

ZOLTÁN GYÖRGYI: INITIAL EXPERIENCES ON THE INTRODUCTION OF CENTRALISED EDUCATION MANAGEMENT

CONTEXT

The Hungarian educational system is of the so-called continental type (Kozma 2006), and therefore, national education policy has always had a powerful effect on its functioning. Centralised education policy was especially powerful before the fall of communism in 1990. In education, as in many areas, few decisions could be made locally; therefore, it was a natural reaction after the fall of communism to empower local parties to make local decisions on what were considered local issues. Setting up a varied school system that meets local (settlement-level) needs seemed to be an obvious goal. Education became a local public service, and many decisions regarding the operation of the education system were made at the settlement or school level. As the public administration system was fragmented¹ and towns of a few thousand people rarely had the financial resources to employ well-trained professionals to run their schools, decisions on schools were often made on political, not policy grounds.

The policy standards laid down in the 1993 laws on education were aimed at keeping education together as one unit: technical requirements were imposed on schools (National Core Curriculum, framework curricula), minimum infrastructure requirements were introduced and teacher qualifications were mandated. The financing of the system was based on the principle of the division of responsibility: state funding had to be supplemented by local funds, almost as a warning to the local governments (municipalities, or, in the case of some secondary schools, county governments) that were the maintainers of most schools that their policy decisions can have financial consequences.

On the one hand, this served the purpose of adapting to local needs. On the other hand, the operation of schools was heavily influenced by the financial status of the settlement they were located in, which led to rather significant differences in the quality of the educational infrastructure and education itself (Halász 2001a).

As a result of all these factors, the system of educational decision-making remained unstable for two decades after 1990: there was no widespread consensus on how to distribute decision-making powers between the local, regional and national levels in order to establish a well-functioning education system that operates at a high professional standard and meets the demands of society as a whole, as well as various individual layers of society. Stabilizing the system was made even more difficult by the fact that demographic processes such as falling birth rates and migration from numerous areas, especially peripheral geographic areas and economically disadvantaged ones required constant intervention in the education system. Maintaining schools with fewer and fewer students became difficult: state funding awarded based on the number of students covered less and less of the actual costs, and the migration hit the most economically disadvantaged regions the hardest, making it increasingly difficult for them to plug the holes in their budgets. At the same time, there was a strong political motivation for keeping the local schools: one of the few possible political successes for local political leaders was keeping the local school open (Györgyi 2011).

Central education policy decision-makers, for various reasons, felt that there was too much local power in education, and tried to curb it by various means. The methods included strict legal requirements (e.g. interference in student enrolment, regulating student composition, dictating terms for ISCED 2 education), interference while permitting certain alternative solutions (framework curriculum recommendations), offering financial benefits as incentives (municipal associations maintaining the

¹ For a population of ten million, Hungary has 3000 local governments, 55% of which operate in a village with less than 1000 inhabitants. Although most of these villages do not have a school, somewhat larger towns with a few thousand inhabitants do.

schools of various settlements) and applying financial pressure (mandating class sizes). The one unifying trait of these interventions was that, in principle, they never questioned the right of local communities to control their own educational institutions, not even when they infringed those interests and attempted to take important powers away from the local governments that represent the local communities in this regard. The measures taken also had one other thing in common: local governments had options, even in the case of binding requirements. They had the possibility to find solutions that made compliance with government schemes a formality, and they often took advantage of this possibility. This was an especially attractive option for them because, as the national political landscape changed, the requirements would change in a few years anyway.

Attempts at strengthening centralised decision-making were in part aimed at resolving real problems arising from a not very well-constructed decentralised management system that hadn't really taken roots in the Hungarian educational system. The other reason for these measures was a politically motivated insistence on traditional centralised control models. Conservative and socialist-liberal governments generally took turns every four years, introducing their own preferences and instruments, but they all attempted to limit the decision-making autonomy of local governments as school maintainers and the schools themselves.

