

The evolution of university autonomy in Hungary

A complementary analysis to
University Autonomy in Europe IV:
The Scorecard 2023

March 2023



This publication is licensed under the Creative Commons [Attribution-NonCommercial](#) CC BY-NC

This information may be freely used and copied for non-commercial purposes, provided that the source is acknowledged (European University Association).

European University Association asbl

Avenue de l'Yser 24

Rue du Rhône 114

1040 Brussels

Case postale 3174

Belgium

1211 Geneva 3, Switzerland

+32 (0) 2 230 55 44

+41 22 552 02 96

www.eua.eu · info@eua.eu

Hungary is not among the systems included in the scoring and comparative analysis for the 2023 edition of the European University Association’s Autonomy Scorecard, as it has developed a governance model that does not exist in any other system in Europe and thus it is beyond the scope of the comparative assessment by the Scorecard method.

The transfer of substantial decision-making powers to a body consisting exclusively of members appointed by the government for life can be considered as a reduction of institutional self-determination and is not in line with practices observed in Europe regarding university governance. The model fails to find a balance between the institution’s accountability to society and the state through the involvement of external members and the university’s self-governance.

This document contains a description of the current higher education landscape, the relevant legal changes since 2014, an analysis of the current system of foundation universities and the reasons why it cannot be compared in the framework of the Scorecard methodology, a description of the four dimensions of autonomy and recommendations in relation to university governance.

The Hungarian higher education landscape

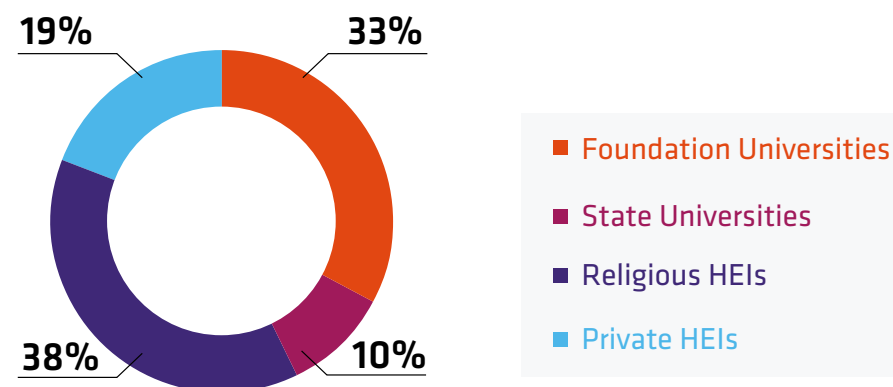
The Hungarian higher education system is composed of universities, universities of applied sciences and colleges, with different degree awarding capacities. Only universities may deliver academic programmes in all three cycles. All higher education institutions are subject to the [Law on National Higher Education](#). Until 2019, the higher education system comprised state, private and religious institutions.

In 2019, Hungary created a new type of legal entity: an asset management foundation, that can be used for educational, cultural, sports or health-related activities, as well as families. This foundation can also become the new ‘maintainer’ of a university. The founder of these foundations is the Hungarian state by separate laws in each case, which can only be changed by a two-thirds majority in Parliament. The rights of the founder are exercised by the Minister of Research, Technology, and Innovation.

