 077	1 233 732	1 543 951	723 036
2001	1 897 471	2 911 369	1 581 315	1 949 558	1 147 474
2005	1 603 148	2 620 111	1 726 036	2 124 932	1 346 411
%					
1930	89	7	–	3	1
1960	71	22	–	4	3
1970	54	29	5	8	4
1980	41	30	10	13	6
1990	31	32	13	16	8
2001	20	30	17	21	12
2005	17	28	18	23	14

Source: Halász, Gábor; Lannert, Judit (eds.): *Jelentés a magyar közoktatásról 2006 [Report on Hungarian public education 2006]*. Budapest: Országos Közoktatási Intézet, 2006., p. 417.

Table 2. Students in full-time and part-time education together

<i>School year</i>	<i>Kinder- gartens</i>	<i>Primary (general) schools</i>	<i>Vocational schools</i>	<i>Special vocational schools</i>	<i>Secondary general schools</i>	<i>Secondary vocational schools</i>	<i>Tertiary education</i>
1960/1961	184 032	1 495 203	136 453	737	139 616	101 420	44 585
1970/1971	227 633	1 165 345	236 060	426	168 208	178 957	80 536
1980/1981	478 692	1 213 404	166 740	1 119	124 618	208 952	101 166
1990/1991	391 950	1 177 612	222 204	3 152	142 247	217 787	108 376
1995/1996	400 527	992 766	172 599	5 367	186 671	261 838	195 586
1996/1997	395 518	980 522	158 407	5 363	189 963	272 207	215 115
1997/1998	384 669	976 566	143 911	5 260	194 841	279 801	254 693
1998/1999	376 135	976 342	128 203	4 420	201 802	289 259	279 397
1999/2000	366 871	972 901	117 038	4 642	208 570	296 753	305 702
2000/2001*	353 100	960 790	121 400	5 200	215 500	294 000	327 289
2001/2002	342 285	947 037	126 367	6 631	223 474	292 646	349 301
2002/2003	331 707	933 171	126 768	7 200	232 399	287 074	381 560
2003/2004	327 508	912 959	126 673	8 147	239 086	292 305	409 075
2004/2005	325 999	890 551	126 908	8 369	238 850	290 139	421 520
2005/2006	326 605	861 858	126 211	8 797	243 878	287 290	424 161
2006/2007	327 644	831 262	124 466	9 563	246 267	288 156	416 348
2007/2008	323 958	811 405	129 066	9 773	243 152	281 898	397 704
2008/2009	325 677	790 722	128 848	9 809	242 777	271 351	381 033

Source: Statistical Yearbook of Education 2008/2009, p. 16.

*In 2000/2001 school year the data of public education are calculated from the 98% of state of data collection and according to the trend.

Table 3. Number of educational institutions

<i>School year</i>	<i>Kinder- gartens</i>	<i>Primary (general) schools</i>	<i>Vocational schools</i>	<i>Special vocational schools</i>	<i>Secondary general schools</i>	<i>Secondary vocational schools</i>	<i>Tertiary education</i>
1960/1961			253	..	250	169	43
1970/1971			279	..	332	351	74
1980/1981			351	..	260	364	57
1990/1991			417	48	321	513	77
1995/1996			642	70	475	643	90
1996/1997			605	64	497	687	89
1997/1998			548	67	511	696	90
1998/1999			509	75	533	736	89
1999/2000			467	81	533	762	89
2000/2001*			468	95	555	785	62
2001/2002	3 522	3 423	469	116	577	798	65
2002/2003	3 540	3 421	478	119	602	798	66
2003/2004	3 507	3 375	466	127	604	795	68
2004/2005	3 405	3 293	475	126	614	794	69
2005/2006	3 294	3 141	496	131	620	797	71
2006/2007	3 223	3 064	507	137	627	807	71
2007/2008	2 750	2 520	489	137	618	765	71
2008/2009	2 562	2 375	451	140	621	704	70

Source: Statistical Yearbook of Education 2008/2009, p. 15.

*In 2000/2001 school year the data of public education are calculated from the 98% of state of data collection and according to the trend.

Table 4. Tertiary undergraduate (BA/BSc) and postgraduate (MA/MSc) training (1990–)

School year	Total number of students	Full-time students	First year full-time students
1990/1991	102 387	76 601	22 662
1991/1992	107 079	83 191	22 662
1992/1993	117 460	92 382	25 385
1993/1994	133 956	103 713	30 192
1994/1995	154 660	116 370	35 005
1995/1996	179 565	129 541	42 433
1996/1997	199 032	142 113	44 698
1997/1998	233 657	152 889	45 669
1998/1999	258 315	163 100	48 886
1999/2000	278 997	171 612	51 586
2000/2001	295 040	176 046	52 578
2001/2002	313 238	184 071	56 709
2002/2003	341 187	193 155	57 763
2003/2004	366 947	204 910	59 699
2004/2005	378 466	212 292	59 783
2005/2006	380 632	217 245	61 898
2006/2007	375 819	224 616	61 231
2007/2008	359 391	227 118	55 789
2008/2009	340 851	224 894	52 755

Source: Központi Statisztikai Hivatal [Hungarian Central Statistical Office], *Stadat-tables*:

http://portal.ksh.hu/pls/ksh/docs/eng/xstadat/xstadat_annual/tab12_06_10ie.html

Table 5. Number of vocational qualifications obtained by full-time students by programme types

<i>School year</i>	<i>Secondary vocational school and technical school</i>	<i>VET not contingent on Matura certificate*</i>	<i>post-secondary non-tertiary education (VET provided following the Matura exam)**</i>	<i>Accredited tertiary-level programmes within the school system</i>
1960/61	8 504	34 890	–	–
1970/71	19 747	70 667	–	–
1980/81	23 215	49 232	–	–
1990/91	28 903	56 431	4 668	–
1991/92	29 649	60 501	6 292	–
1992/93	32 961	68 348	6 251	–
1993/94	37 556	66 063	7 248	–
1994/95	37 575	62 902	9 079	–
1995/96	39 063	57 057	10 177	–
1996/97	41 280	54 209	10 813	–
1997/98	42 913	46 868	10 126	–
1998/99	43 930	42 866	11 249	–
1999/00	41 936	38 992	11 255	–
2000/01*	40 000	n. a.	n. a.	554
2001/02	37 945	14 070	34 326	1 081
2002/03	36 062	25 303	30 047	1 776
2003/04	36 946	24 952	26 366	2 881
2004/05	39 617	25 260	27 132	4 008
2005/06	38 856	24 488	26 560	4 123

Source: Halász, Gábor; Lannert, Judit (eds.): *Jelentés a magyar közoktatásról 2006* [Report on Hungarian public education 2006]. Budapest: Országos Közoktatási Intézet, 2006, p. 462.

* Until 1999/2000 students graduated at programmes for skilled workers and students completed programmes at vocational schools; from 2001 NVQL and non-NVQL vocational graduates without the Matura qualification.

** Until 1999 technical (vocational) qualification; from 2001 graduates in NVQL qualifications with the Matura qualification (except graduates in accredited postsecondary vocational programmes) and in non-NVQL qualifications at secondary vocational schools.

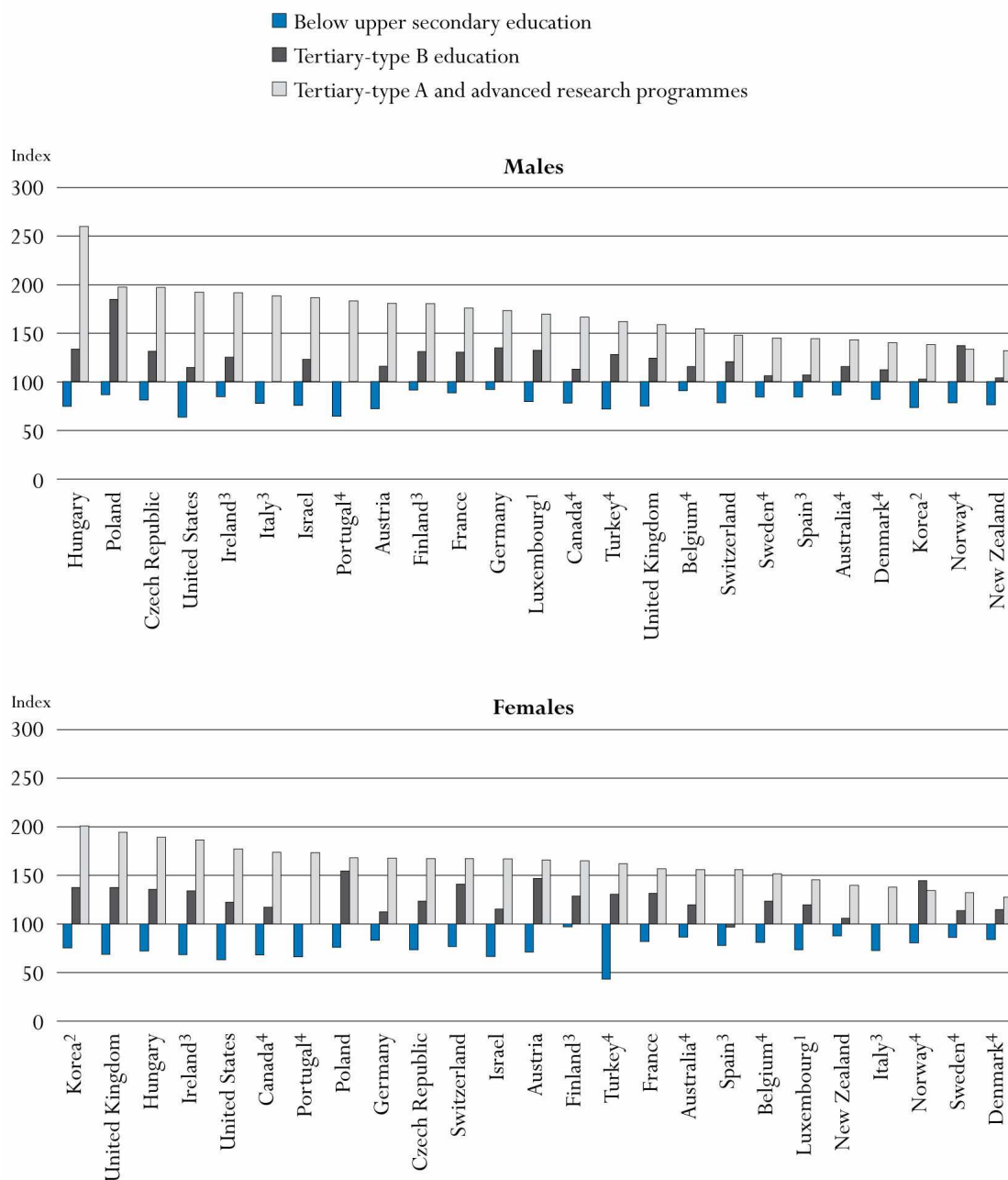
Note: In school year 2000/2001 the data of public education are calculated from the 98% of state of data collection and according to the trend.

Table 6. Relative earnings from employment (2006) By level of educational attainment for 25-to-64-year-olds (upper secondary and post-secondary non-tertiary education = 100) latest available year

		Below upper secondary education			Post-secondary non-tertiary education			All tertiary education		
		25-64	25-34	55-64	25-64	25-34	55-64	25-64	25-34	55-64
Australia	2005	81	88	74	96	98	94	131	126	124
Austria	2006	66	68	55	124	113	148	157	137	162
Belgium	2005	89	95	78	100	98	102	133	123	138
Canada	2005	77	88	68	106	111	98	138	137	137
Czech Republic	2006	74	80	72	m	m	m	183	152	192
Denmark	2005	82	81	81	97	45	104	125	112	136
Finland	2004	94	94	94	m	m	m	149	130	173
France	2006	85	93	76	87	97	78	149	133	178
Germany	2006	90	86	93	112	112	127	164	139	185
Hungary	2006	73	76	67	120	114	124	219	196	235
Ireland	2004	85	78	83	102	113	97	169	150	184
Italy	2004	79	81	74	m	m	m	165	157	194
Korea	2003	67	100	58	m	m	m	141	125	181
Luxembourg	2002	78	80	76	117	118	127	145	138	192
Netherlands	2002	84	93	68	m	m	m	148	140	141
New Zealand	2006	78	83	79	110	120	106	115	113	126
Norway	2005	78	76	76	120	115	127	129	110	154
Poland	2006	84	86	73	109	106	114	173	155	197
Portugal	2005	67	74	48	m	m	m	177	166	188
Spain	2004	85	94	74	89	104	133	132	126	155
Sweden	2005	86	81	86	121	87	131	126	108	141
Switzerland	2006	74	80	65	110	98	112	156	138	160

Turkey	2005	69	70	59	m	m	m	149	156	135
United Kingdom	2006	70	74	69	m	m	m	159	151	157
United States	2006	66	72	65	109	105	110	176	160	180
Israel	2006	78	79	74	102	94	87	151	137	165
Slovenia	2004	73	77	63	m	m	m	198	168	219

Source: OECD. See Annex 3 for notes (www.oecd.org/edu/eag2008).
<http://dx.doi.org/10.1787/401781614508>



¹. Year of reference 2002.

². Year of reference 2003.

³. Year of reference 2004.

⁴. Year of reference 2005.

Countries are ranked in descending order of the relative earnings of the population with a tertiary-type A (including advanced research programmes) level of educational attainment.

<http://dx.doi.org/10.1787/401781614508>

Source: OECD. Education at a glance 2008, p. 165. and 173. (Table A9.1a.)

Table 7. : Graduates: students in full-time education

year	Pupils completed 8th grade ^{4) 5)}	Students passed final examination at secondary level			Vocational graduates		Tertiary level graduates at			
		in general schools	in vocational schools	total	Without ¹⁾	With ²⁾	accredited postsec. vocational	colleges, university ⁶⁾	postgrad. specialis. ³⁾	PhD, DLA
					Certificate of Maturity examination			programmes		
1960	107 941	17 467	8 504	25 971	34 890	..	-	4 268	-	-
1970	165 611	24 841	19 747	44 588	70 667	..	-	11 888	-	-
1980	119 809	19 952	23 215	43 167	49 232	..	-	14 859	-	-
1990	169 059	24 136	28 903	53 039	56 431	4 668	-	15 963	-	-
1995	126 066	31 202	39 063	70 265	57 057	10 177	-	20024	-	-
1996	124 115	32 133	41 280	73 413	54 209	10 813	-	22147	-	-
1997	120 378	32 651	42 913	75 564	46 868	10 126	-	24 411	-	-
1998	117 190	33 730	43 930	77 660	42 866	11 249	-	25 338	-	-
1999	117 334	32 029	41 936	73 965	38 992	11 255	-	27 049	-	-
2000 ^[c]	121 100	32 200	40 000	72 200	554	29 843	472	470
2001	118 200	32 496	37 945	70 441	14 070	34 326	1 081	29 746	241	589
2002	118 038	33 550	36 062	69 612	25 303	30 047	1 776	30 785	135	595
2003	115 863	34 998	36 946	71 944	24 952	26 366	2 881	31 911	221	772
2004	117 093	37 052	39 617	76 669	25 260	27 132	4 008	31 633	135	652
2005	119 561	38 169	38 856	77 025	24 488	26 560	4 123	32 732	243	670
2006	118 223	38 219	38 676	76 895	23 681	24 516	4 675	29 871	112	623
2007	112 351	38 900	38 627	77 527	17 812	24 291	4 434	29 059	200	698
2008	109 680	33 851	34 602	68 453	19 435	22 847	4 450	28 957	186	686

¹⁾ Students graduated at programmes for skilled workers and students completed programmes at vocational schools until 1999; from 2001 NVQL and non-NVQL vocational graduates without certificate of maturity examination.

²⁾ *Technical (vocational) qualification until 1999; from 2001 graduates in NVQL qualifications with certificate of maturity examination (except graduates in accredited postsecondary vocational programmes) and in non- NVQL qualifications at secondary vocational schools.*

³⁾ *Number of graduates at tertiary extension courses before 2000.*

⁴⁾ *1960–1980 without the data of special-education. From 1990-2000 the data contain the number of students at the end of school year.*

⁵⁾ *The data of part-time education published earlier are completed with the number of private examinations.*

⁶⁾ *The number of Bachelor's is included in the data.*

Source: Statistical Yearbook of Education 2008/2009, p. 19.

Table 8. Gross average earnings by educational attainment and economic organization in 2007 (1,000 HUF)

	Competitive sector	Budgetary sector	Non-profit sector	National economy total
Educational attainment				
Total	183	201	162	188
Primary school (8 yrs)	110	117	91	112
Vocational school	118	134	116	120
Skilled workers' school	131	129	114	130
Secondary vocational school	171	172	138	170
Secondary grammar school	179	168	135	174
Technical school	214	178	162	210
College	349	236	194	277
University	502	332	264	409

Source: Györgyi, 2009, p. 43.

Note: Out of the total number of those employed, 70% works in the competitive sector, 27.1% in the budgetary sector, and 7.8% in the non-profit sphere

Theme 2: VET and employment-related mobility and migration

ORSOLYA POLYACSKÓ¹⁹

Abstract

Numerous research studies investigating the actual volume of mobility and the motivations behind it provide reliable information either confirming or questioning what is being reported in the media, mostly on the basis of personal or anecdotal evidence. The level of outward mobility of Hungarian labour, when people settle down and seek employment abroad, has been relatively low so far. However, it is showing a tendency to growth, especially in sectors where such a move can result in particularly high earnings, for example in medical care. Inclination towards mobility among men, the younger generations and those with higher levels of educational attainment is above the average. Intra-national mobility, relocation for occupational reasons, is also very low, for very few are able or ready to cover the one-off costs related to uprooting and resettlement. However, daily commuting is quite widespread, especially among the low-educated. At the same time, for unskilled workers living in villages commuting is made more difficult by the lack of proper mass transportation, as well as its high cost relative to minimum wage rates. The majority of people who move to Hungary from abroad come from the neighbouring countries and are of Hungarian ethnicity. Many of them are highly educated and manage to fit in without major conflicts, albeit they often have to accept positions lower than those to which they have been accustomed in their country of origin. Student mobility is financed by European Union grants for the most part, and the benefits of participating in such projects are discussed in detail in one of the research reports. These opportunities, however, are often limited by poor foreign language skills.