Left-wing and right-wing governments used somewhat different methods, but this only partly reflected their different views on society; often, the different methods were simply employed because of the difference in objectives.

We do not wish to discuss all the important education policy measures of the last decades in this paper, but we would like to highlight a few to illustrate the above points. The right-wing government that was in power between 1998 and 2002 felt that it was especially important to standardise the content taught in schools and the relevant regulations. Therefore, it replaced the National Core Curriculum and its loose approach to content regulation with the National Framework Curriculum, containing much more detailed instructions on the material to be taught. By contrast, the socialist-liberal governments that preceded and succeeded the right-wing government in question focused less on unifying the content: they were more concerned with reducing differences in the infrastructural and staffing conditions of schools, hoping that this would improve the effectiveness of education. As these governments were not able (or perhaps willing) to commit significant budgetary resources to this goal, they tried to utilise the system's internal reserves. Initially, they offered financial incentives to encourage local decisions that fit into their plans, then later they threatened punishment if such decisions were not taken (Fehérvári 2011). One example is the operation of smaller schools by associations of local governments (partnerships between school maintainers) in the 1994-1998 period, another is the guiding of the school system towards what were seen as optimal school and class sizes between 2002 and 2010. In the same period, between 2002 and 2010, the left-wing/liberal government took measures to fight segregation in schools. These were essentially legal interventions, and they curbed what had been seen as basic rights: they re-interpreted the right of school choice, and limited schools' decision-making powers.

It should be noted that unification does not necessarily require centralisation (Halász 2001b); that is, the interventions listed above were not necessarily indispensable for achieving the declared goals, at least not in every case.

As despite taking the measures listed above no government questioned the basic right of school maintainers to make decisions regarding the operation of their schools (a right established at the time of the fall of communism),² local governments always had some amount of room for manoeuvre. As a result, the decisions taken by local governments often only followed governmental expectations in form, not content, which sometimes led to absurd results. For instance, establishing partnerships

² The new Act on Public Education was adopted quite recently, in 2012; until then, the old law was left largely unchanged.

between school maintainers did not result in larger schools, and instead of taking joint decisions, local governments still got to make their own separate decisions about the operation of their own small schools. The constant changing of the state funding provided to schools after 2000 resulted in the school maintainers taking decisions based on short-term financial interests, and generated institutional collaborations and institutional structures that had no discernible professional or social purpose. At the same time, the main factors affecting education remained essentially unchanged: the same teachers taught the same students the same things, using broadly the same infrastructure. Government interventions were successful only in cases where, and to the extent that, they did not go against maintainers' interests. Research carried out by the Institute for Education Research and Development in 2010 in seven regions indicated that local governments that maintained schools definitely felt pressure from education policy, especially through financial channels. However, they felt that the needs of the most important groups of the local community were at least as important: when the two were in conflict, they went against the government's expectations (Györgyi 2011).

Education has been a highly valued part of local politics, and local governments had entirely different goals and priorities than those set by national education policy. For instance, national education policy had strong expectations regarding the quality of education and equal opportunity of access, but these issues were not prioritised locally; at the local level, interest was focused on the existence of schools and their operating conditions.

In small towns, conserving the school (the only local school) at any cost was the yardstick by which the success or failure of local education policy (and local politics) was measured. Naturally, local education policies were diverse, with different goals, priorities and solutions. One common trait is that despite the Government's intentions and actions, local governments did not enter into close cooperation with each other anywhere in the country. There has been some progress, with self-interest motivating numerous local governments to engage in formal cooperation, but in the background, each local government tried to maintain its ability to control its own school. Considering the fact that the lack of cooperation and the mistrust that causes it have deep historical roots, even this minor progress can be seen as a positive sign, but there is no doubt that it only made a minimal contribution to quality, efficiency and social justice in education.