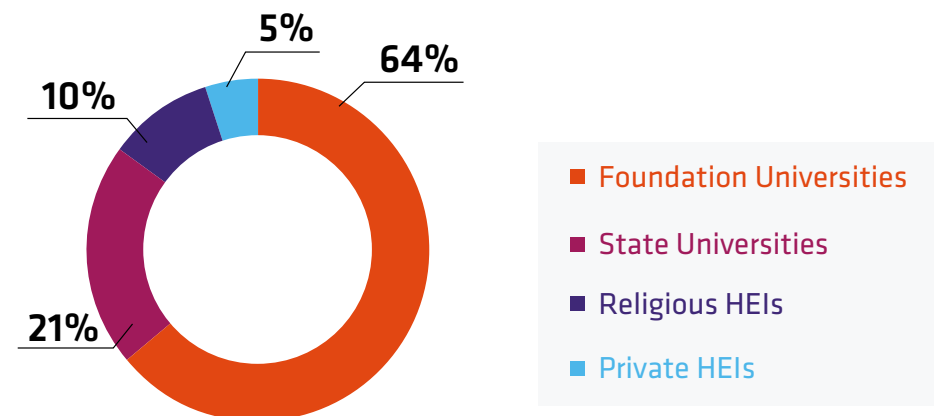
The following reasons were put forward for moving to such a status: universities must follow public financial regulations, which are very burdensome and lead to complexities in procurement and financial management; and the new structure follows a modernisation concept that exists in other higher education systems.

In 2022, there were 21 foundation-run universities, whereas six universities remained under public maintenance. These may choose to adopt the new model by the decision of their senate, except for the University of Public Service, which will remain a state institution. State and foundation-run universities together represent around 45% of the system and account for about 85% of the students in the country.

Higher education sector in Hungary¹



Distribution of student population in Hungary



¹ The data presented in both graphs were provided by the national rector’s conference (MRK) and refer to the 2021/2022 academic year.

The trajectory of the relationship between the state and higher education institutions in Hungary must be seen in the longer term, from the introduction of the chancellor and of consistories in the mid-2010s to the newest reform.

The creation of the position of ‘chancellor’ in Hungarian universities since July 2014 fundamentally altered the capacity of institutions to organise themselves. The position included responsibilities for financial and staffing matters, while the rector remained responsible for academic matters. The rector had to seek the chancellor’s approval for any decision on staff salaries. By law, the chancellor was directly appointed by the Prime Minister, on the proposal of the minister after the publication of an open call.

The board/council-type body, known as a ‘consistory’, was created in 2015. It took strategic decisions and controlled university management. It replaced the former ‘financial council’ but had a wider scope. Both the chancellor and the rector were members of the consistory. The three other members were external and appointed by the Minister of Human Resources on the proposal of professional organisations relevant to the university, with a five-year mandate. A state declaration prescribed the criteria to select the members.

Since then, Hungary drew international criticism, including from EUA, when amending the law on higher education in 2017 in such a way that it resulted in the closure of teaching activities of the Central European University (CEU) in Hungary, and the transfer of the institution’s main operations to Austria the following year. The CEU announcement came against the backdrop of serious and growing concerns about the negative trajectory of university autonomy and academic freedom in Hungary, as evidenced by the 2018 government ban on gender studies programmes.

On 15 December 2022, the Council of the European Union decided to suspend 55% of budgetary commitments under Cohesion Policy programmes to Hungary and prohibited the European Commission from entering into legal commitments with public interest funds or entities that they maintain. The decision was motivated by concerns regarding the rule of law and Hungary’s failure to implement remedial measures to address the identified shortcomings.

At the beginning of 2023, this effectively blocked 21 Hungarian universities from participating in new calls of programmes such as Horizon Europe and Erasmus+.

On 1 February 2023, EUA released a [statement](#) regarding the Council of the EU decision.

Timeline

2014	❖ Creation of the position of ‘chancellor’, with responsibilities for financial and staffing matters, appointed by public authorities
2015	❖ Establishment of consistories, as a governing body replacing the previous financial council
2017	❖ Amendment to the Law on Higher Education requiring a university issuing foreign degrees to establish educational activities in its country of origin, directly affecting CEU operations in Hungary
2018	❖ Ban on gender studies programmes, affecting mainly CEU and ELTE ❖ Central European University moves to Austria
2019	❖ Governance reform introduces the foundation model ❖ Supervision of higher education transferred to the Ministry of Innovation and Technology
2020	❖ The Court of Justice of the European Union rules that the 2017 amendments violated EU law
2021	❖ Revision of the university funding model
2022	❖ Council of the EU decision prohibits new legal commitments with public interest funds or entities that they maintain.

