

# Renewal of the contents, methodologies and structure of vocational training

Társégi Integrált Szakképző Központok (TISZK)



## 1 Description

**Timespan** 2004 - present

**Stage** FULLY OPERATIONAL

**Focus area**  MATCHING SKILLS FOR TODAY'S JOB MARKET

## 2 Foundations

**Policy area**  GENERAL EDUCATION

The focus of the reform relies on the cooperation of vocational schools and the content and quality of vocational education.

**Policy goal**

The policy goals were the following: to reform the contents and structure of vocational training; to develop/introduce a modular training system; and to strengthen the links between education and training and the economy.

A new phase in the modernisation of the VET system began in Hungary in 2006, which concurrently meant renewal of content, methodology and structure. The key concepts of the new training structure are modularisation and competence-based training. Together with this, the content of vocational training has also been updated, and new professional and examination requirements have been developed. The Regional Integrated VET Centres (TISZK) were established from consortiums of 6 to 8 vocational schools in 2006. TISZKs provide a professional learning environment for theory and workshop-based practical classes of IVET. The training workshops are equipped with state-of-the-art technology. TISZKs constitute a network of multi-purpose and multi-functional institutions that meet the needs of youth VET, adult education and further education efficiently and economically; are able to respond to changes in labour market requirements; and stimulate real cooperation and planning among partners contributing to performing tasks.

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**Mismatch****PART OF BROAD POLICY MEASURE OF WHICH SKILL MISMATCH IS ONLY A MINOR PART**

The explicit goal of the reform was to modernise the vocational education system through addressing the problems of institutional fragmentation, outdated curricula and machinery. Though not explicitly formulated in the policy goals, implicitly the reform naturally addresses the skills mismatches. One of the evaluation reports points out the Regional Development and Training Committee (RFKB)'s inability to adequately create the list of vocations with excess labour market demand in the region. This list forms the basis of school's curricula, therefore the reform process shed light on problems closely related to skills mismatch.

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**Aim of policy instrument****UPSKILL EMPLOYED ADULTS****OTHER**

To match the skills of young people in VET.

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**Legal basis****LAW**

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**Administrative level****NATIONAL**

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**Main responsible body**

National Institute for Vocational and Adult Training

**Stakeholders**

-  GOVERNMENT (CENTRAL & REGIONAL)
-  TRAINING PROVIDERS (PUBLIC/PRIVATE)
-  EMPLOYER FEDERATIONS
-  OTHER

National Institute for Vocational and Adult Training - design of the measure and lead implementing organisation  
Local governments/city or town councils - implementation  
Labour Market Fund - funding  
Employers' representatives - design  
Regional Development and Training Committees - specifying the list of vocations in high-demand  
Schools, training providers, universities - implementation

**Funding**

The total cost of the TISZK reform approached 16.9 billion HUF (€54 million) over 2004-2008. Since 2008, a further 36.8 billion HUF (€118 million) was made available to participating institutions. The bulk share of the funding was covered from European sources. The budget came from the central budget, mostly from European cohesion funds, both through the Labour Market Fund (Munkaerőpiaci Alap - MPA).

**Intended beneficiaries**

Individuals receiving vocational training are expected to benefit from this measure through enhanced teaching quality and more effective school functioning.

**3 Processes**

**Use of labour market intelligence**

-  INFORM DECISIONS ON COURSE FUNDING/PROVISION
-  INFORM AND TRAIN CAREER GUIDANCE AND COUNSELLORS

Courses offered in VET schools are in line with the recommendations of the Regional Development and Training Committees (RFKB), which create an up-to-date list of vocations with excess labour market demand in the regions. This is the mechanism that affects school curricula, based on actual labour

market needs. RFKB committees are composed of 28 members. Half of them are delegated by the national employers' and employees' associations, and by the chamber of commerce. The other half of the members are delegated by authorities responsible for the financial management of schools, foundations supporting the development of public schools, public employment offices, higher education institutions, and by the ministry responsible for education.

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**Financial schemes**

The formal beneficiaries of the funding – some of it from the central budget, mostly from European cohesion funds, both through the Labour Market Fund (Munkaerőpiaci Alap - MPA) – are schools themselves. Most of such funds are spent on keeping the schools up to date technologically. Disbursement of funds is, however, conditional not only upon the participation in a TISZK or other form of integration, but on a range of professional criteria as well. These include regular trainings provided to the teaching staff and keeping the courses offered in line with the recommendations of the Regional Development and Training Committee (RFKB, which creates an up-to-date list of vocations with excess labour market demand in the region.

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**Frequency of updates**

The Regional Development and Training Committee (RFKB) creates an up-to-date list of vocations with excess labour market demand in the region on an annual basis.

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**Development**

In the initial pilot phase between 2004 and 2006, no target indicators were set by the implementing institutions. Therefore, initial results of the project are difficult to assess. Target indicators became a core element of the institutions' bid for funding. These indicators were often set unrealistically at the first phase, but they were renegotiated once the funding was obtained. The changes in 2006 only affect the contents, the indicators were only introduced in 2008.

