



Oktatási  
Minisztérium

# Legislative Reform in Higher Education

## HUNGARIAN UNIVERSITAS PROGRAM

a long term strategy for reform and  
investment

A tudás  
a hajtóerő

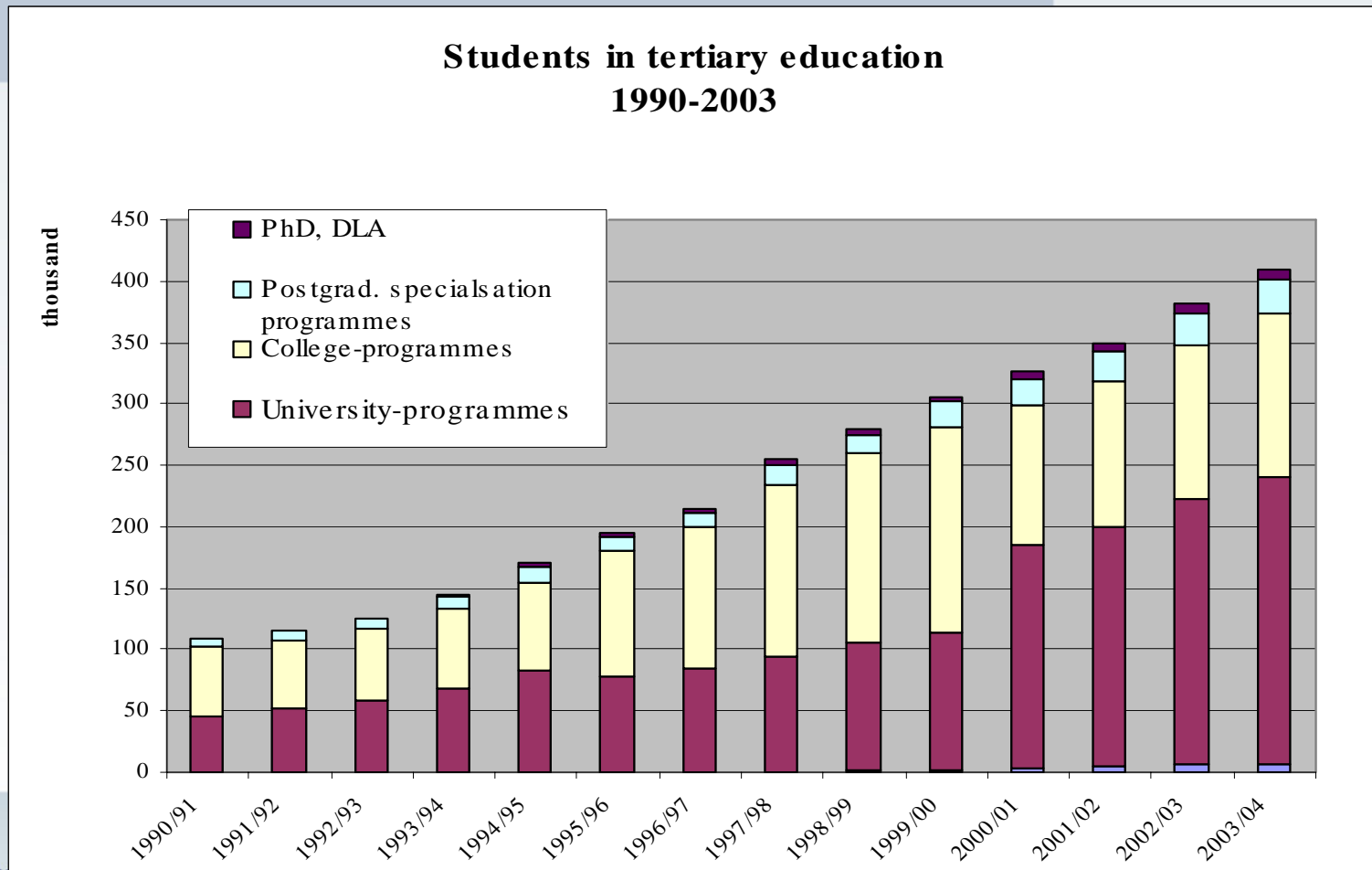
by **Bálint Magyar**  
minister of education