In larger localities,³ the situation was somewhat different: in addition to the demands of local groups, the need for economical operation also motivated local governments. These goals coincided with the government's objectives, which were thus partially achieved: schools were merged, redundancies were eliminated and changes were made to employment structures in order to increase efficiency and improve professional standards.

Despite the not insignificant problems discussed above, the system had one large, systemic advantage: it successfully mobilised local resources. Schools had an interest in obtaining their own revenues by selling services (mostly renting out their infrastructure), the maintainers usually supplied the necessary own resources for obtaining funding through applications, and vocational schools received funds for development from the economic entities of a broader region. However, these resources were distributed unevenly due to the different local economic situations: some schools had good infrastructure and offered a wide variety of programmes for students, while others were fighting for survival. Part of the reason for this was the waste caused by the lack of close cooperation between local governments, the fundamental local political importance of conserving local schools at any cost, and, most importantly, the fact that, due to the major issues in local government financing,⁴ local governments had only a very limited amount of money that they could use freely as they wished.

³ When discussing the research findings, „larger settlements” are understood to mean settlements that have more than one school.

⁴ In 2011, when the previous system of local government financing was still in place, 1216 of 3177 local governments were admittedly underfunded according to national statistics – i.e. in 1216 local governments,

This system put school maintainers at the mercy of the national government, as their only option was to request extraordinary government funding to fill the gaps, and such funding was, inter alia, conditional on meeting certain requirements regarding the operation of schools. This arrangement also put the schools of the affected local governments in a difficult situation: their operation was threatened by the financial difficulties of their maintainers. Having a grasp of all of this is vital for understanding the phenomena that are discussed below.

CHANGES

In a break with the previous approach favouring a decentralised education system, the education policy in place after 2010 took schools out of the hands of local governments and placed them under state stewardship. It made the professional control of schools the exclusive right of the state, and it put the local governments at a crossroads regarding the operation of educational infrastructure and services not directly related to education (e.g. school meals): they had to either take on these tasks or hand them over to the newly created state school maintainer (the Institution Maintenance Centre), in which case towns of more than 3000 inhabitants have to pay a flat-rate fee to the state maintainer.⁵

The legal background is of course more complex than described here, but the implementation is worth discussing: as required by the law, the ministry responsible for education set up a state school maintainer, the Klebelsberg Institution Maintenance Centre (KLIK), the operation of which is not regulated by public legal acts. The law only stipulates that certain powers are moved to the state the actual organisation exercising these powers was set up by a government decree. Its operation, which includes the direction of about 3,000 institutions and the employment of the teachers, and in some cases, other staff, working in the institutions, follows internal regulations. The Government decree set up 196 educational districts, but the relationship between educational districts and the centre is difficult for outsiders to understand.⁶

It is difficult to assess the considerations and objectives that led to the transformation of the maintenance and financing of schools, as the process is based on several tiers of legislation, and the legal acts only contain the provisions themselves, without discussing the rationale behind them. Therefore, we can only presume that the changes, among other goals, were aimed at solving the above described problems related to financial wastefulness, the distribution of resources between schools, operational differences and differences in quality standards, achieving an overall quality increase through solving these problems and making high-quality educational services available to all students.

the lack of funds was not due to any local mismanagement. This clearly shows that underfunding was a defining characteristic of the whole system.

⁵ We will not discuss the details of the changes in the system of school maintenance here; a description of the system is available on the European Commission's website (Eurypedia, the European Encyclopaedia on National Education systems. https://webgate.ec.europa.eu/fpfis/mwikis/eurydice/index.php/Main_Page)

⁶ Government Decree No. 202/2012. (27 July) on the Klebelsberg Institution Maintenance Centre (http://net.iogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1200202.KOR) only contains general rules on the operation of the KLIK (structure, general rights of control over institutions), but it does not contain regulations or powers regarding the details of its operation, such as the limits of the professional autonomy of schools, which they continue to enjoy according to the law. The organizational and operational regulations of KLIK were adopted more than six months after the state took over Hungarian schools (text in Hungarian: http://klik.gov.hu/download/3/64/b0000/KLIK_SZMSZ.pdf). This document describes the organisational structure of KLIK in more detail than the Government decree, but it does not discuss the decision-making powers of schools at all, and only mentions the powers of the territorial bodies of KLIK (the educational districts) in passing.

