Hungary

VET in Europe – Country report

2012
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# Table of contents

List of tables and figures  4  

CHAPTER 1  5  
1. External factors influencing VET  5  
1.1 Population and demographics  5  
1.2 Political and socio-economic context  5  
1.3 Educational attainment of the population  6  
1.4 The economy and the labour market  8  

CHAPTER 2  12  
2. Providing vocational education and training in a lifelong learning perspective  12  
2.1 Diagrams of the education and training system  12  
2.2.1 VET within the formal school system  16  
2.2.2 VET outside the formal school system  28  
2.3 Other forms of training  28  

CHAPTER 3  33  
3. Shaping VET qualifications  33  
3.1 Statistical description of the labour market and analysis of its processes  33  
3.2 Anticipation of skill needs, labour market supply and demand  33  
3.3 Career tracking of school leavers  34  
3.4 Shaping and continuous development of qualification structure and content  35  
3.5 The transformation of the institutional structure of IVET  37  
3.6 Overhaul of the examination system  38  
3.7 Increasing participation of the actors of the economy in VET (policy making, planning, content development, training provision and examination)  39  

CHAPTER 4  41  
4. Promoting participation in vocational education and training  41  
4.1 Financial incentives  41  
4.2 Regulatory instruments  43  
4.3 Guidance and counselling structures and services  44  
4.4 Campaigns and competitions  45  

Bibliography  47  
Websites  56  
Acronyms and abbreviations  58  

Annex 1. Other tables and figures quoted in the report  60  
Annex 2. Glossary  69  
Annex 3. Legislative references  73
List of tables and figures

**Figure 1**  Distribution of learners in year 9 by upper secondary programme type, 1990-2012 (%). For exact figures see Annex 1 Table 4..................  7

**Table 1**  IVET programmes within the formal school system in 2012.......................... 19

**Table 2**  Number and distribution of students in grammar schools and IVET programmes by school type (2011/12)........................................ 21

**Table 3**  Teachers and trainers in IVET................................................................. 27

**Table 4**  Number of students participating in training contract-based practical training... 37

**Table 5**  Number of vocational school scholarship beneficiaries and annual amount paid................................................................. 42
CHAPTER 1

1. External factors influencing VET

1.1 Population and demographics

Hungary is 93,030 km² and has around 10 million inhabitants (see Annex 1 Table 1). Approximately 99% of the people speak Hungarian as their native language. The majority are ethnically Hungarian (magyar). The largest minority group are Roma, numbering approximately 600,000 (6%), most of whom claim themselves Hungarian as well. German, Croatian, Slovakian, Romanian and others comprise less than 2% of the population. Although decreasing in line with general demographic trends, the birth rate among Roma is significantly higher than that of other groups. Among school-aged children the share of Roma is also significantly higher than the average.

In line with European trends Hungary’s population is ageing. The number of both young people below 25 and the working-age population (25-64) are falling, while the number of people aged over 65 is on the rise (see Annex 1 Table 2). Since 1981, owing to low birth rates and relatively high mortality rates, the population has been decreasing. The old age dependency ratio is expected to continue to rise (see Annex 1 Table 3). An increasing share of people over the age of 50 in the working-age population concurs with a declining number of school-aged children. That indicates a further decrease of learners in IVET and an increasing demand for CVET and other forms of adult learning.

To a small extent, immigration has offset the population decline since the early 1990s. Most immigrants are well-qualified Hungarian-speaking citizens from the neighbouring countries. In international comparison their absolute number and proportion is low and declining (especially since Romania joined the EU). Immigration from developing countries is insignificant. Emigration of qualified people – college/university graduates and qualified skilled workers – to Western Europe, however, seems to be accelerating under the sustained crisis.

1.2 Political and socio-economic context

Hungary has been a parliamentary republic since 1989. Its main legislative body is the Parliament, currently with 386 members, elected by the people for four years. The Parliament elects the President, the representative head of the state, and the Prime Minister, the head of the government who has executive power. The government that came into office in 2010 enjoys a two-thirds majority in parliament, has drafted a new constitution and has been radically transforming the ways in which the state and its subsystems – including education and VET – function. At the end of 2011 a new Public Education Act and a new VET Act were

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1 According to the 2001 census data, 98.85% of all respondents described themselves as native Hungarian speakers. Source: Hungarian Central Statistical Office; http://www.nepszamlalas.hu/hun/kotetek/04/tabhun/tab103/load103.html.
passed. The previously decentralised education system is in the process of becoming increasingly centralised. With regard to VET, the Hungarian Chamber of Commerce and Industry (Magyar Kereskedelmi és Iparkamara, MKIK) has come to play a dominant role in the shaping of vocational education and training, with significant influence on public\(^2\) and higher education policy as well.

The 19 counties and the capital city of Budapest, the traditional mid-level public administration units, have less administrative power than the more than 3 000 local governments. That, however, will change from January 2013. In matters of education, for example, both local and mid-level elected bodies have a diminishing role to play; the maintenance of schools, for the most part, will belong to the central government, including such important scopes of authority as the appointment of headteachers or the financing of the salaries of teachers.

For planning and statistical purposes, seven NUTS II level regions were created in 1999 in line with EU requirements. They were subdivided into altogether 175 statistical micro-regions, i.e. regional development and statistical units based on functional relationships between the settlements. Under the new name of districts, micro-regions will take on significant public administration functions from 2013, and so will county-level government offices.

The sustained crisis has had a negative impact on the population's quality of life, especially among those with low income but also affecting middle-class people. Between 2006-2010 the average net income of families grew by 11.7%, compared with a 25.3% increase in the consumer price index in the same period\(^3\). The trend has not changed yet.

1.3 Educational attainment of the population

Most students (around 98-99\%) complete the eight years of primary school (általános iskola, ISCED 1A-2A) by the age of 16. A significant expansion of secondary and tertiary education began in the early 1990s. Initiated primarily by the growing social and economic demand for higher level qualifications, it soon became one of the top priorities of education policy. Enrolment in upper secondary schools awarding the secondary school leaving certificate (érettségi bizonyítvány, ISCED 3A), the prerequisite for entry into higher education, has grown considerably. ‘Vocational schools’ (szakiskola, SZI, ISCED 3C, occasionally 2C)\(^4\), however, do not offer their students the option of taking the exam. As a result of this and of the lower labour income and social status SZI graduates can expect, ‘vocational schools’ have lost out both in prestige and student numbers to grammar schools and ‘secondary vocational schools’ (szakközépiskola, SZKI)\(^5\). While the number of people with tertiary level qualifications has been rising continuously, the rate for the working-age

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\(^2\) For public education, see Annex 2 Glossary.


\(^4\) See Annex 2 Glossary.

\(^5\) See Annex 2 Glossary.
population, and especially in the 30-34 age cohort, is still lower than in EU-27 (28.1% versus 34.6% in 2011\(^6\)), especially among men.

As Figure 1 below shows, the share of student enrolment in different types of upper-secondary programmes changed quickly and significantly in the 1990’s. On the one hand, interest in programmes that lead to a secondary school leaving certificate – the prerequisite to admission to higher education and thus leading to better jobs and higher salaries – rose sharply; on the other, enrolment in ‘vocational schools’ that do not award the aforementioned certificate fell markedly. The two trends mutually reinforced each other, reaching some sort of consolidation by the beginning of the new millennium, and then reversed a couple of years ago. Due to education policy measures, both the share and the number of students opting for ‘vocational schools’ have begun to rise.

**Figure 1** Distribution of learners in year 9 by upper secondary programme type, 1990-2012 (%). For exact figures see Annex 1 Table 4.

![Diagram](source: Ministry of Human Resources, 2012.)

The proportion of young people leaving education and training early is lower (11.2%) than the EU average of 13.5% (for more data see Annex 1 Table 5). This can partly be explained by the expansion of secondary education and the opportunity to acquire the first vocational qualification free of charge in full-time education. The fact that around 95% of students pass the secondary general\(^7\) or the vocational examination should also be considered. Similarly to other East-Central European countries, the percentage of the population aged 20 to 24 having completed at least upper secondary education has been permanently higher in Hungary than the EU average (see Annex 1 Table 6).

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\(^7\) Balázs et al., 2011:170.
Nevertheless, the relatively high rate of early school leavers is a serious problem, particularly in ‘vocational schools’ (SZI). As research studies confirm, the Hungarian education system has become exceedingly selective and polarised. Disadvantaged students are more likely to end up in ‘vocational schools’ that are unable to compensate for their drawbacks, and thus produce high drop-out rates contributing to the reproduction of inequalities.

Despite various measures in recent years to increase participation in adult education and training, rates have remained far below the EU average, with a downward trend since 2004 (see Annex 1 Table 7). The national target by 2013 – as opposed to the EU targets of 12.5% for 2010 and 15% for 2020 - is 8%. As regards gender, fewer men tend to partake in lifelong learning (LLL) than women, and the gender gap is significantly wider than in other countries. One of the reasons for these low figures is that adult learning activity is concentrated in the more educated and younger population who tend to be more motivated to be trained.

1.4 The economy and the labour market

Hungary’s economy had been steadily growing at an annual rate of over 4% real GDP on average until the middle of the past decade (see Annex 1 Table 8). As a result, the GDP per capita reached 63.6% of the EU average in 2006, from less than 50% 10 years before. However, the growing budget deficit and national debt combined with austerity measures introduced since late 2006 halted economic development even before the global financial crisis. Following an economic contraction of 6.8% in 2009, the economy recovered in 2010 with a big boost from exports. Currently the annual GDP is forecast to decline by 0-1% in 2012, and to show minimal growth in 2013.

The economy of Hungary is small and open, dominated mainly by micro enterprises (94.7%); 4.4% are small and 0.7% are medium-sized enterprises. In 2009 SMEs employed 71.0% of the workers but only produced half of gross value added (see Annex 1 Table 9). At the same time, primarily large enterprises – particularly foreign companies – can be credited for the economic growth that took place between 1997-2006; their contribution to the export of processing industry is also significant.

In 2010 the largest share of the workforce (28.0%) was employed in the distribution and transport sector, followed by non-marketed services (23.3%), and manufacturing (20.8%). The primary sector and utilities (7.0%), construction (7.3%) and business and other services (13.5%) accounted for 27.8% of employment (see Annex 1 Table 10). Constant shortage of properly skilled workers in certain sectors, occupations and regions, as well as inadequate skills have hampered economic development. Participation in CVET is low and correlates strongly with company size.

Hungarian employment rates are exceptionally low, especially among the low qualified, disadvantaged, women and elderly. In 2011 only 55.8% of the population aged 15-64 were employed, lagging far behind the EU-27 average rate of 64.3%; the employment rate of women is consistently 10% lower than that of men (see Annex 1 Table 11). The employment
rate of young people between 15 and 24 years was little more than half of the EU-27 average in 2011 and less than half of the 55-64 age group worked in the same period, which is 10 percentage points lower than the EU-27 average. Low employment figures are accompanied by very high inactivity rates, which are in fact one of the highest in the European Union (see Annex 1 Figure 1).

For this reason, consecutive governments have tried to attract more people to the labour market, especially those who considered staying away from work a better option. The government that took office in 2010 has been particularly active in this regard. Early retirement options have been considerably restricted, and the eligibility age for both old-age pension and also for several job-specific pre-retirement pension schemes have been raised. Eligibility criteria for disability pension schemes have been tightened. Both the amount and the benefit period of jobseeker’s allowance (i.e. unemployment benefit) have been reduced. Eligibility criteria for social assistance paid to those no longer entitled to receive jobseeker’s allowance have been constricted, and its amount has been reduced. The Labour Code was changed as of January 1, 2012, introducing regulations that point towards a more flexible labour market. Within the context of economic stagnation, however, these measures have had little impact so far.

The distribution of employees by main occupation groups in Hungary is markedly different from the EU-27 average (see Annex 1 Table 12). Significantly less people work in jobs that require a college/university degree but that can be accounted for by the low number of male higher education graduates (while the share of women in skilled non-manual jobs is exactly the same as the EU-27 average). Moreover, the share of men in the skilled manual group is 8% higher than the European average, in the case of women the difference is 4%. That is, significantly more skilled workers do manual jobs in Hungary than in the EU.

Labour market activity and success in Hungary are still more closely linked to educational attainment than in most developed countries. In comparison with other OECD countries, for example, the relative earning advantage of higher education graduates over the average employment income of those with ISCED 3 and 4 qualifications was 210% in 2010. The OECD average is 155% (see Annex 1 Table 13). However, the relative earning disadvantage of ISCED 0-2 is only slightly lower than the OECD average (73% and 77%, respectively).

In general, high rewards are attached to educational attainment in the labour market. People with a secondary school leaving certificate (érettségi bizonyítvány) earn considerably more than those without the same qualification. Vocational qualifications have a much more modest return. The earning advantage of skilled workers without a secondary school leaving certificate (ISCED 3) over those with the lowest level of educational attainment (ISCED 0-2, with neither secondary school leaving certificate nor vocational qualification) is smaller than that of skilled workers with a secondary school leaving certificate (ISCED 4) over skilled workers without a secondary school leaving certificate (ISCED 3).8

8 Kézdi et al. 2008.
That is, the labour market in Hungary, unlike in most developed countries, is not only divided by levels of educational attainment but also shows sharp divisions within the ISCED 3-4 level. Since 2000 these differences have further increased in international comparison (see Annex 1 Table14).

Employment rates show strong correlation with both educational attainment and age; however, there are some significant differences in comparison with the European labour market in this regard. While the employment rates of younger and older people are both below the EU-27 average (with 16% and 10%, respectively), the 25-49 age group is only 5% behind (see Annex 1 Table 15), and that can be accounted for by the relatively low employment of low qualified workers (16% less than EU-27 average). The 25-49 age group with ISCED 3-4 and ISCED 5-6 qualifications is only 3-4% below the European average rate. Unfortunately, relative employment rates in all age groups have deteriorated over the past decade, and even rates below the 50+ age group have declined. The rise of employment in that particular group is due to the fact that the eligibility age for old-age pension has been raised.

The employment rate of those with the lowest educational attainment is significantly lower in every age group than in the EU. However, it is strikingly low among young people aged 15-24: their rate of employment is 5.4% against the EU-27 average of 21.5% (see Annex 1 Table 15). That is, only one in every twenty young people with an ISCED 0-2 qualification has a job. The employment rate of young college/university graduates, however, is identical to the EU-27 average.

Unemployment has been increasing in recent years. Of the total population aged 15-64, 11.2% were jobless in 2010, 11.6% among males, 10.8% among females; these figures, apart from some seasonal fluctuation, have stayed basically the same since then. Youth unemployment is higher than the EU average (2010: 26.6% 15-24 year-olds versus 20.8%) and particularly high among those with the lowest level of educational attainment (ISCED 0-2): 41.4%. This is 14 percentage points higher than the EU-27 average (see Annex 1 Table 16). Unemployment rates have increased in every ISCED group since 2007; men have become jobless at a faster rate than women (see Annex 1 Table 17).

Due to the significant expansion in higher education, the number of registered unemployed has almost doubled among higher education graduates between 2001 and 2010. Still, they only account for 5% of the total number of people without a job. The share of unemployed people with low educational attainment has decreased (from 42 to 39%), and so has that of skilled workers (ISCED 3) with no secondary school leaving certificate (from 34 to 31%).

Those without a job who are no longer entitled for unemployment benefit may receive social assistance in the amount of EUR 100-200. The ISCED 0-2 group is markedly overrepresented among the recipients; every second person who receives social assistance has only completed 8 years of primary school or less. Approximately every fourth of those

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who are in need of social assistance is a skilled worker (27%). College/university graduates constitute only 2% of this group, while the share of those with a secondary school leaving certificate is 14%.

