**EHEA Working Group on Structural Reforms**

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Essay on

-       the main challenges the EHEA is facing taking into account the major political, economic, social and technological developments;

-       the extent to which the EHEA Structural Reforms are suitable to address those challenges and the way those reforms can be reinforced;

-       as well as the main political goals of the Bologna Process of yesterday, today and tomorrow.

Hungary joined the Bologna Process in 1999 by signing the Bologna Declaration with 28 other countries to establish the European Higher Education Area by 2010. The key objectives of the process are

* to increase mobility by improving the comparability of the higher educational structures, qualifications and degrees, through developing proper tools for the recognition of periods of studies and degrees,
* to improve employability through the modernization of curricula and to strengthen links with the labour market,
* to enhance the quality of training by developing a scheme of quality assurance.

Many of the original political goals – ie. improvement of data collection and transparency, easily comparable degrees, building trust, transparency and enhancing mobility and employability in higher education – have either been achieved or countries are progressing. The main political goals – building on the original ones – today are the following:

* Enhancing employability
* Investment and development imperative in the funding system
* Widening equitable access and raising completion
* Establishing a culture of quality
* Reinforcing the knowledge triangle
* Internationalisation for an open higher education

Even though member states managed to achieve some of these objectives at least partially, the economic crisis lasting since 2008 and today’s technological developments not only require the improvement of employability, but also research on *how the (higher) educational system can quickly adjust to all these changes.* EHEA Structural Working Group may help in carrying out research on Member States’ good practices in not only bridging the gap between the supply and demand, but also in methodological solutions how the quick adaptation can be managed.

Another current – and probably future – challenge is the tight state budgets, preventing higher education sector from developing into an attractive state-of-the-art system. *Improving the fundraising capacity* of the higher education institutions is a top priority as well as efficient public spending and accountability.

Content reforms carried out in Hungarian higher education during recent years accumulated tensions and therefore a structural reform was needed. The balance between value- and labour market oriented approach seems to be unstable: the circumstances of introducing the Bologna cycles’ diversified educational structure, employability after graduation, first graduates’ feedbacks reflected the voice of an unsatisfied labour market. The evaluation of the new institutional structure did not work, there were also organisational issues to be solved with unclear spheres of action – all these signing the need for change.

The new Law on Higher Education (LHE) adopted by the Hungarian Parliament in December 2011 (“2011. évi CCIV. törvény”), has introduced several measures to adjust higher education to current needs both at policy and individual levels, in accordance with the political aims mentioned above:

* Measures for raising the quality of the system of higher education institutions and for a more marked distinction between the types of higher education institutions
* Provisions for the reforms of the programme structure
* Provisions reforming the admission procedure to higher education
* Provisions for raising the quality of education
* Regulations on students and on improving their performance
* Provisions for monitoring and improving the quality of higher education
* Measures to significantly increase the number of graduates by 2020

In recent years, the following negative trends have prevailed, setting serious challenges:

* The number of students entering higher education has shown a downward trend since 2005, particularly in fee-paying courses.
* The number of students not obtaining a degree at the end of the programme period is 40% of the graduating year, indicating an increasing drop-out
* Deteriorating demographic trends: within five years the number of students completing their secondary education will decrease by 20%  (2011: 120 thousand, 2017: 95 thousand)

Regarding the Europe 2020 objectives the national target concerning higher educational (or equivalent qualification) attainment set by Hungary is to increase the number of higher education graduates in the 30-34 age group to 30.3% by 2020.

The new regulations providing for a renewed system of higher education as well as its new system of funding based on cost sharing are regarded as an incentive in respect of achieving the Europe 2020 target. It is expected that the new system will improve the graduation rate since it shares the responsibility and investment between the individual and the public. These measures may encourage students not only to choose study areas more in accordance with labour market needs, but also to take higher responsibility for their studies. Within the new system of higher education fewer students are expected to leave the system early without a degree and expectedly more or nearly all entrants will be motivated to complete their studies; and complete them within the given programme period.