Statements made to the press and subsequent financial measures point in the same direction. At the same time, it should be noted that this centralisation process fits in with the similar centralisation efforts carried out in other areas.

Our research, carried out in the first half of 2014, is aimed at studying this reform process, focusing on two main themes: what steps were taken to alleviate existing operational anomalies, and how the changes were received. The experiences of the first two decades indicate that, when interests clash, the government's efforts are often derailed by the local decision-makers. Naturally, the two time periods cannot be directly compared, as a significant portion of educational decision-making has been taken away from local governments, and schools are finding it harder to assert their interests in new situations where working relationships have not been established yet.

THE RESEARCH

The research covered the same geographical areas as the 2010 research carried out by the Hungarian Institute for Education Research and Development.⁷ At that time, the goal was to describe and analyse the responses given by local education policy to negative demographic changes, and that determined the sample selection. Therefore, most of the areas studied were areas with very poor demographic indicators; at the same time, an effort was made to cover all of Hungary and to include locations with differing settlement structures.

As part of this research project, we had to decide whether to use the same samples, which were chosen based on the special considerations associated with the previous research project and were thus in some sense unbalanced, but allowed us to build on previously acquired information, or to choose a new sample that represents microregions better, and uncover the historical background of local educational processes in detail. Due to physical constraints (time, resources) we chose the first option, making plans to add two more to the previously studied seven areas. However, due to the lack of willingness to participate (and this to a certain extent illustrates the operation of the system) we were only able to carry out the work in five micro-regions. In the international territorial classification, micro-regions correspond to the LAU1 category. In many regards, the districts set up as part of the new Hungarian system of public administration in 2013 are the successors of micro-regions.⁸

In the authors' opinion, the somewhat haphazard nature of the sample had only a minimal effect on the authenticity of the research, as the processes under study are only minimally affected by the level of economic development or demographic processes, especially over a short time period. Our experiences confirmed our prior expectations: the processes, the interests that motivate them and the decisions that were made were not dependent on the level of development of the settlement or microregion in question. However, it is not possible to fully eliminate the possibility that somewhat different processes may take place in areas with more economic power or a different local society.

The research was more hindered by the already mentioned lack of the willingness to participate, due to the totally centralised operation of the state institution maintainer (KLIK), in which most of the relevant decisions are made in the Budapest centre, not in the educational districts. Institutions don't have their own budget, and neither do educational districts. The system is virtually inaccessible to researchers without the knowledge and permission of the central management. This led to a reduction of the extent of field work: the president's permission for the research was obtained, but some educational districts were, for whatever reason, reluctant to cooperate, and cited the lack of the president's permission. The internal structure, and thus the decision-making structure, is not visible to outsiders, which made it impossible to clarify the situation. The issue of the centralisation of decision-

⁷ The effects of demographic changes on local education policy. Head researcher: Zoltán Györgyi.

⁸ Out of the five micro-regions studied, four coincide almost entirely with a district, and the remaining one was divided into two districts.

making arose regarding educational districts, as well: school directors were unwilling to discuss anything without the permission of the president of the educational district.

This interfered with the effectiveness of the research in multiple ways. First of all, the number of educational district case studies decreased, and they became less comprehensive. Furthermore, this phenomenon is presumably not random, and therefore it is likely to have affected the results. Additionally, it is more difficult to collect comprehensive information in a system that is not open to the outside observer (in this case, the researcher).