Total public expenditure on education as % of GDP at secondary level of education (ISCED 2-4) was a little higher in Hungary a couple of years ago than the EU-27 average (see Annex 1 Table 18). However, recent developments have turned that around. The figure for upper-secondary education has been decreasing since 2005 and the trend is the same concerning data on public expenditure per student as well.\textsuperscript{10} The trend is still decreasing, and is also characteristic of the lower and higher levels of education.

\textsuperscript{10} Balázs et al., 2011: 113-114.
2. Providing vocational education and training in a lifelong learning perspective

2.1 Diagrams of the education and training system

Diagram 1

The education and training system in Hungary in 2011–2012
Notes for Diagram 1: The education and training system in Hungary in 2011–2012

1. Age levels given in the diagram are indicative only. Adult education programmes are offered at all levels of education for older age groups as well.

2. Special catching-up programmes of 1-2 years are available for students aged 15 or over (the diagram is not absolutely accurate here) without the primary school graduation certificate to obtain the competences necessary for entering a vocational training programme. The certificate awarded is equivalent to the primary school graduation certificate in case the participant had completed at least 6 years of primary school.

3. The new ‘dual VET’ type of training will be introduced from school year 2013/2014 generally, but optionally could be and was launched in some schools in 2012, too.

4. Early VET (előrehozott szakképzés) providing ISCED 2C/3C level vocational qualification between 2010 and 2012.

5. Bilingual secondary vocational school programmes beginning with a 'language preparatory year' run for 5 years (instead of 4); bilingual grammar schools offer 5/7/9 years of general education (instead of 4/6/8).

6. Besides adult training, adults can also participate in adult education (felnőttoktatás), which is offered at all levels of education and training in full or part time programmes. Graduates of vocational schools can obtain the secondary school leaving certificate in a three-year adult education programme. They can then obtain an OKJ qualification of a higher level in the VET years of secondary vocational schools.
Diagram 2

The education and training system in Hungary from 2013

- Postgraduate specialisation programmes, ISCED 5A
- MA/MSc master programmes, ISCED 5A
- MA/MSc long university programmes, ISCED 5A
- PhD/DLA programmes, ISCED 6
- Higher education VET, ISCED 5B
- BA/BSc bachelor programmes, ISCED 5A

- Special vocational programmes, ISCED 2/3C
- ‘Bridge’ ISCED 3C/2C
- Secondary vocational school (SZKI), ISCED 3
- Grammar school, ISCED 3A

- Lower secondary education, ISCED 2
- Primary school (including special needs education)
- Pre-primary education, ISCED 0

- Basic education certificate
- Admission procedure, entrance examination
- Secondary school leaving examination
- Vocational examination
- Higher education diploma (BA, BSc, MA, MSc, Specialisation diplomas)
- PhD, DLA

Legend:
- Next education level
- Labour market
- Schooling is compulsory from the age of 3 to 16
- Length of course in year
- Special education programmes
Notes for Diagram 2: The education and training system in Hungary from 2013

1. Age levels given in the diagram are indicative only. Adult education programmes are offered at all levels of education for older age groups as well.

2. In special vocational programmes the number of years is not regulated by law, it is defined by the special framework curricula applied by the institution.

3. Bridge II: 1 year long special catching-up programme for students aged over 15 without the primary school graduation certificate but completed six years, providing career orientation and a partial qualification (ISCED 2C) in order to obtain the competences necessary for entering a vocational training programme or the labour market.

4. Bridge I: 1 year long preparatory and career orientation programme for students who have obtained primary school graduation certificate but were not admitted to secondary education. Prepares students for the entrance examination to upper-secondary education.

5. Bilingual secondary vocational school programmes beginning with a 'language preparatory year' run for 5 years (instead of 4); bilingual grammar schools offer 5/7/9 years of general education (instead of 4/6/8).

6. Number of VET years in post-secondary SZKI can be higher depending on the pursued qualification and previous studies.

7. Besides adult training, adults can also participate in adult education (felnőttoktatás), which is offered at all levels of education and training in full or part time programmes. Graduates of vocational schools will be able to obtain the secondary school leaving certificate in a two-year programme. They can then obtain an OKJ vocational qualification of a higher level in the VET years of secondary vocational schools. Or, having passed a master craftsman examination (mestervizsga) and worked for at least for 5 years, they will also be able to pursue higher education studies in a field that matches the sector of their VET training.
2.2 Government-regulated VET provision

2.2.1 VET within the formal school system

Historical background: reforms and restructuring

Upon completing year 8 of primary school, students could choose between three different pathways until the late 1990’s. Grammar schools (gimnázium) and ‘secondary vocational schools’ (szakközépiskola, SZKI) both lasted for 4 years and prepared for the secondary school leaving certificate, and thus for admission to higher education; ‘secondary vocational schools’ led to an ISCED 3 vocational qualification as well. Skilled workers training schools (szakmunkásképző iskola) prepared young people for the labour market in 3 years. In 1998, a significant reform was launched which introduced the present – and soon-to-be outgoing – structure of VET schools. From that point the first 4 years of SZKI – though providing pre-vocational training – award secondary school leaving certificates only; in order to obtain an ISCED 4 level vocational qualification students have to spend another year or two at school and complete a vocational programme. Skilled workers training schools have been replaced by ‘vocational schools’ (szakiskola, SZI) that comprise of 2 years of general education and pre-vocational training, followed by 2 or 3 years of vocational training.

Extending VET by one or two years did not help to prepare graduates better for their occupations. Also, drop-out rates from SZI remained high. The new approach that emerged in recent years aims to retain young people in education and training and ensure supply of skilled workers by starting VET earlier, just as before 1998, at the age of 14 (as opposed to 16). This ‘early VET’ programme was introduced in 86 occupations in parallel to the existing VET structure in 2010. The current government that took office in 2010 intends to raise the share and prestige of VET. VET will be shorter, less theoretical and include more work-based learning, with more training conducted at enterprises. To this end, the prime minister and the president of the Hungarian Chamber of Commerce and Industry (Magyar Kereskedelmi és Iparkamara, MKIK), signed a framework agreement in November 2010. The MKIK is to play a key role, as it takes on VET-related tasks previously performed by the state, financed from the state budget (see also chapter 3).

From 2013 the current 4 to 5 year-long skilled-worker training programmes at ‘vocational schools’ (szakiskola, SZI) will be replaced by a three-year programme. ‘Secondary vocational schools’ (szakközépiskola, SZKI) will also include a VET component, including practical training right from the start and will entitle school leavers to take up certain jobs.

The strategic and legal framework is already in place. In May 2011 the Government approved a new and detailed VET concept paper. The concept paper (‘on the restructuring of the VET system in adjustment to the needs of the economy’) rests on the principles of the framework agreement concluded in Nov 2010 between the Prime Minister and the Hungarian
Chamber of Commerce and Industry (MKIK), further specified in a detailed framework agreement signed by the minister of national economy and the president of MKIK. A new VET Act and a new Public Education Act were passed by the Parliament in 2011\textsuperscript{11}; relevant legal provisions are coming into force in three major waves (1 September 2012, 1 January 2013 and 1 September 2013).

**VET pathways**

Upon completion of primary and lower secondary education, learners can choose between three different upper secondary education tracks\textsuperscript{12}:

(a) **grammar schools** (gimnázium, ISCED 3A) offer four (or in bilingual schools five) years of general education and award a secondary school leaving certificate (érettségi bizonyítvány), the prerequisite for admission to higher education; graduates can also move on to post-secondary VET (see below).

The new VET Act and new Public Education Act of 2011 have introduced significant structural changes to school-based VET provision. The current system will gradually phase out and from school year 2013/14 students will only be admitted to the new type of VET programmes.

(b) **secondary vocational schools** (szakközépiskola, SZKI) currently offer four (or in bilingual schools five) years of general and pre-vocational education (ISCED 3A) leading to a secondary school leaving certificate; afterwards learners are free to choose if they want to participate in one to three years VET (ISCED 4C) to obtain a vocational qualification or move to higher education. The duration of VET depends on the qualification to be acquired. For most students it is one year, as their pre-vocational training is recognised.

From 2013 'secondary vocational school' training (szakközépiskola, SZKI) is being changed. As before the 1998 reform, SZKI will again provide VET parallel to general education from grade 9. This will involve vocational theoretical and practical training in the common content of qualifications in a given sector. Upon completion of the first four SZKI years (years 9-12) and taking a ‘vocational secondary school leaving examination’ (szakmai érettségi), students will not receive a vocational qualification listed in the national qualifications register (Országos Képzési Jegyzék, OKJ). They will, however, obtain a certificate that qualifies them to enter at least one occupation in the sector of their training. Should they wish to continue their studies, they can train for a post-secondary level OKJ vocational qualification, or apply for college/university. As previous vocational training in SZKI will be recognised, ISCED 4 level post-secondary VET will last for one year for most students. It should be noted that graduates of secondary vocational schools will only be able to continue their studies within the same sector.

\textsuperscript{11} Act of 19 December 2011 on national public education; Act of 19 December 2011 on vocational education and training.

\textsuperscript{12} Table 1 at the end of this section shows the two major types of IVET programmes as they currently are in 2012.
(c) ‘vocational schools’ (szakiskola, SZI) up until recently have provided general and pre-vocational education and training in the first two years; they are followed by one to three years of VET at ISCED 3C to obtain an OKJ vocational qualification. Graduates can enter the labour market. To progress to higher education they need to pass additional 3 year long programmes. The last time students could be admitted to this type of SZI programmes was September 2012.

A special three-year VET programme, called ‘early VET’ (előrehozott szakiskolai képzés) was launched in September 2010, running simultaneously with the existing VET structure. This new form of vocational school programme allows students to start vocational training right after the completion of the eighth grade of primary school (általános iskola, ISCED 1A-2A) at the age of 14, so they may obtain a vocational qualification as early as the age of 17.

The new VET law of 2011 introduced a so-called ‘dual VET model’. It will be the only option from 2013/14, and some vocational schools chose to launch it in September 2012. Vocational school (SZI) programmes will run for three years, simultaneously providing general education as well as vocational education and training from the start. The proportion of practical training in the new 3-year programme is significantly higher, while that of vocational theoretical education and particularly general education is lower.

‘Special vocational school’ and ‘special skills development vocational school’ programmes educate students in need of special education due to mental or other disabilities. The objective is to prepare 14-23 year old students for the vocational examination awarding an ISCED 2C (or less typically 3C) level OKJ vocational qualification, or to provide them with skills necessary to start working and begin an independent life. Special vocational school programmes last for at least four years, and they may or may not begin with two general education years.

As Figure 1 in Chapter 1 illustrates, participation in these different types of upper secondary programmes has not changed markedly over the last decade.
<table>
<thead>
<tr>
<th>Type of educational programme</th>
<th>Main economic sectors</th>
<th>ISCED levels</th>
<th>Balance general/vocational subjects</th>
<th>Balance school-based/work-based training</th>
<th>Duration</th>
<th>Permeability: possible horizontal transfer and progression</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vocational school (szakiskola, SZI)</strong> (*)</td>
<td>General education grades (years 9-10)</td>
<td>3C</td>
<td>General education subjects (min. 50%); pre-vocational education (max. 50%)</td>
<td>School-based</td>
<td>2 years</td>
<td>Horizontal: secondary vocational school (SZKI) and grammar school</td>
</tr>
<tr>
<td></td>
<td>VET grades (years 11, 11-12, 11-13)</td>
<td>3C (or 2C) (**)</td>
<td>Primarily vocational training</td>
<td>Depends on the qualification, the school and the student’s decision (see ‘practical training provision’ below)</td>
<td>1-3 years, depending on the qualification (*)</td>
<td>Horizontal: none; upon completion entry into the labour market Progression to higher level studies: only after three years full-time or part-time general education to acquire secondary school leaving certificate</td>
</tr>
<tr>
<td></td>
<td>‘Early VET’ programme (előrehozott szakiskolai képzés) (years 9-11)</td>
<td>Manufacturing, construction, agriculture, business and other services</td>
<td>3C (**)</td>
<td>1/3 general education subjects (around 1 000 hours)</td>
<td>First year: school-based; years 10-11: primarily work-based</td>
<td>3 years</td>
</tr>
<tr>
<td><strong>Secondary vocational school (szakközépiskola, SZKI)</strong> (*)</td>
<td>General education grades (years 9-12, 9-13)</td>
<td>3A</td>
<td>Primarily general education, trade group-based pre-vocational subjects are provided in max. 16-26% of mandatory teaching hours</td>
<td>School-based</td>
<td>4 years (5 in bilingual schools)</td>
<td>Horizontal: Grammar school, vocational school (szakiskola, SZI) or (in grade 9 or 10) an SZKI programme in another occupational field Progression: SZKI VET grades (ISCED 4C) or higher education (ISCED 5A/B)</td>
</tr>
<tr>
<td>VET grades (years 13, 13-14, 13-15)</td>
<td>4C</td>
<td>Vocational training</td>
<td>Depends on the qualification, the school and the student’s decision, but typically school-based (see ‘practical training provision’ below)</td>
<td>1-3 years, depending on the qualification</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>----</td>
<td>----------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------</td>
<td>----------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Horizontal: none; upon completion entry into the labour market</td>
<td>Progression: see general education grades above</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(*) Vocational schools of art (művészeti szakiskola) programmes provide parallel vocational and general education that may already start in grades 5 or 7.

(*) Special and ‘special skills development vocational schools’ (speciális szakiskola, készségfejlesztő speciális szakiskola) target learners with mental or other disabilities and award ISCED 2C or 3C levels vocational qualifications, or provide them with the skills necessary to start working and begin an independent life.

(*) Currently most students participate in three-year programmes.

(*) Introduced in September 2010, ‘early VET’ programmes are not yet classified officially.

(*) Secondary vocational schools of art (művészeti szakközépiskola) programmes provide parallel vocational and general education that may start in grades 5, 7 or 9.

(*) Typically it is one year, since the two-year programme is reduced by one or two terms for those who did years 9-12 or 13 at SZKI and had pre-vocational training.
VET at secondary and post-secondary levels

At the age of 14, learners decide whether they will take up VET and which VET pathway and field of study they will choose. As Table 2 shows, in 2011/12 around two thirds of full-time students at upper secondary level were enrolled in the two VET pathways. Given the programme structure, only around 15% of all learners at upper secondary level were in ‘VET grades’, around 45% in the ‘general education grades’ (with strong pre-vocational parts in curriculum) of both types of VET schools.

By shifting the vocational training component of SZKI to post-secondary level in the late 90s, acquiring an upper secondary leaving certificate plus a vocational qualification (ISCED 3A/4C) can take until age 21, but typically takes until 19.

Table 2  Number and distribution of students in grammar schools and IVET programmes by school type (2011/12)

<table>
<thead>
<tr>
<th>School Type</th>
<th>Number</th>
<th>% of total upper secondary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vocational (SZI) (a)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General education grades (9-10)</td>
<td>42,311</td>
<td>9.12</td>
</tr>
<tr>
<td>VET grades (11, 11-12, 11-13) (b)</td>
<td>71,573</td>
<td>15.42</td>
</tr>
<tr>
<td>early VET</td>
<td>15,556</td>
<td>3.35</td>
</tr>
<tr>
<td>Total</td>
<td>129,440</td>
<td>27.89</td>
</tr>
<tr>
<td>Secondary vocational (SZKI)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General education grades (9-12/13)</td>
<td>164,991</td>
<td>35.55</td>
</tr>
<tr>
<td>VET grades (post-secondary non-tertiary level)</td>
<td>54,709</td>
<td>–</td>
</tr>
<tr>
<td>Total</td>
<td>219,700</td>
<td>–</td>
</tr>
<tr>
<td>Grammar school</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General education (grades 9-12/13)</td>
<td>169,651</td>
<td>36.56</td>
</tr>
<tr>
<td>Total upper secondary level</td>
<td>464,082</td>
<td>100.0</td>
</tr>
<tr>
<td>Total including post-secondary VET</td>
<td>518,791</td>
<td>–</td>
</tr>
</tbody>
</table>

(a) Excluding ‘special vocational schools’.
(b) Including 245 students enrolled in advanced vocational programmes (FSZ) at SZI.