1. Introduction

Mobility in this report is understood as geographical mobility or migration. Occupational mobility (a changing of occupations) or social mobility (a change in one's social standing) are not a focus of this report. Migration is understood as the

¹⁹ Orsolya Polyacskó, junior researcher, Observatory for Educational Development, Corvinus University of Budapest. **Reviewed by:** Magdolna Benke, Dr., researcher, National Institute of Vocational and Adult Education (NSZFI), Budapest; Ágnes Hárs, Dr., senior researcher, Kopint-Tárki Institute for Economic Research Ltd.; György Mártonfi, senior researcher, Hungarian Institute for Educational Research and Development (OFI), Budapest.

temporary or permanent move of individuals or groups of people from one geographic location to another, either between countries, in which case we speak of international migration, or within a country, which we refer to as intra-national mobility. The reasons behind such mobility may be various, ranging from better employment opportunities, through education, to persecution in a migrants' home country. A special case of migration is commuting, which involves crossing the administrative border of a settlement on a regular basis.

Studying human mobility poses challenges for researchers for a variety of reasons. Hárs (2008) highlights the problems of definition with respect to foreigners living and working in Hungary: the way 'migrant' is defined affects research results through the data selected for study. Furthermore, a variety of data and databases have to be consulted in an attempt to get a realistic picture of the number of foreigners in Hungary, the trends in migration or the labour market participation of migrants, etc.. It may happen that migrants 'disappear', as it were, from the statistics of the sending and the recipient country. This may arise, amongst other reasons, from a large share of employers failing to comply with their obligation to register foreign workforce with the employment offices (see 3.1) or that a large share of migrants are often employed illegally, which of course allows for estimations only as to the extent of foreign labour force on the black labour market (for more on undeclared employment of foreigners, see 2.3.3).

Furthermore, some researchers point out that statistical data reflect only a few characteristics of migrants. In the absence of systematic, coherent (longitudinal) studies, one is left to make assumptions about the changes in the composition of immigration, the drive behind migration decisions, or what happens with the migrant within the country on the longer term: whether they stay or leave, whether their integration is successful or not, etc. (Gödri, 2005). In order to better understand the processes involved in migration, Pulay (Pulay, 2008) calls for multi-sited research conducted on several locations: both in the sending, as well as in the receiving country, but also in between the two. He suggests that intermediary structures and processes that have evolved in order to facilitate migration should also be studied (e.g. travel agencies set up to organise transportation for Romanian citizens wishing to work in Hungary).

There is more precise data about student mobility, the number of students and young workers participating in international exchange programmes or studying abroad, however, their exact number is again hard to define, given the fact that many choose to organise their own visits and studies.

2. Trends in outward and inward migration in Hungary

Since the economic and political regime change, the level of both inward and outward migration has greatly increased, even if there had been fluctuation in the level of

foreigners arriving to Hungary over the years. In 1990, around political and economic regime changes, the number of migrants in Hungary was close to 40,000, which dropped to less than half that by 1992. In the mid 1990s the level of inward migration was around 13-14,000. It was highest before and around Hungary's EU Accession with around 100,000 migrants arriving to Hungary. The table below demonstrates the trend in the number of migrants, both inward and outward, since 1995.

Table 1. Trends in inward/outward migration 1995-2007 (1000 persons)

	Inward migration (1000 persons)		Outward migration (1000 persons)	
	Number of migrants	Yearly average	Number of migrants	Yearly average
1995-1999	77	15	12	2
2000-2004	100	20	13	3
2005-2007	72	24	11	4
1995-2007	249	19	36	3

Source: KSH 2008

2.1 Outward migration

The accession of ten new countries to the European Union in 2004 caused great concern and fear among residents of the old member states, who anticipated a great inflow of Eastern European migrants into their countries. This prompted most EU-15 countries to impose restrictions on foreigners taking up employment. However, fears proved to be largely unfounded, the appearance of migrants from Eastern Europe did not cause disruption in the economies of the old EU member states, even though there were some countries from where the population migrated in larger numbers and proportions (e.g. Poland, Romania and the Baltic countries).

There was no substantial increase in the number of Hungarians leaving to work abroad after the accession; however, there was some rearrangement as to the direction of migration. With Austria and Germany – the two traditional destinations for Hungarian migrants – maintaining restrictions with respect to the free movement of labour, England and Ireland, which opened up their labour markets before workforce from the new member states, attracted more migrants from Eastern Europe, including Hungary. Hungarians were at first reluctant to move in this new direction, but by 2007

Hungarian migrants made up 4.2% of Eastern European migrant workers in the United Kingdom (Hárs, 2008).

Richter (2009) studied the inflow of foreign workers into Austria and Germany before and after enlargement. These two countries maintained restrictions on the free movement of labour by setting quotas for migrants from abroad, or setting quotas in the case of certain professions in short supply in their labour markets, as was the case with Austria. In Austria the share of migrants from the new member states in the total inflow of migrant workers ranged between 9% and 16% in 2000-2005, with Hungarian workers representing 3.6% – a proportion lower than in 2000 or 2001. In the case of Germany, immigration from the new member states increased substantially as a result of the 2004 wave of EU enlargement, with the share of immigrants in the total population doubling (up to 30%). This was, however, as Richter concludes, mainly the result of the strong increase in the inflow from Poland. The share of Hungarians remained at the pre-accession level, around 3%.

There had been concerns on the sending side as well, i.e. in Eastern Europe, regarding the employment effects of EU enlargement, with some of the migration literature addressing the danger of brain-drain from Hungary (Viszt, 2005) or an acute shortage of labour force in certain sectors resulting from skilled migration. Viszt highlighted two sectors where brain drain represents potential dangers, healthcare being one. As a response to the difficulties in the sector, doctors and other healthcare professionals are often reported as finding better-paid employment in other countries, thus creating a shortage of labour in Hungary, despite the inflow of professionals from other countries. A study conducted by researchers of the Health Services Management Training Centre of the Semmelweis University reviewed the migration trends of Hungarian doctors since 1 May 2004, and – relying on both quantitative and qualitative research – explored the migration potential of resident doctors. (Eke-Girasek-Szócska, 2008). The researchers concluded that the negative perception of working conditions in the Hungarian healthcare sector makes young doctors seriously consider moving abroad: as much as 64.5% of the respondents reported that they were planning to work abroad for around 2-3 years and a significant proportion of them indicated their intention to relocate to a foreign country for longer periods or permanently. The motivation behind their plans included gaining further experience, better pay, and better working conditions (both in terms of infrastructure, as well as work organisation). Although this shockingly high figure indicates intentions rather than the rate of those who have made actual plans made or taken steps to leave, however, the researchers highlighted increase in the number of doctors of all age groups (but especially among doctors between 30 and 39 years of age who have already completed their professional examination [*szakvizsga*], have several years of work experience, and probably participate in training the next generations of doctors) who requested a certificate certifying their qualifications, which is a pre-requisite of applying for a job abroad. As this may indicate a more concrete step towards taking

up employment abroad, the researchers called for increased efforts to keep healthcare professionals in Hungary.

2.2 Factors affecting mobility predisposition

Drawing on econometric models and surveys exploring individual migration decisions and plans, researchers forecast a low level of migration for the period 2005-2015, with at least 70,000 but a maximum of 260,000 people relocating annually from the new member states to the EU-15. In the same time-span (2005-2015), an estimated 4% of the population from the so-called Visegrád²⁰ countries is forecasted to move to another European country. Hungary is expected to lose 2.2% of its population over the ten years (Adler-Kis-Lőrincz-Munkácsy-Timár, 2006).

Table 1. indicates a low level of outward migration among Hungarians. In addition to the labour market restrictions maintained by most of the former EU member states, a low level of outward migration is also due to the generally low propensity of Hungarians to migrate (Adler-Kis-Lőrincz-Munkácsy-Timár, 2006; Eurofound, 2007). Table 2 indicates the evolution of migration potential in the Hungarian population:

Table 2. Migration potential of Hungarian workforce, 1996-2006 (%)

Year	Short-term employment abroad	Long-term employment abroad	Emigration
1993	4.3	2.7	1.4
1994	3.8	2.7	1.3
1997	3.7	2.8	1.5
2001	8.8	6.8	3.4
2002	7.6	5.6	3.4
2003	9.4	6.1	3.0
2004	13.0	6.0	3.2
2005	6.2	6.1	4.1

Source: Hárs, 2008

These figures indicate low migration potential in comparison with other countries in Central and Eastern Europe regardless of the length of stay abroad. Hárs-Simonovits-Sík (2005) conclude that Hungarians had the lowest score with respect to migration potential in Central and Eastern Europe.

A recent survey by ECOSTAT (2009), carried out on a representative sample of 8,000 respondents, sought to explore, alongside perceptions of the European Union,

²⁰ Czech Republic, Hungary, Poland and Slovakia

migration plans of the Hungarian population. While increased opportunities of finding employment in other EU member states is considered by most people to be one of the greatest advantages of EU membership, and while people consider it a good opportunity to work in another EU state, only 12% of the population would consider moving to another country within the EU for a shorter or longer period of time. Socio-demographic characteristics play a great role in such decisions/intentions:

- Gender: men tend to be more mobile and the proportion of men who plan to move to another country is 16%, compared to 9% of women who are considering such a move.
- Age: the proportion of those considering a move abroad is highest (32%) in the under 30 age group, and the propensity to move abroad decreases with the increase in age.
- Education: the largest proportion of people planning to move abroad is among people with vocational qualifications and those who have obtained a high-school degree (15%). By contrast, 11% of the people with a higher education degree are planning to leave Hungary for a certain period of time. The latter figure which does not suggest a great proportion of highly qualified people planning to move abroad, given partly by the fact that return on higher education in Hungary is among the highest in international comparison.
- Occupation: students are by far the most mobile segment of society: as much as 42% have plans to try their luck abroad. They are followed in this respect by the unemployed, 24% of whom indicated that they would like to move abroad.

By job type and sector, Hárs (Hárs 2005) found that the probability of migration is much stronger among people performing manual work in industry or the construction industry, or among those who work as machine operators or drivers, or those working on assembly lines. The inclination to migrate was lowest among people who work in agriculture.

A serious deficiency in the knowledge of foreign languages among the Hungarian population remains a major barrier to migration. Research conducted on the mobility of Hungarian employees (Adler-Kis-Lőrincz-Munkácsy-Timár, 2006) found that the level of foreign language knowledge of the population is rather low: as much as 74% of the respondents to the survey did not speak any language but Hungarian; close to 20% speaks one foreign language; 5% speaks 2 foreign languages and only 1% speaks 3 or more foreign languages.

Traditions, social and economic position, as well as the distance from family also affect people's motivation to migrate for work. Some experts blame political and economic changes for a low level of mobility motivation, claiming that before the collapse of communism (1989) employees were provided workplaces close to their homes. Moreover, in the socialist era migration was restricted and closely controlled by the state; therefore, mobility and especially student mobility are new phenomena in

Hungarian society that appeared at the end of the twentieth century (Cseresnyés, 2005).

Despite efforts at increasing the level of foreign language training in VET schools, language skills of VET graduates remain at a low level. Research carried out in the framework of the VET School Development Programme (*Szakiskolai Fejlesztő Program, SZFP*) identified several problems impeding the efficiency of foreign language teaching and learning: a lack of motivation on the part of the students, a low level of knowledge of foreign language acquired in primary schools, outdated teaching methods used by some language teachers, unrealistically high requirements at the language exam, a small number of language classes per week, and the large number of students in classes (Salakta, 2006). Another research project carried out in 2007/2008 found that in the schools in the sample, students studied only one foreign language; in the case of vocational secondary schools only one in every ten students learns 2 foreign languages. Less than one fifth of the schools plan student-exchanges and the number of international projects is small. Respondents complain of an insufficient level of international cooperation opportunities (vocational practise abroad, study trips, foreign language camps abroad). As far as in-service training of language teachers is concerned, the study found that only a negligible proportion of language teachers participate in international programmes (Nikolov, 2008).

2.3 Inward migration

Table 1. displayed the number of migrants arriving to Hungary since 1995. The data signal an increase in the number of legal immigrants in Hungary over the years (with the highest number arriving around the time of Hungary's EU accession) though the proportion of migrants is not high compared to the European average rate (Germany: 9%, Sweden and the Netherlands: 5%). For this reason Hungary has been defined as a monocultural country when compared with the multiethnic societies of Western states, although migration has played an important role in alleviating the sharp decline in Hungary's population.

Data from KSH (KSH 2008) indicate that the majority of migrants came from Europe, predominantly from the neighbouring countries. Their share among legal immigrants was highest (85%) around the time of the country's EU accession. Within this group, migrants from Romania arrived in largest numbers, followed by migrants from Slovakia, Ukraine, Serbia and Montenegro, as well as Germany. The second largest immigrant group arrived from Asia, pre-eminently from China. With respect to the EU-15 countries, Germans make up half of the migrants from those countries.

The pattern of labour migration is specific to each migrant group. (Futó, 2008)

The following major segments can be distinguished among migrants in Hungary:

- Migrants with Romanian citizenship are predominantly of Hungarian ethnicity, they offer skilled work, participate in seasonal work and home care, as well as nursing services;
- Slovakian migrants are typically cross-border commuters, working at local transnational companies or in seasonal work;
- Ukrainian migrants are re typically cross-border commuters, working in seasonal work;
- Chinese and Asian minorities – these are typically the so-called ‘mediating minorities’ since their economic role is to offer cheap products from their home countries – and to a lesser degree the services of their home cultures – on the Hungarian markets.

Traditionally, Hungary has been a target country for ethnic Hungarians living in neighbouring countries (Romania, the Former Yugoslavia, Ukraine, and Slovakia). Gödri (Gödri 2005) claims that while in legal terms such, so-called ethnic migration qualifies as international migration, from a cultural point of view it differs from the migration of people from other countries, therefore a different conceptual framework should be applied to its investigation. Gödri et al. conducted a longitudinal study to explore the motivation behind migration, the composition, background and experience of migrants, as well as their post-migration experience and the dynamics of integration. In doing so they relied on the representative survey, carried out by the Demographic Research Institute of the Central Statistical Agency (KSH) in 2002 among migrants over 18, arriving from the neighbouring countries, which were granted the status of immigrants. The common roots and language, as well as cultural similarities make it easier for these groups of people to integrate, which, however, does not imply automatic acceptance on the part of the receiving country/community. Despite their Hungarian ethnicity, they were often referred to as “Romanians” (Pulay 2006). Gödri (2005) refers to “cultural otherness”, a subtle and barely perceptible difference between Hungarian ethnic migrants and the receiving population, one which derives from a more individualized society on the receiving end and a more traditional and community-centred one on the sending side that hinders integration.

The research (MKIK, 2009) carried out by the Budapest Chamber of Commerce and Industry (*Magyar Kereskedelmi és Iparkamara, MKIK*) aimed to map the economic activities of migrants from East Asia in Hungary. In-depth interviews were conducted between January and April 2009 with Chinese and Vietnamese entrepreneurs and employees residing in Hungary, which was supplemented by expert interviews and statistical analysis. It indicated the growing number of entrepreneurial immigrants from China and Vietnam. Today most of the migrants from East Asia focus their activities on retail exclusively (as opposed to wholesale trade) or work in catering. The majority of these migrants run their own micro- or small enterprise or work in that of that of their family’s and are involved in foreign trade activities. Typically,

East Asian entrepreneurs recruit their employees from among their family members in their home country but Hungarian employees also play an important role, in addition to the work they perform, with their knowledge of the local language, institutions and culture.

Adler et al. (Adler-Kis-Lőrincz-Munkácsy-Timár, 2006) found that foreigners are most frequently hired in the following occupations: family assistant, cleaner, healthcare worker or other jobs in social care. The same survey found that among the surveyed 500 companies, employing at least 50 people 21% employed foreign workforce. The proportion of such companies was higher in Central Hungary (32%) and lowest in the Northern Great Plains (6%). Close to two thirds of these foreign workers are Romanian or Slovakian citizens.

The employment of foreign workers is highly concentrated in the Budapest agglomeration and to a smaller extent in Central Transdanubia, both regions figuring as engines of growth in Hungary. Many others work in the counties to the South, South-East, and East of the country, near the borders with the Ukraine, Romania, the former Yugoslavia, and Croatia. Increasing numbers of foreigners are employed – mostly legally – in the western, more developed regions of Hungary. (Futó, 2008)

2.3.1 Labour migration – the gender aspect

As described above, men are generally more mobile. Data on inward migration from the Central Statistical Office reinforce this: they indicate that migrant men come to Hungary in greater proportions than women.

Year	2000		2001		2002		2003		2004		2005		2006		2007	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Men	10 246	50.8	10 630	52.3	10 054	55.9	11 242	58.1	12 355	55.7	14 601	57.1	13 156	55.8	12 753	56.4
Women	9 938	49.2	9 678	47.7	7 918	44.1	8 123	41.9	9 809	44.3	10 981	42.9	10 413	44.2	9 854	43.6
Altogether	20 184	100	20 308	100	17 972	100	19 365	100	22 164	100	25 582	100	23 569	100	22 607	100

Source: KSH

The European FEMAGE project takes a life-course approach to studying the social integration and emancipation of female immigrants. The Hungarian report (Melegh-Kovács, 2008), based on narrative interviews conducted with female migrants, explores how the process of migration occurred and what interpretation frame immigrant women use to reconstruct their life stories. The authors conclude that most migration stories are told as voluntary migration stories, and the frame most often used to reconstruct their stories is that of the family, or something else that is related to their gender. Migration driven by economic motifs, however, is not most frequent

among women, and when it happens it is usually because the local economy has collapsed in their home country. The research thus indicates that this kind of migration is more a result of the conditions in the sending country, rather than a consequence of what the receiving country has to offer. This is typical in the case of migrant women coming to Hungary from the Ukraine, many of whom left their home country in the mid-1990s as a result of the deep recession it was experiencing. The authors conclude that even in the migration stories of Chinese immigrant women economic hardship, unemployment and the transformation of the Chinese economy feature as driving forces behind their emigration.

2.3.2 Children of immigrants in the education system

According to the Mapping Report, entitled *Education and Access to Housing and Health* (2008), there were approximately 12,000 migrant children in the education system in Hungary in 2008, only 20% of whom were not of ethnic Hungarian origin. Before 1990, there had been no record of migrant children except for those in the families of diplomats. After the transition, migrant children started to appear in schools but there was no strategy in place with respect to their education.