Due to the lower number of completed case studies, the sample was not as comprehensive as designed with regard to settlement types and coverage of the major geographical areas of Hungary. The research covered three areas with small villages,⁹ and there was one micro-region with somewhat larger towns and one with a large central city, but there were no micro-regions with medium-sized cities (with a population of 30 to 40 thousand), and there were no data from Budapest.¹⁰ With regard to regions, the more developed parts of the country were not covered.

THE PROCESS OF CHANGE

As mentioned above, our 2010 research indicated that local education policy plays an especially important role. Local educational decisions were more about politics than policy, but their importance indicated that education was one of the benchmarks by which the performance of local governments that maintained schools was judged. Considering this situation, it might come as something of a surprise that a significant number of maintainers chose to relinquish their right to operate their schools.¹¹

The collected information indicates that this is due to the financing problems present in the previous system, as well as the general plan and specific implementation details of the reform of the system of school maintenance. Local governments had been artificially pushed into poverty, and the new arrangement stripped them of the decision-making powers that had made holding on to educational institutions politically important to them: in small settlements, the chance to keep the school, in larger ones, the decisions about the structure of training, enrolment, financial decision-making and maintaining teacher employment. The issue of who runs the infrastructure that schools use does not affect these issues. It does affect the quality of the education, but that was never really a central issue. All this means that, if they kept control of their schools, local governments would have to spend their limited resources on something that is not of primary importance to them. A lot of the local governments were unable or unwilling to do so, especially because they did not know the size of the budget they would have to work with in the future.¹² The decision was complicated by the fact that many of them did not know exactly how much they had been spending on education related expenditure,¹³ and even more by the fact that they were only informed of the amount of the contribution they would have to pay to KLIK if they relinquished school maintenance a few days before

⁹ Although there is no consensus as to the definition of small villages, the term is generally used to mean villages of less than 1,000 inhabitants. Such villages rarely have their own institutions: public administration, education, health and social services are generally provided by jointly maintained institutions.

¹⁰ In accordance with the territorial structure of public administration, the capital has 23 educational districts.

¹¹ No statistics on this are available; this statement is based on reports published in the press at the time of the changes. Information collected during field trips confirms this.

¹² The money in the budget of Hungarian local governments comes from the state, or from sources subject to state decisions, therefore these budgets are subject to the annual Budget Acts. At the time when the system of school maintenance was transformed, there were other major changes in the tasks assigned to local governments as well, so the state changed multiple aspects of their funding, making it impossible for local governments to predict how much money they would have for education.

¹³ Some of the expenditures were not included in school budgets.

the decision had to be made.¹⁴ Local governments were forced to make decisions in a situation of great uncertainty, and the uncertainty led to a wide variety of responses. Our research did not uncover any identifiable trends in the decisions made by local governments; it appears that using various arguments local representatives chose the option that most politically acceptable to them at that moment in time. The decision was quite obvious for small towns and villages (less than 3000 inhabitants); in the areas we visited, there was only one that took on the task of school maintenance.

The decision was tough on schools as well: there was a major upheaval in the established good or bad school-maintainer relationship, introducing unpredictability and uncertainty as to how schools might be able to protect their interests. Even so, schools were generally optimistic about the changes, due to the previous uncertainties in their operation: sometimes, wages were not paid on time or schools ran out of heating fuel. These were not everyday occurrences, but they were not rare, either, especially in the poorest villages.

CHANGES TO THE SYSTEM

THE STRUCTURE OF THE SCHOOL SYSTEM

The transformation of the school maintenance system was a natural opportunity to rationalise the fragmented institutional system made up of many small schools – a sensitive issue that could be problematic for local governments, whose previous „education policy” was based around avoiding such changes, and one that could affect the interests of the local population, determine the fate of towns and villages and provoke emotional reactions.¹⁵ Possible changes include:

1. Closing a school and moving students to a different school; in small villages, this means closing the only school in the village, requiring students to commute;
2. Closing a grade, moving students to a different school (town);
3. Ending a school’s autonomy, placing it under the control of another school;
4. Merging schools, placing them under joint management.