Cselekedni  
most és mindenkiért

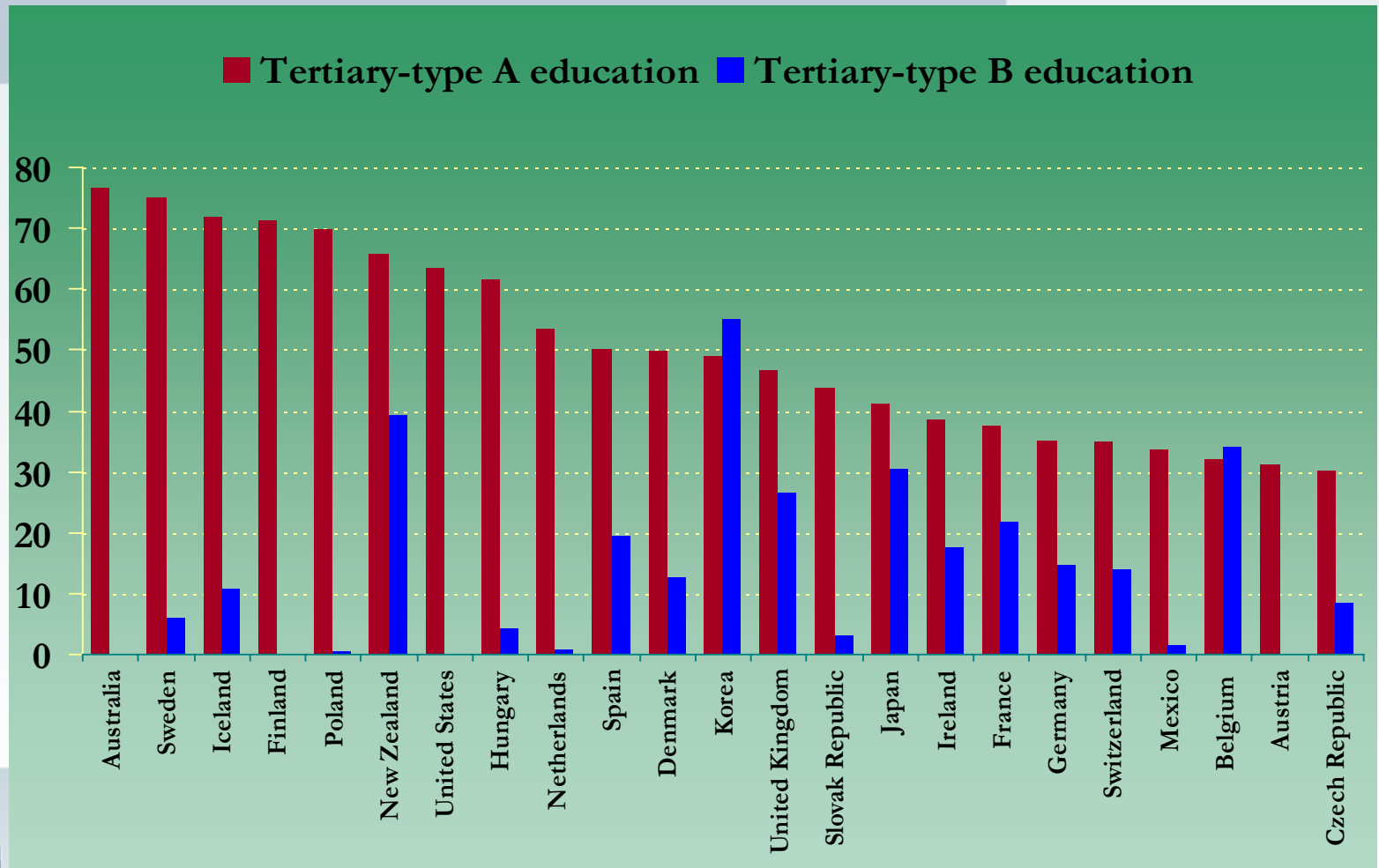
6. November 2004.

# Number of students in Hungary 1990-2003



Current entry rates suggest that the growth will continue

**Sum of net entry rates for single year of age  
in tertiary-type A and tertiary-type B education**



Source: OECD, 2004

# Tertiary graduation rates (2002)

Percentage of tertiary graduates to the population at the typical age of graduation, by programme destination and duration