Among the few studies on migrant students, that conducted by Nyíri and Feischmidt (2006) focuses on the issues that are usually studied in the context of second or subsequent generations of migrants. They argue that in Hungary, the integration of migrant children is still hampered by the lack of explicitly institutionalized policies. They call for higher standards in the curriculum of the school and for higher yearly normative payments to be paid after each migrant student. Most schools are not ready to take on foreign pupils and it is common practice that schools take children's Hungarian language competence as the most important aspect of their selection.

The Chinese migrant community is the second largest group of immigrants following ethnic Hungarians from neighbouring countries (Nyíri, Paveszka, 2006; Sárkány 2000). Hungary's first public elementary school geared toward Chinese students opened its doors in 2004 to provide for Central Europe's largest Chinese community. In the Hungarian-Chinese Bilingual Elementary School in addition to the normal Hungarian curriculum taught in Hungarian, there is instruction in Mandarin, with separate classes for native speakers and those who are learning Chinese. About 90% of the students are Chinese nationals, and most of the others are part of Hungarian-Chinese families (Vámos, 2004).

2.3.3 Undeclared employment of foreign labour force

Given the nature of the subject, there can only be estimates as to the extent and structure of illegal employment in Hungary. Various databases and registers, including those of alien policing, the labour inspectorate, as well as data on expelling foreigners from the country, help estimate the volume of illegal (irregular, black or

grey) employment in the country. A study, carried out in 2006 in the framework of the international research project on migration and illegal employment in Europe, MIGIWE, (Juhász, 2006), relies mainly on interviews conducted with migrants who work illegally in the Hungarian labour market, employee and employer organisations, as well as representatives of various governmental bodies. Experts estimate that the extent of undeclared employment in Hungary is somewhere between 10-30%, which is equivalent to the full time employment of around 300,000 people per year – a value which stands out among values of Central and Eastern Europe. According to a survey carried out in 2000, 30% of undeclared work is performed by foreign employees. The researchers pointed out that the general opinion about irregular employment is fairly permissive in Hungary, with many people referring to the high tax burden and social contributions which “force” entrepreneurs and companies to find ways to reduce the level of financial obligations in order to remain competitive. This is the main motivation behind employing people on irregular terms, whether Hungarians or migrants. The researchers pointed to flexibility as another important motivation behind employing workers irregularly, as it takes a long time and effort to acquire work permit for foreign employees, which employers often choose to forego. Small and medium sized companies are more often found employing migrant workers irregularly than large enterprises.

Futó (2008) found that most illegal migrants commute weekly or monthly from the neighbouring countries, to take up work in the seasonal sectors (agriculture, construction) of informal economy and tourist traders working on the open-air markets. These workers enter the country legally as tourists and acquire regular or occasional work. Temporary migrants often work illegally, mostly in the construction, agriculture, catering, and clothing and textiles sectors. Many migrant workers come to Hungary for short term with the aim of collecting money, then returning to their home (Juhász, 2006). This can often lead to taking up irregular employment and the conservation of the structure of circular migration.

Juhász (2006) concludes that the vocational education structure of migrant workers more or less corresponds to the workforce needs of certain segments of the Hungarian labour market. This includes the need for unskilled workers as well, mostly in temporary jobs. Probably this is partly why irregular employment was assessed to have benefits as well by employers interviewed in the 2007 round of the MIGIWE project (Juhász, 2007).

3. Intra-national mobility – commuting

A supplementary survey to the Labour Force Survey by the Central Statistical Office (KSH, 2008) aimed to shed light on the commuting habits of Hungarian employees, and explored the relationship between educational level and commuting. It found that the level of education of those who work locally is higher than that of commuters, and

that the likelihood of daily commuting decreases, in the case of both genders, with an increase in education level. While close to 70% of people with a higher education degree are able to find employment in the place in which they live, in the case of people who have at most completed vocational schools or VET the respective value is 54-55%. One in three people with elementary schooling or vocational qualifications commute, while one in four people holding a high school diploma (*érettségi*) have to travel to his/her workplace; whereas for employees with a higher education degree, only one fifth commute to work daily. Commuting represents a constraint for the majority of employees and 53.5% of people resort to it because they are unable to find any kind of work opportunity in their place of residence. Over one fourth of commuters work in a place other than where they live because that is where they were able to find a job suited to their qualifications. Higher wages are the reason for 10% of employees commuting and only 4% of respondents indicated that they were very much attached to their place of residence, which is why they chose not to move to where they worked.

In their research, Híves et al. (2008) set out to examine the relationship between (un)employment levels and the level of education and age structure of the population, as well as the economic performance of a given settlement and its level of urbanisation, with the overall goal of exploring the role and weight of social and regional factors in shaping employment and unemployment figures. It also studied the characteristics of commuting: its frequency, and the micro-regions between which it takes place, as well as the level of outward migration from a particular region/county, which evidently indicates the level of its economic development. It found that most counties (14 out of 19) can be characterised by a negative balance in commuting. It was found that there is hardly any outgoing commuting from counties in disadvantaged regions (e.g. the level of daily migration is only around 1% in the North-Eastern region, which faces great economic hardships and displays grave employment figures) – which is due partly to the long distance from areas that offer job opportunities. The same study also demonstrates that the rate of commuting among people with VET qualifications is lower than that of the lower-skilled or unskilled employees. People who have at most completed primary school tend to commute in the largest proportions (20.6%) between micro-regions. However, of those who did not complete even primary school only 15% commute, and for skilled workers who have completed vocational school or secondary vocational school it is 16-17%. Skilled labour force commute in the largest numbers to the capital, Budapest, its agglomeration, and to towns in the Transdanubian region (Veszprém, Székesfehérvár) and the North-Western counties (Győr-Moson-Sopron, Vas), whereas their labour market presence in the North East is very low.

Kulcsár (2006) found that the group of people who consider labour migration as a solution to a problematic employment situation include those living in regions with large-scale unemployment, young skilled workers, career-starters or temporarily unemployed people. However, promoting and encouraging the migration of this

segment of the population can cause further deterioration in the economy of poorer regions, as a result of the withdrawal of human capital, which causes a so-called 'brain drain'. It is, therefore, also important to create job opportunities in these regions as well as to improve the infrastructure. Kulcsár considers commuting to be a temporary remedy to the problem.

Based on their calculations and economic models, Köllő (1997, 2006) and Kertesi (2000) put forward the proposition that regional inequalities and high unemployment figures in certain territories (e.g. where unemployment was highest at 20% in 1995) persist, as the costs of moving to/commuting to urban labour markets from the villages exceeds the difference between the wages in the two localities. Híves (2008) notes that there is little outward migration from economically disadvantaged counties. The insufficiency of public transportation in these regions makes commuting difficult and, in the absence of a better service, the costs of transport by car would use up the wage increase. In his 2006 study, Köllő (2006) concludes that an improvement of public transport and providing subsidies for employees to be able to get to the workplace in the city would eliminate barriers to mobility.

3.1 Cross-border commuting - employment in Hungary's border regions

In legal terms, cross border commuting is international migration, but one taking place in a local setting. The employment of commuters from another country is regulated by legislation on employment of foreign workforce in Hungary. However, it differs from working abroad given the employee's permanent residence in one country with a job in another. The local labour market stretches across the border as a result of market developments. It follows demand-supply on the labour market of the given region, as opposed to labour migration trends in general.

Hardi (2005) explores labour migration in Hungary's Western border regions, which looks back over a long history. In the 1990s the estimated number of daily commuters to Austrian workplaces was 10-15,000. Bilateral cooperation between economic chambers and labour offices also sought to promote trans-border exchange both in training and also employment. A bilateral agreement has been in place since 1997, which allows a certain number of people (in 2003 it was 1700), inhabitants of the three Hungarian counties by the border (Zala, Győr-Moson-Sopron and Vas), to take up legal employment in Austria and commute to their workplaces daily. However, this excludes certain industries (e.g. construction) or occupations (e.g. teacher). In addition, a certain number of Hungarian citizens have the option of participating in an internship programme across Austria. Beside permanent employment, seasonal employment also provides extra income for those living in the border region. This, however, raises the problem of illegal employment, the elimination of which has been a focus of employment agencies. According to a survey carried out by Hardi et al. (2005), the majority of commuters take up employment in Austria in the hope of

better payment. Better wages and higher minimum wages in some sectors often cause an outflow of workers from Hungary, thus creating a labour force shortage on the Hungarian side in certain professions (cooks, welders, or metal workers), which, in turn, attracts migrant workers from the border regions of mainly Croatia. Regional policy seeks to address this problem to prevent the preservation of a disadvantageous wage structure/employment structure.

Hardi and Lampl (2008) report on two surveys exploring certain aspects of commuting on the Slovakian-Hungarian border: its evolution, its intensity, its impact on the economy and the society of the region, etc.

Cross-border commuting has been detected in this border region as well. With both countries joining the EU in 2004, cross-border economic contacts have intensified. Data cited by the authors indicate that the number of Slovakian commuters in 2004-2005 was estimated to be 30,000 (citing the employment register, Hárs (2006) puts the number of registered Slovakian employees in Hungarian workplaces at 20,000), with mobility driven by the difference in wages on the two sides of the border. No exact figures are known, as employers often fail to register foreign employees with the labour office. The authors estimate that within the 30,000 Slovakian daily commuters to Hungary, Slovakian temporary agency workers make up the largest group (10,000-20,000) and an estimated 9,780 people were employed directly by Hungarian companies. The majority of the respondents (56%) were skilled workers who had completed VET (26%). Motivation for taking up work in Hungary included higher wages (36%), better working conditions (15%) and the lack of work on the Slovakian side (15% and 11%).

With the EU accession of the two countries, labour market indicators in Hungary and Slovakia have come closer; with similar employment trends in the background, activity rates in Slovakia have been decreasing; slowly in Hungary also, while the unemployment rates in the two countries show reverse trends (Hárs 2006). Wage differences have decreased and the previous wage advantage on the Hungarian side has shifted to the Slovakian one, with the exception of wages in low qualified jobs (the minimum wage continues to be relatively high in Hungary).

As a fairly recent development, Hungarian labourers have begun to commute to Slovakian workplaces, thus contributing to the alleviation of a shortage of skilled labour force there. Another new phenomenon is that of Slovakian citizens acquiring property in Hungary and commuting to work or to study in Bratislava, thus expanding the agglomeration of the Slovakian capital; and Hungarian professionals commuting to Slovakian workplaces. (Hardi, 2008).

4. Student mobility

4.1 European mobility programmes

Tempus Public Foundation (TPF) was appointed by the Ministry of Education and Culture to manage the Lifelong Learning Programme in Hungary as a National Agency. Since the launch of the Leonardo da Vinci (LdV) programme in Hungary in 1997, the number of beneficiaries of mobility programmes travelling abroad with support from the programme has shown an increase: in 2006, a record number of students (more than 2,000) participated in the programme.

Table 3. Number of participants in the Leonardo Programme, 2000-2009

	Students in IVET	Students in higher education	Young employees/young graduates / People in the labour market	Total
2000	460	71	32	563
2001	524	136	92	752
2002	371	126	78	575
2003	713	144	82	776
2004	805	274	117	1196
2005	1159	250	203	1303
2006	1066	273	182	1521
2007	1190	-	202	1392
2008	1186	-	162	1348
2009	1275	-	238	1513

Source: Tempus Public Foundation, 2010

The Hungarian Leonardo projects have had considerable success in the competition for the European Quality in Mobility Award: four projects were in competition for the award, both in 2004 and 2005, many of which came to be among the 5 best projects in their categories and altogether 3 projects were awarded the prize. This suggests high quality in the Hungarian mobility programme. According to the annual report of the Foundation (2006) the experience of the monitoring of 14 randomly chosen LdV programmes indicated high standards in the projects. Institutions, vocational schools in particular, have been incorporating the projects into the system of the schools in a more explicit way. There has been a growing number of new institutions cooperating in the programme: in 2006, 35% of the institutions carried out an LdV project for the first time: of 121 institutions, 43 received funding from Leonardo, half of which were vocational schools.

A 2004 study (Györgyi, Mártonfi, 2004), conducted at the Higher Education Research Institute (*Professzorok Háza Felsőoktatási Kutatóintézet*), aimed to assess the impact of the study visits conducted within the framework of the Leonardo Programme on the life-path of the participating students and young workers. It also sought to give a nuanced picture of the participants (the social background they came from, the type of school they attended, previous work experience if relevant, etc.) in order to better

understand the impact of the programme. It focused on assessing its impact from various viewpoints:

a.) Impact on the vocational skills of pupils

For secondary school students, one very important benefit of their participation in the study visit was their learning about new technical equipment, even if learning to use them (if the technology was very complicated) was not made possible as a consequence of a shortage of time. This was not so important for practical reasons as from the point of view of the expansion of their knowledge about such equipment.

In the case of higher education students, the focus of their study visit was in-depth learning about up-to-date technology and work processes. Their level of foreign language knowledge was higher than that of secondary school pupils, which also contributed to an efficient learning experience. They gained a good insight into the work processes.

b.) Impact of practice on language skills

Young skilled workers have a low level of English; secondary school pupils have a better knowledge of foreign languages but there is great variation; higher education students and graduates had the highest level of foreign language skills. The greatest positive impact of the study visit was on the language skills of participants. The authors conclude that the programme provides the opportunity for students coming from more favourable backgrounds to catch up with those with a higher level of language skills. The improvement in foreign language knowledge is an important indicator of the success of the study visits.

c., Impact of the study visit on other skills

The study visits helped the development of skills and abilities which may be useful for young people in the course of their careers: the ability to act independently, a sense of responsibility. Another important advantage of participation in the programme was exposure to an intercultural environment, the acquisition of knowledge about the visited country.

As a result of the success and popularity of LdV programmes, VET-related mobility programmes have been elaborated using a similar design but building on a lower budget and allowing fewer participants within the framework of Vocational School Development Programmes since 2007 (Mártonfi, 2009).

4.2 Foreign students in the Hungarian higher education

According to the [Atlas of International Student Mobility](#), Hungary is increasingly becoming a destination for international students.²¹ However, this trend refers to and is restricted to academic circles. Through the English language programmes offered by Hungarian higher education institutions with the ultimate goal of revenue

²¹ <http://www.atlas.iienetwork.org/?p=53468>

generation (Hatos 2005), Hungary has consistently attracted international students over the last two decades, which was also promoted by the introduction of the Bologna system in higher education in 2006.

In the school year 2006/2007 there were 15 000 foreign students in Hungarian higher education institutions from 118 countries. By the 2008/2009 academic year, the total number of foreign students studying in Hungary increased to 16 916. More than half (55%) of these students came from the neighbouring countries, especially Romania and Slovakia (22% and 15% respectively). 10-10% of foreign students arrived from Germany and Ukraine, 8% from Serbia and 5-5% from Israel and Norway. Medical schools, dentist and veterinary training are the popular among foreign students, who take courses in English, while young Hungarian people from the neighbouring countries most often choose teacher training or others related to economics.

5. Conclusions

In Hungary migration has gained greater importance over the past twenty years with the opening up of borders after the economic and political regime change in 1989. Since then a great number of studies have been conducted, using both quantitative and qualitative methods, to explore the various dimensions and aspects of the issue. In doing so, researchers have relied on a variety of sources to get as accurate a picture as possible both about the presence of foreign workers in Hungary, as well as about the scale of outward economic migration.

Some of the key research findings include:

- the level of migration to Hungary has been traditionally low. With the opening up of the borders the level of migration has increased, particularly before and around Hungary's EU accession in 2004. Cross-border commuting has been significant and many migrants arrive to Hungary for short term or even to carry out seasonal work, which often involves irregular or black employment;
- the dominant share of migrants working in Hungary are ethnic Hungarians from the neighbouring countries, which is a specificity of migration to Hungary. While the common roots and language make it much easier for them to find employment in the country, their integration is not without problems, and often they have to resort to taking up jobs for which they are overqualified;
- the migration potential of Hungarians is reported to be low, therefore the level of outward migration has remained at a low level. However, experts and media reports often voice concerns about the outflow of highly skilled professionals, medicine being one.

- VET student mobility abroad, and the mobility of young workers, is realised mostly in the framework of the Leonardo programme, which has been assessed as one of the most successful programmes within the Lifelong Learning Programme implemented in Hungary. Researchers have pointed out the benefits of such study visits with respect to professional, language and social skills of the participants.

While a number of studies on labour migration give a cross-sectional assessment of the situation with respect to migrants in the Hungarian labour market, some experts claim that longitudinal studies are lacking which would provide better insight into the dynamics of migration and labour market integration. For the same reason, other experts call for multi-sited research, carried out both in the sending country, as well as the receiving one.

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Theme 3: Labour market groups at risk

GYÖRGY MÁRTONFI²²

Abstract

With regard to employment, the most critical problem Hungary has to face is the dividedness of its labour force, that is: the gap between very highly and very poorly educated groups. In international comparison, only a small segment of the low-educated is employed despite the significant amounts of – apparently ineffective and mistargeted – training and development funds spent on them. The extremely large segment of inactive people, according to a cluster analysis, can be divided into four groups: there are those who are still active and determined, others also want a job but are not willing to participate in training programmes, a third group still pretends to seek employment but without very much enthusiasm, and finally there are those who are utterly desperate and without any perspective whatsoever. Inactivity shows various patterns, and the survival strategies of the inactive are part of the picture. The current system of welfare benefits is largely at odds with seeking employment. Furthermore, the financial burden of commuting, the time it takes, along with the lack of public transportation and the conditions of mobility accumulate to prevent the low-educated from finding a place in the labour market. Prior to 1990, approximately three-quarters of Roma had jobs; today barely one third of them are employed. Their high level of unemployment can be accounted for by discrimination, confirmed by empirical research, in addition to increasing regional segregation and low educational attainment. Another reason behind the low employment rate of people with disabilities is that companies are not motivated to develop their employees' skills and to prepare them for an open labour market; furthermore, due to inflexible pricing they have no opportunity to invest and to support innovation.