Fears about school closures were mitigated during the reform of the school maintenance system, to a large extent because of the declaration made by the Government in 2010 that primary school grades 1-4 would not be closed, and previously closed schools would in fact be reopened if at least eight parents requested it. Still, the trust was not complete, and some local governments chose to transfer their schools to a Church. The information collected indicates that these transfers were usually not initiated by the Church but the local government, or, in some cases, the school itself. There was at least one local government that handed its school over to a Church that did not even have a congregation in the settlement in question; the goal was to retain at least informal control over the school, and the local government did not expect to be able to do so if maintenance was transferred to the state.¹⁶

¹⁴ Settlements with less than 3000 inhabitants do not have to pay this contribution.

¹⁵ The survival or closing of their school has been a central issue for decades in villages that are afraid that the school will be closed, which is often equated with the death of the village itself.

¹⁶ Our research did not explore the issue of why Churches are interested in taking over schools. Smaller Churches are likely to have political motivations: they wish to become more important actors in education. For larger Churches that already have many schools across the country, this motivation is less strong, and we have been told about multiple instances when such Churches turned down an opportunity to take over a school. Such Churches often took over schools as a result of local initiatives, essentially doing a favour to the local government or the school’s director who wished to avoid state maintenance.

After the state took control of schools, the structure of the school system barely underwent any modification. No conscious decision regarding this can be discerned, but in any case, major modifications would not have been justified unless a whole new organisational approach was introduced, as the number of students did not change drastically in twelve to eighteen months. No new approach was drawn up, partly because the central school maintainer has been busy trying to solve its own operational issues: feedback indicates that it is struggling to manage the high number of institutions under its care and the associated information reporting and financing requirements, which place a massive burden on all parties (employees of the educational districts and school directors).

Structural interventions, including the closing of schools and grades will eventually become unavoidable, irrespective of what education management model is chosen. Many of our interview subjects noted this fact: student numbers are falling even without taking migration into account, and of course economically depressed areas are affected by migration as well.

Softer structural interventions (options 3 and 4) were not applied, either. The reason for this is to be sought in the nature of the maintainer switch: schools lost their autonomy, and are unable to make fully independent decisions even regarding important issues (see below), which means that whether a school has its own management or is managed by another school is of less importance.

Larger towns and cities have more leeway, and experience less political sensitivity regarding school reorganisations. In such towns and cities, the previous school maintainers had already taken major decisions affecting school structures, primarily for financial reasons. The findings of the research indicate that the new maintainers are primarily motivated by the goal of financial rationalisation as well, but there are no significant reserves in this part of the system any more.

REDRAWING CATCHMENT AREA BOUNDARIES

Over the last several decades, parents' free school choice has been seen as a basic right. Still, primary school catchment areas are important. It is difficult for children outside of the catchment area to get into a popular school, and catchment areas largely determine the composition of a school's student body, which also affects students' and parents' interests.

One of the criticisms of the previous school maintenance system was the creation of segregated schools. The segregation of the Roma by place of residence (by settlement or district) lends especially great weight to the issue. So far, no politically and professionally acceptable solution has been found for the first case, but there are existing, working solutions for reducing school segregation in situations where there is segregation within the settlement.¹⁷

In many cases, school segregation is not caused purely by segregation by place of residence within the settlement: it is reinforced by the arrangement of catchment areas.¹⁸ This is a sensitive issue, but school segregation is a real problem in the areas visited in the course of the research, and no progress was made during the short research period. Identifying the causes is not easy, but it appears that no local party has any interest in taking action, and there are no central expectations regarding the issue. In the current system, responsibility for fighting segregation is not clearly assigned.

¹⁷ The best-known example is that of Hódmezővásárhely, where such measures were taken at the time when schools were maintained by the local government (Szűcs 2013).

