



EQUILIBRIUM INSTITUTE

HOW CAN EVERY HUNGARIAN GET A FAIR CHANCE?

STRENGTHENING THE ABILITY OF THE
HUNGARIAN EDUCATION SYSTEM TO
CREATE OPPORTUNITIES FOR ALL

POLICY PROPOSAL

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EXECUTIVE SUMMARY

- ▶ One of the most important functions of education is to give students who hail from underprivileged socio-economic backgrounds the chance to get ahead in life. Yet in international comparison, the Hungarian education system is extreme in the degree to which it reinforces and reproduces social differences. Poverty and inequality in access on the one hand, and poor academic performance on the other, are strongly and causally linked phenomena.
- ▶ The impact of social disparities is especially reinforced by early selection and segregation – in other words by the fact that the education pathways of children from different socio-economic backgrounds begin to diverge already around the age of 10. In classes that are uniformly made up of students from an underprivileged background, the children from better off backgrounds – whose presence and participation could help their peers catch up – are

simply missing. This is problematic not only with respect to its impact on competitiveness but also because it undermines social cohesion.

- ▶ The ground for the subsequent selection in education is laid already at the foetal age by numerous mechanisms which are linked to the child's social background: the parents' lack of information; their weaker health situation; the lack of access to an environment that fosters the child's development; and the children dropping off the radar of the child welfare services, often coupled with housing poverty, result in sealing the affected children's fate before they even start school.

- ▶ Let's draw up a comprehensive survey of the problems behind the failure of the schools in this area, which would allow the responsible institutions to draw up effective public policy interventions based on reliable data! Although experience suggests that the first four years of education play a key role in the eventual divergence of the students' educational pathways, we still do not have any representative surveys and analyses that show us what exactly happens in the schools during those four years.
- ▶ Let's survey local best practices and evaluate them based on objective indicators so that we know where investing money and energy will

prove most effective and what interventions are likely to be dead-ends! The main challenge facing programmes aimed at extending opportunities to those from underprivileged backgrounds is the fragmentation of the relevant institutions and the lack of systematically designed and implemented evaluation schemes.

- ▶ Let's incentivise the schools to create opportunities for children! The system of educational governance needs to include an institution that is responsible for tackling the problems of selection and segregation: Schools districts and the competent ministry need to track the processes of selection and segregation!

- ▶ Let's keep the children in school as long as possible: Let's increase the earliest school-leaving age back to 18!
- ▶ Let's introduce a uniform system of eight-year elementary schools; there should be no room for diverging educational pathways during these first eight years! Based on the facts, the notion that early selection has any sort of positive impact on subsequent salary levels or the chances for access to higher education is completely illusory. The only demonstrable impact of early selection is increased inequality.
- ▶ Let's increase the role of school rankings that focus on opportunity creation as opposed to

the performance-based school rankings which are more popular among parents today! We need an awareness-raising campaign to this end as well as financial incentives to ensure that opportunity-based rankings become more broadly appreciated - along with boosting the recognition of the schools that are at the top of said rankings!

▶ I. WHAT IS THE PROBLEM?

- ▶ One of the most important functions of education is to provide equal opportunities, that is to give students starting **from an underprivileged socio-economic background the chance and the means to get ahead.** However, in international comparison the Hungarian educational system reinforces and reproduces social inequalities to an extreme extent.
- ▶ **The ground is especially sticky in Hungary,** that is the low socio-economic status of parents is far more likely to stand in the way of their child's advancement than in the average of other countries: **the children of poor parents are likely to remain poor, and the children of parents with low educational attainment are themselves likely to end up less educated than the average.** A low societal status constitutes a disadvantage in the individual's educational path everywhere, but the relevant surveys suggest that Hungary performs especially poorly in this area.
- ▶ Our educational system is extremely bifurcated: **a select and fortunate few receive a world-class education, while a significant majority get an education that is**

far below the European and the regional average.

The students at a half a dozen or so elite high schools produce excellent results at international academic competitions in numbers that are well in excess of what one would expect based on the size of our population or our level of economic development. At the same time, an average Hungarian secondary school produces levels of academic performance that fall far below the average of schools in developed countries – and the poorer its students are, the likelier its performance is to be subpar.

- ▶ We cannot afford a situation where knowledge and the ability to succeed in life are a privilege limited to a narrow elite. **In successful European countries, an overwhelming majority of children have access to an equally high-quality education.** Our long-term competitiveness depends on our ability to create an education system that gives all talented Hungarians a chance to bring out the best in themselves, regardless of their background, place of residence or financial situation.