1. Introduction

When talking about the labour market in Hungary, reference has to be made to the political and economic regime change as an important divide, even two decades after it took place. Prior to the political changes of 1989-1990, the Hungarian economy employed over five million people. During the economic breakdown at the beginning of the 1990s, close to 1.5 million jobs were shed, almost one in four. Even after

²² György Mártonfi, senior researcher, Hungarian Institute for Educational Research and Development (OFI), Budapest. **Reviewed by:** Judit Adler, Dr., Research Manager, Gki Economic Research Co., Budapest; Magdolna Benke, Dr., researcher, National Institute of Vocational and Adult Education (NSZFI), Budapest.

employment levels had hit rock bottom in the second half of the nineties, the number of those employed barely increased by 300,000 and even today it has still not reached 4 million. On the whole, there are one million ‘missing’ workplaces now compared to the situation prior to the regime change. Even taking the decrease and aging of the population into account, this implies that large segments of society are necessarily left without work, while the Hungarian economic activity rate – one of the lowest in European comparison – stagnates at a low level. With several hundred thousand people employed temporarily or illegally, similarly to Italy, the rate of temporary and black-market employment relative to GDP is 15-20%, which is higher than the respective rate in Western Europe (Vida, 2007). This, however, only colours the picture but does not significantly alter it.

Such a state of affairs also implies that those segments of society which are hard to integrate into the labour market are larger in Hungary than in other countries (Council of Europe, 2009 – EC, 2009), and their labour market integration, even if increased efforts are made, promises little success until there is a significant expansion in employment. One consequence of this is that the problem is widely studied, especially with respect to particular social groups, primarily of unskilled people and the Roma. Another consequence is that the subject matter and, of course, the studies conducted are closely related to the issues of social cohesion and inclusion. This is hardly surprising since the social integration of such groups is contingent on whether they have a chance to hold on to something, even if it is in the peripheral segments of the labour market.

The body of research carried out on the issue lays particular emphasis on the labour market presence, or absence, of marginalized groups, including first and foremost people with a low level of education (see Table 1. in the appendix to Chapter 3. “Benefits of VET”) and low social status. The assessment of programmes aiming at their labour market integration also receives much attention. Given that in Hungary the low level of employment is not so much due to high unemployment level as the low activity rate of the population (Council of Europe, 2009), a number of studies focus on the reasons why marginalized groups stay away from the labour market.

Another particularly important dimension to disadvantaged position in Hungary is the place of residence: there are regional inequalities in labour market opportunities – a condition that has been the focus of several empirical research projects. The Roma population, again, is very often the focus of such research, as in addition to the generally low level of education and social status, the Roma are typically concentrated in regions where the economy is stagnating.

A number of studies focus on the presence of the Roma in the labour market, their participation in VET and their career trajectories, because the employment rates of the Roma lag behind the non-Roma population with the same level of education. We have found studies conducted over the past few years, as well as publications that explore the situation of women, migrants or older employees in the labour market, however, these topics are not as markedly present in the professional and policy discourses. The

studies presented here do not in the least cover the entire literature published on the issue.

2. People with a low level of education on the labour market

The low activity rate in Hungary is primarily a consequence of the weak presence of people with low qualifications in the labour market. The employment rate of higher education graduates and the respective value for people who have attained the secondary school leaving certificate (érettségi) is scarcely below the average.²³ However, the employment indicators for people who have at most completed primary education is barely more than half that of the respective average values in the developed countries. A study exploring adult education primarily from the point of view of the disadvantaged segments of society concluded the following: “In addition to the numerous changes that have taken place in education and VET in recent years, the Hungarian employee pool has split into two: a highly qualified layer and another one with very low qualifications” (Halmos, 2005). Tackling this division is one of the most important tasks for Hungarian policy-makers. In the population aged between 15-74 years, there are over 2 million people who have at most completed primary education; while the majority of these are pensioners, thousands of them are still at an active age but are mostly inactive. Data from the Hungarian Central Statistical Office (Központi Statisztikai Hivatal, KSH) indicate that in 2008 the unemployment rate in this qualification category was close to 20%. This is 2.5 times higher than the average and the respective value among skilled workers, three times as much as among people who have graduated from high school and seven times as high as among graduates of higher education.

Over recent decades, the considerable amounts of money spent on employment policy measures to reintegrate people with low educational attainment into the labour market have produced little success. Their participation rate has not improved; on the contrary, it is in continual decline (Halmos, 2005). Since 2006, the most popular among these measures has been the programme “Take a step forward!” (Lépj egyet előre!), financed from the Structural Funds (Szekeres, 2008). Its popularity has been due to the fact that upon successful completion of a training programme in occupations in short supply in the labour market, participants receive – as a bonus – one month’s minimum wage. Target groups of the programme include people with a maximum of eight grades of primary school, people trained in obsolete vocations, and people who have completed secondary school but have no vocational qualifications. The funds allow the training of around 10,000 people per year, although the demand is greater. It also has to be pointed out that this programme has usually attracted

²³ See:

[http://epp.eurostat.ec.europa.eu/statistics_explained/index.php?title=File:Total_employment_rate,_by_highest_level_of_education,_2007\(%25_of_age_group_25-64_yearsPNG&filetimestamp=20090430100113](http://epp.eurostat.ec.europa.eu/statistics_explained/index.php?title=File:Total_employment_rate,_by_highest_level_of_education,_2007(%25_of_age_group_25-64_yearsPNG&filetimestamp=20090430100113)

people with better qualifications. For those with the lowest level of qualifications quotas were set, and a network of experts (social workers, mentors with a degree in social pedagogy) has also been employed to recruit them. Still, the quota has not been fully filled up, as many as 60% of the participants are without jobs, and around 35-40% of them have been able to find employment since their training.

Two economists analysed various databases to examine the relationship between low employment rates and education in international comparison (Kertesi-Varga, 2005). They concluded that educational expansion “stopped at the poorer segments of society”, which hampers employment expansion. Based on the data analysis, they point out that vocational education in Hungary does not necessarily meet the criteria of ISCED3C, which may well be related to the fact that a significant proportion of people who have completed VET are employed in unskilled manual jobs. Another economist analyses data from the International Adult Literacy Survey (IALS) (Köllő, 2006). Hungarian results in the category of people with primary education and skilled workers lag behind those of developed countries. In the former socialist countries there had previously been a massive number of jobs which did not require writing or reading skills; however, with the transformation of the economy, demand for such jobs has gradually declined. Based on the results, Köllő suggests that the work components of new jobs tend more to require writing and reading, as well as general skills; the absence of these skills in the case of people with a low level of education is the primary reason why they are excluded from jobs. Instead of hiring skilled workers, it seems more reasonable for employers to hire people with a secondary school leaving certificate (érettségi), or skilled workers instead of unskilled workers; that is, only these formally ‘overqualified’ groups of employees would possess the general skills that meet the expectations of employers.

2.1 Inactive population

The gravest problem in employment in Hungary is the high proportion of economically inactive people, with the inactivity rate among Hungarian men being the highest in Europe. The inactive population is rather heterogeneous; it makes up one fourth of the total population. In addition to identifying the main inactive groups, a study focuses on the so-called ‘other’ category (Adler, 2007). This category of over 300,000 people includes those who neither have any recorded source of income (beside family allowances or other welfare allowances), nor do they pursue any studies. They live in villages in greater numbers, their level of education is low, although ‘only’ fewer than 50% of them are without either a secondary school leaving certificate or some sort of vocational qualification. More than one third of these people have never had legal employment and close to two thirds of them do not even wish to work. Approximately three quarters of this group live in poverty and half of

them are downright destitute. Close to a quarter are young people, and for them the experience of being excluded from the world of work has become hereditary.

Drawing on data from a survey, the above-mentioned research project used cluster analysis to prepare the following typology, consisting of four distinct groups:

- People who are “*dedicated and active*” – they have taken part in training and have sought for – preferably declared – jobs. They make up around 20% of the category of “other inactives”.
- People in the category “*Take me the way I am*” do not wish to participate in training but are willing to work, even on the black labour market (30%).
- People who are “*inexperienced and unmotivated*”. This group made up 32% of the survey sample. It consists mainly of young people who showed reluctance to seek employment. Most of them have a low level of education and do not wish to study either.
- Those who have “*lost hope and have no prospects*”. This group has the highest average age and a surprisingly high proportion (two thirds) of them lack previous legal work experience. The willingness to participate in training is low (18%).

The study confirmed the following previously formulated hypotheses:

1. Reasons behind inactivity show various patterns including economic, regional, psychological, ones related to qualifications or those that may be traced back to a lifestyle led in exclusion (the latter among the Roma in particular).
2. The inactive population has special and complex sources of income and strategies for ensuring their means of support.
3. There is a profit margin, so to speak, with respect to their return to the labour market. This, however, differs based on certain sociological parameters.
4. Besides economic support, other kinds of assistance are also necessary in any attempt to ensure the reintegration of people who have been excluded from the labour market.

A study exploring employment motivations (G. Fekete, 2008) differentiates between people who work illegally, on a temporary basis, as day-labourers or in the family, and those who have been cut off not only from jobs, but from the world of work as well. An important conclusion of the study is that being unemployed has become an accepted form of living, to which one needs to adjust and which does not necessarily need to be curtailed. Using several dimensions, the author explored employment motivations prior to the change of the regime and after. Before 1990, employment was compulsory, therefore finding a job was easy; at the same time, there was only limited room for independence and for individual responsibility. Since 1990, along with the increased level of individual independence and responsibility, it is more difficult to find employment and people are generally more exposed to the

circumstances they live under. The researchers made recommendations for increasing people's motivation to work, these include improving the conditions for commuting; increasing the gap between the level of social benefits and the minimum wage; creating jobs that offer security and opportunities for employees rather than the public employment programmes that while they provide temporary income, they fail to reintegrate people into the labour market; and also – in order to facilitate the work socialization of young people – to promote student work and summer camps which were widespread before 1990.

Research building on case studies conducted in three micro-regions, concluded that in many places demand for an unskilled labour force persists, and there are many regions where the local population refuses to take certain jobs (Váradi-Jász-Virág-Vidra, 2008). These are predominantly simple jobs or day-labouring in agriculture or sometimes in the construction industry. They provide an important source of income for the long-term unemployed and inactive families, and they are typically temporary and illegal jobs. They play an important role in shaping social relations as well, as they are often built on paternalistic, superior-inferior relationships. Since the transport conditions of daily commuting are poor and intra-national migration might require an unacceptable amount of time and money, the most widespread form of commuting is weekly commuting, which, however, tends to detract from family and other kinds of personal relationship. Even people in the most favourable position, i.e. those who have held declared jobs for years, cannot afford to move with their families to settlements with better employment opportunities. The 2008 study concludes that legislative amendments should be made to facilitate co-operation between employment and social policy agencies, and an integrated approach should be taken to tackle existing problems – a practice that has proven effective in many developed countries. No policy response has followed these recommendations, however. In addition to the adoption of new legislation, a change in attitudes would also be necessary in Hungary.

A study analysing previous research results as well as a new database (Firle-Scharle-Szabó, 2007) examines how the provision of welfare allowances, unemployment benefits and public employment programmes affect employment opportunities. The regular provision of allowances in every comparison decreases the probability of employment. In the case of people on welfare assistance, their chances of getting a job are 30-35% lower than for those who do not receive such allowances, and they tend to remain without work almost two years longer than those who are not recipients of welfare aid. In families with young children, the probability of finding employment increases in the case of men, but decreases in the case of women. Estimations of the difference between these likelihoods, however, do not stand on firm ground, given the fact that certain dimensions can not be taken into consideration in the analysis. For instance, it is a well-known fact that the health condition of people in long-term unemployment deteriorates more quickly, which adds to the above-mentioned demotivating factors in decreasing their capacity for work. Therefore, the measured

differences should be regarded as estimates only. Interestingly enough, public employment programmes also decrease the chances of getting a job, despite the fact that one of their declared objectives is to maintain the capacity to work and the appropriate lifestyle. For a particular social group, public employment programmes constitute the only possibility of working; at the same time, their temporary character perpetuates insecurity and vulnerability. The recommendations made by the researchers, therefore, include creating incentives for local governments to allocate state funding in ways that would promote the inclusion of the local population into the labour market, as opposed to maintaining the provision of allowances for them. At present, it is easier for local governments to administer the allocation of welfare assistance.

2.3. Reintegration of unskilled youth into the labour market

For the past fifteen years, the Hungarian Public Foundation for Employment (*Országos Foglalkoztatási Közalapítvány, OFA*) has supported a large number of innovative programmes directed at the labour market integration of groups that have failed to succeed in the labour market. Two research projects were aimed at examining the evaluation of one of these programmes (Fehérvári-Györgyi, 2006): the so-called KID programme, which was launched in 2002 with the goal of integrating youth between 16-25 years of age who had dropped out of the education system without acquiring qualifications. There are no other institutional integration programmes specifically targeting this age group, they are supported by individual initiatives or as part of support provided for a wider target group. So far these initiatives have produced modest results, given that there are around 80,000 youngsters between 16-25 of years of age who neither study nor work nor search for employment. Drawing on previous innovations, the acronym forming the programme title signifies the complexity (*komplexitás*) of integration tools, the integral (*integrált*) cooperation of organisations, and the differentiated (*differenciáltság*) treatment of individual problems.

While the study acknowledged the results and the success of innovation, it also provided a number of lessons. First of all, it drew attention to the fact that this group is not attended to in any serious way, since their problems are dealt with on an ad hoc basis only. It also highlighted the problem that the responsible organisations, and local governments in particular, only take responsibility if they are led by someone who is dedicated to tackling the problem – this indicates a deficiency in the regulations. The study emphasized that the second initial in the acronym, which stands for integrity, was given a new interpretation in the majority of the implemented programmes, which differed in the details of their implementation. The outcome of the programme, however, did not meet the original goals in that ultimately it drew far more young people into education than into the world of work (the target was 50-50%). While a

number of reasons were given to explain this, one novel explanation lies in the fact that in the labour market employers were in a decision-making position, since for them this workforce with its lower qualifications was not very attractive, whereas in the education market, the youth could then become exercisers of choice, since their selection implied extra income for the training institutions.

3. Regional inequalities

A research project used cartographic tools to describe the current situation with respect to demography, education level, employment and migration (Híves-Forray et al., 2008). The data that was calculated for 168 micro-regions in the country indicate regional inequalities in opportunities for employment with a given qualification. While on a national level employment opportunity follows the level of education, real chances depend on the labour market of the micro-regions at least to the same degree as on the level of qualification. While in 22 of the regions with better economic conditions, over 55% of people with at most primary education are employed, there are 21 micro-regions in which the employment rate of people who have completed VET is below 55%, 29 regions where the employment rate of people with secondary education is also below 55%. At the same time, however, over 65% of people holding a higher education degree are employed even in the economically most disadvantaged micro-regions. Only a higher education degree ensures protection against exclusion from the labour market.

The study concluded that while the proportion of commuters (those who work at a location other than where they live) had increased from 25% to 30%, the majority of commuting takes place within the same county. In 2003, in 14 of 19 counties at least two thirds of commuters were employed within their home counties. There are also 14 counties with commuter deficit – only one third of the country belongs to the economically developed region that has the potential to employ the great majority of the workforce, and that also pulls in migrants. In addition, it is important to note that outflow from the counties on the eastern border of Hungary is relatively small-scale, for they are far from regions where there is demand for workforce, and inhabitants of the former counties are either unable or unwilling to cover the costs of commuting.

Drawing on the data, the researchers constructed two typologies of micro-regions. One is based on economic activity and regional role, while the other was set up based on complex social indicators. The typologies, consisting of 4-4 categories, overlap, since economic and social indicators are closely related. At the same time, the education level of particular micro-regions does not substantially affect the employment situation, nor does the way micro-regions are rendered into categories.

Other studies have provided two further important pieces of information on the regional aspects of employment. One is that only one tenth of the people who take part in labour market training live in disadvantaged settlements. One reason for this is

that such settlements give preference to public employment programmes (Halmos, 2005) due to the fact that the underdeveloped transport system is a disincentive to investment that would facilitate job creation. Another important, yet not evident, consequence of public employment programmes is that – given that their organisation is in the competence of the small settlements – they segment the local-regional labour market, and thus become an obstacle to the integration of a particular segment of the population (Kertesi, 2005).

4. The Roma on the labour market, the educational level of the Roma

It is estimated that 6-7% of the Hungarian population are Roma whose level of education and employment rate significantly lag behind the respective indicators of the non Roma population. The population pyramid for the Roma is the exact opposite of that of the non Roma. Their average life expectancy is estimated to be 10 years shorter than in the general population, while the average number of children among them exceeds by far the general average. The proportion of Roma among school age children is estimated to be over 11% (Keller-Mártonfi, 2006), which is double the proportion of Roma in the general population.

A great number of studies have been conducted to explore the situation of the Roma from the point of view of education and their participation in the labour market (see basic data in the appendix to chapter 3); however, such research is hampered by two fundamental difficulties. On the one hand, Hungarian data protection regulations do not allow the recording of ethnicity in large state-administered databases. On the other hand, a great proportion of the Hungarian population – including experts from a variety of fields – can be said to hold prejudice of varying degrees towards the Roma, which – besides making it more expensive – makes research more difficult from a methodological point of view. Some of these research projects aim only to map out the situation, given the lack of statistical data on the education and employment of the Roma resulting from the above-mentioned data protection regulations. Other research seeks to shed light on the prevalence of prejudice, segregation and discrimination, as well as on their consequences. Whilst a number of other studies focus on development and integration programmes, highlighting the impact they make and making recommendations for their improvement.

Prior to the regime change, there was virtually full employment in the Roma population. Their exclusion from the labour market around 1990 was described by a researcher-economist in a sub-title to his study as the “lasting shock of the change of the regime” (Kertesi, 2005). Kertesi analysed the database of the Hungarian Central Statistical Office (Központi Statisztikai Hivatal, KSH), together with empirical survey data, and found that while in 1984 as much as 95% of Roma men and 61% of Roma women between 15-49 years of age were employed, and in 1989 these proportions

were still at 85% and 53% respectively, but by 1993 only 39% of Roma men and 23% of Roma women of the same age group had employment. The scale of this (shockingly) rapid exclusion from the labour market among the Roma exceeded the exclusion of the non Roma population with the same education level. The reason why the author denotes the shock as lasting is that the survey conducted in 2003 did not detect any improving trend among the Roma, as was the case for the general population, but found employment rates (38% among Roma men and 20% among Roma women) lower than those in 1993. In addition, the author outlines different career trajectories in the case of the Roma and the non Roma age cohorts. An important difference between the two groups is that labour market situation of the Roma is more unstable than that of the non Roma in various occupational groups as well. The low employment rate is accompanied by extremely high entry and exit indicators. The so-called fluctuation rate among the Roma population is around 25-30%, two or three times as high as among non Roma. One reason behind this is that the Roma frequently carry out temporary work, and not as employees; also, they often participate in state-supported employment public benefit work programmes. These are usually short-term programmes and they do not improve participants' future employment chances. Some of these programme specifically target the Roma, others are directed at the entire unemployed population, in which the proportion of Roma is high. This instability presents a persisting obstacle to the increase of stable employment among the Roma.

