

*Graduate Profile and
Human Capital Quality
in Hungary*

Turin, 22-23 June, 2004

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HISTORICAL BACKGROUND AND POLITICAL ASPECTS

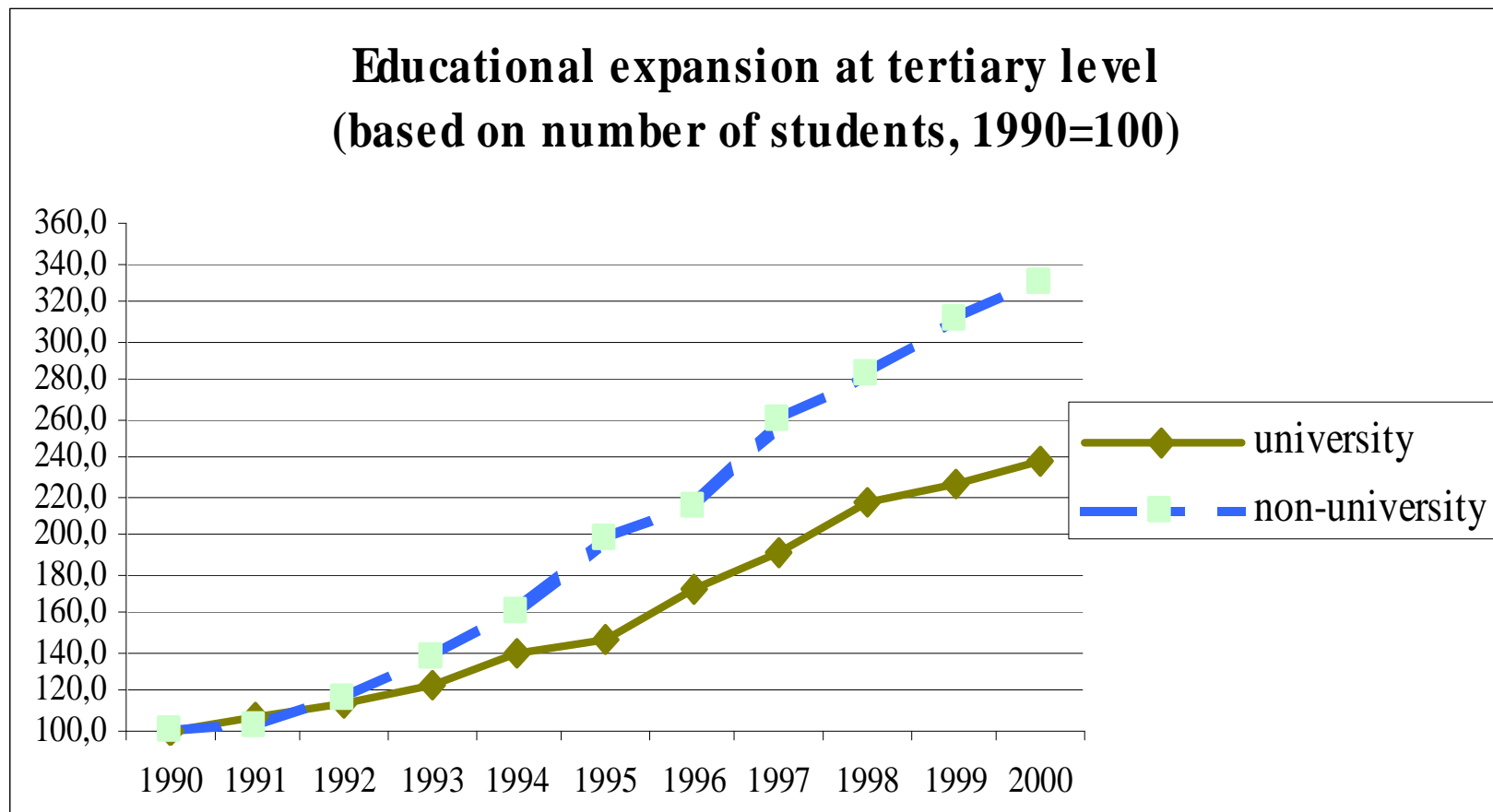
The two roles of tertiary education

- 'Producing' human capital at high level for the economy
- 'Reproducing' a political and economic elite in the society

Three waves of expansion in tertiary education

- The era between the two world wars (1930s)
(with a numerus clausus against Jews)
- The era in the beginning of socialism (1950s-60s)
(with a numerus clausus against the former ruling class)
- The post-communist era (1990s)
(with less political aspects than ever)