▶ II. DIAGNOSIS – UNEQUAL ACCESS TO OPPORTUNITIES AND THE “STICKY FLOOR”

2.1. THE LINK BETWEEN SOCIAL SITUATION AND ACADEMIC PERFORMANCE

- ▶ Poverty and education, as well as the students' social background and weak educational performance, are strongly interlinked phenomena. **In the average of the OECD countries, the socio-economic status of the student's family explains 12.9% of the differences in the competencies measured by the PISA tests; in Hungary, by contrast, it explains 20% of the difference.** Of the 77 countries that participated in the 2018 survey measuring reading competencies, **the link between the test results and the social situation of the tested students was the second most pronounced in Hungary.**
- ▶ **The share of students from multiply disadvantaged backgrounds who perform worse** in the reading and mathematical competency tests is **four times as high**

as the average figure for all students. As a result of a structurally embedded lack of opportunities, **by the age of 15 students from an underprivileged background lag about three-four academic years behind their better off peers** – this is the second worst value within the EU.

- ▶ The severity of the disparities in opportunities is also highlighted by the fact that **youths from an underprivileged background make up a mere 1.4% of the students who ultimately make it into higher education** – in other words when someone is born into poverty they are unlikely to have a shot at a university degree. What's more, **the level of inequality within the education system has been growing continuously.**
- ▶ **The impact of social differences is boosted especially by early social selection, the creation of classes of students that are homogeneous in terms of their performance and the social status of the students' families** – in other words, the educational pathways of

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students from different social backgrounds typically begin to diverge already at the age of 10. Students who perform better and are typically from a higher-status social background already get the chance to attend a better school at the age of 10 or 12 (that is they are admitted to eight-year or six-year high schools), thereby “leaving behind” in a sense their less well performing peers.

- ▶ **The students who are left behind in the selected groups, which are uniformly made up of children from underprivileged backgrounds, feature no students who started out with better chances and who would thus be able to help string along their less privileged peers on their path to a better education.** Furthermore, this also limits the possibilities for the interaction between divergent lifestyles, backgrounds and experiences, and hence for increasing social cohesion.
- ▶ The other major problem from the perspective of social mobility is the **high share of those who have dropped out of the K-12 education system (those, in other words, who have no more than an elementary education).**

- ▶ The share of youths between the ages of 18 and 24 who had no more than an elementary education and did not receive any type of further training or education stood at 12.1% in 2020 – in contrast to the 10.1% average in the EU and the 6.8% average in the Visegrad member states (calculated without Hungary). This situation typically involves students from the poorest and most difficult family backgrounds.
- ▶ **The reduction in the earliest school leaving age from 18 to 16 years undoubtedly plays a role in the deteriorating tendency.** After 2013, the share of those who dropped out of school rose most strikingly among youths between the ages of 17 and 19, and the churn was most typically associated with students in technical and vocational schools. In the Hungarian context, the lowering of the school leaving age **constitutes a decision to simply give up on a significant share of youths (typically those of an underprivileged social background).** A large proportion of those who drop out of the education system will find a place in the labour market, but typically they end up being employed in positions that provide low added value.

2.2. THE MID TO LONG-TERM IMPACT OF UNEQUAL OPPORTUNITIES

- ▶ Social selection, ethnic segregation, mass churn and the **reproduction of poverty** on account of the latter **threaten the social and economic balance in several ways**. The flight of better situated families from disadvantaged regions and the high number of children in the families left behind increases the number and share of children who live in poverty in the underprivileged regions of the country.
- ▶ **The share of Roma children and families in these regions is higher than the national average, which is why the shift in the ethnic makeup is often associated with the social problems of the given region.** These processes lead to the isolation of the better off local residents: **social cohesion, which is a vitally important element in the life of well-functioning nations, weakens dramatically if those who live in more fortunate circumstances do not interact with the member of other reference groups.**

- ▶ That is why one of the most dangerous tendencies today is the **seclusion from one another of the wealthier and poorer social strata, respectively, the growing tensions and conflicts between them.** The reasons can be clearly traced back to social and economic differences.

