






Weekly Briefing

Hungary Social briefing:
Aging population, good schooling and poverty
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Aging population, good schooling and poverty are mainstream topics all over the world, these topics have dominated the social news of the week, and grabbed the attention of the Hungarian public. All these questions and their solution have a significance for how to shape properly functioning political and economic institutions of a country.

Firstly, Hungarian mainstream media extensively covered a publication of the Eurostat, which included a data-based analysis of the latest trends in child poverty reduction in the EU-member states. In its report published last Monday, the European Commission used and analyzed 2016 data. In a press conference, the state secretary responsible for social issues and development, Károly Cibere emphasized the child poverty reduction (persons under 18 years) has been a fast process in recent years, and Hungary was the third best performing on a list of EU-countries after Latvia (17.5 percentage points) and Poland (6.6 percentage points), who could moderate the share of children at risk of poverty considerably. However, the rapid decrease of child poverty that took place between 2010 (38.7 percent) and 2016 (33.6 percent), was not sufficient to reach the EU-average which was 26.4 percent in 2016. The state secretary stressed the strong commitment of the government to launch new programmes aimed at reducing child poverty. He mentioned the establishment of the ‘Safe Start Houses’ programme, the increase in the number of schools specializing on handicapped children from 160 to 270, free textbooks for pupils and free meals in the first nine years of the elementary and secondary school. The government introduced compulsory kindergartens for small children (above 3 years) as well. The state secretary considers these measures as a means of child poverty reduction, and the state-regulated prices of utilities (gas, water, sewage etc.), which have indirect impact on the financial opportunities of Hungarian families. In the implementation of the policy, poor counties – Borsod, Szabolcs, Somogy, located on the East and North regions of the country – are given clear preferences.

According to the government's approach, the state must help the poor and needy more effectively, than before, and the sound public budget allows for that policy currently. Special targets of this policy are regions, different age classes and but not necessary ethnic minorities, where it is being assumed that poverty can strike every family, regardless of its background. Based on the same analysis of the Eurostat, politicians of the small opposition parties (Együtt and Dialog) underlined that child poverty in one-parent-families was 66 percent, thus this Hungarian figure is much worse than those of most EU member-states, only Bulgaria, Romania and Greece had poorer performance in the EU. They emphasized that family allowances and child benefits were not raised since 2008. They also highlighted that other earlier measures taken by the governments between 2010 and 2018 only benefited high income families, those with more than two children. The referred measures were the introduction of single rate value added tax, the creation of a new tax system with family allowances and subsidized mortgages, housing grants.

The government's intentions seem to be clear when it comes to basic principles of social policy. Although social and economic inclusion belong to each other, the government clearly focuses on the later one more. Theoretical assumptions that lay behind this sequencing, point out to the supremacy of economic issues over social issues; in other words only economic success can create a level playing fields to the different social layers, state intervention alone is not sufficient to achieve sustainable results in the improvement of social conditions.

In consequence of the approach, if worsening economic conditions will force the government to rein in government expenditures in the future, the government will cut the expenditures with the underlying assumption that it won't hurt the beneficiary that much, since they are prepared for worse times as well. (That is why not jobless benefits but public work programmes dominated the government's agenda over the last years.)

The strong link between economic and social inclusion is being corroborated by another news of the week; the Hungarian government announced the launch of a renovation programme that finances the refurbishment of vocational schools for the next ten years. Under this framework attention will be paid to the infrastructural development of vocational school system, however, the main goal – stressed by the minister responsible for national economy, Mihály Varga – is to create a more flexible system of vocational schools which can easily adjust to the needs of the economy. The point is that the Hungarian government attempts to create and adjust policies (in this case economic and social policies) that way, that they will be forced to interact with each other, i.e. social spending has other purposes than help the poor.

It is clear, that the effectiveness of these policies is a challenging task to measure. In recent years, different institutions of the tertiary- secondary- and elementary education have undergone several waves of reforms, all the reforms aimed at the creation of more flexible education system. However, despite the intensive efforts, the government cannot show noteworthy results that can be measured until now. The latest results of the Programme for International Student Assessment (PISA) only came out the 21st November of 2017.

The Hungarian public has always payed attention to this study, and usually there is a fierce debate about the results. According to the newly published assessment based on 2015-year data, Hungarian 15-years old students underperformed the OECD-average in the headline indicators (sciences, mathematics, reading). According to the OECD, Hungary should have performed better, if the country's economic potential is being considered as well. Compared to the regional competitors, the country's performance was really poor, since the Czech Republic, Estonia, Slovenia, Latvia and Croatia had significantly better results than Hungary while the country over-performed Bulgaria, Slovakia and Lithuania.

The worsening trend proved by the PISA assessments over the last years, is clear and undisputable, and that is why it is an easy object for criticism. The critics of the Hungarian education policy maintain that the education reforms of the last years are to be blamed for these miserable results. In this context, there are two aspects to stress. (1) The education reforms might or might not bring results, but the achievement or failures won't appear in a few years. (2) But more importantly, as an article of the Magyar Nemzet points out, critics of Hungarian education reforms often refer to the liberal, Western-type political institutions of the best-performer countries as a model. At the same time, they maintain the main reason for the bad Hungarian performance in education could be traced back to the lack of Finland-style education system, which is liberal, and based on freedom of students. In other words, according to the critics there would be clear link between superior performance in education (in this case in the PISA assessments) and liberal, Western-type institutions of the country. However, if one takes a look at the ranking, it is clear, that different approaches in education can lead to excellent achievements. Schools in Singapore, Macao, Japan and South Korea have a very different style of teaching, and still they are very effective and have very good rankings.

A very similar topic is also being discussed in the Hungarian media this week. The European Commission published its 'Education and Training Monitor 2017' the 13th of November 2017. The monitor includes a cross-country analysis and it underlines the special features of the countries. Although many Hungarian indicators are worse than the EU-average, the employment rates of recent graduates by educational attainment (between 20 and 24 years) are better than the average of the EU-member. That seems to be a very clear contradiction, and at the same time it shows a different approach of the Hungarian government that puts a stronger emphasis on relations between the Hungarian economy and the education system of the country.

The study highlights five trends of the Hungarian education system: (1) the revision of the national curriculum in response to declining PISA results, (2) the

increase in application numbers to initial teacher training, (3) the establishment of a good structured graduate tracking survey, (4) different new measures on early childhood, and (5) skills shortages. As it could be seen, three of the five trends are positive (see 2-3-4), stressed by the European Commission. There is only one clearly negative element (see 5) and one element is a positive reaction to a negative trend (see 1). The opposition HVG newspaper covered a very critical article on this topic. The article refuses the argument of the European Commission that in its publication has welcomed measures of the Hungarian government leading to greater independence of the school, the HVG points out the lack of school autonomy as a main problem. That is the same false argument which links the political institutions of a country with the global competitiveness of national schools, stressing the importance of Western-style political institutions.

As it could be seen, the social debate revolving around seemingly simple questions like the PISA-test, or different educational reforms, turns out to be of very high significance to the future, since not only the manner how Hungarian children are being educated in schools, or child poverty matters, but also the attitude to life, and the desired society that a nation would like to build.