Employment conditions for the Roma living in the capital are somewhat better than elsewhere in the country (Forray, 2005), and the gap between the Roma and non Roma is smaller there also. The author analyses data from the 2001 census which included a question about ethnicity as well. Estimates suggest that only around one third of the Roma population claimed to be Roma, while the rest identified themselves as Hungarians, since choosing dual identity was not an option. Although their data are not comparable, statistical analysis of the data from the census suggests similar results on a national level to those of sociological research (while the former data refer to the employment rate of the population over 15, the latter provide information about the employment of the age group 15-49). Forray found that 43.4% of the total population over the age of 15 had employment in the year 2001, while among the Roma the respective value was only 16.7% (22% among men and 11.3% among women, which by and large corresponds to the findings of the analysis of the data from the census). In the capital, however, there is a smaller difference between employment rates of the Roma and non Roma: here 48.1% of the total population was employed as opposed to 34.4% of those who claimed to be Roma (42% of the men and 26.8% of women). These values are higher than the ones recorded in sociological research in the population of 15-49 year olds.

It is not possible to give the precise reasons for this degree of exclusion of the Roma, although a number of researchers focus on the issue. A study sought to examine the issue by sending fabricated CV's in response to job announcements (Sík-Simonovics,

2008), which clearly confirmed the prevalence of discrimination against Roma applicants. Those fictitious applicants who had characteristic Roma names were responded to more rarely than on average and the difference between the response rates was even bigger if a photo was attached to the application, thus making it easier to identify if the applicant was Roma or not.

A company survey found that the attitude of company leaders towards the Roma greatly impedes the expansion of Roma employment (Babusik, 2008). It became clear that even with the same level of education the employment prospects of the Roma are worse than those of the non Roma. The study found that while open discrimination is widespread, hidden discrimination, as it were, is general, as “the majority of the company heads display anti-Roma attitudes to some extent”.

A decisive factor behind the low employment level of the Roma is obviously their low level of education, but one research report (Babusik-Adler, 2001) specifies a number of other reasons in addition to that and discrimination. It is also important in this respect that the Roma are not evenly domiciled across the country; there is a greater number of Roma living in regions with stagnating economies, and their numbers only grow in such areas given the increasing degree of regional segregation as well. The low labour market participation rate of the Roma is partially explained by the fact that the jobs large numbers of them performed before the change of the regime (e.g. in mining, heavy industry, in part in the construction industry and also agriculture) were affected particularly hard by the changes, which implied huge numbers of redundancies.

New enterprises require higher qualification levels which only a small share of the Roma can meet. The authors use the phrase “poverty trap” to describe the strategy that Roma families often resort to, in having more children in order to receive more welfare allowances, which provide them with a higher income than they would receive if they worked; in addition, women who stay at home this way can perform indispensable household work. This paper raises a number of questions that are impossible to answer at this point, for instance: how many Hungarian enterprises employ Roma workers, what is the distribution of these enterprises, etc. by region and sector. We have no information about the companies that attract Roma employees and are successful in keeping them in their jobs.

A great number of pilot programmes have been launched, predominantly by civil organisations, with the aim of elaborating effective models for the improvement of Roma employment. A promising initiative bearing the title “Training embedded in employment” (Foglalkoztatásba ágyazott képzés), employs Roma people as school assistants or local coordinators, while also helping them to obtain a secondary school leaving certificate. This enables them in the future to find employment as assistant-teachers, or undertake training that befits their jobs, while the school provides employment, and a network of mentors provide support for the participants (Kiss-Mayer, 2007).

As highlighted above, a decisive, although not exclusive factor behind the difference between the employment rates of the Roma and the non Roma is the low level of education. Data from the 2001 census indicated that as little as 3.1% of the Roma population over 15 held a secondary school leaving certificate (*érettségi*), while the respective proportion in the general population was 3.4% (Forray, 2005). Furthermore, the proportion of skilled workers was 7.6% (18.6% in the entire population), which means that nine tenths of the adult Roma population has a low education level. This is the very reason why improving the education and qualification level of the Roma has been among the long term political priorities, at least on a rhetorical level.

In the years after the change of the regime, the expansion of secondary and higher education continued at a greater speed, several surveys confirm that this affected the educational expansion among Roma youth. In addition to support programmes, more successful schooling of Roma youngsters was also promoted by measures such as the increase in the compulsory schooling age, the introduction of compulsory pre-school attendance of at least for one year prior to starting primary school, as well as tying the provision of certain family allowances to school attendance (Liskó, 2005). Thanks to these measures and programmes, today almost all Roma children complete primary school, close to nine tenths go on to study at secondary level, in contrast to the period around the change of the regime when many young Roma failed to complete even eight grades of primary schooling and less than 50% pursued secondary studies. It has to be noted, however, that their school careers are often loaded with failures and year re-takes. Alongside poorer performance, mechanisms of segregation outside the school system also play a role in this, along with the prejudices of professionals working in the sector. Almost four fifths of Roma children of 6 years of age are placed by expert committees into special schools with a reduced curriculum, established for children with disabilities. There is hardly any opportunity for the labour market integration of these children in the future (Keller-Mártonfi, 2006). In certain counties more than 90% of the pupils in primary schools with a special curriculum are Roma. A study suggested that close to one fourth of the teachers participating in integration programmes are prejudiced against the Roma, and improvement in this was negligible, even after participation in further training (Liskó, 2008).

Secondary studies are predominantly pursued by Roma in vocational schools that do not provide the secondary school-leaving certificate that is a precondition of applying to higher education. At the beginning of the 1990s, around 30-40% of each generation among the Roma studied a vocation and only one tenth studied in secondary schools (Liskó, 2005). This had significantly changed by 2002-2003, when two thirds of Roma youngsters began their studies in vocational schools and approximately one fifth in secondary schools. This is a significant change, even if these schools (secondary schools were more dominant than grammar schools) and the vocations

studied (primarily industrial as opposed to service vocations) are typically of lower prestige.

The most recent results of a large sample longitudinal study suggest that 6% of Roma pupils do not study beyond primary school (while the respective value is below 1% among the non Roma), 55% go to vocational school (the non Roma value is 22%), 42% go on to secondary school and 10% continue their studies in grammar schools (36% of non Roma pupils). These data suggest an expansion of further education among the Roma (Kertesi-Kézdi, 2008). The study also points out that a proportion of Roma students tend to take part in courses with lower prestige than those that their non Roma counterparts pursue even when their achievement does not fall behind that of the latter group. The longitudinal study also revealed the fact that a far greater number of Roma pupils drop out of school or switch to courses with lower prestige in the first year of their secondary level studies than the non Roma. The difference in the early school-leaving rate of Roma and non Roma students is especially high in secondary school, and is tripled in vocational schools. This difference is significantly higher than the value measured 4 years ago (which found that early school leaving among Roma pupils is 1.5 times higher than among non Roma) in the framework of research based on the estimates that teachers gave on the phenomenon; while the drop-out rate among Roma vocational school pupils decreased to two thirds (Mártonfi, 2004). The aforementioned study also indicated that 'over-age' pupils, which probably denotes grade repetition, is 1.5 times more frequent among the Roma (36%) than among non Roma (22%) students. To a great degree dropping out among the Roma can be explained by early family formation and pregnancy, as well as by truancy, and – to a lesser degree among the Roma – by taking a job. The proportion of those students who switch to vocational schools after the first year of secondary school studies is also higher among the Roma. A 29% proportion of students began their studies in secondary school but changed to vocational education in the 10th grade (!), and 9% of Roma grammar school students leave to continue their studies in vocational schools. The respective values among non Roma students are 9% and 1% respectively (Kertesi-Kézdi, 2008). This means that after leaving the education system, educational differences increase still further in comparison to what can be forecast on the basis of secondary education enrolment rates.

5. People with altered capacity to work

As a result of the economic breakdown at the beginning of the 1990s, the employment rate of people with an altered capacity for work shrank to half of the previous rate (Bánfalvy, 2005). The data from the census indicate that while 37.8% of the population without disabilities were employed in 2001, only 9% of people with disabilities had employment. The employment level in all the larger groups of people with disabilities is generally low, but there are differences between the various

groups: 6% of people with physical disabilities, 13% of people with visual impairment, and 7% of people with disabilities were employed. In his study, Bánfalvy analysed previous research literature and surveys to explore the sociological factors behind the labour market position of people with altered capacity to work, among which a low level of social inclusion and the possibilities of interest representation are the most important.

The legislation regulating the employment of people with altered capacity to work was amended in 2005. Prior to that year, an increasing number of enterprises had been employing workers with altered working capacity in greater numbers. However, as abuses of the system became more frequent, legal amendments became necessary (Balogh-Czeglédi, 2007). The authors aimed to assess the impact of legislative changes on employment and on its conditions. Their questionnaire-based survey can be compared to the previous surveys conducted in 2002 and 2004. Of the 620 questionnaires sent out to companies that requested subsidies for the employment of people with an altered capacity to work 196 (30%) were returned; these companies employ 80% of the 50,000 people employed in this sphere.

The number of companies employing people with an altered capacity to work has increased. Previously, medium-sized enterprises specialized in employing them, but nowadays there are many small enterprises with disabled employees. The basic characteristics and the total number of those employed did not change considerably. People with physical disabilities continue to be the largest group, while the share of people with mental disabilities among the employed decreased from 27% to 9%. Two thirds of those employed are in unskilled or semi-skilled jobs, the proportion of skilled workers increased from the previous 10% to 21%. There was an increase (from 15% to 27%) in the share of those people who could be employed in the open labour market according to their employers, or could be prepared to do so by providing training for them (from 9% to 17% in the latter group). Daily working hours and wages, however, decreased in comparison with previous levels.

On the whole, the amendment of the legislation resulted in structural changes, but the system now works more efficiently than before, although the volume is similar. The greatest problem lies in the fact that enterprises do not have a vested interest in training employees or in preparing them for the open labour market, and pricing constraints do not allow investment or innovation. Their main goal, therefore, is to maintain the status quo, which, in turn, requires continually increasing state support.

A previous study, conducted among the 200 largest companies in Hungary, examined the employment of people with an altered capacity to work (Köncei-Komáromi-Keszi-Vicsek, 2003). The 138 questionnaires returned indicated that 58% of the companies had disabled employees, 61% of whom were men and 39% women; 70% of them were employed in white-collar jobs, 30% were blue collar workers. While the great majority of foreign-owned companies employ people with disabilities, the proportion among the largest domestically owned enterprises is only 29%. The former companies also provide higher salaries. People with physical disabilities are employed

in the greatest proportion, only 3.8% of the surveyed companies indicated that they had employees with mental disabilities.

6. Older employees, women and immigrants

The groups, or significant proportions of them, specified in the subtitle face disadvantages in the Hungarian labour market: they experience greater precariousness, receive lower wages and are faced with discrimination in the course of hiring. Hungarian employment policy and, evidently, labour research alike address the situation of these groups, however, the attention that their problems receive is smaller than those of the above-mentioned groups. Keeping older employees in the labour market is not an imperative for the Hungarian economy at this point, given the low quality of employment [provided for this age group]. Women face significant wage disadvantage, but given their higher level of education on average, they also enjoy relatively greater security in employment, although the reconciliation of the responsibilities of child-rearing and employment implies conflict. Immigration to Hungary is still low scale; therefore, the inclusion of immigrants, at least in terms of volume, still does not constitute a great problem.

6.1 Older employees

In Hungary the labour market participation of people of 45-50 decreases at a greater pace than international data indicate. Employers are reluctant to hire people over 50, although employees over 55 enjoy some degree of protection, the frequency of dismissal of workers of 45-55 is above the average (Adler, 2004). This is partly why employees of this age group refrain from changing jobs, since it implies a great risk for them. Blue collar employees – probably as a result of their experience of precariousness – strive to find protection in welfare services (disability pension, early retirement). Participation in training or the willingness to do so among people over 45 is low. Health deteriorates at a greater pace at this age. Adler cites a survey which found that 50% of employees of 45-50 years of age claimed to be in sound health, while the respective value among people of 50-55 is only 25%. It can be assumed that the situation is worse in this respect among the unemployed and inactive. Given that the pension age in Hungary which is lower than in the EU (although most recently it has been increased to 65 years of age), the employment rate between the ages of 60-64 sharply declines both in the case of men and women (18% and 8%), although one third of the people in this age group with a higher education degree still work. It is a grave problem that the educational activity of adults is low in international comparison, and it further increases with the decrease in education level and an increase in age.

6.2 Women

The pay gap between men and women has shown a diminishing trend since the mid-1990s, and the difference now is smaller than the EU average. In 2003-2006, the wage for women in blue-collar jobs was 75-80% of that of men, while white-collar female employees made 65-67% of what their male counterparts earned (Koncz, 2008a, 2008b). It is true for every sector that the difference between base wages is lower than between total amounts received. With age, the difference increases, so it is smaller in younger age groups. There are objective and subjective reasons behind the pay gap. Women are found in smaller proportions in jobs requiring higher qualifications; their positions are less favourable than those of men. Also, the interruption in their career does not support effectiveness in work, their bargaining position is worse than that of men, and on top of all this they are faced with discrimination.

The situation of women who want to take a job after childbirth is critical. Labour market constraints make a great proportion of mothers with young children choose to remain on maternity leave for an extended period (Koltai-Vucskó, 2007). After several years away from the labour market employment, prospects are greatly decreased even among those with higher qualifications. After childcare leave, as much as 40% of them are unable to return to their previous workplace. On the whole, child-rearing reduces the employment prospects for women by 37%, while in the case of men it increases by 8%.

6.3 Immigrants

At present, Hungary is a target country for migrants only to a small degree. In recent decades, ethnic Hungarians from the neighbouring countries constituted the only immigrant group that came to Hungary in great numbers (amounting to around 100,000 altogether). Their labour market integration was smooth (Gödri-Tóth, 2005). Having higher qualifications than the average and a network of contacts in Hungary, these immigrants with more traditional socialization are attractive potential employees for employers. Typically, they had only temporary problems with integration, in certain cases they had to put up with positions lower than those that they had previously held in their home countries, however, as a result of their networks and their efforts, these differences gradually disappeared.

Research conducted under an EQUAL project studied people living in reception centres in Hungary, the companies in the surrounding area, as well as media reports, and also the relevant legislation (N.E.E.D.S, 2006). Close to one-third of refugees were from Africa, another third came from neighbouring countries or those not far off; the majority of them were young men. The main motivation behind their migration was finding employment, albeit not in Hungary but rather a more developed EU member state. Many of them ended up here by accident. A great number of these immigrants speak English and many would readily learn Hungarian as well. They

would willingly take a job – one-third of them stated that they would take any job – however the current legislation allows this only to a limited degree.

As part of N.E.E.D.S., a survey was conducted among 300 employers located within 10 kilometres of the reception centres. It was found that 8% of the enterprises employed foreigners, and the proportion of those companies that have already employed foreigners at some time in the past is double that value. However, the majority of them do not even entertain the idea, the reasons for which include the unclear legislative background, knowledge of Hungarian as a requirement on the part of most employers, and the assumption that most migrants stay in Hungary only temporarily. Negative stereotypes are also prevalent, which are reinforced by the lack of positive examples of integration that migrants have only a limited chance for under current circumstances. The majority of employers believe that foreigners would take jobs away from Hungarians, that “the labour market in Hungary is too limited”; on the other hand the majority of the respondents stated that asylum seekers should have the same rights as Hungarians.

Media analysis suggests that immigrants are mostly mentioned in the news alongside political issues, and occasionally in relation to crime. Rarely, the reasons behind migration may also feature in the media, whereas the integration of migrants and their employment only in exceptional cases. The study points out that politicians and experts are divided on the question of whether attempts should be made to integrate migrants or on if Hungary should remain a transit country. Those who support their integration propose that labour market integration is unavoidable in the process.

7. Conclusions

Although quite a number of studies have been conducted on the labour market participation, or the lack thereof, of disadvantaged groups, they fail to give any real explanation of the contradiction that while employment policy has spent considerable amounts on the labour market integration of the inactive and unemployed population, the employment rate in Hungary – which is among the lowest in Europe – had not increased substantially even prior to the economic crisis. This is a fundamental problem, and the monitoring of certain policy measures and the analysis of their impact, if carried out at all, is insufficient to resolve it. Researchers focusing on the issue emphasize that in itself the above-referred division of the labour market limits labour market expansion, since employers prefer to recruit and hire people with secondary qualifications at least, even if the job does not demand so. Even if the rate varies from person to person, it is also clear that the employability of those who are excluded from the labour market decreases in reverse proportion with the amount of time spent without work, therefore the group of unemployed people is greatly varied with respect to openness and employability. Employment programmes targeting labour market integration do not seem to take this into account. Although a lot of

money is spent on integration programmes, it is still not enough when we take into consideration how much would be needed to improve the employability of individuals. In addition, the available resources are often not tailored to individual needs. It is generally held that labour market demand for people with a maximum qualification level of ISCED 2 could only be generated with if economic and employment policy were synced – this, however, is not something we have seen examples of over the past two decades.

Inadequate information on the labour market presence of the Roma and the low level of their employability represents a further obstacle to implementing an efficient employment policy, while large scale processes by which the Roma have been excluded from the labour market and the absence of, or even the beginning of, the process of re-integration can be well documented. Data protection regulations, the over-politicized nature of the issue, and prejudice on the part of a large section of the population are factors that hinder research (with regard to methodology as well).

