



Hungary's Education System Crisis Risks a Decline in Competitiveness

Veronika Jóźwiak

July was the authorities' response to protests against low salaries and other systemic problems in education that have been ongoing for over a year and a half. The failure to resolve them will lead to further tensions, reducing the quality of Hungarian education, increasing social inequalities, causing shortages of skilled labour, and hindering improvements in the economy's competitiveness. The education system's problems also open up further disputes with the EU institutions and push back the prospect of Hungary's access to the reconstruction fund.

Status of Teachers. Coming into force on 1 January 2024, the new law on the legal status of education employees will significantly worsen their working conditions and reduce the protection of collective interests and the independence of the teaching profession. Among other measures, it sets the employer's notice period at 60 days, which in effect reduces the amount of the maximum severance pay (previously, the period ranged from 60 days to eight months, depending on the length of the employment). It also stipulates that in the event of suspension of classes (for example, due to a strike or civil disobedience by employees), the authorities can order the transfer of teachers and students to another school, gutting these forms of protest of their primary function of exerting pressure on the employer ([the government significantly reduced the right to strike in 2011](#)). It also increases the maximum number of overtime hours and extends disciplinary responsibility and penalties with reduced pay. In addition, it significantly restricts the competences of school teaching staff: according to the law, they only have the right to give their opinion on curriculum and educational programmes, which are approved by the government body that runs the school and is also the teachers' employer.

The introduction of the new regulations means that teachers are excluded from the 1992 Act on Public Service Employees regulations and the resulting guarantees, which, among other things, make dismissal more difficult. Although the

draft executive regulation provides for a new pay scale allowing for pay raises, it leaves it to the employer to set them within broad ranges without providing clear eligibility criteria for the rates.

As a result of the changes and tensions between the authorities and the teaching community, around 5,000 teachers have announced that they will not sign a new employment contract, and many already left the profession in the past school year. For years now, the number of novice teachers (less than 2,000 in the 2022/23 school year) has not been enough to replace those retiring (around 3-4,000 per year), especially as young educators often only last a few years in the profession. As a result, trade union estimates show a shortage of around 16,000 teachers in the system.

The European Commission (EC) began examining the teaching law for compliance with EU standards shortly after its adoption. As teachers' raises are part of Hungary's national reconstruction plan, they are among the conditions for the [country's access to funds from the EU reconstruction fund](#). The EC can examine the regulation's compliance with EU requirements to protect the EU budget. The EC's initial comments noted a lack of sound public consultation and the legislator's failure to consider trade union comments. According to the Commission, the system of raises without objective criteria for granting them and the possibility of the arbitrary transfer of teachers to other schools expose them

to abuse and discrimination by the employer, which may violate students' right to equal access to education.

Problems of the Education System. The current crisis is the culmination of problems exacerbated by the policies of the Fidesz government. After 2010, there was a radical centralisation of education. From an institutional point of view, this meant that a state agency took over the running and management of schools from local authorities. Regarding teaching methodology and content, the new 2013 core curriculum (and the nationalisation of the textbook market) eliminated the possibility of a flexible approach. The declared goal of the authorities was for students to acquire mainly formal knowledge for quick use in the labour market instead of developing broad competencies. The reduction of compulsory schooling to the age of 16, the shortening of training in vocational schools, and the reduction of the number of places in secondary schools leading to a graduation exam were also pointed out as new priorities.

At the same time, education funding has decreased by 15% in the last decade (from 5.5% to 4.7% of GDP) and is falling further. This has been felt by teachers, who received pay raises most recently in 2013, although the performance appraisal system introduced at the time reduced the salaries of the highly qualified among them (but significantly increased the administrative duties of all educators). As a result, Hungarian teachers' salaries relative to the average salary of employees with higher education are the lowest in the EU (61% per OECD 2020 data). Evidence of the distant place of education in the hierarchy is that Hungary has had no separate Ministry of Education since 2010. At first, this field was under the State Secretary of the Ministry of Human Resources, and since 2022 (along with healthcare), under the Minister of the Interior, currently the former police officer Sándor Pintér.

The treatment of education as a public order issue followed a series of teacher protests that began in early 2022. They were demanding raises and a general improvement in the quality of education. The pressing problems they cited were unpaid overtime, excessive bureaucracy, poor-quality state textbooks, an overloaded core curriculum, and ruined public recognition of their work as a result of the government-controlled media's negative campaign against them in response to the protests, which have also involved students, since the autumn. The demonstrations have focused on Budapest, but the regulations and fear of dismissal seen in the capital thwarted an attempt to organise a general strike of teachers across the country.

Impact on the Socioeconomic Situation and Competitiveness. The systemic changes and accumulation of problems led to a deterioration of Hungarian pupils' skills and knowledge levels in all areas of international PISA surveys after 2010 (if we compare the V4, pupils from Poland

and Czechia had, according to the latest, 2018, report, outstanding results, while Slovaks performed worse than Hungarians in reading comprehension and science). OECD analyses also show a gap between Hungarian children's performance depending on their socioeconomic conditions. At the same time, the most recent Hungarian measurements of competencies show a drastic decline in performance in reading comprehension and digital skills—40% of 14-year-olds in Hungary lack the essential competencies needed for, for example, independent learning.

The Fidesz government's education system reforms have resulted in increasing centralisation and reduced funding. They have led to increasingly poorer education quality, a decline in pupils' knowledge and skills, and an increase in educational inequality. The attempt to solve the problems through confrontation by disciplining teachers and aggravating their working conditions will only deepen the crisis. These tensions, however, do not threaten the authorities because of a lack of social solidarity with teachers, largely caused by the negative media coverage. However, the law on the legal status of teachers could be another source of dispute between Hungary and EU institutions, further tightening the country's access to the reconstruction fund.

In shaping education policy, the Hungarian government aims to impede social advancement through education and perpetuate the current social structure. This is confirmed, for example, by the stagnation since 2015 of the percentage of 25-34 year-olds with tertiary education at around 30-31%, and decreasing access to higher education for students from outside the wealthiest regions. The lack of effort to increase the number of students may, on the one hand, be due to the mistaken assumption that getting young people into the [labour](#) market as soon as possible will solve the [labour shortage](#). On the other hand, research shows a high correlation between support for Fidesz and education at the primary level in individual localities.

Contrary to the EU trend and the targets of developed countries, the increase in young people with primary education (in the 18-24 age bracket, 12% at the national level, and in some Hungarian regions around 20%) harms labour market supply. Employers need a skilled workforce, also in sectors where Hungary is most interested in new investments, such as electromobility. Already, about 100,000 labour migrants (mainly from the Philippines, Vietnam, and Indonesia) are employed, also in skilled positions, and the demand for them will increase by another 200,000-300,000 in the coming years. Maintaining the current state of the education system, combined with demographic problems, will exacerbate the problems in the labour market. Thus, the lack of change in education will undermine Hungary's socioeconomic competitiveness.