Adults as well can participate in similar ‘adult education’ (felnőttoktatás) programmes offered through part-time or distance education. In general these do not differ from regular full-time courses in terms of objectives, admission criteria, structure, main characteristics of curricula, or the awarded state-recognised qualifications. Most people attend evening classes, only a few participate in distance learning or ‘other’ forms. However, as Annex 1 Table 19 shows, only very few adults with at most ISCED 0-2 qualification participate in school-based education. The lower-qualified, older population are offered specifically designed programmes within adult training supported by the State.

Access and admission

To be admitted to IVET, students must have completed eight years of primary and lower secondary education (általános iskola, ISCED 1A-2A). Schools may also specify further requirements (performance at a previous school or an entrance examination).
For learners without a primary and lower secondary education certificate, so-called ‘catching-up’ programmes (felzárkóztató oktatás) are organised in ‘vocational schools’ (szakiskola, SZI). There they can obtain the competences necessary to enter ‘VET grades’ (as of year 11). Such programmes are open to youth aged 15-23. In 2011/12, 15.7% of SZI offered such preparatory courses for altogether 2 337 students.13

The new Public Education Act of 2011 has introduced a new educational pathway called the ‘bridge programme’ that will replace the current ‘catching-up’ programmes. The goal is similar, to enable low achieving students who fail to complete primary school or do too poorly to continue their studies. Bridge I. (Híd I.) is for students below the mandatory school attendance age (16) who have completed their elementary studies but – due to poor results – have not gained admission to a ‘vocational school.’ The aim of Bridge I. is to assist students to acquire the fundamental skills and competences that they are lacking and are necessary for the continuation of their studies. Bridge II. (Híd II.) is designed for students who have been unable to complete the 8 years of primary school by the age of 16 and need further assistance to become ready to be admitted to a vocational school. Bridge II is meant to boost students’ motivation level and develop skills necessary for training for a vocation.

Currently, the general admission requirement for ‘VET grades’ of SZKI is a secondary school leaving certificate (érettségi bizonyítvány, ISCED 3A); de facto VET grades are post-secondary and also open to students from upper secondary general education (gimnázium, ISCED 3A).

Assessment, qualifications and progression routes

In both ‘vocational’ (SZI) and ‘secondary vocational’ (SZKI) schools, OKJ qualifications are awarded after the vocational examination (szakmai vizsga) at the end of ‘VET grades’. Students can obtain their first OKJ qualification free of charge in full-time training (up to the age of 23).

OKJ qualifications entitle their holders to practise the occupations specified in the respective vocational and examination requirements (SZVK), but they do not allow direct entry to further/higher level education. As a result, those who have completed ‘vocational school’ (SZI) have to complete another three years in full-time or part-time formal general training to obtain a secondary school leaving certificate to be able to enter higher level studies. About every third ‘vocational school’ graduate takes this three-year programme and acquires a secondary school leaving certificate.

The new VET act of 2011 will allow SZI graduates to obtain a ‘secondary school leaving certificate’ or a ‘vocational secondary school leaving certificate’ in just two years. Furthermore, after 5 years at work and passing a master craftsman examination (mestervizsga), SZI graduates who have not obtained a secondary school leaving certificate will be able to pursue higher education studies in a field that matches the sector of their VET training.

Practical training provision and apprenticeships

Whether the practical training component of an IVET programme is organised in a school workshop and/or at an enterprise – in whole or in part – depends on the availability of external training places and the decision of the student and the school. Since the early 2000s education policy has introduced various incentives to increase the willingness of enterprises to participate in practical training provision.

There are two possible (legal) forms of practical training in enterprises. The form that both the law and education policy prefer is apprenticeship training based on a ‘training contract’ (tanulószerződés). Training contracts are concluded by the student and an enterprise; the latter undertakes to provide practical training as well as a regular allowance for the student. Alternatively, under certain conditions, a VET school may conclude a cooperation agreement (együttműködési megállapodás) with an enterprise to provide practical training for its students. In that case, however, learners are not contractually linked to the employer, neither do they receive remuneration (only for the duration of their practice during the school summer holidays). Under the new VET Act of 2011, students can start their apprenticeship training based on a training contract in their first VET year, at the age of 14 (as opposed to 16), but in the first year practice can only take place in workshops.

In the past decade, various financial incentives have been introduced – especially in vocational school programmes for skilled manual jobs – to encourage practical training to be provided in a school workshop (to practise basic vocational skills) in the first year and at a workplace in following years. Currently, while most ‘secondary vocational school’ (SZKI) students still have their practical training at school, the majority of ‘vocational school’ (szakiskola, SZI) students participate in practical training at an enterprise, usually based on a ‘training contract’. Since 2001 the number of ‘training contracts’ has quadrupled. It should be noted that the availability of apprenticeship training based on a ‘training contract’ varies by sector/occupational field/occupation. In 2010, training contract-based training took place in 279 professions. 59% of apprentices, however, trained for a qualification at ISCED 3 in only 10 occupations (see Annex 1 Table 20).

VET in higher education

Advanced vocational programmes (felsőfokú szakképzés, FSZ) were introduced in 1998 for students holding a secondary school leaving certificate (érettségi bizonyítvány, ISCED 3A). The initial goal of ISCED 5B programmes awarding a higher level OKJ qualification – but no higher education graduation degree – was to offer shorter modular training that can quickly respond to the demands of a changing labour market. FSZ programmes prepare for high quality professional work and at the same time, through transferability of credits, help transition from VET to tertiary level education.

FSZ programmes can only be run by colleges (főiskola) or universities (egyetem). However, training can also be provided – and is in fact provided in half the cases – by secondary
vocational schools (szakközépiskola, SZKI), under the supervision of a higher education institution based on cooperation agreements.

The last time students could be admitted to FSZ programmes in their current form was in 2012. From 2013/14 on FSZ will exclusively be provided by higher education institutions and will be governed by the new Higher Education Act of 2011. Also, its name has been changed from ‘advanced VET’ (felsőfokú szakképzés) to ‘higher education VET’ (felsőoktatási szakképzés).

Governance

The central administration of VET and adult training – along with that of employment policy - falls under the competence of the Ministry for National Economy (nemzetgazdasági minisztérium, NGM). The NGM is in charge of regulating provision of VET, but shares responsibility with other ministries responsible for specific vocational qualifications and the Ministry for Human Resources (Emberi Erőforrások Minisztériuma, EMMI, responsible for education as well as social policy) for defining learning outcomes and framework curricula of VET. The National Qualification Register (Országos Képzési Jegyzék, OKJ, see section 3) and other subjects that concern all qualifications (e.g., vocational requirement modules, examination regulations, funding) are regulated in government decrees.

County/capital government offices (megyei/fővárosi kormányhivatal) have been operating since January 2011, incorporating the previous regional offices of various state agencies, including those of the Educational Authority (Oktatási Hivatal, OH). From 2012 the institution assisting the ministry responsible for VET and adult training in tasks related to development, coordination, research, information and counselling services operates as the VET and Adult Education Directorate of the National Labour Office (Nemzeti Munkaügyi Hivatal, Szakképzési és Felnőttképzési Igazgatóság, NMH SZFI).

The role of the Hungarian Chamber of Commerce and Industry (Magyar Kereskedelmi és Iparkamara, MKIK) has been increasingly significant; it has become a key actor in shaping VET policy and has been assigned duties to perform following its 2010 agreement with the government. The MKIK is now responsible for developing core curricula and examination procedures for the majority of qualifications preparing for blue-collar jobs, participates in the organisation of IVET examinations, and performs quality assurance functions, among others, in cooperation with national economic interest representation organisations.

At national level, social partners are involved in various advisory councils set up under the law (see also 3.8):

a) the national economic and social council (Nemzeti Gazdasági és Társadalmi Tanács, NGTT), a multi-sided forum for strategic VET issues;

b) the national vocational and adult training council (Nemzeti Szakképzési és Felnőttképzési Tanács, NSZFT), a consultative-advisory body to the minister in charge, participating in OKJ development and allocation of the NFA training subfund resources;
c) the national qualification committee (Nemzeti Képesítési Bizottság), advising OKJ development.

The county/capital (until 2012 regional) development and training committees (megyei/fővárosi fejlesztési és képzési bizottságok, MFKB) play a very important advisory-consultative role in VET financing and development (see below and sections 3.5 and 3.8).

Pursuant to the previous Public Education Act of 1993, county (and capital city) governments had to provide upper- and post-secondary VET, but schools could be established and maintained by the State, church and business entities, foundations, associations, etc. as well. They were all eligible to receive support from the central government budget. The majority of VET students currently study in schools maintained by the 23 ‘cities with county rights’ and Budapest. The maintainer is responsible for lawful operation of the school and approves its internal regulations and educational and pedagogical programmes, but schools enjoy autonomy in professional-pedagogical matters, supervised by the headteacher.

Pursuant to the new education act accepted in 2011, as of 1 January 2013 schools currently maintained by local governments will become maintained by the State. However, the law was amended in 2012 to the effect that local governments of settlements with more than 3 000 people may choose to remain the ‘operator’ of their schools. The state will become ultimately responsible for providing education and will possess the employment rights of the pedagogical staff (including the headteacher) and pay their salaries. The central government will exercise its maintainer rights through the newly established Klebelsberg Institution Maintenance Centre (Klebelsberg Kunó Intézményfenntartó Központ, KKIK) that will include education districts (tankerület) in the 198 public administration districts (járás) falling under the county government offices. The KKIK will prepare proposals for the minister of education on county level education plans, including the county VET plans, advised by the minister responsible for VET.

Funding

The primary sources of funding for operating VET schools are:

a) the central government budget;

b) the budget of school maintainers (see above).

Until the end of 2012 state contribution is provided to the school maintainer, in part automatically, while various earmarked subsidies are available through tendering procedures. Local governments are obliged to spend only dedicated per capita support and central allocations on educational purposes but, in fact, they typically have to supplement the state contribution from their other revenue.

The new education and VET acts accepted in 2011 transform the funding of VET schools as well, though several details are still to be defined. As of 1 January 2013, the central government budget will cover the labour costs of all teachers, trainers and other staff assisting pedagogical work, including those employed in non-state-maintained education
institutions, in case the maintainer concludes a contract with the ministry responsible for of education.

Practical training in an enterprise is financed by the company, which can spend its vocational training contribution (szakképzési hozzájárulás, SZH) on related costs and also claim further expenses from the NFA training subfund (also financed by the SZH, see below). In fact, practical training provision can also be profitable and many learners are actually trained at companies specifically established for this purpose. The most important change recently introduced in the financing of practical training is that from 2012 the amount of per capita support training providers may claim will vary by trade. Aiming to encourage training also in vocations that require high material and other costs, the new regulation introduced annual per capita rates differentiated by qualification as the basis of deduction/reimbursement. These per capita rates were revised, and in most cases raised, in the second half of 2012, making the financing of practical training more favourable.

Technological and content development of IVET is supported by the NFA training subfund (see below) and ESF assistance through tendering procedures as well as centrally managed development programmes, assisted by the MFKBS and the NSZFT.

The system of the vocational training contribution (szakképzési hozzájárulás, SZH) - practically a VET tax levied on enterprises amounting to 1.5% of the total labour cost - has been considerably transformed by the new SZH law passed in November 2011. From 2012 ‘development subsidies’ (fejlesztési támogatás, equipment or money provided by enterprises to VET institutions for developing practical training infrastructure) and the cost of training of employees (see 2.3) are no longer deductible from the SZH. In order to ensure the funds for introducing ‘dual training’ (see above), only the costs of practical training provision can now be deducted/reimbursed.

SZH not spent on training provision must be paid into the training fund of the National Employment Fund (Nemzeti Foglalkoztatási Alap, NFA, previously called Munkaerőpiaci Alap, MPA), which can provide support for training providers not obliged to pay the SZH (e.g. central budgetary institutions in the social/health sector, farmers, etc.) as well, for providing practical training based on a ‘training contract’. The minister responsible for VET (currently the NGM) alone got the right of disposal over the training fund, which can support only objectives directly related to VET and adult training.

Teachers and trainers

As Table 3 below shows teachers and trainers working in IVET within ‘public education’\textsuperscript{14} can be categorised based on what and where they teach:

\textsuperscript{14} See Annex 2 Glossary.
Table 3  Teachers and trainers in IVET

<table>
<thead>
<tr>
<th>Qualification</th>
<th>Criteria of obtaining qualification (pre-service training)</th>
<th>In-service training</th>
<th>Roles and responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>general subject teachers</td>
<td>MA degree and pedagogical qualification (ISCED 5A)</td>
<td>a minimum of 120 hours at least once every seven years is mandatory (80% state supported)</td>
<td>teaching general subjects</td>
</tr>
<tr>
<td>(közisméreti szakos tanár)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>vocational teachers</td>
<td>BA/BSc degree and pedagogical qualification (ISCED 5A)</td>
<td>a minimum of 120 hours at least once every seven years is mandatory (80% state supported)</td>
<td>teaching professional theoretical subjects</td>
</tr>
<tr>
<td>(szakmai tanár)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>vocational trainers</td>
<td>a vocational qualification in the specific field at least five years' professional experience</td>
<td></td>
<td>overseeing vocational practice conducted in school workshops</td>
</tr>
<tr>
<td>(szakoktató)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>practice trainers</td>
<td></td>
<td></td>
<td>overseeing practical training conducted at an enterprise</td>
</tr>
<tr>
<td>(gyakorlati oktató)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In addition, there are other positions that assist the pedagogical-teaching work carried out in IVET institutions. In most cases they are fulfilled by teachers on top of their teaching duties.

As indicated by the steadily declining number of higher education applications to teacher training programmes, the prestige of the teaching profession – especially in VET – is very poor not least because of low salaries. In order to improve the quality of teaching, certain steps have already been taken. For example, teacher training has become more practice-oriented and competence-based output requirements have been set up. However, the wages of teachers have not been raised, while their workload has increased. Thus there is no significant shift to report yet in.

The new Public Education Act that will come into effect in 2013 outlines a professional development and career plan for teachers that is divided into several phases, with each phase corresponding to specific career options, differentiated remunerations and promotional opportunities. On account of the economic constraints, the introduction of the career plan, including the increasingly sensitive issue of teachers’ wages, has already been put off until 2014.

The structure of teacher/trainer training has been fundamentally transformed from 2006 in the context of the Bologna process. As a result, in teacher training there are now only master courses, while trainers are trained in bachelor level programmes. The government that came into office in 2010 reviewed the Bologna structure and implemented the following changes from the school year 2012/2013:

- the restoring of the previous one-tier system (‘long university programme’) in the training of general subject teachers, though the training of vocational and art teachers may be carried out in both structures (two-tier BA/MA and one-tier long programme);
- teaching practice has been extended to include one whole year at an external training site;
the assessment and quality development of teachers’ work will again be delegated to external school inspectors.

2.2.2 VET outside the formal school system

With a few exceptions all OKJ qualifications may also be obtained in VET offered outside the school system, in adult training (felnőttképzés, see 2.3). In fact, the majority of state-supported courses offered for the unemployed and other groups at risk award an OKJ qualification (see Annex 1 Table 21). All in all, more OKJ qualifications are issued by adult training providers than by VET institutions within the school system. Some other types of adult training programmes as well award a state-recognised vocational qualification, most notably ‘trainings regulated by public authorities’ (hatósági képzés), where participants can obtain nationally or internationally recognised qualifications or licences not included in the OKJ, and some mandatory further training programmes (see section 2.3) that award a certificate or a new qualification.