Increase in enrolment into tertiary education



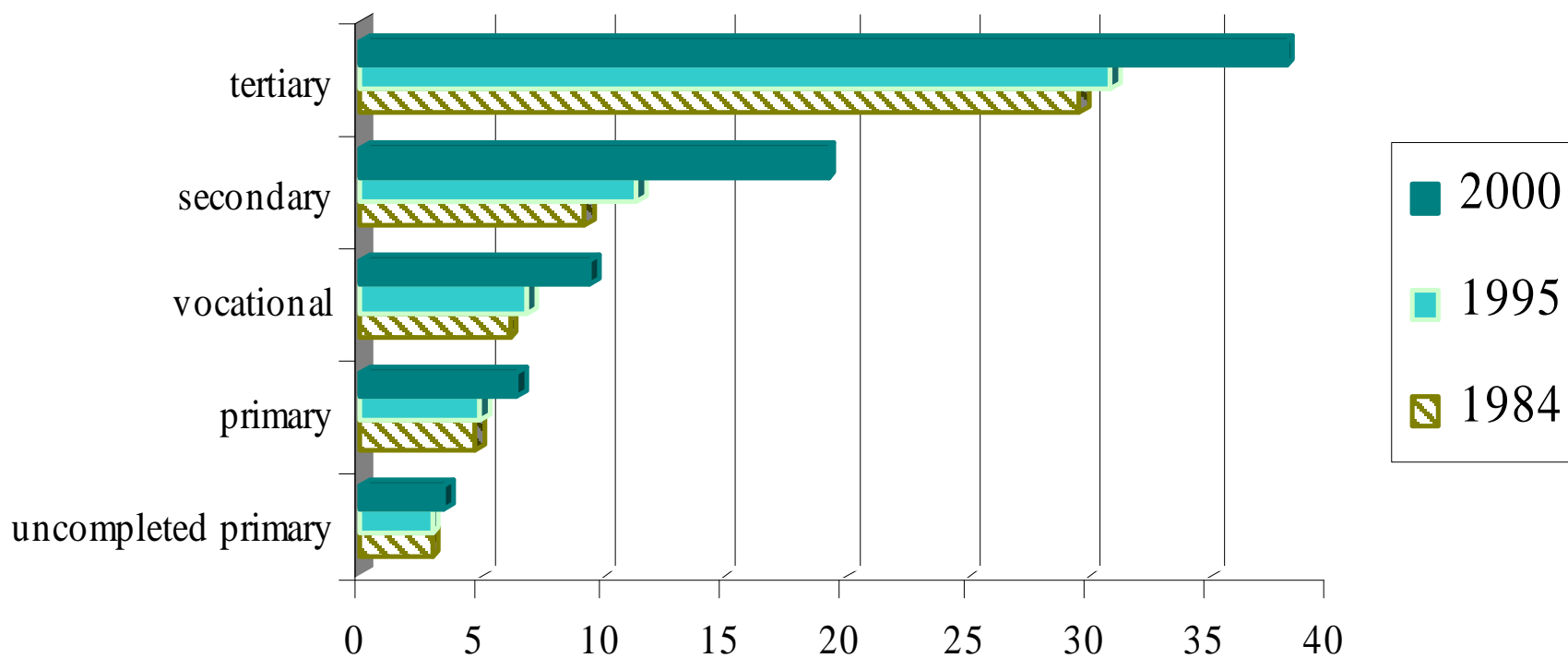
ASPECTS OF QUALITY I: FINANCING TERTIARY EDUCATION

- The main source: contribution from the state budget about 1.2% of the GDP (low in absolute sense)
- No tuition fee for day-course students if they study for their ‘first diploma’; part-time students can be charged; for special courses students can be charged
- No private money goes into tertiary education, business actors support some research activities only
- In sum: increase of financing did not follow the educational expansion

ASPECTS OF QUALITY II: SELECTION OF STUDENTS

- No free admittance: students are required to have a final examination from the secondary school + entrance examination is required for most institutions
- Selection is based on meritocratic criteria, exam scores matter, political considerations do not play any role
- Number of state financed places is centrally prescribed for all institutions and faculties (even number of pay students is determined)
- There is strong empirical evidence that social background has an impact on entry into tertiary education

Proportion of students going to university after secondary school according to father's education (people aged 19-29)



INSTITUTIONAL FRAGMENTATION

- Concentration process for state-run universities, resulting in 30 institutions (universities, colleges)
- Emerge of non-state institutions resulting in 26 church-run schools in tertiary education and 10 further private institutions
- Out of the 66 institutions in 2003:
 - 43 colleges (with 6 semesters curriculum)
 - 23 universities (with 8-10 semesters curriculum)
- Altogether 157 faculties with different training programs (full-time and part-time students)