2.3. THE MECHANISMS OF REPRODUCING POVERTY

- ▶ The striking gaps in the students' levels of knowledge can be explained by readily identifiable economic and social reasons. The gradual failure in school of many students from underprivileged backgrounds, the fact that they fall extremely behind in education and often drop out of elementary or secondary education, are all the results of protracted, long-term processes that are **intimately interwoven with the parents' social status.** These disadvantages set children from underprivileged backgrounds on something that is almost a pre-ordained path already before they are born, and by **end of their time in elementary education they have fallen behind to such an extent that catching up is essentially a hopeless prospect for them.**

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- Field experience and studies both uniformly show that weak academic performance in school and premature school leaving are not caused by a lack of abilities but primarily by socio-economic disadvantages which fall into one of three major categories:
1. **A disadvantage starting right at the foetal age in the access to an environment that helps a child develop, to a good learning environment and the infrastructures that are necessary for an ideal educational pathway.**
 2. **A generally worse health condition or health circumstances.**
 3. **The general absence or insufficient presence of effective institutions and services, the generally low quality of the institutions and services available.**
- The **decision to have children at a young age by parents who live in poverty and typically have low educational attainment significantly increases the risk factors that threaten foetal development.** The deficiencies and health risks suffered during the pre-natal period can often lead to situations in which the baby will need special education, but **poverty and a segregated residential environment often cut these families off from the relevant services.** Underprivileged families often lack access to childcare services for young children, and the children quickly drop out of the sight of the early warning system provided by the child protective services and of the experts who support children in their development.
- The most important age **at which children tend to fall behind socially is kindergarten age.** Even the most basic services tend to be dysfunctional in the underprivileged regions and in the homogeneously poor residential areas: a significant portion of local child paediatric positions tend to go unfilled, **the child protection services are patchy, and the kindergartens lack the proper number of special needs teachers.**

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- ▶ **Among the poorest, the disadvantages in socialisation are beginning to make themselves felt from early on;** it is not rare for children to be unable to properly use the washroom because of a lack of such experience at home; they are often unaccustomed to warm meals and structuring their time; and the problems stemming from the hygiene at home often entrench in the children an ongoing sense of shame, of being different and humiliated.
- ▶ The disadvantages that already prevail at birth, along with other social, access-related and developmental disadvantages that add up over time **put the children of poorer families at a practically insurmountable disadvantage already at the time when they start their schooling.** In the first year of elementary school, which will have a decisive impact on the subsequent educational trajectory of the children, this disadvantage is then multiplied by the lack of a safe, calm and properly equipped environment for learning at home. **By the time these children arrive to the first selection point of their educational pathway, it has been effectively decided that they have no chance of escaping the harmful impact of social selection (or ethnic segregation).**
- ▶ **Thus, the lack of equal opportunities in education cannot be treated as an issue that is distinct from social and economic inequality.** The key to eliminating the latter is education, which in turn must be organically intertwined with a properly targeted and funded social welfare system.

▶ III. THE RECOMMENDATIONS OF THE EQUILIBRIUM INSTITUTE

3.1. LET'S START WITH A PROPER SURVEY OF WHERE AND HOW PEOPLE FALL BEHIND!

- ▶ **The responsibility for preventing the poor from being geographically and institutionally segregated and falling behind lies with the state:** It must balance the emergence of complex inequalities in access – which also have a decisive impact on educational pathways – by offering a broad array of services.
- ▶ The process of falling behind and the early onset of extreme differences in cognitive development begin already during the foetal age, and during the first four years of elementary education this gap deepens into an insurmountable abyss. **Although numerous factors that feed into this problem are apparent, we still do not have any meticulously designed and clearly defined indicators to capture it in practice, nor have**

we properly mapped this problem based on empirical and representative research that would show us what actually happens – or does not happen – in the schools during these early years when children fall so drastically behind. In other words, we do not know what role the lack of a proper learning environment (the games that serve the child's development, comfortable living conditions or learning tools, a calm and private space to learn, etc.), the low mobility (the fact that in some cases it is difficult or too expensive to get the child to the school), or where exactly and how the series of scholastic failures begin that end up breaking the child's motivation.

- ▶ That is why **a well-targeted public policy intervention is above all contingent on compiling a comprehensive survey of the problems, which presents a representative overview of the reasons behind the failures in schools and presents how these play out.** The state needs to implement this so that we are not in

a position when we have to rely on anecdotal and partial information alone when it comes to understanding the essence of the problem but can instead begin to implement targeted policy interventions!

3.2. A DATA-BASED STRATEGY FOR CREATING OPPORTUNITIES!

- ▶ The main problem facing programmes – including state-run, civil and ecclesiastical services – aimed at giving more children opportunities is **fragmentation and the absence of a systematic evaluation based on objective criteria**. Although some players in the sector have their own isolated successful experience with certain models aimed at helping students catch up with their peers and with alternative education programmes, there is **no comprehensive, data-centred base of knowledge available which could be used to plan and implement a reform of the entire system**.
- ▶ Thus, the state needs to cooperate with non-governmental players in conducting a **survey of the**

local best practices and pedagogic methods based on pre-defined and objective criteria. This will help determine where it would be best to invest money and energy and which investments have proven either futile or are locally limited in their applicability. We need to **integrate into this process the field and research experience that has already been accumulated – in disparate efforts across Hungary, independently of one another – which have never been collected and evaluated in a systemic manner**.