In courses that award an OKJ qualification, the objectives, admission criteria, duration (minimum and maximum number of hours), content requirements and type of outcome are specified in the vocational and examination requirements (szakmai és vizsgakövetelmények, SZVK) and from 2012 in the examination requirement module (követelménymodul) of the given qualification, published in a decree from the minister of the relevant field. Adult training providers can prepare their own curricula based only on the SZVKs and the examination requirement modules.

The content and objectives of ‘trainings regulated by public authorities’ (hatósági képzés) are regulated either by legislation or the relevant public authority. Such training programmes award qualifications (license, diploma, certificate of attendance issued by the training provider, etc.), which qualify for performing activities defined by the authority, typically in the fields of road, water and air transport, plant and veterinary health inspection or food hygiene.

2.3 Other forms of training

Training offer and provision

In addition to OKJ courses and ‘training regulated by public authorities’ (hatósági jellegű képzés) (see 2.2.2), adult training (felnőttképzés) provided outside the formal school system offers courses of various types and duration that do not award a state-recognised qualification.

Admission criteria, duration and other characteristics of adult training provision are defined either by training providers or by legislation or the responsible specialised state agency in case of ‘mandatory further training programmes’. According to statistics the three most typical types of adult training programmes are:
a) vocational further training, including courses preparing for the master craftsman exam (mestervizsga, that awards a higher level qualification based on the OKJ qualification obtained in IVET);

b) courses awarding an OKJ qualification (typically one at skilled worker level);

c) foreign language courses.

Most participants attend programmes that require at most a primary school graduation certificate. Usually these training programmes last for less than a year, with at most 200 course hours.

Adult training providers include:

a) public and higher education institutions engaging in adult training as a supplementary activity;

b) other budgetary or state-supported institutions (such as the Türr István Training and Research Institute and its regional directorates offering training courses for vulnerable groups within the framework of public employment programmes);

c) private training companies;

d) NGOs (non-profit organisations, professional associations, etc.);

e) employers providing in-company (internal) training for their employees.

Several social partner organisations engage in adult training provision, often by maintaining their own training institutions. The Hungarian Chambers of Commerce and Industry (Magyar Kereskedelmi és Iparkamara) and Agriculture (Magyar Agrárkamara) define the standards and organise ‘master craftsman’ examination (mestervizsga), in cooperation with the national economic interest representation organisations.

**Regulation and quality assurance**

Pursuant to the Adult Training Act providers have to be registered at the county labour centre (megyei munkaügyi központ) operating as part of county government offices (kormányhivatal) since 2011, but otherwise they are free to develop and provide their vocational, general or language education courses. The law prescribes only that they have to conclude an adult training contract with the participant and prepare a training programme.

Accreditation of adult training institutions and programmes is not mandatory. However, it is a prerequisite in order to receiving public funding. It is awarded for a definite period of time by the adult training accreditation body (felnőttképzési akkreditációs testület), which involves the social partners. Otherwise, compliance with the legal provisions is inspected by the labour centres. The economic chambers assist the centres as regards the practical training parts of OKJ programmes.

Aiming primarily to increase the quality of training, the new OKJ issued in 2012 (see section 3) defines not only the maximum but the minimum number of teaching hours of OKJ programmes as well. In practice this means from 2013 the duration of many adult training
current courses will have to be doubled or tripled, and as a result, the training fees increased. That might result in a decrease of training demand.

Currently adult training provision is governed by the Adult Training Act of 2001. However, a new law is being drafted that is expected to introduce significant changes to adult training.

**Trainers**

Professionals working in adult training include teachers, trainers, instructors, tutors, mentors, etc. Relevant legislation differentiates teachers of general subjects, languages and vocational theory, as well as instructors overseeing vocational practice. Besides, there are several positions designed to support the training activity including that of training organiser and programme developer, manager, evaluator, animator and consultant.

Current legislation stipulates that teaching/training staff working with adults must possess a relevant higher education degree (ISCED 5A) or – provided they have certain years of professional experience – secondary qualifications of at least the same level as the training itself. Only those who work with learners from disadvantaged backgrounds are required to have qualifications in pedagogy (or psychology). Those who provide practical training must also have five years vocational/adult training practice. The majority of those working in adult training do not hold a degree in andragogy.

Training adult teachers/trainers takes place in the same higher education institutions as training IVET teachers. There are also other training programmes in higher education that prepare for various learning facilitator positions.

In-service training for adult trainers is not mandatory. Accredited adult training institutions, however, have to have a human resource-development plan including in-service training regulations for instructors. Current practice shows great variety in this respect. The regional directorates of the Türr István Research and Training Centre (see below) regularly offer organised in-service training for their instructors based on an internal training plan. Some private training companies, which hold an International Organisation for Standardisation (ISO) certification, develop internal training plans and offer their (full-time) employees further training either internally or by buying-in training from others. However, most adult training providers offer further training for their (full-time) instructors on an occasional basis only.

**Workplace learning**

Workplace learning shows significant differences in the quantity and format of training provision across sectors and according to company size; also depending on the structure of ownership. According to a recent survey (CVTS) covering over 30,000 enterprises, nearly all of the large enterprises, almost three quarters of medium-sized companies and only 43%
of small enterprises with 10-49 people supported their employees to participate in some kind of training (see Annex 1 Figure 2 and Table 22).

With respect to the lack of motivation or interest in supporting the further training of their employees, three fourth of the enterprises that do not support CVET claim that their employees’ skills are appropriate to the company’s present needs and requirements; furthermore, almost one third of them prefer to recruit new employees suitable for the job as opposed to support further training (see Annex 1 Table 23).

Further training programmes organised within the company must observe the provisions of the Adult Training Act. CVET in enterprises is encouraged by the state through financial incentives and grants available through tendering where micro, small and medium enterprises are a prioritised target group (see below under ‘funding mechanisms’).

Training programmes to help vulnerable groups

Unemployed people and at-risk groups are offered training opportunities supported by the National Employment Service (Nemzeti Foglalkoztatási Szolgálat, NFSZ) and through centrally managed and regional labour market programmes and public tenders. The NFSZ training support might include reimbursement of training costs and related expenses and provision of supplementary/compensatory payment. Participants are selected by the centres, which also assist them in choosing the specific field of training. The majority (more than two thirds) award OKJ qualifications (see Annex 1 Table 21).

The primary duty of the regional training centres established in 1992 and supervised by the Ministry of Human Resources since 2012 is to develop and provide training programmes and related services (e.g. career orientation, guidance and counselling) for unemployed people and others vulnerable to exclusion on the labour market. In 2011 the centres were transferred to the newly established Türr István Training and Research Institute (Türr István Képző és Kutató Intézet, TKKI) and have been operating as TKKI's territorial directorates since then.

TKKI is a public institution responsible for the management and implementation of complex social development programs. Training programs offered by TKKI and run by its 15 local units rest on the institute's methodology development activities and empirical research conducted in the field of measuring adult literacy and other skills and competences. The institute's responsibilities include the support of the operation of the public employment system and the promotion of the social inclusion of disadvantaged groups including the Roma, the unemployed, people with a low education level and those living in disadvantaged micro-regions, as well as people with altered working capacity. Within the diverse training portfolio of the institute, less emphasis is placed on offering training programmes that lead to state-recognised OKJ qualifications; rather, the aim is to facilitate the social reintegration of disadvantaged and vulnerable people by providing them the training they need.

Several central and regional labour market programmes have been launched and tenders announced in the past years, which aimed to provide a set of support structures for disadvantaged people. These combine training with individualised psycho-social support,
provision of a living allowance or some other financial incentives, the employment of mentors or even with temporary employment opportunities. Some programmes offer preparatory training developing the competences needed to enter a VET programme. But most contain a course leading to an OKJ qualification. In addition to work placements, each includes a training element for participants’ employability by developing their key competences.

**Funding mechanisms**

The main sources of financing adult training are:

a) the central state budget;

b) the National Employment Fund (*Nemzeti Foglalkoztatási Alap*, NFA);

c) international (most importantly, ESF) assistance;

d) employers’ contribution; and

e) training participants’ contribution.

Funding mechanisms include:

a) public funding (of mandatory CVET in the public sector; grants for individuals, primarily for the unemployed and at-risk groups; and grants for micro and small enterprises);

b) public-private cost-sharing (grants for at-risk groups; grants for enterprises; tax incentive for companies);

c) collective (employer, employee) investment to finance CVET (training leave and playback clauses specified by the Labour Code, see Chapter 4).

From 1997 until 2012 companies liable to pay the vocational training contribution (*szakképzési hozzájárulás*, SZH, see 2.2) could deduct the costs of employees’ vocational and foreign language training from their SZH. Since 2007, micro and small enterprises could allocate up to 60%, the rest 33% of the levy on such purposes, but since 2009, in line with Commission Regulation (EC) No. 800/2008, companies were also required to share the costs. In 2010 HUF 6.6 billion/EUR 23.96 million was spent on the training of 100 243 employees from this source. However, rationalised by its extensive misuse found by the State Audit Office investigation in 2011, the new regulation (Act CLV of 2011) abolished this financing instrument from 2012. A recently submitted amendment will re-establish this opportunity for those companies that provide practical training for at least 45 apprentices, up to at most 16.5% of their SZH.

The income of the NFA (until 2012 called the Labour Market Fund, *Munkaerőpiaci Alap*, MPA) is derived from various compulsory contributions paid by employers and employees, budgetary support and privatisation. Its employment subfund supports training of unemployed people and other disadvantaged target groups. As regards adult training, the training subfund (financed by the SZH not spent on practical training provision, see 2.2) provides support for ‘adult training objectives’ and cofinancing for ESF-supported programmes.
3. Shaping VET qualifications

Increasing the labour market relevance of VET and adjusting training to employers’ needs has been a permanent priority of VET policy. The range of instruments used by this policy has been continuously widened and modified. VET policy measures are presented here referring to eight topics.

3.1 Statistical description of the labour market and analysis of its processes

Reporting on the labour market to professionals and any person interested has a long tradition in Hungary. The Central Statistical Office (Központi Statisztikai Hivatal, KSH) provides information through several publications, some of which are available in electronic format, free of charge (http://www.ksh.hu/apps/shop.main). For a few years a part of the statistical databases has been available online as well (http://www.ksh.hu/stadat). Regional and local data can also be found on the homepages of county labour centres (megyei munkaügyi központ) that operate as part of government offices (kormányhivatal). Besides data on the whole population, several data series refer to school leavers just entering the labour market.

The Institute of Economics of the Research Centre for Economic and Regional Studies of the Hungarian Academy of Sciences (Magyar Tudományos Akadémia Közgazdasági és Regionális Tudományi Kutatóközpont Közgazdaság-tudományi Intézete, MTA KRTK KTI) has been publishing its series called Labour Market Yearbooks (Munkaerőpiaci Tükör) for a decade now. These publications of some 300 pages, available also free in electronic format, include hundreds of statistical tables and charts.

3.2 Anticipation of skill needs, labour market supply and demand

Short-term labour market forecasts have been carried out since 1991. Originally, the labour organisation gathered and processed the data. Since 2005, the ministry responsible for employment policy has commissioned this work to the Institute for Economic and Enterprise Research of the Hungarian Chamber of Commerce and Industry (Magyar Kereskedelmi és Iparkamara, Gazdaság- és Vállalkozáskutató Intézet, MKIK GVI), which now carries out the data collection in cooperation with the Ministry for National Economy (Nemzetgazdasági Minisztérium, NGM). Since 2004 forecasts are made once a year, for a period of one and a quarter years. The forecasts are based on a stratified sample of companies, representative for sector and size. They provide information about prospective

16 http://www.mtakti.hu/kiadvany/mt.html
layoffs and future demand – in general and specifically for career starters - in particular occupations.

Labour centres of county government offices also regularly prepare quarterly surveys of prospective layoffs and opening positions planned by companies in the following 3 and 12 months, but these are not based on representative samples.

Currently a large-scale project is being implemented within the framework of the Social Renewal Operational Programme (SROP) co-financed by ESF, coordinated by the MTA KRTK KTI, titled ‘Establishing labour market forecasts and foreseeing structural changes.’

The project budget is HUF 958 million (EUR 3.4 million). Its objective is to create a system (a model framework and a databank) that is suitable for producing reliable medium-term (three to five years) and long-term (six to eight years) forecasts in ten aggregated sectors as well as to build up an information network that utilizes the results of the forecasts. The project closes in the beginning of 2013; its results and databases will be available online.

3.3 Career tracking of school leavers

Systematic tracing of the career of school leavers has become a priority of VET and employment policy in recent years, not least in order to influence training quotas. Initially the 2005 decree on VET strategy provided for the development of a career tracking system by 2008. Career tracking was for the first time regulated under the law by the 2007 amendment of the Public Education Act of 1993. The national system is based ultimately on the mandatory data provision of students, training providers and employees. Data have not been made available yet.

The new VET Act accepted in December 2011 has ultimately kept the concept and elements of this system based on mandatory data provision of all interested parties and the linking of large databases. Above all, career tracking data are expected to provide feedback about whether school leavers go on to work in the vocation they have been trained for. The new legal regulation will be enacted in September 2013, but the related government decree on its implementation has still not been published.

Until the career tracking system is up and running, individual surveys are commissioned in order to provide some information and assist planning and strategy forming processes. Since 2008, annual surveys on regional labour market supply and demand for skilled workers have been carried out to assist regional development and training committees (regionális fejlesztési és képzési bizottságok, RFKB) to make well-founded decisions/recommendations about school-based VET enrolment. The regional/county level lists of shortage jobs prepared by RFKBs until 2011 and by county development and training committees (megyei fejlesztési és képzési bizottságok, MFKB) from 2012 on also serve as the basis of allocating additional funds to students and enterprises which offer practical training in occupations that face skills shortages.

17 http://elorejelzes.mtakti.hu/english/
These surveys collect information about the employment status of people with vocational qualifications, and prospective demand for them over the course of the next one and four years. The survey now provides information about employers’ satisfaction with the general and vocational competences of career starters as well. However, results of these surveys aiming to assist MFKBs in planning vocational school supply should be read with caution due to the very high number of lack of responses regarding estimates four years ahead. In addition, since 2009, based on a sample of around 3 000 respondents, ‘career tracking snapshots’ have also been taken to map the labour-market success of those who acquired a vocational qualification in a shortage-job, nine months after graduation.

SROP measures support development of a higher education graduate career monitoring system (Diplomás Pályakövető Rendszer) as well. This is based on a different methodological approach, and in this programme several studies presenting the results of database analysis have already been published.

3.4 Shaping and continuous development of qualification structure and content

Following the VET Act of 1993, the National Qualifications Register (Országos Képzési Jegyzék, OKJ) was first published in 1994. It has been thoroughly revised and substantially renewed in 2004-2006. As a result of a two-year development work financed by ESF sources, new vocational and examination requirements (szakmai és vizsgakövetelmények, SZVK) were published in decrees by the ministries responsible for vocational qualifications. The SZVKs listed competences and defined up-to-date, modularised training outcomes that were meaningful also for the world of work. Delegates of social partners played an important role in developing this system. The new qualifications were introduced in the formal school system from 2008.

Overall, the number of vocational qualifications was reduced compared to the previous register. Due to the modular structure, partial vocational qualifications, so-called branches and specialisations could be introduced, creating the possibility of very flexible learning pathways. Following the 2006 publication of the OKJ, large-scale content development works continued, creating the content of some 2 700 modules.