A further difficulty for researching the issue and addressing it politically lies in that we are now facing a situation which is radically different from the one 10 years ago at least in two respects. One is the residential segregation, a quickly evolving process hitherto unknown in Hungary, as a consequence of which large contiguous areas emerged, populated predominantly by the Roma, with no employment opportunities for job seekers, nor a workforce that could be suitable from the point of view of employers. On the other hand – although other regions and other groups may also display such features – it is predominantly in these regions and mostly among the Roma population that an employee segment emerged, mostly middle-aged people with families, who have no experience in the world of work. Their children grow up with the perception that there is no chance, and there will be none in the future either, to get a job. Such experience negatively affects their successful participation in education, as well as their attitude to work. The first such generation has already appeared on the labour market, their only aspiration and prospect being resorting to inactivity.

Increased efforts are necessary to stop the current pace of decline in labour participation of people over 45-50 years of age. This is of particular importance since the retirement age has been increased to 65, a measure that will ease employment and budgetary tensions only if it goes hand in hand with the increased demand for the workforce aged between 45-65 and their increased participation in the labour market. Given that this is a new phenomenon and demand in Hungary, it is important to address it not only on the policy level, but on the research agenda as well.

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9. Appendix

Table 1. The highest completed level of education among the Roma and non Roma population, by gender (%)

	Incomplete primary school	8 grades of primary school	Secondary school, without certificate of final examination (skilled worker)	Secondary school, with a certificate of final examination	Tertiary	Total
Roma men	32,1	54,4	10,3	2,5	0,7	100
Non Roma men	7,7	31,6	26,5	22,5	11,6	100
Roma women	46,4	45,7	4,9	2,4	0,7	100
Non Roma	14,2	35,7	11,6	28,1	10,4	100
Rom - total	39,2	50,1	7,6	2,4	0,7	100
Non Roma - total	11,2	33,8	18,6	25,4	11,0	100

Source: Forray (2005), data was calculated based on the 2001 census

Note: During the census people were asked whether they considered themselves Roma or not. According to estimations, three quarters of the total population of Roma origin were registered this way, therefore precise data may significantly differ from real values.

Table 2. Correlation between employment and educational level among the Roma and the entire population, by gender (%)

	Proportion of the employed, altogether	Incomplete primary school	8 grades of primary school	Secondary school, without certificate of final examination (skilled worker)	Secondary school, with a certificate of final examination, érettségivel	Tertiary
Roma men	22,0	9,4	23,2	44,7	48,6	73,3
Men, total population	50,3	5,7	28,5	71,7	59,5	72,6
Roma women	11,3	4,3	13,8	30,4	43,2	76,3
Women, total population	37,3	1,9	22,6	58,5	52,4	72,1
Roma altogether	16,7	6,4	19,0	40,2	46,0	74,7
Total, entire population	43,4	3,1	25,1	67,3	55,4	72,4

Source: Forray (2005), data was calculated based on the 2001 census

Note: During the census people were asked whether they considered themselves Roma or not. According to estimations, three quarters of the total population of Roma origin were registered this way, therefore precise data may significantly differ from real values.

Theme 4: Professionalization of VET Teachers and Trainers

LÍDIA VINCZÉNÉ FEKETE²⁴

Abstract

Due to the restructuring of teacher training as part of the Bologna Process, as well as the spread of the competence-oriented approach which has become central both to recently reorganized teacher training programmes and the quality development of teachers and teaching as a profession make the training of VET professionals a high-priority area for research. Generally speaking, VET teachers come from a relatively low social background, and that is reflected in their habits and attitudes (for example, they spend most of their leisure time with watching television). A study into the personality characteristics of teachers and students in teacher training programmes has concluded that they have lower self-esteem, are less open and active, and more insecure and emotionally unstable than the control groups. That, however, questions their eligibility for the profession, which, in turn, may jeopardize their mental health. The role with which VET teachers and trainers most identify with corresponds to what Eric Hoyle described as “restricted professionalism”. That is, they tend to focus on classroom activities, and, unlike their extended counterparts, pay less attention to the broader context of their profession. These and other research findings can often be connected to the low prestige and even lower income of VET teachers and trainers; that, obviously, plays a negative impact on both the quality of vocational education and the recruiting of young people to the profession.

1. Policy context

The issue of teacher training has been propelled into the limelight recently for several reasons: the implementation of the **Bologna Process**, the introduction of the competence-based outcomes of the **new National Qualifications Register** [*Országos Képzési Jegyzék, OKJ*], in addition to **negative trends** in the competences of students, all of which has made it clear that a diagnostic assessment of the current state of teacher training cannot be postponed any longer, and that a fundamental rethinking of its structure and conditions is inevitable. The **choice of this topic** has been further motivated by the fact that in the period under examination, since 2004, several high-

²⁴ Lídia Vinczéné Fekete, junior researcher, Observatory for Educational Development, Corvinus University of Budapest. **Reviewed by:** György Mártonfi, senior researcher, Hungarian Institute for Educational Research and Development (OFI), Budapest; Mária Nagy, Dr., University Professor, Head of Department, Eszterházy Károly College.

quality research reports and studies have been published, investigating teacher training in general and the training of VET teachers in particular. Some of the research projects were sponsored by state funds with the specific aim of making valid conclusions and **recommendations** available for decision-makers. Even though the recommendations put forward have been accepted in a fragmentary fashion, they have had an **impact** on legislation and other regulations, as well as on development programmes (these will be discussed in more detail in section 3.6).

The majority of the studies presented below do not (exclusively) focus on VET teachers. However, given that in Hungary school-based VET is provided within the framework of public education²⁵, and the fact that the training, employment and work of general subject and vocational teachers are regulated by the same rules and, in many cases, the same conditions apply, we should not ignore some of the most important findings of the studies examining general subject teachers.

1.1 Consequences of the Bologna Process

A new Higher Education Act, supporting the Bologna Process, was passed in 2005, and further supplemented by ministerial decrees regulating training and outcome requirements. Prior to 2006, higher education in Hungary had a dual system; students with a secondary school leaving certificate could apply to either colleges or universities, and upon successfully completing their studies, obtain either a college or university degree. Teacher training began right at the outset of higher education studies and lasted for 8 or 10 semesters, simultaneous to training in one or two specific majors of the students' choice, within the same higher education institution. The completion of training provided at teacher training colleges entitled graduates to teach in levels preceding the secondary education that prepared students for the high school leaving examination (that is, in the higher grades of primary school and the first two years of secondary school), while with a university degree graduates were qualified to work as teachers in secondary education. Nevertheless, vocational components of both kinds of training had been mostly integrated since the middle of the 1990's.

Some of the most important features of the new structure:

- The training of vocational trainers takes place at BA or BSC level, instead of four-year college courses; the number of semesters has decreased from 8 to 7.
- Teacher training can only be continued at **MA level**, thus the number of semesters have been reduced to 5, from 8 or 10 respectively; at BA level the training, worth only 10 credits, is designed to prepare students for the teaching profession.

²⁵ See VET in Europe – Country Report 2009, Hungary
http://libserver.cedefop.europa.eu/vetelib/eu/pub/cedefop/vetreport/2009_CR_HU.pdf

- The duration of practical training, however, has been increased, and now consists of a full **semester** of compulsory **teaching practice** conducted at an independent school (i.e. not in so-called practice schools closely affiliated with higher education institutions).
- The new training and outcome requirements of teacher training are now defined by **outcome competences**, as opposed to the previous input-centred approach.

The competences listed in ministerial ordinance 15/2006. (IV. 3) are in accordance with the expectations included in the EU²⁶ recommendations, issued a year earlier, that addressed teacher training. The sole difference is that the standards applied in Hungary are more comprehensive and entail a wider spectrum than those of the EU. After the publication of the general training and outcome requirements, teacher training institutions developed and submitted their programmes for accreditation. All these changes inspired research into the state and goals of teacher training.

1.2 National Qualifications Register [Országos Képzési Jegyzék, OKJ]

The training of vocational teachers underwent even greater changes than that of general subject teachers. The 2006 introduction of the new, competence-based National Qualifications Register in which all state-recognized vocational qualifications are listed has evidently transformed vocational education and training. As a result, the training of VET teachers has had to face bigger changes than general teacher training has.

The new professional and examination requirements, and the central programmes based on them, have been in the process of being worked out since 2006. For those who were working in VET in the few years after 2006 it was a great challenge to prepare the pupils to meet the new outcome requirements without previous training in it or a curriculum. This highlighted the importance of further training of vocational teachers and instructors.

²⁶ Notice (2007/C 300/07) from the Council and of the Representatives of the Governments of the Member States, meeting within the Council of 15 November 2007, on improving the quality of teacher education. The official website of the European Union, 12/12/2007

1.3 Negative trends in public education and vocational education and training

The results of the OECD PISA surveys²⁷ since 2000, and annual national assessment surveys have both drawn attention to the fact that Hungarian students, especially those in VET schools, perform rather poorly when it comes to applying their knowledge (see Figure 1 of Appendices).

There are several areas that policy makers need to attend to, for example: the high rate of vocational school dropouts, the relatively high age of teachers and the low supply of high-quality young professionals to replace them—the latter problem being particularly compelling in the field of technical VET.

Research investigating the motivations, abilities and earning expectations of those who opt for a career in teaching reveal that mechanisms of counter-selection prevail “at every juncture of the selection process: not only at the moment of applying to teacher training programmes, but also at the stage of making career choices upon completion of higher education studies, and then again, 5 and 6 years after starting a teaching career as well” (Varga 2007). Those with better abilities and better chances of earning higher incomes in other professions are less likely to choose to become teachers and/or remain in the teaching profession. Research confirms that this trend is closely related to the earning disadvantage of teachers in comparison with other higher education graduates (Ollé and Perjés, 2006; Simon, 2006; Varga 2007).

Drawing on a wide range of sources such as survey data, international examples, reports prepared by experts and extensive consultations with different parties involved, the Round Table for Education and Child Opportunities (Oktatás és Gyermekesély Kerekasztal, OKA), which was launched by the government in 2007, has prepared a diagnostic assessment of the current state of education policy, along with a set of recommendations (Fazekas et al., 2008). One of the top priorities is the enhancement of the quality of teachers’ work (see section 4.1 for more detail).

2. Issues and areas of research

2.1 Types of research

Research and publications on the training of VET teachers and trainers can be divided into three distinct groups according to their main **purposes**:

²⁷ <http://www.pisa.oecd.org>

- **Comprehensive** and large-volume research with the final goal of drafting policy and research recommendations (e.g. Balogh 2008, Falus 2006; Fazekas et al. 2008; Kadocsa and Varga 2007).
- **Smaller-scale** research or study focussing on a specific issue (e.g. Gáspár and Holecz 2005, Dudás 2007, N. Kollár 2008; *Mayer 2009*).
- Analytical studies based on comparative **international** surveys aiming to identify problems and facilitate the adaptation of good practices (e.g. TALIS, 2008; Tóth, 2006; Nagy 2008).

2.2 Main issues of research

The present report elaborates on the responses given to the following questions that were addressed in research conducted between 2004 – 2009:

- How can the background, views, motivations and competences of teachers working in IVET be characterized?
- Which competences are essential for the effective teacher?
- How should teacher training be transformed so that students would be able to put into practice what they have learned at university?
- How can the further training of teachers be renewed?
- What are the characteristics of the qualifications, views, and competences of teachers working in adult education?
- How have the recent initiatives and programmes for educational development been exploited?

Chapter 3 draws on these issues in summarizing the findings of the studies and analysis.

3. Main results

3.1 Personality traits and background of teachers

Risk factors **threatening** the mental and **psychological health** of teachers and increasing the possibility of burn out provide significant results that may serve as a starting point for future research.

It seems that certain **personality traits** are more likely to characterize students studying in or graduating from teacher training programmes than other types of higher education programmes. Those who opted for teacher training – regardless of their

actual occupation – are described with higher levels of reward dependence, emotional instability, and insecurity. At the same time, they are less open and energetic, and have a typically low self-esteem (Gáspár and Holecz 2005).

The average values of the mental characteristics of teachers working in the profession, at least those relevant in the context of teacher-student relationship, can be described as “optimal both in absolute terms, and also in comparison with the population average”. However, “the average deviation of certain mental scales reaches or exceeds the values of the general population” (Paksi and Schmidt 2006). Symptoms of **burn out**, interestingly enough, are **connected** not to age, gender or family background, but to the **following factors**:

- The experience of being overwhelmed or **overloaded**
- The resulting frustration, emotional exhaustion and depersonalization, further fuelled by the pressure of responsibility (Salavecz and Neculai, 2006)
- The overall **atmosphere of the work environment**, and organizational-collegial relations (Paksi and Schmidt 2006).

The OECD survey focusing on general subject teachers in primary schools (Teaching and Learning International Survey, TALIS²⁸) highlights the fact that Hungarian teachers lag behind other countries in their level of satisfaction with their work and their perception of their efficiency.

Instead of problem-focused **ways of coping** with difficulties (e.g.: planning, an active fight-back approach, asking for help), teachers are more likely to choose so-called **non-adaptive strategies** (e.g.: mental or behavioural passivity, denial, even alcohol or drug abuse in extreme cases; see Salavecz and Neculai 2006). Teacher training programmes therefore should better prepare their students to be able to use adaptive strategies in order to prevent their burning out down the road in the future (Gáspár és Holecz 2005).

Considering that VET teachers in Hungary have to face increased challenges (which they seem to be aware of, as evidenced by Figures 1 and 2 of the Appendices), it is no surprise that this group is characterized by a higher than average risk of exhibiting symptoms of both mental health problems and counter-selection.

A non-representative survey involving 510 vocational teachers and trainers examined, among other things, the **leisure time activities** of educators (Mayer 2009). Watching television and browsing the Internet were the most popular choices, and “reading literature” came third. Based on the answers, the latter refers to supplementary material used for the day-to-day preparation for classes; professional journals and publications, unfortunately, are not typically included in the reading lists of teachers. Leisure activities of this kind suggest a preference for non-adaptive, passive strategies for combating difficulties.

²⁸ http://www.oecd.org/document/0/0,3343,en_2649_39263231_38052160_1_1_1_1,00.html

The relatively small amount of average time devoted to self-improvement and cultural consumption may be accounted for by the fact that the majority of respondents (approx. 80%) can be classified as first generation intellectuals. That is, “many of them set out with a disadvantage with respect to the relation to cultural goods.” (Mayer 2009).

3.2 Competences

3.2.1 Definition of competences required for teaching

According to the Recommendation of the European Parliament and of the Council issued in 2006²⁹, key competences are defined as a transferable and multifunctional set of knowledge, skills and attitudes; **key competences** are necessary for lifelong learning and employability, and they also function as reference tools. In 2007 these competences were integrated into the National Core Curriculum. As a result of the collective efforts of several teacher training institutions and educational experts, the outcome requirements of teacher training were redefined about the same time. The ensuing ministerial decree³⁰ specifies eight key tasks/competences for teachers as well as the subject-specific knowledge, skills, competences and attitudes necessary to meet these tasks.

The Faculty of Psychology and Pedagogy of the Eötvös Loránd University (*Eötvös Loránd Tudományegyetem Pedagógiai és Pszichológiai Kara, ELTE PPK*) is the principal research centre in the study of training general subject teachers. Given that ELTE University does not offer vocational teacher training, the majority of research by ELTE PPK focusing on VET teachers has been carried out in cooperation with the higher education institutions that do train vocational teachers. Naturally, such research builds on studies focusing on general subject teachers.

One of the most important goals of the project entitled “The state and modernization of the training of VET teachers” – carried out in cooperation between several teacher training institutions in the country – was to work out the fundamental principles and methods upon which the **standard output competences of teacher training** adjusted to the new National Qualifications Register could be defined (Kadocsa and Varga, 2007). The research project coordinated by the College of Dunaújváros (Dunaújvárosi Főiskola) was a collaborative project between eight higher education institutions

²⁹ Recommendation of the European Parliament and of the Council, of 18 December 2006, on key competences for lifelong learning [Official Journal L 394 of 30.12.2006]. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:394:0010:0018:en:PDF>

³⁰ Decree No. 15/2006 (IV. 3.) of the Ministry of Education on the training and output requirements of undergraduate and master level training programmes defines the most important tasks/competences. Accordingly, teachers should be able to: develop the personality of students; encourage the development of student groups and organizations and assist with their operation; integrate discipline-, subject- and curriculum-specific knowledge; plan the pedagogical process; organize and manage the learning process; continuously evaluate both pedagogical processes and the personality development of students; engage in professional cooperation and communication; be committed to and take responsibility for professional development and self-improvement.

offering VET teacher training. One of the most important results of the research project, bringing together a variety of scientific and research approaches, has been the definition of the competences of VET teachers and their assigning to training modules with respect to two qualification groups (machinery and trade-marketing). The competence requirements of VET teachers for these occupational groups have been worked out independently, on the basis of two different approaches, but in both cases in accordance with the requirements of the new OKJ. The presentation of the two approaches and methods have provided the opportunity for comparing the features of the two models.

- When elaborating the competence profiles for the qualification group in trade, teaching activity was delineated based on professional competences. This approach values the importance of professional knowledge as opposed to teachers' competences, suggesting at the same time that pedagogical training is not a pre-requisite to teaching.
- The delineation of competence requirements for the machinery qualification group conveys the conviction that besides professional ones, teaching, personal, social and methodological competences are equally important (Tóth and Pentelényi, 2006).

The comparison of the two approaches highlighted the fact that the **first kind of approach** continues to be **dominant in the practice of many VET professionals**. The model applied for **the machinery qualification group**, on the other hand, demonstrates the **long-term goals and ideal operation** of VET teacher training (Kadocsa and Varga, 2007). It is promising, however, that the requirements specified in the **new OKJ**, being built on a psychological model and also requiring non-professional competences for each qualification, impacts VET teacher training as well.

Another survey carried out within the framework of the above-mentioned research project sought to explore the views of those directly involved in the teaching process, on the importance of professional and non-professional competences (Suplicz, 2006). The study was conducted among secondary school students, teacher trainees and teachers who had graduated from a teacher training college within the preceding five years. Respondents were asked to outline the characteristics of one of their teachers whom they assessed to be good or bad. The results were grouped into categories based on semantic analysis, which were subsequently divided into those which were "personality-dependent" and those that are "attainable". The responses of both students/pupils and teachers reflect that personality-dependent traits are more often mentioned among the positive characteristics than attainable ones. This suggests that only a part of the most important teaching competences can be developed, while; the share of personality-based features, which are hard to change and which are important from the point of view of teaching, may well exceed those of the attainable ones (see Figures 3-6 in Appendices).