- ▶ We also need to identify those haphazard interventions that have proved wanting, along with the needless duplication of institutional services or the interventions that weaken one another. Similarly, we need to identify where the necessary institutions are missing or the controlling bodies fail to operate properly and where the quality of services is low, along with reasons behind these deficiencies. **The strategy of creating opportunities through educational policy must be designed with this knowledge in mind, which is at the same time an essential precondition for the rational allocation of the resources necessary to this end.**

3.3. LET'S CREATE AND PUT IN PLACE THE SERVICES THAT ARE MISSING!

- ▶ The main reason for the extreme differences in opportunities is **the lack of access to services that help the children develop properly and which assist the parents in raising their children; the lack of access to such services correlates heavily with inequalities in income, geographic location and cultural capital.** Although social transfers ameliorate the disadvantage stemming from an underprivileged starting position, in and of themselves they do not fully compensate – much less eliminate – the disadvantages in question. A policy aimed at spreading opportunities out more equally across the board by relying exclusively on social transfers will be both economically inefficient and ultimately ineffective, too, in that it focuses only on putting out the worst fires while sweeping the actual problems under the rug; hence, in the long-run it will not offer real opportunities for overcoming poverty.

- ▶ Naturally, that does not imply that we do not need well-funded and well-targeted transfers – all it means is that **in and of themselves they will not be enough unless we make those access points available that extend services without which the poorest will not be able to provide their children with the proper mental and physical development, as well as ensure that they are healthy.**

3.4. LET'S INCENTIVISE SCHOOLS TO CREATE OPPORTUNITIES!

- ▶ These days no one expressly aims to segregate students based on social or ethnic criteria – yet the institutional system in place as well as the everyday practices in education are nevertheless suffused with mechanisms that combine to exert precisely such an impact. In the meanwhile, **there is no institution in the Hungarian education system that is actually responsible for managing selection or making sure that opportunities are available to all, despite the fact that these are socially vital functions and if they worked properly, then that would yield a discernible and positive impact.**

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► Consequently, we must designate responsible institutions, develop a monitoring system and points of intervention that are both transparent and accountable in the performance of their efforts to reduce inequality and to provide opportunities. **The educational system needs an accountable institution which is responsible for scaling back the harmful practices of selection and segregation: School districts (or the government ministry with responsibility for the policy area of education), which are responsible for managing the schools within a larger territorial unit (but no larger than a riding), need to continuously track the processes of selection and segregation in the institutions within the scope of their jurisdiction, based on a minimum set of measurement standards for the external evaluation of educational institutions and student performance. A mechanism needs to be put in place for identifying educational institutions with a subpar performance and to correct selection mechanisms based on an integrated, data-driven monitoring scheme.** In the case of the schools that perform below the expected standards in terms of creating opportunities, interventions aimed at improving the situation must become mandatory and they need to

be performed in cooperation with the controlling body as well as fellow institutions with a proven track record of best practices in the given region. In such a situation, the body responsible for funding the educational institution in question must be automatically obligated to provide the resources that are necessary for implementing the requisite developments and changes!

3.5. LET'S KEEP CHILDREN IN SCHOOL AS LONG AS POSSIBLE! - LET'S INCREASE THE EARLIEST SCHOOL LEAVING AGE BACK TO 18 YEARS!

► **The value of having at least a secondary education degree and convertible skills has multiplied in the last decades,** and in light of the prevailing trends in the labour market their role is likely to continue to appreciate in the future. Even today, those facing the greatest hurdles in the labour market are the working-age individuals who do not have at least a secondary education degree as well as those individuals who tend to underperform in

terms of core competencies and thus fail to adapt to rapidly changing jobs or work assignments.