¹⁸ The current system includes the right of free school choice, but generally only parents who feel the greatest responsibility for their children's education exercise the right to choose a different school than the one they are in the catchment area of. Thus, there is a significant chance for the separation of different layers of society even if, as has been the case for years, schools have to follow certain rules regarding accepting students from outside their catchment area.

PEDAGOGICAL PROGRAMMES

Segregation is only one of the reasons for inequalities in the access to education; differences in the programmes offered by schools also play a role. Schools have so-called pedagogical programmes, which describe what the school offers in addition to the basics required by the National Core Curriculum: special training courses, services, special pedagogical methods used etc. Pedagogical programmes are drawn up by the schools and approved by the school maintainer; this was already the case in the old system. The different attitudes and financial situations of maintainers had a significant effect on what each school could offer. The selection of programmes and methods on offer has indirect importance beyond itself: it affects parental choices and thus the composition of the school's student body.

The school maintenance system introduced in 2013 allowed pedagogical programmes to become more similar, thus reducing the (parental) segregation pressure on the system. When a new system is introduced, one can hardly expect such a politically sensitive issue to be tackled immediately, but pedagogical programmes were reviewed in the summer of 2013, i.e. there was some intervention in this regard. The cause for the review was not necessarily the introduction of the new school maintenance system, but rather the new National Core Curriculum¹⁹ and the national framework curricula built on it. The findings of the research indicate that this intervention was superficial: naturally, schools had no interest in changing their own existing programmes, and no outside pressure was placed on them to do so. Therefore, at the institutions we visited, any changes were minor.

It is not easy to assess the effects of the lack of changes. On the one hand, the different characteristics of schools can be interpreted as an adaptation to local demands – a position espoused by those in charge of public education, who cited it in comments made to the press as something they intend to conserve. On the other hand, they can be seen to strengthen segregation by influencing the student body composition. In some cases, the two are almost impossible to tell apart. The lack of change in this area is best interpreted as a signal that until there is social consensus on the limits between adapting to local peculiarities and needs and contributing to segregation to a socially unacceptable extent, the existing system cannot be modified without causing major political tensions. Those in charge of education have been unwilling to take on such political tensions – and it should be added that local governments were only marginally more willing to do so.

EXTERNAL RESOURCES IN THE FINANCING AND OPERATION OF THE EDUCATION SYSTEM

This is an area that could not be fully researched even in the old system, but interviews made as part of our prior research project indicated that schools were trying to obtain their own revenues, and maintainers did not take these revenues away from the schools, which provided an incentive to keep seeking such revenue sources. It appears that there were large differences with regard to the amount of funding obtained through application of projects on how actively each school sought such funds, to what extent the maintainer supported applications and how successful the applications ended up being. For schools, certain activities of local governments that were not built into the school's budget were also considered external resources.

The new school maintenance system transformed these revenue sources. Most local governments still try to support their schools even if they are now not responsible for operating their infrastructure, although many do so to a lesser extent, arguing that this is now the maintainer's job. However, the maintainer is not able to take care of every problem in every school it manages. It does not have established procedures, resources or adequate staff for this. This causes some tensions, but such problems are generally resolved eventually.

¹⁹ Government Decree No. 110/2012 (4 June) on the issuance, introduction and application of the National Core Curriculum. (http://www.budapestedu.hu/data/cms149320/MK_12_66_NAT.pdf).

As a result of the elimination of school budgets, schools cannot obtain their own revenues now. Or, more precisely, if revenue is generated at the school, it is transferred to the educational district. This has caused schools to reduce their revenue-generating activities, or at least to reduce their efforts in this regard. The situation varies by school: in some, established revenue-generating practices are left in place even though the school cannot keep the money, in others, such activities have fallen by the wayside. The current, centralised school maintenance system appears to be incapable of channelling revenues generated by the schools in full or in part back to those who secured them. One might say that this ensures a fairer use of these funds, but it is questionable whether any such benefit is worth a reduction in external revenues.