Hungary's new foundation universities: a sui generis model

The reason why Hungary is not featured in the set of systems analysed in this new edition of the Autonomy Scorecard lies in the specificity of the governance model designed for foundation-run universities.

Indeed, the distribution of competences within that model and the nomination procedure of members have unique characteristics and far-reaching consequences in the different autonomy dimensions, which cannot be adequately captured by the Scorecard methodology.

The specifics of the Hungarian governance model from a comparative perspective

At the core of the new governance model is the newly established board of trustees. It displays characteristics that do not exist in combination in any other of the 35 systems studied in the new edition of the Autonomy Scorecard:

- ❖ Members of the boards of trustees are appointed for an indefinite period (no set term of office).

- ❖ Members are exclusively appointed by the government, which has the discretion to decide whether appointees come from the university community or not (boards of trustees can thus be fully composed of external members).
- ❖ In addition, the board of trustees has significant decision-making competence. The law specifies that non-state-maintained institutions may derogate from the distribution of competences otherwise laid out for state-maintained institutions. The board of trustees may thus approve the budget of the institution and the annual report, the institution's rules of organisation and operation, including important aspects such as staff recruitment and student affairs and the institution's asset management plan.

Subsequent changes to the Law of Public Interest Trusts would require a special majority in parliament (two thirds).

Certain systems in Europe that share some (but not all) of the characteristics of the governing model of Hungarian universities have been analysed in more detail and described in the table below.

System	Similarities	Differences
Czechia (dual governance model)	Board in charge of finances & strategy; exclusively composed of external members appointed by the ministry.	<ul style="list-style-type: none"> ❖ The board does not oversee academic affairs (responsibility of the senate). ❖ The term of office of its members is six years (non-renewable).
Latvia (dual governance model)	Board with powers on finances, strategy. The government (ministry or president) appoint a majority of members.	<ul style="list-style-type: none"> ❖ The board does not oversee academic affairs (responsibility of the senate). ❖ The term of office of its members is four years. ❖ Almost half of the members are nominated by the university senate.
Netherlands (atypical dual governance model)	Fully external board, appointed by the ministry.	<ul style="list-style-type: none"> ❖ This is a supervisory type of body, which mainly has an accountability function (the main power belongs to the executive board – the university leadership team). ❖ The supervisory board has a four-year mandate.
Norway (unitary governance model)	Board with all decision-making powers. External members could form a majority (upon decision of the board), appointed by ministry.	<ul style="list-style-type: none"> ❖ In principle, the board is made up of a majority of internal members (selected by the university community). ❖ Members are elected for four years.
Slovakia (dual governance model)	The board is tasked with strategic oversight. It is almost exclusively composed of external members.	<ul style="list-style-type: none"> ❖ Academic affairs belong to the senate. ❖ Half of the board members are elected by the senate. ❖ Board members have a five-year mandate.

Currently, only in the Netherlands and Czechia is the board exclusively appointed by an external authority. However, in the Netherlands the board is more a supervisory body than a fully fledged decision-making body. In Czechia, the board is part of a dual governance model together with the senate but has no decision-making competence in academic affairs.

The case of Latvia is similar, but the ministry/president appoints a majority of members, rather than all of them (for Slovakia it is 50%).

In none of the countries above do board members have an open-ended mandate.

None of the 35 systems analysed give the majority of universities the status of 'foundation universities.' While the legal change towards a foundation status itself exists in other European countries, this is usually accompanied by less directly government-controlled governance and thus, by greater autonomy. In Sweden, there are three such private, non-profit higher education institutions with the right to award doctorates. The foundation governing board of Jönköping University is nominated by the government for a limited term of office.² Finland has two foundation universities; the governing board members of Aalto University are appointed by a senate-type body (representing staff and students).³ In Portugal, the board of trustees (conselho de curadores) of foundation universities holds a more supervisory role and is not per se a governing body.