The new government that came into office in 2010 indicated that the complete restructuring of VET would affect the OKJ as well. The principles and aspects of the repeated revision of the OKJ were presented in the concept paper on the restructuring of the VET system published by the Ministry of National Economy in May 2011. This was in full accord with the ideas of the Hungarian Chamber of Commerce and Industry (Magyar Kereskedelmi és Iparkamara, MKIK) that has been playing a dominant role in shaping VET since 2010. The OKJ renewed in accordance with these principles was already published in a government decree in the summer of 2012; the deadline for the publishing of the related documents is 31 December 2012. The development work involved the participation of some 800 experts, coordinated by the MKIK. Mandatory phasing in of the new OKJ will begin in 2013 within the formal school system.
While the OKJ of 2012 has preserved several features of the 2004-2006 development work, it also features some important differences and innovations. By and large, the modular principle and the competence-based approach have been kept, albeit with a more modest role of the former. As the VET director of MKIK put it, the new direction is moving towards 'integrating the modular system and the study subject approach'18. In addition to vocational qualifications, partial qualifications and specialisations were retained, but, aiming at simplification, branches were excluded from the system. Qualifications of VET pursued in higher education (former advanced level VET, felsőfokú szakképzés, FSZ) have been excluded from the system as well, since FSZ training may only be launched in higher education from 2013 on. The number of qualifications has been decreased by about half, and reducing the average number of modules as well as the maximum number of modules per qualification (formerly 9 versus 6 in the new OKJ) is yet another step towards simplification.

The OKJ of 2012 involved some further changes as well. For example, it defines for each qualification the minimum number of teaching hours to be applied in adult training; courses shorter than that cannot be offered. This is supposed to eliminate the former contradiction that - compared to the relatively ‘long’ training programmes of the formal school system - the same vocational qualification could be obtained by completing a relatively very short course in adult training. Another new element in the OKJ of 2012 is that each qualification listed is matched with the so-called secondary vocational school (SZKI) sector it belongs to. Annex 3 of the OKJ lists these secondary vocational school sectors, 37 in number, and the corresponding jobs they qualify for (see section 2.1 for the new regulations regarding SZKI). Annex 4 of the OKJ indicates an important structural innovation. It lists 34 different ISCED 3 level vocational qualifications that allow progress to post-secondary (ISCED 4) level VET, on condition that the student has at least 5 years of work experience and obtained a master craftsmen certificate (mestervizsga). Up until now those who had not obtained the secondary school leaving certificate (érettségi bizonyítvány) could not enter post-secondary VET. This measure aims at reducing the dead-end character of vocational school (SZI) training, and thus increasing its attractiveness.

The 150/2012 government decree on the National Qualifications Register defines the procedure of modifying the OKJ, which is broadly the same as the former mechanism. The minister responsible for a given vocational qualification can initiate its deletion or modification, as well as the creation of a new vocational qualification; in fact anyone can initiate such by submitting a proposal to the minister. The proposal must include a detailed justification of the proposed modification, describing why the intended result can only be reached by modifying the OKJ and what alternatives have been assessed. It has to present the relation of the vocational qualification to the others, estimate the number of expected training participants per year, list the training providers willing to provide practical and theoretical training, and attach a forecast of the national employment organisation on the number of jobs that can be taken with the qualification proposed. Furthermore, the vocational and examination requirements (SZVK) have to be attached, along with an analysis of the relation of these to the SZVKS of other qualifications, highlighting both the similarities and the

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differences. The minister responsible for the vocational qualification either declines the proposal with an explanation or forwards it to the National Qualification Committee (Nemzeti Képesitési Bizottság, NKB) and the ministerial agency assisting the minister in charge. Upon receiving their opinion and recommendations back, the minister makes a decision, which has to be justified.

3.5 The transformation of the institutional structure of IVET

The institutional structure of IVET and the composition of training providers are characterised by two important changes in line with VET policy intentions that aim at adjusting training to labour market needs:

(a) The establishment of regional integrated vocational training centres (térségi integrált szakképző központ, TISZK) was carried out in line with the declared VET policy objective of increasing the labour market relevance of training. This is to be reached by the larger size of TISZKs, the consultative boards operating at each TISZK, which are typically comprised of delegates by the actors of economy, and especially the legal regulation that TISZKs are obliged to accept the decisions of the regional (from 2012 county) training and development committees (RFKBs/MFKBs) with regard to regional demands for VET, i.e. desired vocational programme offers and relative shares of student enrolment.

The new government that came into office in 2010 has indicated that while the current TISZK system is to be kept in place, it will not be preserved without significant transformations, and measures for further integration process are envisaged.

(b) Increasing the share of practical training provided at the workplace vis-à-vis school workshops. In the case of ISCED 3 level vocations, which typically train for blue-collar jobs, the majority of practical training has already moved to enterprises. As Table 4 shows the number of ‘training contracts’ (see also 2.2) has been constantly increasing for the last decade.

Table 4 Number of students participating in training contract-based practical training

<table>
<thead>
<tr>
<th>Year</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of training contracts</td>
<td>14 000</td>
<td>16 400</td>
<td>21 300</td>
<td>35 000</td>
<td>37 000</td>
<td>44 000</td>
<td>46 000</td>
<td>48 000</td>
<td>49 000</td>
</tr>
</tbody>
</table>

Source: Hungarian Chamber of Commerce and Industry (Magyar Kereskedelmi és Iparkamara)

Furthermore, the 2012 amendment of the VET Act of 2011 also contributes to the increasing ‘dualisation’ of VET. According to that, students can now start practical training based on a ‘training contract’ two years earlier than before, at the age of 14, that is in their first VET grade (as opposed to grade 11 at the age of 16). At the same time, the involvement of enterprises in post-secondary VET is still insignificant, and economic actors do not yet

19 For more information see Bükki et al., 2010.
show an interest in increasing dual training at this level, therefore it is still mostly provided in school-based training.

3.6 Overhaul of the examination system

Following the introduction of the National Qualification Framework (OKJ) of 2006, the examination system underwent significant changes. The complexity of the examinations, however, still received considerable criticism. Exams often lasting 3-5 days were unnecessarily costly, they presented an unjustifiable extra burden for both individuals and institutions and required far more human resources than previously, which was sometimes difficult to ensure. In addition, the assessment of personal, social and methodological competences, defined in the vocational and examination requirements (szakmai és vizsgakövetelmények, SZVK), as well as their contribution to the examination results, were also found problematic by several parties involved. The representation of economic actors in the examination boards has been established for years; the Hungarian Chamber of Commerce and Industry (Magyar Kereskedelmi és Iparkamara, MKIK) was responsible for delegating the president in vocations - the majority of blue-collar ones, that is – in which content development was overseen by MKIK.

In its 2011 VET concept paper, the government committed itself to changing the regulation of the examination system; the new VET Act, approved in December 2011, lays down its framework. In general, only few changes have been made compared to the previous regulation. The most important difference is that examinations leading to a vocational qualification will be shorter, lasting no more than two days, and simpler.

A vocational qualification is issued to those who successfully meet all the requirements set out in the vocational and examination requirements, attested to at the examination in the presence of the examination board. Vocational competences – which had previously been included in the SZVK but have now been moved to the vocational requirement modules – are no longer counted towards the examination results. Those who fail to meet all the SZVK requirements of the given vocation may receive a certificate of partial qualification, provided they have met all the requirements of the partial qualification listed in the National Qualification Register (OKJ).

The independent examination board comprises of four members; the institution providing the training delegates one member who has taken part in the training as a teacher, others include experts delegated from the inventory of examiners. The president is delegated from the list of examination presidents, which is made up of people recommended by MKIK. This, however, applies only to trades overseen by MKIK, in other cases the minister makes recommendations via the ministry’s relevant agency.

The examination is holistic and covers the whole of the qualification; modular exams are only possible in adult training, but not school-based VET. In the latter, the completion of a specific module is certified by a certificate issued upon the successful completion of a specific school year; the prerequisite to sitting an examination is the successful completion of
all school years. In adult training certification exams are open for those who have successfully passed all module exams.

Level exams were introduced almost a decade ago in occupations the content development of which has been delegated to MKIK pursuant to an agreement with the government. The new VET Act stipulates that level examinations shall be mandatory and their successful completion is a precondition to concluding study contracts from the second VET year. The requirements of the level examination are developed by MKIK in collaboration with the training institution; the exam is organised by MKIK but involves other organisations as well in trades that are not under its supervision. Level examinations take place typically in the second half of the first vocational year. They are relevant for the conclusion of study contracts only, certifying that the student is ready to start practical training; they are not included in the academic results. Organising level examinations is not required in adult training.

3.7 Increasing participation of the actors of the economy in VET (policy making, planning, content development, training provision and examination)

Actors of the economy have become increasingly involved in VET policy development since the beginning of the 1990s, with their influence still growing. The rationale behind that is to improve the labour market relevance of training.

There are four bodies that need to be mentioned. At the highest level, though only sporadically, the National Economic and Social Council (Nemzeti Gazdasági és Társadalmi Tanács, NGTT) discusses VET-related matters. Its forerunner had the classic structure of a tripartite interest-reconciliation organisation. The NGTT is a consultative and advisory body independent from the government and the Parliament; it is a multi-faceted forum representing, in addition to employers and employees associations, economic chambers, civil organisations, representatives of science as well as churches.

The most important body working specifically in the field of VET is the National Vocational and Adult Training Council (Nemzeti Szakképzési és Felnőttképzési Tanács, NSZFT). The NSZFT is a national body assisting the minister responsible for VET by preparing decisions, reviewing and consulting. It does not have any decision-making rights; it can only issue recommendations and appraisals. It is made up of twenty members.

The National Qualification Committee (Nemzeti Képesítési Bizottság, NKB) is a professional consultative-advisory body working on the continuous development and improvement of VET content. It monitors the development of VET qualification structure, the economic, labour market and technical-technological processes and, based on these, makes a recommendation on the modification of the OKJ. It has thirty members.

The 7-member county development and training committees (megyei fejlesztési és képzési bizottságok, MFKB) replace the former 26-member regional development and training committees (regionális képzési és fejlesztési bizottság, RFKB) from October 2012,
pursuant to the new VET Act of 2011. The MFKBs are county (capital) level bodies established with the objective of improving VET and enforcing labour market needs through consulting, reviewing, giving recommendations and advise. Pursuant to the law, the MFKB contributes to coordinating national economy needs and VET development based on labour market information, employment and employability data and prognoses. It makes recommendations on capital/county level needs of VET, the vocational qualifications in which training can be supported from the central government budget and those in which it cannot be (directions of VET), and student quotas for each school maintainer (shares of student enrolment). It makes a recommendation on those vocational qualifications that in the given county qualify for scholarship support as defined in the government decree on the vocational school scholarship (see 2.2). It makes a recommendation on the beneficiaries and the amount of support these can get through tenders funded from the decentralised section of the training sub-fund of the National Employment Fund (see 2.2).

3.8 Scholarship programmes and other incentives

VET policy is keen on encouraging training in jobs that are in high demand on the labour market, for example by offering financial incentives. Presently the most important instrument is the vocational school scholarship programme (see 4.1).

In order to increase training providers’ interest as well, enterprises that provide training in shortage-jobs can get a higher amount of reimbursement for training costs than for training in other vocations.
CHAPTER 4

4. Promoting participation in vocational education and training

Increasing participation in IVET is part of the government’s education and training strategies and action plans. The current government that took office in 2010 set the goal to significantly increase the share of ‘vocational school’ (szakiskola, SZI) programmes within upper secondary school-based VET. It has thus become a high priority issue to raise the prestige of VET and attract more students to vocational training, simultaneously with bringing VET supply more in line with the demands of the labour market. One of the most important governing principles that has informed the restructuring of school-based VET is the formative role attributed to the concept of work-based learning. Based on the assumption that unmotivated and low-achieving students may be better kept within the system if they do not have to spend much of their time in the classroom, the share of practical training – mainly in the form of apprenticeship schemes – has been significantly raised in IVET programmes, along with shortening of the total duration of training (see 2.2.1). The goal is to make dual training the norm regarding blue-collar jobs, with two thirds of total amount of hours devoted to practical training.

4.1 Financial incentives

Participation in IVET is encouraged through various financial incentives:

Regular allowance for students in enterprise-based training

Participants in enterprise-based training receive payment during their summer practice if training is based on a ‘cooperation agreement’ or for the whole year if training is based on a ‘training contract’ (see 2.2.1). The amount received is related to the amount of the prevailing minimal wage and is also contingent on the amount of time spent in practical training; it is further shaped by the student’s grade point average and level of performance.

Scholarship for vocational school students training in shortage occupations

In recent years, various financial incentives have been introduced to encourage training in manual or blue collar occupations that are high in demand in the labour market, such as additional benefits for apprentices and companies training in shortage jobs. The launching of a scholarship programme specifically for vocational school students in February 2010 was informed by the same rationale.

The primary objective of the vocational school scholarship programme is twofold. On the one hand, it is to make VET and the career of skilled workers in shortage jobs more attractive to students who may otherwise be interested in pursuing vocational training for other occupations. On the other, as the scholarship supports training in specific occupations it is also meant to alleviate the real or alleged lack of skilled labour in those areas.
Eligible students should 1) train for one of the 10 shortage occupations (per county) defined as such by county development and training committees (*megyei fejlesztési és képzési bizottság*, MFKB), 2) reach a minimum grade point average of 2.5 (5 being the highest), and 3) have less than 10 hours of unjustified absence from school. On meeting these requirements, students receive a uniform amount of HUF 10 000 (EUR 35) per month in the first and HUF 10-30 000 (EUR 35-105) in the following semesters in their VET years depending on their school performance.

The measure is funded from the training sub-fund of the National Employment Fund (*Nemzeti Foglalkoztatási Alap*, previously known as Labour Market Fund, *Munkaerpiaci Alap*).

**Table 5** Number of vocational school scholarship beneficiaries and annual amount paid

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of scholarship recipients</th>
<th>Net amount paid (HUF/year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>21,867</td>
<td>HUF 2,059,891,042 (7 mEUR)</td>
</tr>
<tr>
<td>2011</td>
<td>26,059</td>
<td>HUF 3,289,846,296 (11 mEUR)</td>
</tr>
<tr>
<td>2012</td>
<td>31,010</td>
<td>HUF 3,914,917,092 (13 mEUR)</td>
</tr>
</tbody>
</table>


First feedback shows that the scholarship programme has indeed increased applications for shortage occupations. However, there is no unequivocal evidence with regard to its impact on student performance. Furthermore, what qualifies for a shortage occupation is a matter of definition, and, as a recent study reveals, may have little to do with actual shortages in the labour market.

**Local VET scholarship programmes**

In an effort to compensate for both the internal problems of VET and the mismatch between VET supply and labour market demand, a few local (municipal) governments have implemented their own local measures. The cities of Győr – which happens to be the most industrialised city of Hungary – and Zalaegerszeg, for example, have introduced their own local scholarship schemes in 2008 and 2010, respectively, to attract more students to specific vocational programmes that train for occupations in high demand in the local labour market. The aim is to provide the necessary level of skilled labour force supply to meet the employment needs of local industry.

These local council stipends are paid on the top of other local or national allowance programmes (e.g. training contracts; company scholarships, or the national scholarship programme for vocational school students training in shortage occupations). Altogether these may add up to an amount similar to the minimum wage. The amount of stipend varies and is usually contingent on the grade point average of the student.
Scholarship for disadvantaged VET students

There are other, relatively small-scale measures aiming at reducing drop-outs from IVET that include a scholarship scheme combined with mentoring. The multi-component programme Útravaló (‘Supply for the trip’) was launched in 2005. It aims at assisting the socio-economic integration of children coming from disadvantaged families afflicted by poverty or lasting unemployment. One of the subprogrammes called Út a szakmához (‘Road to vocation’) provides modest financial support for disadvantaged students training for a vocation in short supply in the labour market\(^{20}\) as well as for their teachers (mentors). That is, the programme supports training in areas which – due to unfavourable working conditions and/or low wages – are unpopular even among the poorest.