In any case, the biggest problem is that the financial situation of schools and its changes are currently unclear not only to researchers: there are no classified official records, either. Educational districts do not keep separate records on schools, only the districts themselves, and even if a school's infrastructure is managed by the local government, the local government may not keep separate records on the money spent on the school. Therefore, perhaps it will be possible to assess the financial viability of the system overall, but uncovering any internal imbalances will surely not be possible.

The use of resources acquired by application for funding varies heavily between educational districts. The implementation of previous projects continues, but educational districts display varying attitudes to newly submitted applications. Some support them, but in others, the schools do not even put the idea to the educational district, seeing it as hopeless. The central call for applications published by KLIK could improve the situation, contributing to a real reduction in the infrastructural and staffing differences between schools. To what extent the applications can serve these goals is yet to be seen; we do not know if the criteria and the decisions based on the criteria will help reduce pre-existing inequalities – and it will be difficult to tell if the amount of money spent on each school cannot be tracked.

AN ASSESSMENT OF THE OPERATION OF THE SYSTEM

The introduction of a new system is never without hiccups, even if the changes are not very drastic. The transformation of the management of the Hungarian public education system has been a radical change, and for many parties, it brought alien tasks. The relevant actors are still looking for their place, their roles, their relationships in the new system. Many things are not working, not working well or not working well enough, but that does not necessarily mean that the general approach is faulty.

There have been major uncertainties in this process of transformation, but some local parties supported, or at least accepted, the new arrangement. This support was mostly due to the fact that the previous financing system that was in place up to 2012 put institutions and teachers in difficult situations from time to time, generating hopes of a more stable system. Although it is not the subject of this study, some stability has arrived: wages and predictable operational costs are appropriately funded. In other regards, the system is very unwieldy and inflexible, and, according to many, underfunded. An underfunded system cannot eliminate or even mitigate internal inequalities.

Returning to the main theme of this study: we examined the ways in which the new school maintenance system attempts to solve preexisting problems. As the above discussion shows, no such solutions are visible. They are not being implemented, and no plans can be discerned. No policy guidelines are available to inform our expectations of coming measures, even for the short term. It is unclear how the system will react to demographic changes, specifically the falling student numbers. What attempts will be made to reduce segregation is also unclear, if an attempt will even be made to solve the problem. It is possible that such plans are available to policy-makers, but there is no mechanism for transmitting any such decisions to the lower levels. The single state institution maintainer operates in a centralised fashion almost entirely without normative regulations. If a

message is transmitted from above (which does not appear to be happening), then its implementation will by necessity be distorted, as the centre cannot dictate what should happen in each and every one of the three thousand institutions under its direction. Case studies indicate that any significant intervention in the areas mentioned would have too great a political risk. The conditions are not in place to allow these issues to be delegated to the educational districts. Educational districts as they are currently set up are implementing organs; they may be unable to make meaningful decisions with political risks. They will implement decisions if required – mechanically, either shifting responsibility to higher-level decision-makers, or only meeting requirements formally.

It is unclear how the current, over-centralised system could even be modified, and with what consequences. The risk of centralised systems is that the single decisionmaker is responsible for every decision that compromises the interests of any party, which entails great political risks. Twelve to eighteen months is not sufficient time to arrive at a reliable assessment of a system, but the closed and mistrustful nature of the current system indicates that it is not interested in dialogue with public education stakeholders, and that approach can hardly be expected to achieve significant changes. Its operation also indicates that it will resist public accountability. One could cite the impossibility of obtaining data on institutional financing and thus the financial differences between institutions, or the almost complete lack of statistical data; all these indicate that the current system may have been intended to solve the real problems of the previous one, but the organisational structure and system of interests that have emerged so far do not enable it to do so.

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