FRAGMENTATION OF STUDENTS

- Educational expansion but a decline of day-course students: Less than 60% of the students study full-time
- Institutions prefer to take part-time students, they can charge tuition fee (for evening / corresponding courses); lifelong learning reshapes the ‘production’ of human capital
- About 85% of the students study in state institutions
- The major field of studies are engineering (22%), economics (16%), training of primary / secondary school teachers (12%), social sciences (10%), humanities (10%), medicine (5%), law (5%)
- Post-graduate students (from the early 1990s): 2%

GENDER COMPOSITION OF FULL-TIME STUDENTS BY FIELD OF STUDIES (%)

| Field of studies | Men 1990 | Men 2000 | Women 1990 | Women 2000 |
|------------------|-------------|-------------|---------------|---------------|
| Engineering | 84 | 77 | 16 | 23 |
| Medicine | 47 | 44 | 53 | 56 |
| Economics | 41 | 38 | 59 | 62 |
| Law | 46 | 38 | 54 | 62 |
| Humanities | 28 | 31 | 72 | 69 |
| Natural sciences | 59 | 58 | 41 | 42 |

ACCUMULATION OF HUMAN CAPITAL I.: PERFORMANCE

| | |
|------------------|------------------|
| Distribution (%) | - 2.5 = 4.5 |
| | 2.51- 3.0 = 11.2 |
| Mean | 3.01- 3.5 = 21.2 |
| = 3.78 | 3.51- 4.0 = 27.4 |
| (2003) | 4.01- 4.5 = 22.3 |
| | 4.51- 5.0 = 13.4 |

Women perform better, pay-students perform worse; higher grade students perform better; university students have better marks than college students

ACCUMULATION OF HUMAN CAPITAL II.: STUDYING ABROAD

- Only a minority had experience with studies abroad (in 1996: less than 5%)
- The majority who studied abroad spent only few months there, less than 1 semester
- Mostly students from the field of social sciences and economics studied abroad
- But nearly half (45%) of the students have plans to study abroad (in 2003), while one-third (35%) have no such plans at all

ACCUMULATION OF HUMAN CAPITAL III.: FOREIGN LANGUAGES

| Language | Not speaking | Speaking | Has an exam |
|----------|--------------|----------|-------------|
| English | 26% | 35% | 39% |
| German | 47% | 25% | 28% |
| French | 89% | 6% | 5% |
| Italian | 93% | 3% | 4% |
| Spanish | 96% | 1% | 3% |
| Russian | 93% | 4% | 3% |