While these features are pre-conditions of the popularity of teachers, rather than their efficient operation, research indicates that there is a strong **correlation** between **student performance** and the degree to which teachers are liked. It was found that on average pupils spend one hour more on preparing for the classes of those teachers they like (2.95 hours/week) as opposed to the classes of those they do not (1.99 hours/week). With respect to the achievement of pupils, it is on average one mark higher in subjects that are taught by their favourite teachers than in the others (Füzi, 2006, cited by Suplicz 2006).

It is worth taking into consideration what the above study implies: the most pronounced conclusion they arrive at is that an aptitude test should precede teacher training to also screen applicants with respect to these competences. The introduction of such a test is now in progress.

3.2.2 Mapping existing competences of teachers

Heads of VET institutions identified the most severe deficiencies with respect to the competences of teachers in the following areas (Szlovák and Makó 2006):

- Ability to **motivate** students
- **Skills development** of students with learning disabilities
- Student-teacher communication, **conflict management**
- Planning of the teaching-learning process, methodology, educational technology
- Up-to-date knowledge and technologies of the given vocational field

Vocational teachers, however, assessed their own communication, professional and organizational skills as **satisfactory**; whereas they identified their didactic, evaluative, developmental and reflective competences as their **weak spots** (see Figure 1) (Suplicz 2006).

One study that examined teachers in three countries (Nagy 2008) also emphasized the ability to **motivate** students: it seems that this is a competence that, theoretically speaking, not only Hungarian but also Italian and Dutch teachers consider as being of key importance, while admitting that their everyday practice leaves a lot to be desired in this regard. Similarly, the ability to facilitate “cooperation and an atmosphere of mutual trust” and to get acquainted with the cultural background of students and their parents, and then to use to this knowledge in teaching, are both important but not fully realized competences according to the respondents, regardless of their country of origin.

In addition, the cross-national comparative analysis of high-priority competences leads to the conclusion that while the Italian and Hungarian culture of the teaching profession corresponds to what Eric Hoyle described as ‘**restricted professionalism**’ (i.e. more classroom-focused), the role with which teachers in the Netherlands

identify, and which is more open to the broader context – the external connections and tasks – of the school, is much closer to the category of ‘**extended professionalism**’ (Nagy 2008).

Research that focused on trainees of vocational teacher training, as well as on VET teachers (Ollé and Perjés, 2006) draws on international literature³¹ in assessing the views of trainees and teachers about their own key competences using a five component model of key competences:

- Competences that enable the handling of complexity
- Competences that enable adequate judgement and communication
- Normative competences
- Competences enabling cooperation
- Narrative competences

The responses indicated that although teachers and teacher trainees gave a surprisingly **positive assessment** of their own competences, they perceived the greatest deficiencies with respect to the first two competence groups.

Thus it seems that improvement is most needed in the competences related to communication and to motivating pupils, however, teachers are not always aware of this.

3.3 Attitudes and applied teaching methods

The ideas most teachers entertain regarding the goals of education do not yet show the impact of recent trends in European and domestic educational policies.

- On the one hand, the most important goal of school education, according to the majority of teachers, is the **transmission of general knowledge and skills**; on the other hand, preparing students for the **labour market and for lifelong learning** were both rated as the least important tasks in the list (Mayer; 2009). What is promising, however, is that teacher trainees – perhaps influenced by the appearance of modern approaches in training – identified skills development as the most important goal when answering the same question (Ollé and Perjés; 2006).
- Many teachers have a limited **sense of their role**, and believe that the **effectiveness** of their work depends more on **conditions** they have **no control** over (infrastructure, external circumstances) than on the professional quality of their performance, even though an increasing number of research reports and publications (Goldhaber, 2002; Wright–Sanders, 1997, referred to by Sági

³¹ Rychen and Salganik, 2001

2006; McKinsey, 2007) support the notion that of all the factors in a school environment, the most influential on students' performance is the quality of their teachers' work.

- Related to the above, the set of **methodologies** applied is rather **poor**; while teachers are familiar with – and some of them occasionally adopt – special learning management methods and tools, frontal class teaching remains, unfortunately, the dominant practice (SZFP 2004; Hermann, no year).

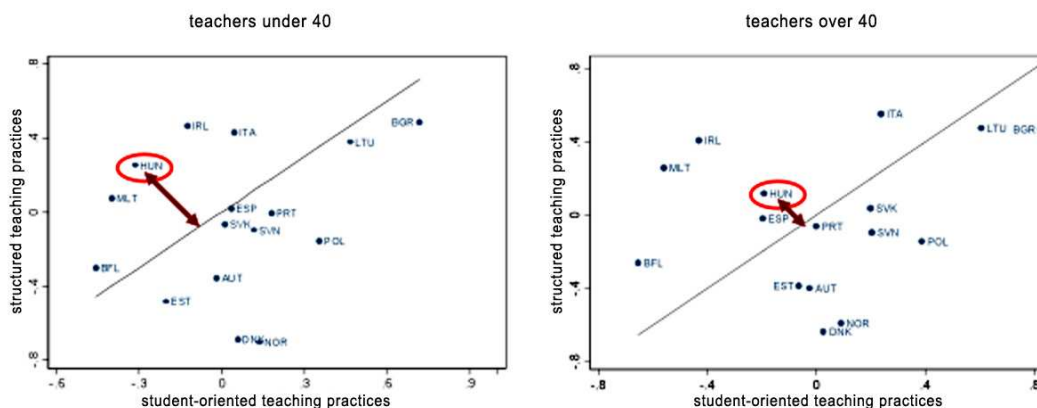
Studying the results of the OECD Teaching and Learning International Survey (TALIS)³² (see also section 3.1) reveals an interesting connection between the age of teachers and their **methodology** and **teaching attitude** (Hermann). According to the comparison of teaching attitudes by age groups, **younger** teachers prefer the **more traditional** practice of “direct transmission” to a “constructivist” attitude. For the former, the teacher's role is the transmission of knowledge, while latter views the teacher as a facilitator of active learning, who encourages independent thinking and assists students in seeking out answers for themselves.

In comparison with attitudes, more specific information can be gained from studying the characteristic forms of teaching. As Figure 2 of Appendices shows, in Hungary structuring teaching practices (frontal class teaching, traditional forms of teaching) dominate over other, more student-oriented practices based on group work, differentiation, etc. However, regarding their preference for either of these practices, there is a sharp generational divide between teachers under and over 40: **younger** teachers tend to rely on **structuring practices** significantly more often than their older colleagues do (see Figure 7 of Appendices).

While these indicators have no direct bearing on the effectiveness and quality of teaching, they may be symptoms of severe quality deficiency (Hermann). One of the possible explanations is the lack of experience of young teachers and their consequently limited repertoire of teaching methods and tools; however, they may also indicate deterioration in the quality of teacher training. If the former is the case, then a similar phenomenon should be observed in **other countries**. That, however, is not supported by the findings of the survey regarding other countries; in most places the connection between teachers' age and their preferred teaching practice is either the exact opposite or insignificant (see Figure 1). In European comparison, this connection seems to be exclusive to Hungary, at least in such a marked fashion. Furthermore, the mechanisms of counter-selection observed in the choice of teaching as a career – and discussed above in section 1.3 – also testify to the same tendency (Varga, 2007).

³² http://www.oecd.org/document/0/0,3343,en_2649_39263231_38052160_1_1_1_1,00.html

Figure 1: Preference for structured and student-oriented teaching practices by age groups in Europe



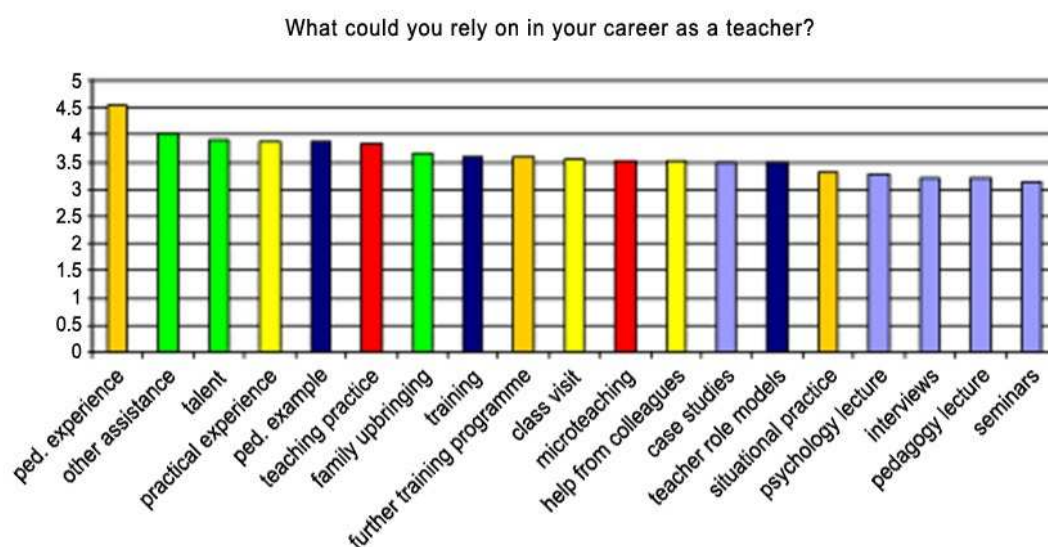
Source: Hermann, no year given

3.4 Reforming teacher training

A number of studies call for a revision of the content of Hungarian teacher training (Kárpáti 2008; Hanczár, 2008; Tóth, 2006). The reason behind this is that – in comparison with other European countries – teacher training programmes in Hungary consist of a disproportionately large number of **theoretical** studies (including quite a few that have little bearing on everyday practice, e.g.: history of education), while courses that prepare students for classroom work and practical training in schools are underrepresented. Applying a practical focus to university courses is not helped by the fact that the even those who carry out the training of teachers often do not have teaching degrees.

A list of helpful components of teacher training compiled retrospectively by practicing teachers provides a kind of feedback on the usefulness of teacher training programmes (N. Kollár, 2008). As Figure 2 shows that the most useful input (numbers 1, 4, and 6) for the teaching profession are related to practical experience. As for the effectiveness of teacher training programmes, the results of the survey are quite devastating: related components are all at the bottom of the list.

Figure 2: Different sources of assistance over the course of preparation for the teaching profession, as practicing teachers recalled in retrospect, in order of their usefulness



Source: N. Kollár, 2008

That preparation for the teaching profession is not limited to university years is a reasonable conclusion given the findings of the research discussed above, but continues even after it – and perhaps that is the most intensive period of learning in becoming a teacher. However, research into the situation, experience and problems of **young teachers** at the outset of their career reveals that schools in Hungary do not take this fact into account: in general, their work load is no lighter than that of their more experienced colleagues, and the **assistance** they receive is contingent on their ambitions, the general atmosphere of their school, and the goodwill of their co-workers (Nagy 2004). Even though the number of class visits by more experienced teachers is quite high in international comparison (Hermann, 2009), these usually are not followed by reflection and analysis (Nagy, 2004).

Since there is no definite conclusion to the process of preparing for the teaching profession, the **starting point** of learning to become a teacher is also fluid. The ideas of what constitutes a teacher, which may be correct or misguided, and how teaching should be carried out, begin to take shape in the minds of future teachers' long before they enrol in teacher training programmes. Therefore, in order to make teacher training truly effective, the baggage of ideas and opinions all students arrive with when they start their university studies should be **sorted out and adjusted** (Falus 2006, Suplicz 2006).

The examination of **ideas** students in teacher training programmes share (Dudás, 2007; Köcséné, 2007) drew attention, among other things, to two noteworthy features:

- Even if they are exposed to the most up-to-date trends in teacher training, university students seem to cling to more traditional and generally accepted **approaches** to knowledge transmission that they experienced during their school years. That is, they consider the teacher to be an active, creative agent, while students are viewed as merely passive objects in the creative process.
- Most of them attach an unrealistically **high level of significance to the personality traits** of the teacher, and consider the process of preparation for the teaching profession to be much less important.

Because these views prevent the internalization of new ideas, it is critical that they be identified accurately as early as possible, right at the **start** of teacher training programmes (Dudás, 2007; Köcséné, 2007).

3.5 Further training of teachers

The law prescribes for teachers and trainers to participate in further training programmes of varying length and level³³ every seven years. These programmes are provided mainly by higher education institutions, pedagogical professional services or private companies.

Despite the fact that the **participation rate of** Hungarian teachers in further training programmes does not exceed the OECD average, they tend to be more satisfied with both the number and the quality of such programmes (Hermann 2009b). While this conclusion was reached on the basis of a survey of primary school teachers, the following leads us to believe that the **needs** of VET teachers and trainers are similar:

- According to a non-representative survey, more than half of all VET professionals have participated in only one further training programme over the course of their career, while one quarter of them have no such experience (Mayer, 2009).
- Although free in-house training is organized by several schools, the participation rate is rather low.
- Many VET teachers (38% according to the non-representative survey) have no practical experience whatsoever in the vocation they teach, nor do they have any connection with practitioners in their area; worse still, many of them do not seem to feel the need for them (Vidékiné, 2006).
- The majority of the teachers working in adult training lack a degree in andragogy, and most of them do not consider that to be important (Kraiciné 2008).

³³ For more see chapter 6.2.2 of the Hungary. VET in Europe – Country Report 2009
http://libserver.cedefop.europa.eu/vetelib/eu/pub/cedefop/vetreport/2009_CR_HU.pdf

Researchers studying further training programmes (Nagy, 2004; Liskó, 2004) identify the following issues as **problematic**:

- There is no quality assurance provided for further training programmes (Kárpáti, 2008).
- While there is a need, higher education programmes leading to teacher training diplomas and further training programmes for practicing teachers are not connected to one another, the latter not being built upon the former.
- Higher education institutions could play a key role in further training; however, as it stands now, it is their programmes that participants rate the lowest, both in terms of quality and usefulness (Nagy, 2004).
- Neither young teachers at the outset of their career nor those over 50 are required to participate in further training programmes; even though it is these two groups that are in the greatest need of consolidating or updating their knowledge.
- Participation rates in further training programmes are not related to the severity of the issues and challenges certain types of school have to face; for example the participation of VET teachers and trainers is significantly below average (Liskó, 2004)
- Further training programmes are out of touch; the topics they offer seldom relate to the actual problems of schools that the participants come from (Liskó, 2004).
- The international survey TALIS indicates (see section 3.1.) that in comparison with other countries, the number of teachers in Hungary who pursue academic activities (research, publication, etc.) is very low (Hermann, 2009b).

3.6 Development programmes and developments

Several programmes and measures have been introduced recently which aim at dealing with the problems discussed here.

Among the issues mentioned in section 1.3., the **further training of VET professionals** and the **reduction of the drop-out** rate are addressed by study visits, further training, electronically available, subject-related and methodological auxiliary materials, provided within the framework of the Vocational School Development Programme³⁴ since 2004. One of the sub-projects of the Social Renewal Operational Programme³⁵ serves a similar function in that it supports the workplace and language training of VET teachers and trainers.

³⁴ <http://www.szakma.hu>

³⁵ <http://www.nfu.hu/doc/5> and <http://www.kepzesevolucioja.hu/>

The methodological training of those working in **adult training** are supported by a wide range of textbooks, methodological and subject-specific handbooks prepared within the framework of the Human Resource Operative Programme, and made electronically available to all since 2008.

Based on the recommendations from research on **practical training** and the experience of **junior teachers**, a supervised, uninterrupted six-month long teaching practice was introduced into teacher training (MA/MSc) programmes. In cooperation with an international team of members from 12 countries, domestic experts developed a **training** programme for **mentors** between 2006 and 2009, which takes into account both the current practice of mentoring and the consequent needs and demands for improvement.³⁶ A three-year induction period has been introduced to facilitate the integration of career starting teachers who are already employed. The details of the traineeship programme, which seeks to ease the burden on career starters and which includes mentoring, are elaborated by the educational institutions according to their own needs and characteristics.

4. Conclusions and recommendations

4.1 Policy recommendations

Based on research findings and assessments of the current situation, policy recommendations are articulated around **two main objectives**:

4.1.1 Increasing the prestige of the teaching profession

Applicants to teacher training programmes should be **filtered** more effectively, especially with regard to personality competences that are difficult to change or develop (Suplicz, 2006). Introducing **differentiation into the pay scale** of teachers is clearly needed. Furthermore, in order to keep talented teachers in the profession, **research** and **doctoral scholarships** could be launched to support academic activities or participation in research and development projects (Fazekas et al., 2008).

4.1.2 Reform of teacher training

Competence outputs of teacher training have already been defined; however, the **assessment methods** and tools of these **competences** still need to be determined (Falus, 2006, Rapos, 2009). The **evaluation** of teacher training institutions according to a uniform **quality assurance system** could contribute to a renewal of teacher

³⁶ Teacher Induction: Supporting the Supporters of Novice Teachers in Europe (TISSNTE) <http://www.tissnte.eu/?cmd=gsIndex>

training, bringing it up-to-date both in terms of methodology and content. A recurring recommendation coming from researchers (Balogh, 2008; Hanczár, 2008; Kárpáti, 2008) is to make it compulsory **that those pursuing teacher training in higher education obtain teacher qualifications and complete teaching practice.**

Another important step in the attempt to make teacher training more practical, an effort welcomed by all involved, would be to coordinate the functions and content of the three phases of practical training (i.e. the six-month, uninterrupted teaching practice taking place in the 5th semester in the case of those studying to become a university lecturer; and the three-year induction period; Falus, 2009).

Teacher training should include modules that prepare students for **VET and adult training** (Balogh, 2008), and help future teachers to effectively improve the often inadequate basic **competences** of VET students.

The effectiveness of **further training** programmes for teachers could be greatly enhanced if they were carried out within a **unified** system with initial training (Kárpáti, 2008). However, this would require the elaboration of the phases of development (Falus, 2009). It would also be important to enable trainees to choose their training based on the real issues that schools have to face (Liskó, 2004), and to introduce stricter monitoring with respect to the quality and effectiveness of further training programmes (Kárpáti, 2008).

4.2 Recommendations for research

As the research results discussed here reveal, investigation into the training of teachers who work in public education is quite extensive. Nevertheless, there is a **lack** of reliable studies on one of the most important issues, namely **the effectiveness of teacher training** (Nagy and Lannert, 2006).