Útravaló in its original form run from 2006 through 2011. On 1 September, 2011 this programme and various programmes financed by the Public Foundation for the Roma in Hungary (Magyarországi Cigányokért Közalapítvány, MACIKA) were merged. A quota of at least 50% was set for Roma kids in all three equal opportunity sub-programmes of Útravaló-MACIKA, including the VET-specific ‘Road to vocation’.

Students and their mentor teachers/trainers can apply in pairs for a monthly allowance. In the school year 2011-12 the amount is HUF 4000 (EUR 14) for students and HUF 7000 (EUR 25) for mentors. The number of student beneficiaries in the ‘Road to vocation’ sub-programme is 2120, with 1003 mentors supporting their training. In school year 2010/11, HUF 450 million (EUR 1.6 million) was spent on the sub-programme.

4.2 Regulatory instruments

Training leave

Training leave was guaranteed by the Labour Code of 1992 but only in case the employee participated in formal education provided within the school system, or when further training was mandatory in that job or required by the employer. In the former case, employees were entitled to four days leave for each examination, and ten days for preparing a thesis. Training leave was unpaid when training was not required by the employer - except for ‘primary school’ (általános iskola, ISCED 1A-2A) studies - but paid when participation in training was required by the employer. In other cases, employees might get training leave as defined in the study contract concluded with their employers (see below).

However, as the new Labour Code of 2012 does not require employers to provide training leave for their employees, only those who had started their studies prior to 1 July, 2012 can take advantage of this type of benefit under the conditions outlined above. As a result, study contracts (see below) may be of more significance in the future. Those who attend ‘primary school’ are still entitled for training leave.

\(^{20}\) As defined by regional/county development and training committees, see above.
Payback clauses

The Labour Code also specifies the characteristics of a study contract (tanulmányi szerződés) through which the employer can support the employee’s studies. Employers typically allow paid training leave (or allow to work later the hours of the time absent) and pay the tuition fees, costs of training materials and examination fees, possibly also travel and accommodation costs, etc. In return, the employee binds him/herself to remain in employment for a definite period of time after the completion of training, usually as long as the duration of the training programme but maximum five years.

4.3 Guidance and counselling structures and services

It was mainly the establishment of the European lifelong guidance policy network (ELGPN) which propelled forward developments regarding guidance and counseling on national level. In 2008 the Hungarian lifelong guidance council (Nemzeti Pályaorientációs Tanács, NPT) was founded in which delegates of concerned ministries and other institutions worked together. A national development programme was also launched to create an integrated national guidance system. The NPT prepared a respective policy document in 2010. The NPT was closed in November 2012, its role and function have been taken over by the Lifelong Guidance Committee (Pályaorientációs Bizottság) established within the framework of the National Vocational and Adult Training Council (Nemzeti Szakképzési és Felnőttképzési Tanács, NSZFT)

Integrated career guidance

Since the second half of the 1990s, career orientation and lifelong guidance have increasingly gained emphasis in legislation and also with respect to content development and service provision for individuals, with up-to-date approaches and tools spreading in this area as well. Creating an online integrated database of information and data on the labour market and outcomes of various educational pathways was one objective of a large-scale integrated career guidance development programme supported within the framework of the Social Renewal Operational Programme (SROP) cofinanced by ESF, implemented with the coordination of the head office of the National Employment Service (Nemzeti Foglalkoztatási Szolgálat, NFSZ). The programme involved developments in IT, methodology and teacher and career counsellor training. A lifelong guidance portal was launched in September 2010, integrating and connecting several official national databases.21 To ensure a uniform standard of counsellor services’ operation a set of unified guidelines was also developed.

New initiatives

The legislation introduced in the past two years reflects a radically different approach. According to the diagnosis made by the sector's decision-makers and the Hungarian

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21 http://www.eletpalya.munka.hu
Chamber of Commerce and Industry (Magyar Kereskedelmi és Iparkamara, MKIK), the main issue with career guidance was that the ‘number of young people who are able to choose a school, vocation or career that fits their own preferences remains low. This is said to lead to dropping out, career correction or career adjustment later on’\textsuperscript{22}. The most important goal recently set is to promote effective career guidance in years 7-8 of primary school, which effectively supports school and vocational choices and which ensures that young people are able to make the ‘right’ decision by the age of 14, one that they can stick to later on.

The Public Education Act (Köznevelési törvény) stipulates that career guidance shall be a mandatory responsibility for all teachers. This approach runs against what has been an established practice for quite a while, one that assigned this duty to trained experts. In addition, the question of career guidance is not addressed at all in the text of the Act, except in relation to catching up (bridge) programmes. The new National Core Curriculum (Nemzeti alaptanterv, NAT) takes a similar stance and considers guidance as a means to support choosing a profession. In lower secondary years ‘great emphasis should be placed on vocational guidance and orientation’\textsuperscript{23}. Lifelong guidance services must create the conditions and activities which allow students to try their abilities, gain insight into areas of their interest, find their calling and choose the vocation and career that best suits them’.

4.4 Campaigns and competitions

From time to time, state funded media campaigns are run to improve the public esteem of VET. Participation in Euroskills and Worldskills competitions is also meant to contribute towards this goal. Inspired by these examples, the Hungarian Chamber of Commerce and Industry (Magyar Kereskedelmi és Iparkamara, MKIK) organises the ‘Outstanding Student of the Trade’ competition of graduating IVET students in occupations that fall under the chamber’s supervision. The annual contest takes place during the ‘Trade Star Festival’ which by now has become an important media event.

Hungary has been a member of WorldSkills International since 2006 and the European Skills Promotion Organization since 2008. As part of the framework agreement signed in November 2010 by the Prime Minister and the President of the Hungarian Chamber of Commerce and Industry (Magyar Kereskedelmi és Iparkamara, MKIK) organises the ‘Outstanding Student of the Trade’ competition of graduating IVET students in occupations that fall under the chamber’s supervision. The annual contest takes place during the ‘Trade Star Festival’ which by now has become an important media event.

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\textsuperscript{22} Concept paper on the restructuring of the VET system and its harmonization with economic requirements, Ministry of National Economy, 2011 May

\textsuperscript{23} Government decree 110/2012. (VI. 4.) on the issuing, introduction and implementation of the National Core Curriculum
Since the late 1990s, annual Job Fairs are organised every autumn by local/regional labour centres in order to help young people get better acquainted with VET and the world of work. The goal is to present the demands of the labour market to young people and to provide them with information regarding their training and employment opportunities. Presenters include educational institutions of all levels (secondary, higher, adult training) as well as employers.
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48


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### Acronyms and abbreviations

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
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<tr>
<td>CVET</td>
<td>continuing vocational education and training (<em>szakmai továbbképzés</em>, SZT)</td>
</tr>
<tr>
<td>ELGPN</td>
<td>European Lifelong Guidance Policy Network</td>
</tr>
<tr>
<td>FSZ</td>
<td>Felsőfokú Szakképzés (Advanced vocational programmes)</td>
</tr>
<tr>
<td>ISCED</td>
<td>International Standard Classification of Education (az oktatási egységes nemzetközi osztályozási rendszere)</td>
</tr>
<tr>
<td>IVET</td>
<td>initial vocational education and training (<em>szakmai alapképzés</em> avagy az első szakképesítés megszerzésére irányuló szakképzés)</td>
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<tr>
<td>KKIK</td>
<td>Klebelsberg Kunó Intézményfenntartó Központ (<em>Klebelsberg Institution Maintenance Centre</em>)</td>
</tr>
<tr>
<td>KSH</td>
<td>Központi Statisztikai Hivatal (Hungarian Central Statistical Office)</td>
</tr>
<tr>
<td>LLL</td>
<td>lifelong learning (élethosszig tartó tanulás)</td>
</tr>
<tr>
<td>MA</td>
<td>Magyar Agrárkamara (Hungarian Chamber of Agriculture)</td>
</tr>
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<td>MFKB</td>
<td>megyei fejlesztési és képzési bizottság (county development and training committee)</td>
</tr>
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<td>MKIK</td>
<td>Magyar Kereskedelmi és Iparkamara (Hungarian Chamber of Commerce and Industry)</td>
</tr>
<tr>
<td>MKIK GVI</td>
<td>Magyar Kereskedelmi és Iparkamara, Gazdaság- és Vállalkozáskutató Intézet (Institute for Economic and Enterprise Research of the Hungarian Chamber of Commerce and Industry)</td>
</tr>
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<td>MPA</td>
<td>Munkaerő-piaci Alap (Labour Market Fund)</td>
</tr>
<tr>
<td>MTA KRTK KTI</td>
<td>Magyar Tudományos Akadémia Közgazdasági és Regionális Tudományi Kutatóközpont Közgazdaság-tudományi Intézete (Institute of Economics of the Research Centre for Economic and Regional Studies of the Hungarian Academy of Sciences)</td>
</tr>
<tr>
<td>NAT</td>
<td>Nemzeti Alaptanterv (National Core Curriculum)</td>
</tr>
<tr>
<td>EMMI</td>
<td>Emberi Erőforrások Minisztériuma (<em>Ministry of Human Resources</em>)</td>
</tr>
<tr>
<td>NGTT</td>
<td>Nemzeti Gazdasági és Társadalmi Tanács (<em>National Economic and Social Council</em>)</td>
</tr>
<tr>
<td>NFA</td>
<td>Nemzeti Foglalkoztatási Alap (<em>National Employment Fund</em>)</td>
</tr>
<tr>
<td>NFSZ</td>
<td>Nemzeti Foglalkoztatási Szolgálat (<em>National Employment Service</em>)</td>
</tr>
<tr>
<td>Acronym</td>
<td>Description</td>
</tr>
<tr>
<td>---------</td>
<td>-------------</td>
</tr>
<tr>
<td>NGM</td>
<td>Nemzetgazdasági Minisztérium (Ministry for National Economy)</td>
</tr>
<tr>
<td>NGTT</td>
<td>Nemzeti Gazdasági és Társadalmi Tanács (National Economic and Social Council)</td>
</tr>
<tr>
<td>NKB</td>
<td>Nemzeti Képesítési Bizottság (National Qualification Committee)</td>
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<td>NPT</td>
<td>Nemzeti Pályaoorientációs Tanács (Hungarian lifelong guidance council)</td>
</tr>
<tr>
<td>NMH SZFI</td>
<td>Nemzeti Munkaügyi Hivatal, Szakképzési és Felnőttképzési Igazgatóság (National Labour Office, VET and Adult Education Directorate)</td>
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<td>NSZFT</td>
<td>Nemzeti Szakképzési és Felnőttképzési Tanács (National Vocational and Adult Training Council)</td>
</tr>
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<td>OÉT</td>
<td>Országos Érdekegyeztető Tanács (National Interest Reconciliation Council)</td>
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<td>Országos Foglalkoztatási Közalapítvány (National Employment Foundation)</td>
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<td>Oktatási Hivatal (Educational Authority)</td>
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<td>OKJ</td>
<td>Országos Képzési Jegyzék (National Qualifications Register)</td>
</tr>
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<td>RFKB</td>
<td>regionális fejlesztési és képzési bizottság (regional development and training committee)</td>
</tr>
<tr>
<td>SROP</td>
<td>Social Renewal Operational Programme (Társadalmi Megújulás Operatív Program)</td>
</tr>
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<td>SZH</td>
<td>szakképzési hozzájárulás (vocational training contribution)</td>
</tr>
<tr>
<td>SSI</td>
<td>szakiskola (vocational school)</td>
</tr>
<tr>
<td>SZKI</td>
<td>szakközépiskola (secondary vocational school)</td>
</tr>
<tr>
<td>SZVK</td>
<td>szakmai és vizsgakövetelmények (vocational and examination requirements)</td>
</tr>
<tr>
<td>TISZK</td>
<td>térségi integrált szakképző központ (regional integrated vocational training centres)</td>
</tr>
<tr>
<td>TKKI</td>
<td>Türr István Képző és Kutató Intézet (Türr István Training and Research Institute)</td>
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<tr>
<td>VET</td>
<td>vocational education and training (szakképzés, szakmai képzés)</td>
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</table>
Annex 1. Other tables and figures quoted in the report

**Table 1:** Total population (on 1st of January), 2003, 2006, 2009, 2011, 2012

<table>
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<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>EU 27</strong></td>
<td>486 646 114</td>
<td>493 210 397</td>
<td>499 686 575</td>
<td>502 404 439</td>
<td>503 679 730</td>
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<td><strong>HU</strong></td>
<td>10 142 362</td>
<td>10 076 581</td>
<td>10 030 975</td>
<td>9 985 722</td>
<td>9 957 731</td>
</tr>
</tbody>
</table>

*Source: Eurostat (Demographic Statistics); Date of extraction: 12-11-2012*

**Table 2:** Age-specific demographic trends for 2010, baseline scenario until 2025

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2020</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>9 894 894</td>
<td>9 778 216</td>
<td>9 656 815</td>
</tr>
<tr>
<td><strong>Aged 0-24</strong></td>
<td>22 555 298</td>
<td>2 400 857</td>
<td>2 323 696</td>
</tr>
<tr>
<td><strong>Aged 25-64</strong></td>
<td>5 583 134</td>
<td>5 435 632</td>
<td>5 261 970</td>
</tr>
<tr>
<td><strong>Aged 65+</strong></td>
<td>1 756 462</td>
<td>1 941 727</td>
<td>2 071 149</td>
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*Source: Hungarian Central Statistics Office (Központr Statisztikai Hivatal)*

**Table 3:** Projected old-age dependency ratio, 2010-2060

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2015</th>
<th>2020</th>
<th>2030</th>
<th>2040</th>
<th>2050</th>
<th>2060</th>
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<tr>
<td><strong>EU 27</strong></td>
<td>25.9</td>
<td>28.26</td>
<td>31.05</td>
<td>38.04</td>
<td>45.36</td>
<td>50.42</td>
<td>53.47</td>
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<td><strong>HU</strong></td>
<td>24.22</td>
<td>26.3</td>
<td>30.31</td>
<td>34.06</td>
<td>40.11</td>
<td>50.83</td>
<td>57.64</td>
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</table>

*Source: Eurostat (EUROPOP2008 - Convergence scenario, national level (proj_08c))
Date of extraction: 19-05-2011; Last update: 16-05-2011*
### Table 4: Distribution of learners in year 9 by upper secondary programme type 2005-2012

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Vocational school (SZI)</strong></td>
<td>35960</td>
<td>35575</td>
<td>34821</td>
<td>35759</td>
<td>37205</td>
<td>38166</td>
<td>38144</td>
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<tr>
<td><strong>Secondary vocational school (SZKI)</strong></td>
<td>49979</td>
<td>50328</td>
<td>49212</td>
<td>47571</td>
<td>46371</td>
<td>46223</td>
<td>42255</td>
</tr>
<tr>
<td><strong>Grammar school (Gimnázium)</strong></td>
<td>45711</td>
<td>45711</td>
<td>43796</td>
<td>43150</td>
<td>41398</td>
<td>42464</td>
<td>40819</td>
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<tr>
<td><strong>Total</strong></td>
<td>132191</td>
<td>131614</td>
<td>127829</td>
<td>126480</td>
<td>124974</td>
<td>126853</td>
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* Including ‘special vocational schools.’