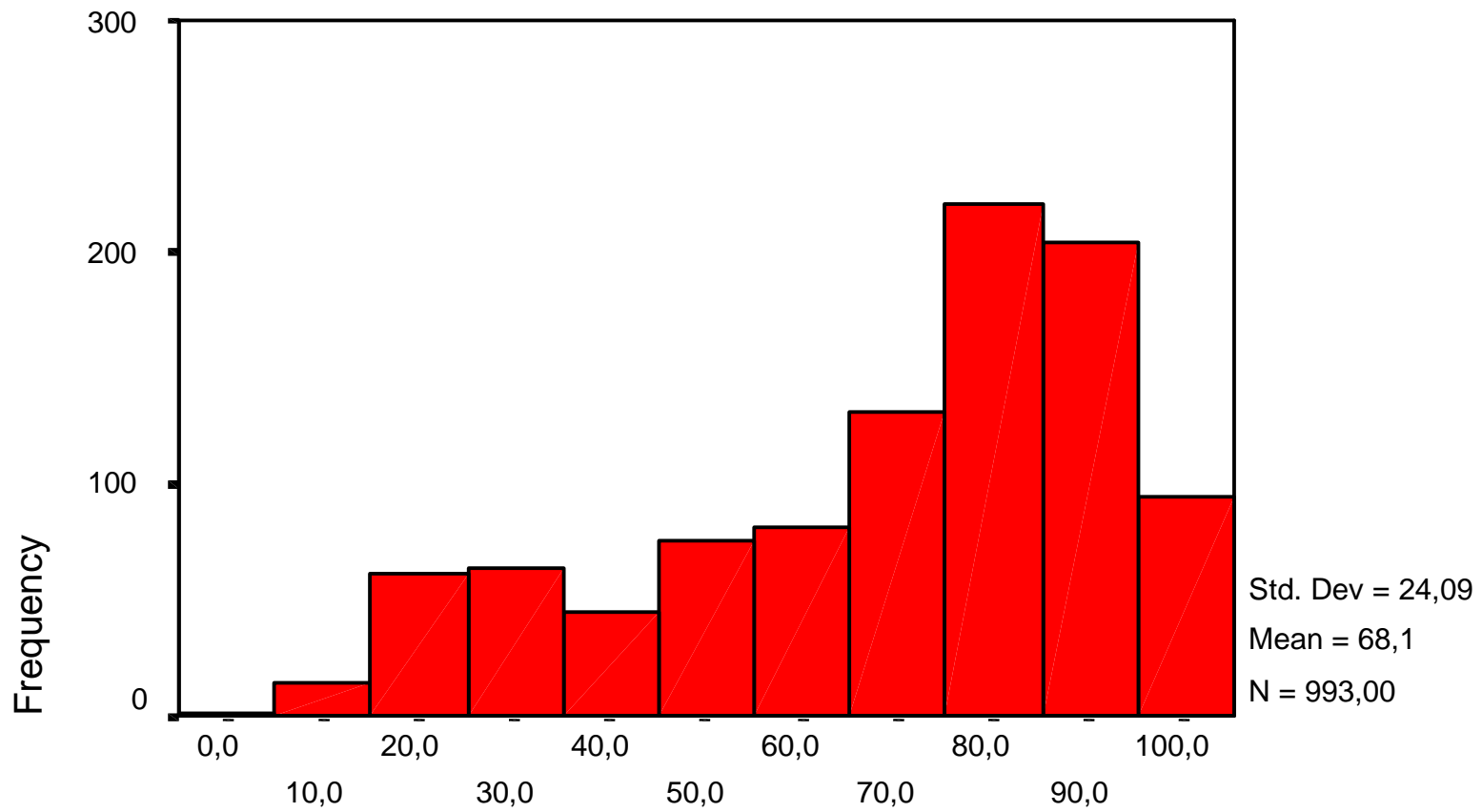
ACCUMULATION OF HUMAN CAPITAL IV.: WORK EXPERIENCE

- Frequency (2003): 40% never, 26% rarely, 15% occasionally, 18% regularly
- The main incentive for working is to cover living expenses. Only 16% of the working students take a job for professional reasons. A dual motivation (financial & professional) appears for nearly half of them (47%). About one-third (36%) work only for earning money.
- Taking jobs related to the field of studies is more characteristic for: university students, men, students with parents who have diploma
- Accumulation of study related work experience is less characteristic for students of lower status families

ASPECTS OF QUALITY III: THE TEACHING STAFF AND ITS EVALUATION

- **In quantity:**
total teaching staff is cca. 23,000, but: 16,000 teach full time
200,000 students (day-course, altogether 340,000 students)
Different student / staff ratios: from 9 to 21
- **In quality:**
About 60% of the teaching staff have some scientific degree
- **Students' satisfaction with teachers**
How many percent of the teaching staff present a high quality of knowledge? On average: 68% (with a deviation of 24)
More satisfaction with the diligence and knowledge / less satisfaction with the personality and fairness of the teachers

Students' estimation on teaching staff presenting high quality



Students' estimation on teaching staff presenting high quality

EVALUATION OF TRAINING AND PROSPECTS

- On average: students grade the general quality of training as 3.5 on a 5-point scale;
7% very satisfied, 45% satisfied and only 8% unsatisfied + very unsatisfied
- Getting a knowledge which enables to perform well in the job: 26% absolutely sure, 62% sure; 71% expect to be competitive in the EU labour market as well
- But: 57% would be ready to work in a job which does not require a diploma, while 43% would not accept such job offer

PREFERENCES FOR FUTURE JOB

- Out of four options: self-employed – 38%
 - employee in private sector – 28%
 - employee in public sector – 19%
 - employee in non-profit sector – 15%
- Area: education and culture – 21%
 - law – 16%
 - communication, media, marketing – 13%
 - business and trade – 12%
 - finance – 9%
 - science and research – 7%
 - non-material services – 7%
 - public administration / agriculture / art – 2%

GRADUATE PROFILE AND HUMAN CAPITAL QUALITY: A SUMMARY

1. The under-financed tertiary education endangers the quality of human capital
2. Low level of language skills, missing study experiences abroad, money-driven work during studies endanger the quality of human capital
3. The teaching staff seems to be appropriate and students evaluate their work positively
4. In general students are satisfied with their training and feel to have good prospects for finding a job – even in the European Union.