	Tertiary-type B programmes (first time graduation)	Tertiary-type A programmes (first time graduation)				Advanced research programmes <sup>2</sup>
		All programmes	3 to less than 5 years <sup>1</sup>	5 to 6 years <sup>1</sup>	More than 6 years	
	(1)	(2)	(3)	(4)	(5)	(6)
<b>OECD countries</b>						
Australia	m	45,4	35,9	9,5	a	1,3
Austria	m	18,0	2,7	15,3	n	1,7
Czech Republic	4,5	14,9	2,1	12,9	a	0,8
Finland (1)	3,7	45,4	27,3	17,5	0,6	1,9
France (1)	18,5	24,8	8,6	15,3	0,9	1,4
Germany	9,8	19,2	6,5	12,7	a	2,0
Hungary	1,3	37,2	x(2)	x(2)	x(2)	0,7
Ireland	12,7	31,1	23,8	7,3	x(4)	0,8
Italy (1)	0,9	22,7	2,5	20,2	n	0,5
Japan	26,7	33,8	29,3	4,5	a	0,7
Poland	n	41,5	x(2)	x(2)	x(2)	0,8
Slovak Republic	2,7	23,0	5,0	17,9	a	0,8
Spain	13,8	33,5	x(2)	x(2)	x(2)	1,0
Sweden	3,8	32,7	31,5	1,2	a	2,8
Switzerland	18,9	17,9	x(2)	x(2)	x(2)	2,6
United Kingdom	11,5	35,9	33,3	2,5	0,1	1,6

Notes: **x** indicates that data are included in another column. **x(2)** means that data are included in column 2.

(1) Year of reference 2001.

„a” Data not applicable because the category does not apply

„n” Magnitude is either negligible or zero.

„m” Data not available.

Source: OECD. See Annex 3 for notes ([www.oecd.org/edu/eag2004](http://www.oecd.org/edu/eag2004))

# Challenges for Hungary

## Achievements

- Thousands of students - expansion of higher education
- Excellent talents, prize winners
- Traditions of education and research
- New University Centers to serve regional needs (mergers)

## Weaknesses

- Higher education expansion is not complemented by emphasis on quality
- The current course structure is inflexible and does not support mobility
- The financing system does not provide sufficient freedom for competitiveness
- The infrastructure is inadequate for the changing demand
- The current payment system does not provide incentives for excellence
- Funding for research is far below the EU average

# Hungarian UNIVERSITAS Programme a long-term strategy for reform and investment.

## Objectives

- Provide high quality teaching and research, competitive knowledge and skills also by international standards
- Increase support for students and international mobility
- Ensure equal access right
- Introduce performance based funding and payment schemes for lecturers/researchers
- Create the conditions for good quality teaching and research also in the infrastructure
- Strengthen links between higher education and the economy

# Pillars of the Hungarian UNIVERSITAS Programme (2004)

- I. Joining the European Higher Education Area
- II. Extending students' rights and financial support for mobility
- III. Institutional management and finance reform
- IV. Infrastructure investment programme involving private investors (PPP)
- V. Research and Development Programme with increased funding

# The New Higher Education Act

## the regulatory framework for modernizing Hungarian higher education

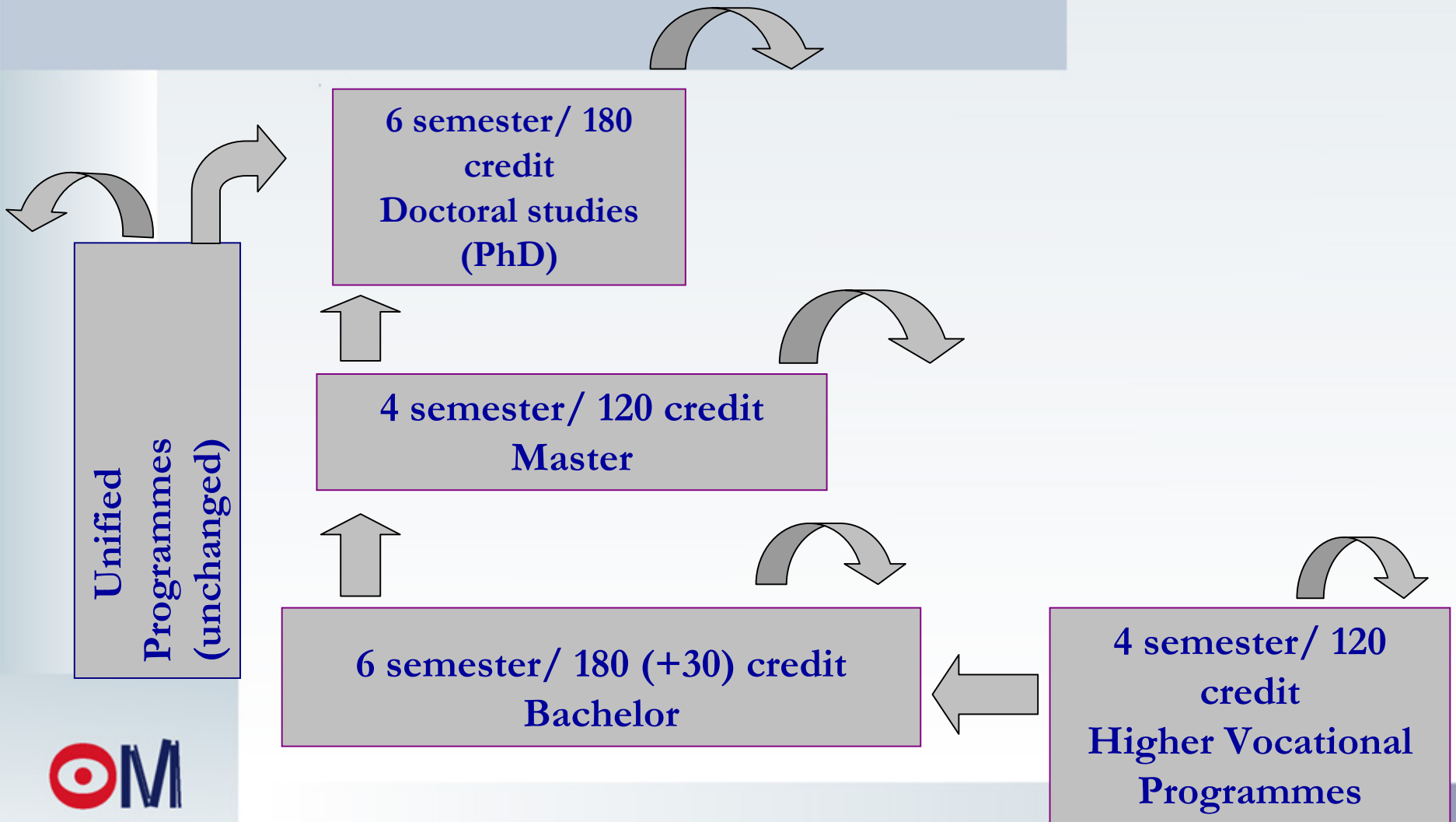
### Provisions cover the following areas:

1. Changing role of the state as regulator and maintainer - the latter only in case of state institutions (nearly half of Hungary's higher education institutions are not state owned);
2. The governance of higher education institutions (introducing new management structures to strengthen management capacity);
3. The structure and quality of teaching and research (new course structure, new funding formulas, new pay packages for staff based on performance);
4. Higher education and the economy (financial freedom, new tax formulas, increased R and D funds);
5. Students (students rights, new forms of support for internal and external mobility);



# The three cycle system

(The new course structure)



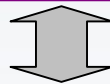
# Institutional Management

## New structures for State Higher Education Institutions

### The University Board

**(External) Members:** majority (4-5) delegated by the university senate (one member by the students), minority (2-3) by the minister of education All members must have adequate management competencies, strict political incompatibility. Chair: **the Rector**

**Main functions: strategic decisions**

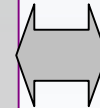


### Senate

**Members:** academic and administrative staff, students

Chair - elected by members

Main functions: decides mainly on academic matters, gives an opinion on Board proposals



### Rector

Executive of the institution,  
Chair of the Board  
with both academic and management competencies

# Freedoms and Funding for the institutions

## Objectives:

Enable our institutions to become competitive centres for teaching and research and make long-term strategic decisions.

## Measures include:

Providing incentives to universities by making the current state funding system less rigid.

- Such incentives include more flexible use of state budget allocations,
- institutions are free to utilize their real estates,
- may enter into business relations, partnerships,
- may establish economic companies,
- take out a loan,
- make long term commitments for the purposes of infrastructure investments.

# Student Mobility

- Student voucher system
- State support for studies at European institutions
- New system of loan for students – also for foreign studies
- Favourable conditions for student employment

# Higher Education Infrastructure Development Programme (PPP)

Investment	Period	Amount
Government invested program	2000-2004	142 million EUR
The extension of educational buildings, construction of new buildings with all modern facilities	2004 – 2008.	473 million EUR
Extending student residence places, new modern residence halls (18 institutions, 200-1200 beds)	2004 – 2007.	200 million EUR
<b>Total:</b>		<b>815 million EUR</b>

# Increased funding in Research and Development

- Innovation Law – comprehensive reform of Research and Development
- Research and Technological Innovation Fund – 70% increase in the financial contribution
- Fostering the cooperation between economic and academic/research spheres

# Managing the Process of Change

1. The new concept paper was circulated in autumn 2003
2. A social debate followed with all stakeholders until spring 2004
3. The new strategy was launched in June 2004  
(Government resolution - supported by the relevant professional bodies)
4. Legislation to underpin the proposals is due in spring 2005
5. Implementation of the strategy, beginning in September 2005