The transfer of substantial decision-making powers to a body consisting exclusively of members appointed by the government for life can be considered as a reduction of institutional self-determination. As a result, and at odds with the statement that these latest changes align the sector with international best practices, the governance of Hungarian universities now possesses highly specific features unseen in other European systems.

The Hungarian governance model and the Scorecard methodology

EUA has weighed different options regarding the inclusion of Hungary in the Autonomy Scorecard. The difficulty lies in the specificity of the governance model applied in Hungary, whereby the university and the public trust are two separate legal entities. Therefore, depending on whether the board of trustees is interpreted as an external authority or as an internal governing body of the university, the Autonomy Scorecard methodology leads to very different results in terms of institutional autonomy. Neither of the two options, however, would reflect the real situation and contribute to the European comparative analysis.

The legal construction, and the fact that the board of trustees is fully appointed by the public authorities with an open-ended mandate are cumulative elements that could justify qualifying this body as external to the university. However, the Scorecard considers as external bodies only a ministry, a government, or buffer body (such as the Higher Education Authority in Ireland) that has competences for all or most of the universities in a system. Hungarian universities' boards of trustees do not fall into that category.

Applying the methodology of the Scorecard is therefore not deemed appropriate, as for most indicators, decision-making powers rest with the board of trustees, at times in combination with an authorisation from public authorities. Considering the board of trustees as an external authority would not adequately reflect the nature of the relationship between the board and the Ministry of Research, Technology and Innovation. Indeed, public accountability lines are partially cut as there is no longer an institutionalised connection with public authorities. While the boards are nominated by the current government, the open-ended mandate of their members and the requirement for a special majority in parliament to engineer any significant change to these government arrangements effectively locks in a power-concentrating model over the long term. Accountability lines therefore shift to a non-institutionalised configuration, in the context of which it is no longer possible to measure formal autonomy.

² <https://ju.se/en/about-us/organisation-and-governance/foundation-governing-board.html>

³ <https://www.aalto.fi/en/aalto-handbook/academic-affairs-committee>

Hungary's new foundation universities and the four dimensions of autonomy

This section explores the characteristics of the Hungarian model under the prism of the four autonomy dimensions (following the structure of the Scorecard), with the view to describe regulations rather than assess their actual impact on institutional autonomy.

Organisational matters

Hungary's 2019 reform deeply remodels university governance and affects the distribution of powers as well as accountability within the institution and vis-à-vis public authorities.

Statutes

In the wake of the transition to the new foundation model, new statutes have been adopted by the universities concerned. Changes to these require the approval of the board of trustees (BoT).

Executive leadership

The board of trustees publishes a call for applications for the position of rector. The university senate then elects the rector and sends its proposal to the BoT for a final decision. The ministry monitors legal compliance, and the president of Hungary formally appoints the rector. If the rector is dismissed by the BoT, formal approval from the president is necessary.

As for state universities, the call for applications is still approved by the ministry, and the rector is also nominated by the president after the election by the university senate.

Selection criteria for rectorship are defined in law, although some restrictions have been lifted for the foundation universities. Holding an academic position, as well as managerial experience in the higher education field, remains mandatory. The language proficiency requirement and age limitation are still in place, although foundation universities may discard them. The length of the term of office is defined in law as five years and can be renewed once. Nevertheless, foundation universities may decide differently.

Governance bodies

Foundation universities are maintained by a board-type body (board of trustees) and comprise a senate, but the governance model can now be considered unitary, based on the current power distribution.

While the rector and chief financial officer administer daily management, the BoT oversees the strategic direction, and the senate is responsible for academic matters. In the case of foundation universities, strategic responsibilities may be shifted from the senate to the BoT (including important organisational and operational regulations that cover, for example, rules on the organisational structure, staff recruitment and student affairs). The BoT must meet once per month.