**Source:** Ministry of Human Resources (Emberi Erőforrások Minisztériuma), 2012.

### Table 5: Early school leavers (%), 2002-2011

<table>
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<tr>
<th></th>
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<tbody>
<tr>
<td><strong>EU 27</strong></td>
<td>17.0</td>
<td>16.5</td>
<td>16.0</td>
<td>15.8</td>
<td>15.5</td>
<td>15.1</td>
<td>14.9</td>
<td>14.4</td>
<td>14.1</td>
<td>13.5</td>
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<tr>
<td><strong>HU</strong></td>
<td>12.2</td>
<td>12.0</td>
<td>12.6</td>
<td>12.5</td>
<td>12.6</td>
<td>11.4</td>
<td>11.7</td>
<td>11.2</td>
<td>10.5</td>
<td>11.2</td>
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**Source:** Eurostat (LFS); Extracted: 29-09-2012

(b) - break in series
### Table 6: Persons of the age 20 to 24 having completed at least upper secondary education by sex, 2005, 2008, 2011

<table>
<thead>
<tr>
<th>time</th>
<th>geo</th>
<th>2005</th>
<th>2008</th>
<th>2011</th>
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<tr>
<td></td>
<td></td>
<td>T</td>
<td>F</td>
<td>M</td>
</tr>
<tr>
<td></td>
<td>EU-27</td>
<td>77.5</td>
<td>80.2</td>
<td>74.8</td>
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<td></td>
<td>HU</td>
<td>83.4</td>
<td>84.9</td>
<td>81.9</td>
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Source: Eurostat (LFS); extracted: 28-09-2012;

### Table 7: Lifelong leaning-adult participation in education and training by sex (%), 2002, 2005, 2009

<table>
<thead>
<tr>
<th>time</th>
<th>geo</th>
<th>2005</th>
<th>2008</th>
<th>2011</th>
</tr>
</thead>
<tbody>
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<td></td>
<td></td>
<td>T</td>
<td>F</td>
<td>M</td>
</tr>
<tr>
<td></td>
<td>EU 27</td>
<td>9.8</td>
<td>10.5</td>
<td>9.0</td>
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<td></td>
<td>HU</td>
<td>3.9</td>
<td>4.6</td>
<td>3.2</td>
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Source: Eurostat (LFS); Extracted on: 29-09-2012

### Table 8: Real GDP growth rate volume in Hungary and EU-27, 2000-11 (% change on previous year)

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<tr>
<td>Hungary</td>
<td>4.2</td>
<td>3.7</td>
<td>4.5</td>
<td>3.9</td>
<td>4.8</td>
<td>4.0</td>
<td>3.9</td>
<td>0.1</td>
<td>0.9</td>
<td>-6.8</td>
<td>1.3</td>
<td>1.6</td>
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<tr>
<td>EU-27</td>
<td>3.9</td>
<td>2.1</td>
<td>1.2</td>
<td>1.3</td>
<td>2.5</td>
<td>2.1</td>
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<td>0.3</td>
<td>-4.3</td>
<td>2.1</td>
<td>1.5</td>
</tr>
</tbody>
</table>

NB: Gross domestic product (GDP) is a measure of economic activity, defined as the value of all goods and services produced less the value of any goods or services used in their creation.

Source: Eurostat; Extracted on: 28-09-2012.

### Table 9: SMES in Hungary – basic figures (%) in 2009

<table>
<thead>
<tr>
<th>SIZE</th>
<th>ENTERPRISES</th>
<th>EMPLOYMENT</th>
<th>VALUE ADDED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>HUNGARY</td>
<td>EU-27</td>
<td>HUNGARY</td>
</tr>
<tr>
<td>MICRO</td>
<td>94.7</td>
<td>91.8</td>
<td>35.8</td>
</tr>
<tr>
<td>SMALL</td>
<td>4.4</td>
<td>6.9</td>
<td>18.9</td>
</tr>
<tr>
<td>MEDIUM-SIZED</td>
<td>0.7</td>
<td>1.1</td>
<td>16.2</td>
</tr>
<tr>
<td>SMEs</td>
<td>99.8</td>
<td>99.8</td>
<td>71.0</td>
</tr>
<tr>
<td>SMEs</td>
<td>0.2</td>
<td>0.2</td>
<td>29.0</td>
</tr>
</tbody>
</table>

Table 10: Employed persons aged 15+ by economic sector of activity (in thousands and as % of total employment), 2010

<table>
<thead>
<tr>
<th>geo</th>
<th>primary sector and utilities</th>
<th>manufacturing</th>
<th>construction</th>
<th>distribution and transport</th>
<th>business and other services</th>
<th>non marketed services</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>persons (in thousands)</td>
<td>%</td>
<td>persons (in thousands)</td>
<td>%</td>
<td>persons (in thousands)</td>
<td>%</td>
</tr>
<tr>
<td>EU-27</td>
<td>15175.8</td>
<td>7.0</td>
<td>33992.7</td>
<td>15.7</td>
<td>16573.2</td>
<td>7.7</td>
</tr>
<tr>
<td>HU</td>
<td>265.4</td>
<td>7.0</td>
<td>785.1</td>
<td>20.8</td>
<td>277.6</td>
<td>7.3</td>
</tr>
</tbody>
</table>

Source: Eurostat (Labour Force Survey); extracted on: 19-05-2011; last update: 12-05-2011

Table 11: Employment rates by sex in the 15 to 64 years age group (%)

<table>
<thead>
<tr>
<th>GEO/TIME</th>
<th>2003</th>
<th>2006</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU-27</td>
<td>62.7</td>
<td>64.4</td>
<td>64.3</td>
</tr>
<tr>
<td>male</td>
<td>70.3</td>
<td>71.6</td>
<td>70.1</td>
</tr>
<tr>
<td>female</td>
<td>55.0</td>
<td>57.2</td>
<td>58.5</td>
</tr>
<tr>
<td>Hungary</td>
<td>57.0</td>
<td>57.3</td>
<td>55.8</td>
</tr>
<tr>
<td>male</td>
<td>63.5</td>
<td>63.8</td>
<td>61.2</td>
</tr>
<tr>
<td>female</td>
<td>50.9</td>
<td>51.1</td>
<td>50.6</td>
</tr>
</tbody>
</table>

Source: Eurostat, Extracted on 19-08-2011, Last update 25-07-2011

Table 12: Employed persons aged 15 years and older by sex: composition by occupation (main job), 2010, %

<table>
<thead>
<tr>
<th></th>
<th>Skilled non manual</th>
<th>Low skilled non manual</th>
<th>Skilled manual</th>
<th>Elementary occupations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU-27</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>39.9</td>
<td>24.9</td>
<td>25.5</td>
<td>9.8</td>
<td>100</td>
</tr>
<tr>
<td>Men</td>
<td>38.2</td>
<td>14.3</td>
<td>38.9</td>
<td>8.6</td>
<td>100</td>
</tr>
<tr>
<td>Women</td>
<td>41.8</td>
<td>37.5</td>
<td>9.4</td>
<td>9.4</td>
<td>100</td>
</tr>
<tr>
<td>HU</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>35.4</td>
<td>24.4</td>
<td>31.4</td>
<td>8.8</td>
<td>100</td>
</tr>
<tr>
<td>Men</td>
<td>29.9</td>
<td>15.6</td>
<td>47.2</td>
<td>7.3</td>
<td>100</td>
</tr>
<tr>
<td>Women</td>
<td>41.8</td>
<td>34.5</td>
<td>13.3</td>
<td>10.4</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 13: Relative earnings of the population with income from employment, 2010 (upper secondary and post-secondary non-tertiary education = 100)

<table>
<thead>
<tr>
<th>Age group</th>
<th>Below upper secondary education</th>
<th>Post-secondary non-tertiary education</th>
<th>All tertiary education</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hungary</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>76</td>
<td>125</td>
<td>244</td>
</tr>
<tr>
<td>Women</td>
<td>71</td>
<td>116</td>
<td>187</td>
</tr>
<tr>
<td>M+W</td>
<td>73</td>
<td>120</td>
<td>210</td>
</tr>
<tr>
<td>OECD average</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>78</td>
<td>110</td>
<td>160</td>
</tr>
<tr>
<td>Women</td>
<td>74</td>
<td>106</td>
<td>157</td>
</tr>
<tr>
<td>M+W</td>
<td>77</td>
<td>108</td>
<td>155</td>
</tr>
</tbody>
</table>


Table 14: Trends in relative earnings: Total population, 2000-2010 (upper secondary and post-secondary non-tertiary education = 100)

<table>
<thead>
<tr>
<th>TIME</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hungary</td>
<td>Below upper secondary</td>
<td>71</td>
<td>71</td>
<td>74</td>
<td>74</td>
<td>73</td>
<td>73</td>
<td>73</td>
<td>72</td>
<td>73</td>
<td>73</td>
</tr>
<tr>
<td>Tertiary</td>
<td>194</td>
<td>194</td>
<td>205</td>
<td>219</td>
<td>217</td>
<td>215</td>
<td>219</td>
<td>211</td>
<td>210</td>
<td>211</td>
<td>210</td>
</tr>
<tr>
<td>OECD average</td>
<td>Below upper secondary</td>
<td>80</td>
<td>79</td>
<td>79</td>
<td>79</td>
<td>78</td>
<td>78</td>
<td>78</td>
<td>78</td>
<td>77</td>
<td>76</td>
</tr>
<tr>
<td>Tertiary</td>
<td>149</td>
<td>145</td>
<td>148</td>
<td>147</td>
<td>155</td>
<td>151</td>
<td>157</td>
<td>154</td>
<td>153</td>
<td>155</td>
<td>159</td>
</tr>
</tbody>
</table>


Table 15: Employment rates by age groups and highest level of education attained (%), 2003, 2006 and 2010

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>EU 27</td>
<td>0-2</td>
<td>25.1(i)</td>
<td>66.1(i)</td>
<td>41.9 (i)</td>
<td>24.8</td>
<td>66.9</td>
<td>43.5</td>
<td>21.5</td>
<td>62.8</td>
<td>43.1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3-4</td>
<td>47.2 (i)</td>
<td>79.1 (i)</td>
<td>54.9 (i)</td>
<td>48.1</td>
<td>80.5</td>
<td>57.9</td>
<td>45.0</td>
<td>79.7</td>
<td>59.6</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5-6</td>
<td>62.0 (i)</td>
<td>88.0 (i)</td>
<td>72.4 (i)</td>
<td>60.5</td>
<td>88.5</td>
<td>74.2</td>
<td>57.1</td>
<td>87.4</td>
<td>74.5</td>
<td></td>
</tr>
<tr>
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<td>No answer</td>
<td>14.9 (i)</td>
<td>72.6 (i)</td>
<td>39.1 (i)</td>
<td>5.1</td>
<td>76.0</td>
<td>5.6</td>
<td>5.2</td>
<td>72.8</td>
<td>62.2</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>36.0 (i)</td>
<td>77.4 (i)</td>
<td>51.5 (i)</td>
<td>36.6</td>
<td>79.1</td>
<td>54.4</td>
<td>34.1</td>
<td>78.1</td>
<td>56.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HU</td>
<td>0-2</td>
<td>7.8</td>
<td>53.4</td>
<td>22.7</td>
<td>7.3</td>
<td>49.9</td>
<td>26.7</td>
<td>5.4</td>
<td>46.2</td>
<td>27.9</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3-4</td>
<td>42.3</td>
<td>78.2</td>
<td>53.7</td>
<td>34.3</td>
<td>78.6</td>
<td>53.4</td>
<td>29.2</td>
<td>76.1</td>
<td>48.4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5-6</td>
<td>70.0</td>
<td>89.0</td>
<td>70.2</td>
<td>65.8</td>
<td>87.6</td>
<td>69.7</td>
<td>57.0</td>
<td>83.7</td>
<td>67.3</td>
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</tr>
<tr>
<td>Total</td>
<td>26.7</td>
<td>75.2</td>
<td>43.9</td>
<td>21.7</td>
<td>75.4</td>
<td>47.9</td>
<td>18.3</td>
<td>73.1</td>
<td>46.8</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Eurostat (Labour Force Survey); Extracted on 19-05-2011; Last update: 12-05-2011

(i) - see explanatory notes:
Table 16. Unemployment rates by age groups and highest level of education attained (%), 2003, 2006 and 2010

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2003</td>
<td></td>
<td></td>
<td></td>
<td>2006</td>
<td></td>
<td></td>
<td>2010</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EU 27</td>
<td>0-2</td>
<td>20.2 (i)</td>
<td>11.6 (i)</td>
<td>7.2 (i)</td>
<td>21.2</td>
<td>11.2</td>
<td>7.5</td>
<td>27.4</td>
<td>16.3</td>
<td>10.2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3-4</td>
<td>17.7 (i)</td>
<td>8.4 (i)</td>
<td>7.7 (i)</td>
<td>15.4</td>
<td>7.3</td>
<td>6.9</td>
<td>18.1</td>
<td>8.2</td>
<td>6.7</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5-6</td>
<td>12.0 (i)</td>
<td>4.8 (i)</td>
<td>3.7 (i)</td>
<td>13.4</td>
<td>4.3</td>
<td>3.6</td>
<td>16.2</td>
<td>5.3</td>
<td>3.6</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No answer</td>
<td>13.9 (i)</td>
<td>7.8 (i)</td>
<td>7.4 (i)</td>
<td>20.1</td>
<td>:</td>
<td>:</td>
<td>:</td>
<td>8.2</td>
<td>:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>18.0 (i)</td>
<td>8.3 (i)</td>
<td>6.6 (i)</td>
<td>17.2</td>
<td>7.3</td>
<td>6.3</td>
<td>20.8</td>
<td>8.9</td>
<td>6.9</td>
<td></td>
</tr>
<tr>
<td>HU</td>
<td>0-2</td>
<td>26.4</td>
<td>12.6</td>
<td>6.4</td>
<td>31.8</td>
<td>17.8</td>
<td>8.8</td>
<td>41.4</td>
<td>26.5</td>
<td>17.2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3-4</td>
<td>10.5</td>
<td>5.1</td>
<td>3.4</td>
<td>15.7</td>
<td>6.5</td>
<td>4.8</td>
<td>23.3</td>
<td>9.9</td>
<td>8.4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No answer</td>
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<td>1.1</td>
<td>:</td>
<td>16.9</td>
<td>2.5</td>
<td>1.6 (u)</td>
<td>22.2</td>
<td>4.8</td>
<td>2.3</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>12.9</td>
<td>5.5</td>
<td>3.5</td>
<td>19.1</td>
<td>7.1</td>
<td>4.8</td>
<td>26.6</td>
<td>10.7</td>
<td>8.4</td>
<td></td>
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</tbody>
</table>

Source: Eurostat (LFS); Extracted on: 19-05-2011; Last update: 12-05-2011

(u) - unreliable/uncertain data; (i) - see explanatory notes:

Table 17: Unemployment rate by level of education and gender, 2007-2010, %

<table>
<thead>
<tr>
<th></th>
<th>8 grades of primary school or less</th>
<th>Vocational school</th>
<th>Secondary school</th>
<th>College, University</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Males</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>18.4</td>
<td>6.8</td>
<td>5.1</td>
<td>2.4</td>
<td>7.1</td>
</tr>
<tr>
<td>2008</td>
<td>19.8</td>
<td>7.6</td>
<td>5.3</td>
<td>2.3</td>
<td>7.6</td>
</tr>
<tr>
<td>2009</td>
<td>24.4</td>
<td>10.6</td>
<td>7.7</td>
<td>3.8</td>
<td>10.3</td>
</tr>
<tr>
<td>2010</td>
<td>26.9</td>
<td>12.1</td>
<td>8.4</td>
<td>4.9</td>
<td>11.6</td>
</tr>
<tr>
<td>Females</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>16.0</td>
<td>9.4</td>
<td>6.2</td>
<td>3.3</td>
<td>7.6</td>
</tr>
<tr>
<td>2008</td>
<td>17.5</td>
<td>9.5</td>
<td>6.9</td>
<td>3.2</td>
<td>8.1</td>
</tr>
<tr>
<td>2009</td>
<td>21.6</td>
<td>12.4</td>
<td>7.7</td>
<td>4.1</td>
<td>9.7</td>
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<tr>
<td>2010</td>
<td>22.8</td>
<td>12.6</td>
<td>9.5</td>
<td>4.5</td>
<td>10.7</td>
</tr>
</tbody>
</table>


Table 18: Total public expenditure on education as % of GDP, at secondary level of education (ISCED 2-4), 2002-2009