The quality of teacher training is obviously determined by the quality of applicants. However, an analysis of the impact of training, salary, employment and bonus policies on the **quality of the teaching workforce** has to be carried out to ensure that the most effective measures are selected in an effort to reverse the currently prevailing contra-selective processes.

The effectiveness and quality of teaching could be measured more successfully if the competences, delineated in the training and outcome requirements, were broken down into measurable and precisely defined **competence standards**, and if they were used to regularly assess teacher trainees and teachers.

The majority of research focusing on teachers **does not deal** with the issues and problems specific to **VET** (Kadozca és Varga, 2007), and they hardly ever contain comparative data to make a contrastive analysis of general and VET training possible. The relatively small number of research projects addressing the training of VET

teachers, as well as the limited resources available, draw attention to the necessity of increasing the level of **cooperation** between researchers of general and VET teacher training.

Over the course of the period examined here, issues of **further training** have been given less attention as research activity has concentrated mainly on the primary (MA/MSc level) stage of teacher training. Despite the trend over recent years for EU calls to tender to require further training related to development projects – their monitoring and analysis have not yet taken place.

Unless we have a clear picture of these important interconnections, it cannot be said with certainty that recommendations and steps made to reform teacher training are getting to the heart of the problem. **Assessing** these connections would not only result in **efficient measures** but it would also make existing **knowledge** on teaching **broader**, more professional and more **objective**, as well as ensuring that the issue receives the **attention** it merits.

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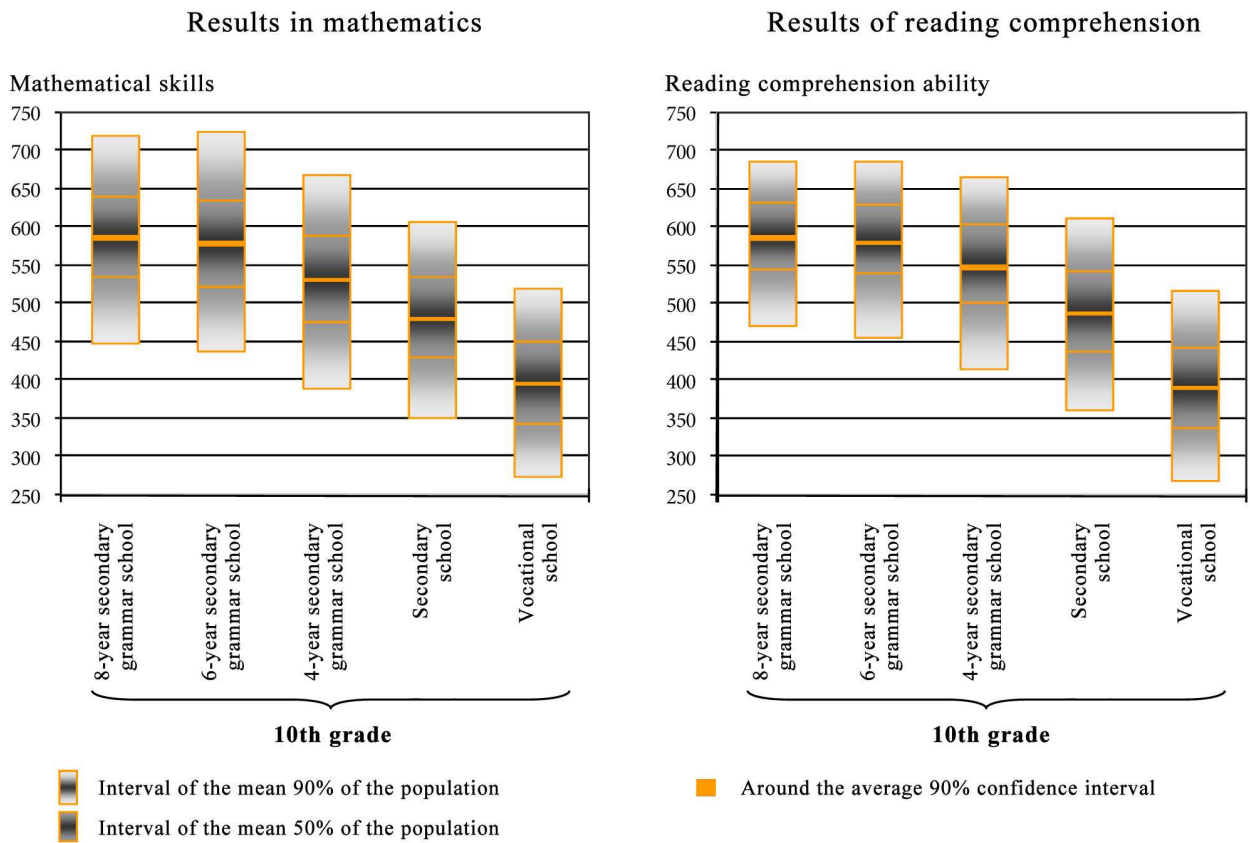
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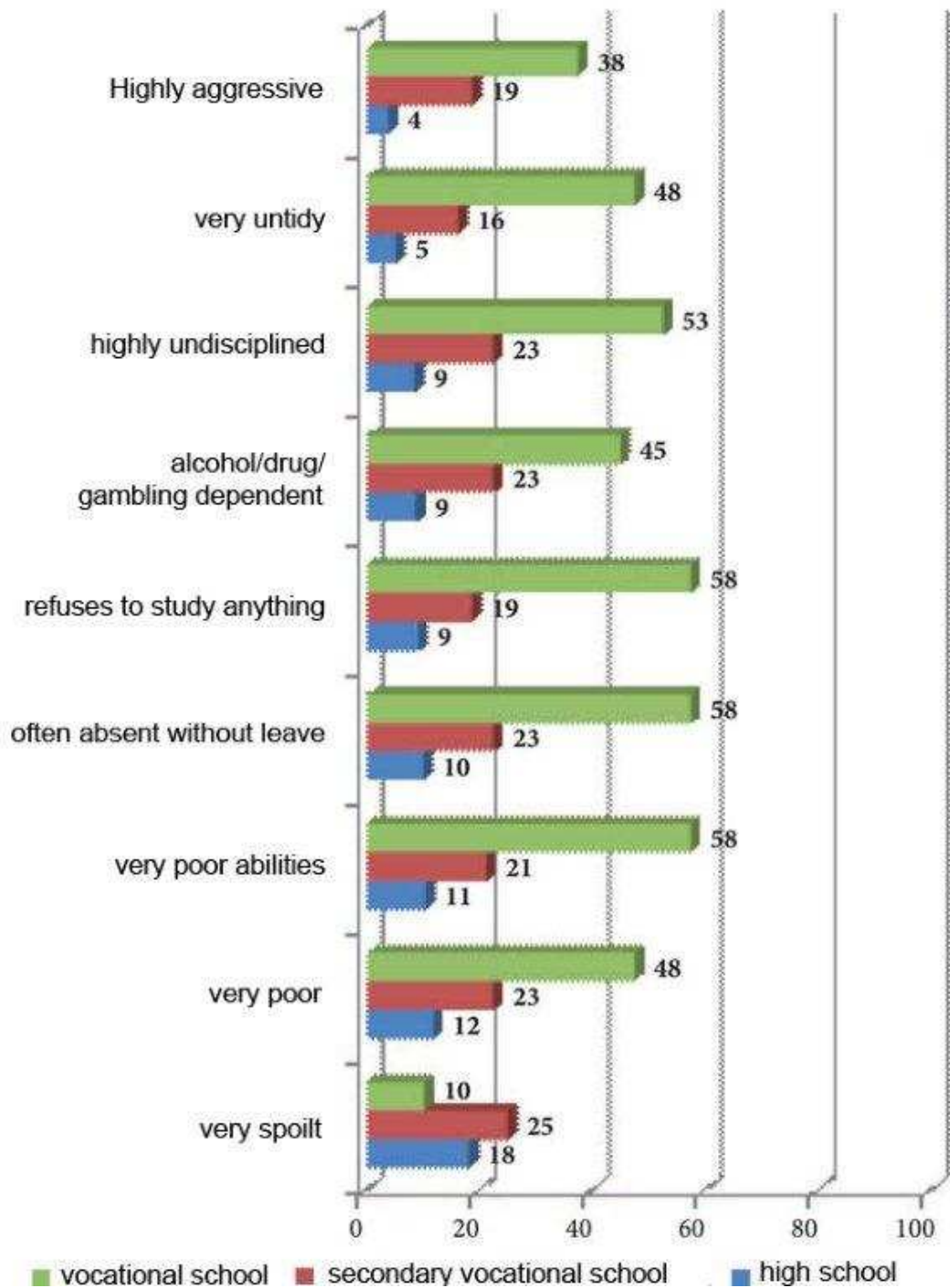
7. Appendix

Figure 1. Average values for 15-year old pupils in mathematics and reading comprehension by institution type



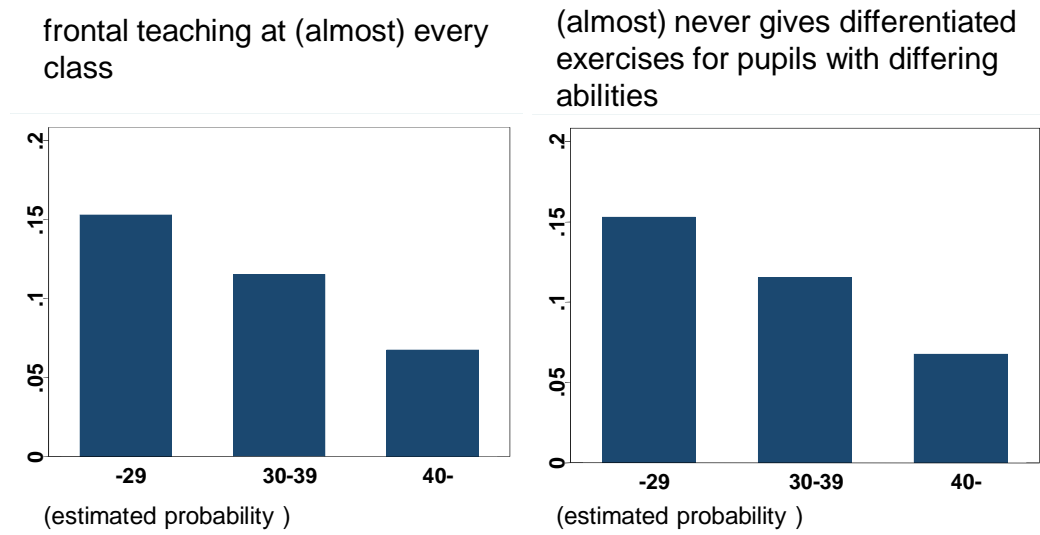
Source: OKM, 2008

Figure 2. Negative characteristics of pupils participating in training courses as assessed by teachers of vocational institutions



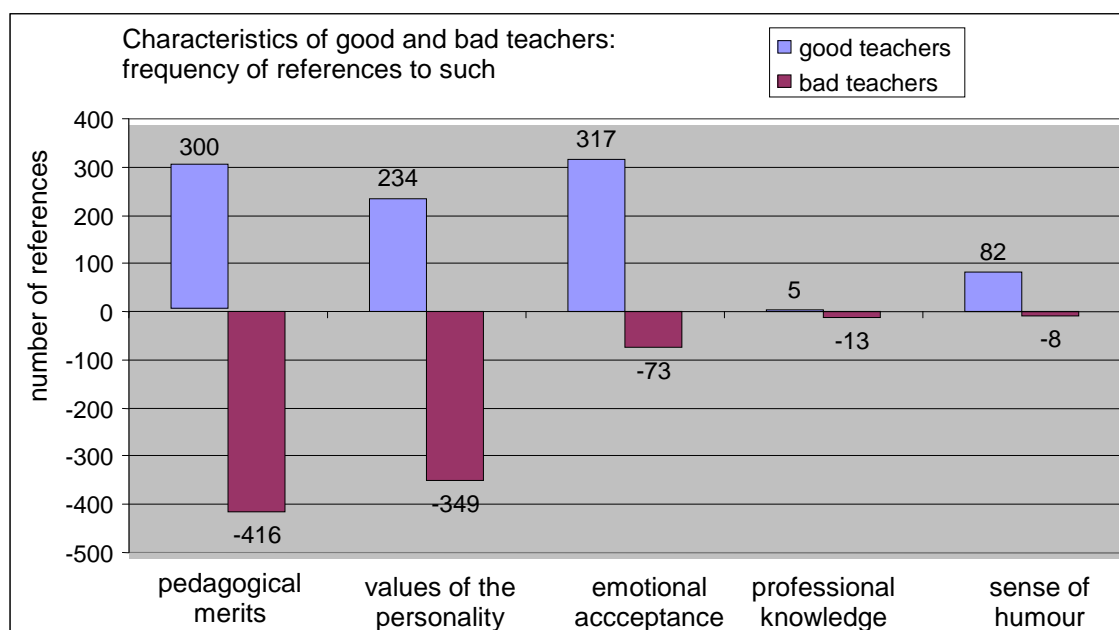
Source: Mayer, 2009

Figure 3. Frequency of instances of frontal and differentiated teaching by the age of teacher



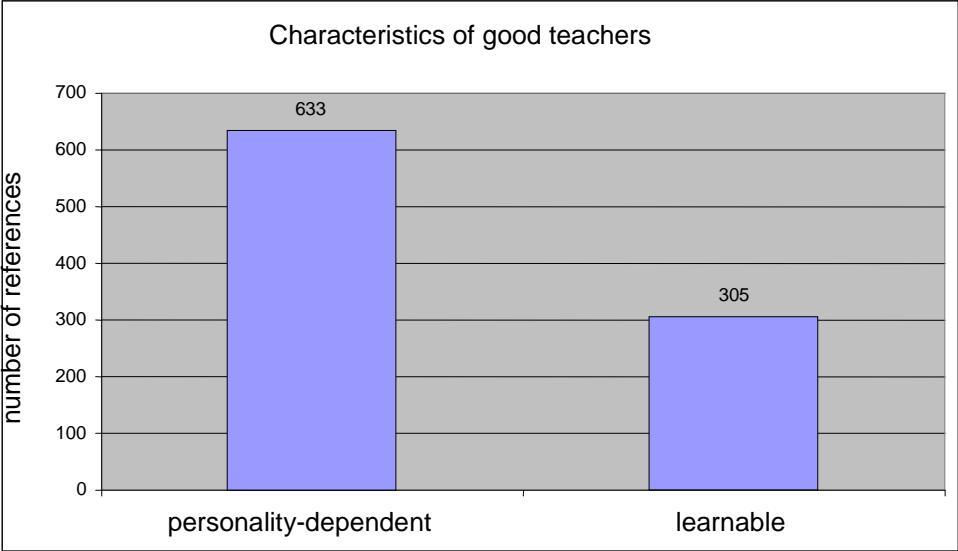
Source: Hermann, 2009

Figure 4. Characteristics of good and bad teachers – the opinion of secondary school students



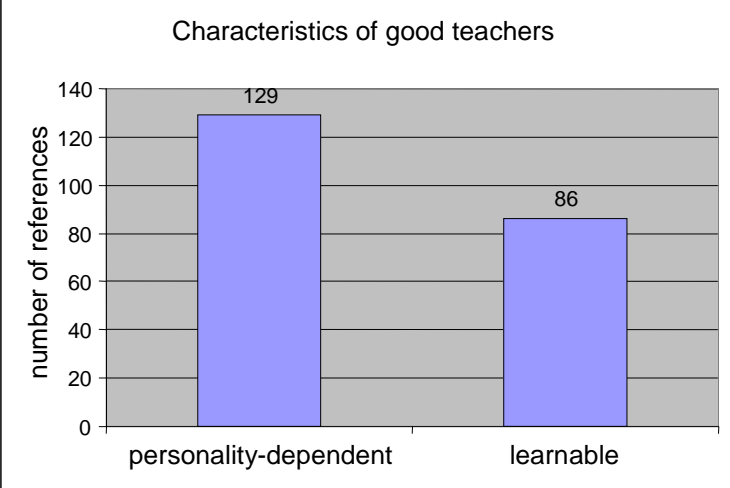
Source: Suplicz, 2006

Figure 5. Proportion of personality-dependent and learnable characteristics of teachers according to the opinion of secondary school students



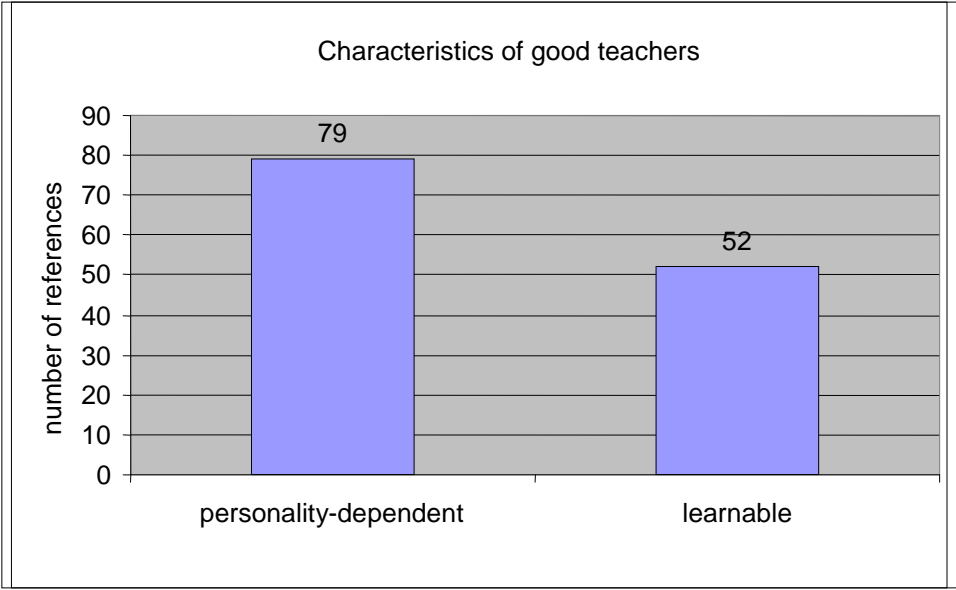
Source: Suplicz, 2006

Figure 6. Proportion of personality-dependent and learnable elements in the responses of students pursuing teacher training



Source: Suplicz, 2006

Figure 7. Proportion of personality-dependent and learnable elements in the responses of teachers



Source: Suplicz, 2006

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