The BoT comprises five members, all nominated by the minister with open-ended mandates. The composition of the BoT differs across universities. The rector may be a full member (until the end of mandate) or an observer. BoT members may be drawn from academia (former university leaders), business, and the public sector including politicians.

The previously introduced position of 'chancellor', who effectively became the second head (for financial matters) of the university and was directly appointed by the prime minister, is no longer mandatory for foundation universities. Most have appointed instead a chief financial officer or have made the rector responsible for financial matters.

The senate consists of a minimum of nine people, out of whom at least half are drawn from teaching and research staff. In addition, some representation should be ensured for junior academics, and trade unions, whereas students should make up for between 20 and 25% of the members (previously, one-third). Nevertheless, the foundation universities are allowed to modify the rules, and, in some universities, student representation is less than 20%.

In addition, akin to other companies and institutions, foundations have a supervisory board, which consists of three members and holds an accountability function. The supervisory board may not overturn decisions of the BoT and focuses on control and compliance with the rules. It may also be involved in further appointments to the BoT. The ministry appoints the supervisory board members, who can be nominated from or outside of the university. Because of the portfolio of these supervisory boards (ex-post financial control), competences in the field of economics and law are particularly sought after.

State universities have a dual governing structure including the senate and the consistory. The latter is composed of the rector and chancellor, as well as three members delegated by the ministry for five years, on the proposal of various organisations, the university itself, and the student body. The mandate of the consistory is five years.

Structures

Foundation universities can decide on their academic structures and may create both-for-profit and not-for-profit legal entities.

Financial matters

Hungary's reform entails a significant transfer of decision-making powers in this area from the ministry to the board of trustees.

Public funding allocation

Notwithstanding changes made to the funding model in 2021, public funds to universities are allocated yearly via a block grant divided into categories with no internal shifting possibilities. Within the new funding framework, the government signed six-year financing contracts with individual foundation-run universities (including religious institutions) to provide stable funding perspectives. However, funding will be channelled on a yearly basis, and will depend on the institutional performance, to be evaluated annually. Thus, the agreement provides a general funding framework, while actual allocation may change. Foundation-run universities also sign a 15- to 25-year strategic framework agreement with the ministry. The state universities receive annual funding from the ministry, and they are not yet subject to the 6-year agreements.

Financial management

Foundation universities may, as per the decision of their board of trustees, keep surplus, borrow money, and own buildings. Before 2019, the ownership of the property was in the hands of the state. It is expected that by 2023, the foundations will be owner of their facilities and will be thus allowed to sell real estate.

Tuition fees

The overall tuition fee policy has remained the same for the state universities, who may set the level of fees under a fixed ceiling for those students who are not allocated to a state-sponsored place. This ceiling does not apply for the foundation universities, where boards of trustees may set fee levels. However, a threshold also applies (minimum fee), from which the foundation universities may deviate by a further 10%. Like some of the neighbouring countries, the number of fee-paying students is effectively declining in Hungary (20% today, against 40% ten years ago) and the proportion of state-funded students is thus growing, from 60% to 80% nowadays. Fees apply to programmes delivered in other languages than Hungarian (regardless of the student's nationality).

Staffing matters

Hungary's reform involves ending civil servant status for university staff and a transfer of decision-making powers in this area from the ministry to the board of trustees.

Recruitment

Full professorship remains regulated, insofar as the law prescribes that the university senate has to approve of the candidate; the BoT and the accreditation committee then position themselves before the ministry makes the final decision. In theory, if the accreditation committee rejects the candidate, the ministry may still approve the senate's decision.

Universities may decide on the recruitment of assistant professors and on senior administrative staff. The internal regulations stipulate whether the decisive power is vested with the rector or with the BoT.

Salaries

Boards of trustees decide on salaries for foundation university staff. With the end of civil servant status, there are no nation-wide agreements, and each university draws its own regulations.