- ▶ This highlights the **unsustainability of a strategy that seeks to quickly steer those who lag behind towards the labour market despite their lacking educational qualifications; the model that allows “problematic” children to drop out of school does not work. The focus should instead be on keeping them in the education system as long as possible, as well as to provide everyone with at least the fundamental skills that constitute the bare minimum for participation in the labour market. Every year spent in school will be of vital importance in terms of an individual’s subsequent success in life.** In view of its declining and aging population, Hungary simply cannot afford to give up on every tenth citizen. That is why we need to set ourselves the goal **that no Hungarian must be allowed to leave school without at least a completed secondary education degree!**

3.6. LET’S SET THE LENGTH OF ELEMENTARY EDUCATION AT A UNIFORM EIGHT YEARS THROUGHOUT THE ENTIRE EDUCATIONAL SYSTEM!

- ▶ In the interest of reducing the disparities in opportunities stemming from the differences in social backgrounds, **we must reduce the number of junctures at which educational pathways diverge in Hungary, and we must also make sure that these junctures appear as late as possible in the course of a child’s education. In other words, we must prevent children from different social backgrounds from being segregated from one another.** Empirical research has **disproven as an illusion** the notion that early selection – **in other words the idea behind six or eight-year secondary schools rather than the traditional four-year versions – has any type of positive impact on participation in higher education;** or that it increases the proportion of those who complete their higher education or has an any positive impact on the **subsequent salary**

levels of students. Its only demonstrable impact is that of **increased inequality**. That is why **we must set the standard age of elementary education at eight years across the board: We should not allow any type of performance-based selection among students or a divergence in their educational pathways before the eighth year of school education!**

- ▶ Furthermore, we must identify and implement criteria in the performance evaluation of schools that **“rewards” a heterogeneous composition of the student body with respect to the students’ socio-economic background by giving more diverse schools bonus points** while imposing “sanctions” – i.e. a reduced score – when the student body is homogeneously made up of students from an elite background.

3.7. OPPORTUNITY CREATION RANKING!

- ▶ The current performance-based ranking of schools has given the elite institutions – which had an edge from the very start – an insurmountable advantage in terms of prestige; such rankings fail to reward efforts that help underprivileged students catch up. **Furthermore, the function of these rankings in terms of shaping demand also reinforces social selection since the schools which are deemed as the most successful tend to be those that admit the lowest number of “problematic” students.** Yet in reality the most spectacular educational achievement may well be a school's success in helping a student from a multiply disadvantaged background receive their secondary school diploma or teaching them to properly understand a text.
- ▶ Hence, the emphasis on the students’ performance needs to make place for a greater focus on how much their performance improves in education, in other words on the assessment of spreading and equalising

opportunities. The **so-called value-added ranking used by the Education Office evaluates and ranks schools based on their performance in reducing the impact of disadvantages and boosting students' knowledge.** It is a vital responsibility of the state to focus public attention on the outstanding social utility of the value added by education, **which is why awareness-raising campaigns and financial incentives need to be introduced to increase the prestige of such opportunity-creation rankings – as well as the prestige of the schools that perform best in these rankings!** The first four years of schooling play a decisive role in the reproduction of disparities in opportunities; that is why the competency assessments that we perform today in grades 6, 8 and 10 also need to be introduced in years 1, 2 and 4 – obviously in an age-appropriate manner.

THE EQUILIBRIUM INSTITUTE’S RECOMMENDATIONS FOR BOOSTING THE POTENTIAL FOR OPPORTUNITY CREATION IN HUNGARIAN EDUCATION

AREA	PROPOSAL
CREATING A KNOWLEDGE BASE	We need a representative and data-based survey of how and where children fall behind!
	We need a data-based strategy for creating opportunities! – We need to methodologically evaluate the opportunity creation experiences that are already available to us!
INCENTIVISING SCHOOLS	The state needs to provide for the lacking services for supporting the development of children!
	There needs to be a designated institution which is responsible for tackling selection and segregation in education!
	There needs to be a mandatory intervention to improve the situation in schools that underperform in creating opportunities, with an obligation on the part of the controlling institution to provide the funds necessary for the developments needed to this end!

LET’S KEEP THE CHILDREN IN SCHOOL!	Let’s set the earliest school-leaving age at 18!
PREVENTING EARLY SELECTION	Let’s make elementary education eight years across the board!
AWARENESS- RAISING	An opportunity creation based ranking of schools!

ABOUT US

The Equilibrium Institute is a future-oriented Hungarian think tank. We are writing political, economic, and cultural visions and policy proposals for Hungary. We are establishing an intellectual background to underpin the success of Hungarians in the rapidly changing 21st century.

We are discussing topics that are underrepresented in public discussions. These topics include robotization, the transforming labour market, the air quality and the pollution of freshwater, national identity and the role of communities in a society, the future of education, the country's economic take-off, or the changing world order.

The Equilibrium Institute's research team and its advisory board consist of a wide variety of economists, sociologists, political analysts, climate experts, foreign policy experts, and researchers with extensive experiences in their academic fields being theoretical or applied sciences.

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