<table>
<thead>
<tr>
<th>Geo</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU27</td>
<td>2.32 (s)</td>
<td>2.35 (s)</td>
<td>2.29 (s)</td>
<td>2.25 (s)</td>
<td>2.23 (s)</td>
<td>2.20 (s)</td>
<td>2.24</td>
<td>2.41</td>
</tr>
<tr>
<td>HU</td>
<td>2.29</td>
<td>2.68</td>
<td>2.46</td>
<td>2.36</td>
<td>2.33</td>
<td>2.29</td>
<td>2.25</td>
<td>2.22</td>
</tr>
</tbody>
</table>

Source: Eurostat (UOE); extracted on: 31-07-2012; Last update: 16-06-2012
### Table 19: Participation rate of adults in formal education and training by highest level of education attained (%), 2007 [Last update: 06-03-2012]

<table>
<thead>
<tr>
<th></th>
<th>ISCED 0-2</th>
<th>ISCED 3-4</th>
<th>ISCED 5-6</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU-27</td>
<td>2.7</td>
<td>6.0</td>
<td>12.7</td>
<td>6.6</td>
</tr>
<tr>
<td>HU</td>
<td>0.4</td>
<td>2.5</td>
<td>5.5</td>
<td>2.5</td>
</tr>
</tbody>
</table>


### Table 20. Number and distribution of apprenticeships by qualification/occupation, 2010

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Number of students</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cook</td>
<td>5 700</td>
<td>12</td>
</tr>
<tr>
<td>Food and household retailer</td>
<td>5 000</td>
<td>10</td>
</tr>
<tr>
<td>Waiter</td>
<td>3 800</td>
<td>8</td>
</tr>
<tr>
<td>Hairdresser</td>
<td>3 200</td>
<td>7</td>
</tr>
<tr>
<td>Bricklayer</td>
<td>2 500</td>
<td>5</td>
</tr>
<tr>
<td>Carpenter/furniture carpenter</td>
<td>2 000</td>
<td>4</td>
</tr>
<tr>
<td>Painter and wallpaper installer</td>
<td>1 900</td>
<td>4</td>
</tr>
<tr>
<td>Body ironer</td>
<td>1 700</td>
<td>4</td>
</tr>
<tr>
<td>Pastry-cook</td>
<td>1 400</td>
<td>3</td>
</tr>
<tr>
<td>Electrician</td>
<td>1 300</td>
<td>2</td>
</tr>
<tr>
<td>Subtotal</td>
<td>28 500</td>
<td>59</td>
</tr>
<tr>
<td>Total</td>
<td>48 000</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Hungarian Chamber of Commerce and Industry (Magyar Kereskedelmi és Iparkamara).

### Table 21: Number and distribution of participants in training programmes supported/coordinated by the National Employment Service by type of training, 2010

<table>
<thead>
<tr>
<th>Type of training</th>
<th>NUMBER</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>General education</td>
<td>2,404</td>
<td>5.4</td>
</tr>
<tr>
<td>Foreign language course</td>
<td>4,232</td>
<td>9.6</td>
</tr>
<tr>
<td>Vocational training awarding a n OKJ qualification</td>
<td>29,748</td>
<td>67.4</td>
</tr>
<tr>
<td>Vocational training not awarding an OKJ qualification</td>
<td>5,634</td>
<td>12.8</td>
</tr>
<tr>
<td>Training regulated by public authorities</td>
<td>1,844</td>
<td>4.2</td>
</tr>
<tr>
<td>Services</td>
<td>13</td>
<td>0.0</td>
</tr>
<tr>
<td>Other</td>
<td>239</td>
<td>0.5</td>
</tr>
<tr>
<td>total</td>
<td>44,114</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: National Employment Service (Nemzeti Foglalkoztatási Szolgálat, NFSZ)
### Table 22: Enterprises supporting training by enterprise size class, %

<table>
<thead>
<tr>
<th>Size class</th>
<th>1999</th>
<th>2005</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>10-49 employees</td>
<td>32</td>
<td>43</td>
<td>43</td>
</tr>
<tr>
<td>50-249 employees</td>
<td>51</td>
<td>79</td>
<td>74</td>
</tr>
<tr>
<td>250 employees or more</td>
<td>79</td>
<td>92</td>
<td>95</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>37</td>
<td>49</td>
<td>49</td>
</tr>
</tbody>
</table>

*Source: Hungarian Central Statistical Office: Statistical Reflections 2012/11*

### Table 23: Reasons for lack of trainings among enterprises not supporting training, %

<table>
<thead>
<tr>
<th>Denomination</th>
<th>1999</th>
<th>2005</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>The existing qualifications, skills and competences of the persons employed</td>
<td>83</td>
<td>82</td>
<td>73</td>
</tr>
<tr>
<td>were appropriate to the current needs of the enterprise</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The preferred strategy of the enterprise was to recruit individuals</td>
<td>70</td>
<td>38</td>
<td>29</td>
</tr>
<tr>
<td>with the required qualifications, skills and competences</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Difficulties in assessing training needs in the enterprise</td>
<td>5</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Lack of suitable offerings of CVT courses in the market</td>
<td>..</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>High costs of CVT courses</td>
<td>22</td>
<td>25</td>
<td>15</td>
</tr>
<tr>
<td>Higher focus on IVT provision than on CVT</td>
<td>39</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Major efforts in CVT realised in recent years</td>
<td>3</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>High workload and no time available for staff to participate in CVT</td>
<td>12</td>
<td>29</td>
<td>9</td>
</tr>
<tr>
<td>Other reasons</td>
<td>4</td>
<td>11</td>
<td>11</td>
</tr>
</tbody>
</table>

*Source: Hungarian Central Statistical Office: Statistical Reflections 2012/11*
**Figure 1:** Inactivity rates by sex between 15 and 64 (%), q4 2011

![Inactivity rates by sex between 15 and 64 (%), q4 2011](image)


**Figure 2:** Proportion of enterprises supporting and not supporting CVT

![Proportion of enterprises supporting and not supporting CVT](image)

Source: Hungarian Central Statistical Office: Statistical Reflections 2012/11
Annex 2. Glossary

**Adult education** (felnőttoktatás): general or vocational training programmes provided within the school system in what is considered public or higher education either as full- or part-time or distance education; it targets adults who did not obtain a formal school certificate of a certain level or an OKJ qualification during their compulsory schooling, or who want to attain a new qualification.

**Adult training** (felnőttképzés): pursuant to the Adult Training Act, it is general, language or vocational training provided outside the school system, based on a training programme (képzési program), with the aim to obtain a qualification or master specific competences. It covers many different types and forms of learning opportunities.

**Advanced vocational programmes** (felsőfokú szakképzés): two-year ISCED 5B level programmes introduced in 1998 awarding an advanced level OKJ qualification. Currently, they are organised by higher education institutions, but the training can also be (and in half of the cases is) provided in ‘secondary vocational schools’ (SZKI), based on an agreement between the two institutions. Credits obtained (minimum 30, maximum 60) can be transferred to a bachelor programme in the same field. Pursuant to the new Higher education act of 2011, from 2013 these courses will cease to exist. At the same time, the law provides for the introduction of 4-5 term so-called ‘higher education VET’ programmes (felsőoktatási szakképzés), which can be provided only in higher education institutions. These courses will not award a higher education degree, only a ‘higher education qualification’ (felsőfokú szakképzetttség), but 30-120 credits will be recognized in Ba/BSc programmes.

**Cooperation agreement** (együttműködési megállapodás): agreement between a VET institution and an enterprise that allows learners to participate in enterprise-based training (for the complete duration of the training programme or part of it). In this kind of alternance training learners are not contractually linked to the employer, neither do they receive remuneration (only for the duration of their practice during the school holidays in summer). Such a cooperation agreement can be concluded only under special conditions. The basic form of training in an enterprise is a student contract.

**Higher education** (felsőoktatás): the sector of education that provides programmes at ISCED levels 5 and 6. Hungarian legislation does not classify ISCED levels 5A and 6 higher education programmes as VET. Currently ISCED 5B level courses awarding OKJ qualifications are considered VET, but from 2013 these will be fully integrated in higher education (see advanced vocational programmes).

**Language preparatory year** (nyelvi előkészítő évfolyam, NYEK): the first year (year 9) in some special grammar schools (gimnázium) and SZKI where 40% of mandatory class hours is spent on intensive foreign language teaching. It is followed by four years of upper-secondary general education.
National qualifications register (Országos Képzési Jegyzék, OKJ): the list of all State-recognised vocational qualifications (and basic data about them) that can be obtained in VET provided either within or outside the school system. It also specifies the ISCED levels of these qualifications.

Post-secondary non-tertiary education (érettségi utáni szakképzés or posztszekunder, nem felsőfokú képzés): VET programmes offered in SZKI to learners who have obtained a secondary school leaving certificate.

Public education (közoktatás, from 2012 köznevelés): the sector of education that provides training programmes at pre-primary, primary, lower and upper secondary as well as post-secondary non-tertiary level (including the period of compulsory schooling which is currently from age 6 to 18, and children must be in kindergarten already from age 5; from 2013 children must enter kindergarten from age 3, but they can leave school at 16). The State is responsible for the operation of public education and ensures the right for everyone to participate free-of-charge. Beside the State and municipalities, church and business entities, foundations, associations, etc., can also found and maintain public education institutions (the term ‘public’ here refers to the idea of education for all, it does not refer to the type of maintainer; and private ‘maintainers’ can also provide public education services). In all instances, institutions get State support from the central government budget based on the number of students and the type of the tasks undertaken. Pursuant to new Public education act accepted at the end of 2011, from January 2013 the State will be the ‘maintainer’ of all schools currently maintained by local governments, although settlements with more than 3000 people can choose to remain the ‘operator’ of its schools.

Secondary school leaving certificate (érettségi bizonyítvány): ISCED 3A level certificate awarded at the national secondary school leaving examination, organised at the end of year 12 in grammar schools and in SZKI (or 13 in bilingual and other programmes with a ‘language preparatory year’). Currently, it can be taken at either intermediate or advanced level in at least five subjects, four of which are compulsory (mathematics, Hungarian language and literature, history and a foreign/minority language) and one is optional. In SZKI the latter can also be a vocationally-oriented subject. In the new structure of SZKI providing VET parallel to general education, to be introduced from 2013, this ‘vocational secondary school leaving examination’ (szakmai érettségi) will be compulsory and will qualify graduates for entering at least one occupation in the given sector of economy. The secondary school leaving certificate is a prerequisite of admission to higher education. Currently the certificate obtained in an SZKI is equivalent to one obtained in a grammar school. The new SZKI programme to be introduced from 2013 will award a secondary school leaving certificate that will qualify graduates for applying to higher education only within the same sector.

Secondary vocational school (szakközépiskola, SZKI): currently provides general and pre-vocational education at upper secondary level, in years 9 to 12 (or 9 to 13 in bilingual and other programmes with a ‘language preparatory year’), and leads to the secondary school leaving examination, the higher education entry qualification (ISCED level 3A). Following that, students can choose to stay in VET to pursue an ISCED level 4C OKJ qualification in post-secondary non-tertiary education. Pursuant to the new VET act of 2011, as of
September 2013, SZKI will provide VET parallel to general education from year 9, leading to a 'vocational secondary school leaving examination' (see above).

**Shortage jobs** (hiányszakma, kiemelten támogatott szakma): occupations that are in high demand on the labour market. County (until 2012 regional) lists of shortage jobs are defined by county (until 2012 regional) development and training committees (regionális / megyei fejlesztési és képzési bizottságok, MFKB, see 3.8).

**Special vocational school** (speciális szakiskola): a special type of SZI that prepares students with special needs for an OKJ, possibly a partial qualification. Special skills development vocational schools (készségfejlesztő speciális szakiskola) prepare students with more severe disabilities for an independent life and transition to work.

**Training contract** (tanulószerződés): contract concluded between VET students and an enterprise; based on this contract the enterprise provides practical training to the learner (during part or whole of the VET programme) and pays them a regular allowance. Training based on a student contract does not constitute a separate IVET pathway. It is increasingly promoted by VET policy. Whenever enterprise-based training makes up more than 50% of practical training, it can only be provided in the student contract-based form. Under the new VET Act of 2011, students can start their apprenticeship training based on a student contract in the first year of SZI, at the age of 14 (as opposed to 16, although in the first year their training can only be organised in a workshop).

**Training regulated by public authorities** (hatósági jellegű képzés): training programmes that award nationally or internationally recognised qualifications, licences which are not included in the OKJ, primarily in the fields of road, water and air transportation, plant and veterinary health inspection or food hygiene.

**VET provided outside the school system** (iskolarendszeren kívüli szakképzés): VET programmes whose participants do not have the legal status of students; their relationship to the provider is regulated by an adult training contract.

**VET provided within the formal school system** (iskolarendszerű szakképzés): VET programmes provided by SZI and SZKI (within public education) and by higher education institutes; participants have the legal status of students.

**Vocational and examination requirements** (szakmai és vizsgakövetelmények, SZVK): define the learning outcomes of programmes that award an OKJ qualification, published by the ministry of the relevant sector; they define admission requirements, duration of training programmes, the proportion of time devoted to theoretical and to practical training, professional, personal, social and methodological competences and requirements of the examination modules. From 2012 some of this information are defined in the ‘professional requirements modules’ of the given vocation, published in a government decree.

**Vocational school** (szakiskola, SZI): VET school that currently typically provides general and pre-vocational education in years 9 and 10, typically followed by three or two years of VET; at the end students can acquire an OKJ qualification ISCED 2C or mostly 3C. However, three-year ‘early VET’ programmes providing VET from year 9 were introduced in 2010. The
new VET act of 2011 provides for the introduction of a new, uniform three-year (years 9-11) SZI programme. This was launched in some schools in 2012, and from September 2013 SZI can only offer this type of training. Since SZI does not award a secondary school leaving certificate, currently its graduates can continue their studies at post-secondary non-tertiary level or in higher education only if they complete three more years of a full- or part-time general education programme to pass the secondary school leaving examination. In the new structure of SZI to be introduced from 2013, graduates will be able to obtain the secondary school leaving certificate in two years, and even those who do not have this certificate but passed the master craftsman examination (mestervizsga) and have five years of work experience will be allowed to enter post-secondary VET in SZKI or enter higher education.
Annex 3. Legislative references

Act of 12 February 1991 on facilitating employment and provisions to the unemployed
1991. évi IV. törvény a foglalkoztatás elősegítéséről és a munkanélküliek ellátásáról

Act of 31 March of 1992 on the labour code
1992. évi XXII. törvény a Munka Törvénykönyvéről

Act of 12 July of 1993 on public education
1993. évi LXXIX. törvény a közoktatásról

Act of 12 July of 1993 on vocational education and training
1993. évi LXXVI. törvény a szakképzéséről

Act of 18 December 2001 on adult training
2001. évi Cl. törvény a felnőttképzésről

Act of 10 November of 2003 on the vocational training contribution and support of the development of training
2003. évi LXXXVI. törvény a szakképzési hozzájárulásról és a képzés fejlesztésének támogatásáról

Act of 29 November of 2005 on higher education
2005. évi CXXXIX. törvény a felsőoktatásról

Act of 21 November 2011 on vocational training contribution and support of the development of training
2011. évi CLV. törvény a szakképzési hozzájárulásról és a képzés fejlesztésének támogatásáról

Act of 19 December 2011 on national public education
2011. évi CXC. törvény a nemzeti köznevelésről

Act of 19 December 2011 on vocational education and training
2011. évi CLXXXVII. törvény a szakképzésről

Act of 23 December 2011 on national higher education
2011. évi CCIV. törvény a nemzeti felsőoktatásról

Act 1/2012 Labour Code
2012. évi I. törvény a munka törvénykönyvéről