Careers

Dismissal, as well as promotion of the staff, have become internal matters, on which foundation universities may decide.

Academic matters

The regulatory framework regarding academic matters has not been affected by the introduction of the new foundation model.

Student enrolment

Universities propose overall student numbers to the ministry, based on their own estimated capacity. The number and allocation of state-funded places are regulated by the government through a centralised process that is based on competition between students and universities. The remaining places are allocated on a fee-paying basis.

There have been no significant changes to admissions since 2010. The special decree guides the admission procedure at bachelor's degree level, which entails a graduation exam and a points system. The process is fully externally regulated, yet universities may decide on additional points for certain fields and disciplines (100 points out of 500 will be awarded as determined by the institution).

At master's degree level, universities are autonomous to decide on the admission process, which may include exams and interviews.

Degree programmes

The ministerial decree lists all the bachelor's and master's courses that can be introduced by Hungarian universities. Thus, some programmes may be eliminated from the registry by the government; for instance, gender studies programmes were de-listed in 2018 and subsequently, universities were no longer allowed to offer such programmes. The termination of academic programmes may thus result from this process as well as the university's own decision. The registry is fully regulated by an external authority. However, the national rectors' conference (MRK) is consulted in the process of including new bachelor's degree programmes (bottom-up and top-down approaches are both possible, with a final decision by the ministry). The Higher Education Council and the Hungarian Accreditation Committee are consulted for master's degree programmes. From 2023, accredited universities can set up 'institutional master's degree programmes' without prior accreditation.

Universities can design the content of degree programmes (other than for regulated professions) without specific constraints. Universities may choose the language of instruction for all bachelor's and master's degree programmes.

Quality Assurance

Hungarian universities are subject to institutional accreditation every five years as well as programme accreditation (upon launch of the programme). Universities have the possibility to use other ENQA registered agencies for programme evaluation, except for doctoral studies. The latter must be evaluated by the Hungarian Accreditation Committee.

EUA recommendations

The Autonomy Scorecard analysis shows that the Hungarian ‘foundation university’ model displays a combination of features that is not found elsewhere in Europe and fails to find a balance between the institution’s accountability to society and the state through the involvement of external members and the university’s self-governance. The following recommendations are intended to help incorporate lessons learned from other systems that can restore this balance while ensuring the modernisation of the system in the context of international trends.

- ❖ Recognise the specificity of higher education institutions compared to other foundation-run organisations in society, notably in a context where most of the university sector is expected to move to that status (contrary to European practice elsewhere).
- ❖ Set regulations for a limited term of office of the members of the board of trustees: this does not mean prescribing an exact mandate duration in law but including provisions requiring that a term of office is set, with a maximum allowed duration, as well as provisions regarding the possibility to renew.
- ❖ Involve the university in the selection of the members of the board of trustees in a formal way. Currently, the university is just one of the stakeholders consulted in the selection process. As mentioned before, if board members have no limited term of office, they are selected by university bodies, not by government.

- ❖ Re-design the balance of powers in university governance. If the board of trustees is externally appointed, then it should not be possible to revise the balance of powers between the board of trustees and the university senate. Rather, there should be a clear distinction of competences and guarantees that the university senate can rule on academic matters, which should not be subject to a derogation clause in the law.

In the absence of the actions described above, the current model only offers an appearance of greater autonomy but can be likened to a creative restructuring of higher education granting further and long-term control to the current government on the sector as a whole.

The European University Association (EUA) is the representative organisation of universities and national rectors' conferences in 48 European countries. EUA plays a crucial role in the Bologna Process and in influencing EU policies on higher education, research and innovation. Thanks to its interaction with a range of other European and international organisations, EUA ensures that the voice of European universities is heard wherever decisions are being taken that will impact their activities.

The Association provides unique expertise in higher education and research as well as a forum for exchange of ideas and good practice among universities. The results of EUA's work are made available to members and stakeholders through conferences, seminars, websites and publications.

www.eua.eu