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## **Barriers**

The most important barriers to successful implementation was the set of perverted financial incentives to set up TISZKs:

1) The true motivation of the participating schools: In the context of a falling number of children and attendance, school principals have to worry about their school becoming redundant in the system and their jobs scrapped. In such an environment, coupled with the chronically poor funding and the consequent amortization of school infrastructure, the prospect of millions of forints of state and EU funding, even in the case of smaller schools, created an irresistible imperative to take part in the TISZK reform. This is well reflected in the high number of participating schools, as well as in the special allowances made to institutions that were initially not planned to be involved, but found a way to persuade decision makers to loosen their criteria.

2) Distance between the cooperating schools: Access to EU funding was made conditional on a minimum of 1,500 students attending the participating schools. This caused no difficulties in cities, but in scarcely populated regions, the threshold forced schools very far from each other to formally cooperate. As these regions are typically the ones with the poorest infrastructure, cooperation between such schools remained rather theoretical than actually implemented.

No adjustments were made to tackle these problems. The adequacy of this instrument is questioned by external evaluations. One of these reports claims that there are inefficiencies, such as the RFKB of Tatabánya (60 kms from Budapest), taking local labour demand only into account, while ignoring commuting prospects to the capital. Another claims that the Committees are effectively dysfunctional and only a fraction of employees are represented if regular meetings do take place at all. Finally, even if such meetings take place, employers have a strong incentive (to keep wages down and have a larger pool to select from in the long run) to overstate their labour demand, which puts an upward bias on estimates of labour demand.

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## **Success factors**

Based on the different evaluations, this reform was not very successful. Only a few adjustments were made (e.g. setting target indicators after 2008), which were not enough to make the whole reform's impact positive and sustainable.

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## **Monitoring**

As of the end of 2011, there were altogether 86 TISZKs registered in the country, in which a total of 701 schools were participating. Between the years of 2008 and 2011, the cumulative number of students who received training in the TISZKs reached 343,017. Yet this figure cannot be directly compared to any initial aim, as no quantitative targets were set either during the planning or the implementation phases of the measure. The main indicator was the number of students receiving training.

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**Innovativeness****SLIGHTLY INNOVATIVE**

The measure is innovative in the sense that it attempts to redesign an old system of vocational schools with poor quality and performance in a reasonable way. The reform attempts to establish a more cost-effective and modern VET system from a rather fragmented network of schools with poor infrastructure and outdated curricula.

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**4****Sustainability**

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## **Evidence of effectiveness**

A large-scale development has taken place in the infrastructure of the participating institutions – both in terms of modernisation of machinery and upgrading the knowledge of the teaching staff, which undoubtedly had a positive effect on the quality of the teaching taking place.

Stakeholders and external evaluations agree on the increased quality of education, in the context of the pilot programme. Perceptions of the later phase are more mixed. The teachers often cite that the programme helped students through the inclusion of soft skills into the curriculum, such as communication training or career orientation. Though not taught in all TISZK-s and often abandoned when the funding stopped, these had a very high marginal benefit as skills of this kind had been generally neglected in the Hungarian education system. Thus, based on one of the major objectives of the measure the implementation of the TISZK system can be deemed to be successful.

The impact on former students' labour market experience could and should have been assessed based on follow up surveys of graduates. Collecting such data was indeed included in the programme. In fact, however, in a high number of cases, personal acquaintances of school principals or dummy organisations enjoying the support of local politicians or political parties in power were subcontracted to carry out such studies. Consequently, the reliability of these studies is low, especially since they were conducted for only a very few years, as no schools spent money on them from 2008 onwards. The instrument achieved, to some extent, the modernisation of the school curricula, machinery, and also addressed the institutional fragmentation of the VET system. However, many studies point out that the money spent on this initiative could have, to some extent, been better used, since the incentives of the reform encouraged even schools who were not part of the target group of the programme to participate. There is almost no evidence on the labour market outcome of students of the VET system prior to and after the reform, which also makes it difficult to assess whether or not the initiative has achieved its targets. There was an unexpected cost that TISZK-s had practically no chance to meaningfully cooperate with the others, for instance because of the distance between their institutions. Even in cases where this would have been possible, school principals did everything they could to avoid the reduction of the size of their schools, to avoid laying off their colleagues. Such streamlining, however, would have been the very purpose of integration as through this only can costs be expected to shrink.

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**Engagement of stakeholders**

Cooperation already started to develop between institutions that could and could not afford the modern technological content before the 2004 inauguration of the integration measure, mainly by the division of practical and theoretical parts of the courses among each other. During the 2004-2008 pilot period of the programme, such cooperation was institutionalized for the first time, and then from 2008 the whole of the state-run vocational training system in Hungary was transformed along this idea. This meant that by 2011 virtually all young people in vocational education study in a TISZK, i.e. the integration has affected the whole of this group with no further targeting within that.

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**Transferability****NOT EASILY TRANSFERABLE**

This reform is essentially a public administration reform, which reorganises the functioning of VET schools. It is a good example for countries where VET is organised in a similarly scattered way, as was the case in Hungary prior to 2004. However, lessons of this initiative (lack of output indicators, poor financial incentives, lack of adjustments in the design, etc) are important to taking into consideration.

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**Sustainability**

The reform has been completed. TISZKs are in full operation now and they will continue to operate in the future as well.

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