

## Educational development through ESF funding in the central-eastern European region and in Hungary

NESET Expert Author:

**Gábor Halász**

Head of Centre for Higher Education Management, ELTE University, Budapest



Development interventions have become major instruments for states to steer educational systems. Governments can create incentives through development projects to influence the behaviour of local actors (such as schools, universities, local communities, teacher groups, civil or business organisations etc.) given the fact that these projects open access to new financial resources in case their users propose and implement actions and programs that are in accordance with the priorities of resource providers. Development is a powerful steering tool that governments use to create new institutions, to generate new forms of institutional behaviour, to strengthen the position of specific social and professional groups against others and to enhance the implementation of very different policy goals.

Development interventions in the member countries of the EU are often financed from the European Structural Funds, especially the European Social Fund (ESF) for non-infrastructure, and the European Regional Development Fund (ERDF) for infrastructure development projects. In the case of new member countries (those who became members in or after 2004) practically all national level development interventions are co-financed from the European Structural Funds since the totality of their own development resources has to be used often as additional money to complete the support from these Funds (in accordance with the principle of additionality).

Since its accession to the European Union the European Social Fund (ESF) has become the most important source of development in the education sector also in Hungary, the home country of the author of this text. According to the relevant planning documents, in the 2007-2013 programming period the total amount of money to be spent on (non-infrastructure) educational development programs in the school and higher education sector (VET not included) is around 1.5 billion euros. The origin of 85% of this amount is the ESF, and 15% comes from the country's "own sources". Since the country has no free development resources beyond what is used as its "own source", practically all national educational development programs are co-financed by the ESF, so all of them have to be planned and implemented in accordance with the ESF regulations.

Although the development interventions are planned in the framework of a coherent national development program and they are adopted by the national government, they have to be

harmonized with the detailed community rules regulating the use of the Structural Funds. As a consequence, national educational development – at least when it goes beyond what we could call development through legal or symbolic pressures – has become almost completely subordinated to those community goals and priorities that are guiding the use of ESF, such as the Lisbon Strategy (now the EU2020 strategy), the social and employment agenda and the education and training strategy (first E&T2010 and later E&T2020).

This situation has created a number of new challenges that national decision makers now have to face. Perhaps the most important is related with what the development literature calls absorption capacity. In a broad sense this refers to the capacity of systems to “digest” the plethora of developmental interventions which, if their quantity exceeds a certain level, unavoidably destabilise the systems. In a very short time hundreds or thousands of schools and teachers were supposed to change their behaviour, to start using new technologies, to apply new teaching approaches or to use effective project management practices. The quantity and the rapidity of changes have often been far beyond the adaptive capacity of individuals and organisations.

A second challenge can be described as the weakness or lack of alignment. Although ESF funded development programs always have to be based on well elaborated strategies, the strategy chapters of the development programs do not necessarily follow the same lines as the explicit or implicit strategies guiding overall sectoral policies or government actions. This is partly unavoidable, because national priorities are not always in accordance with the “eligibility criteria” of ESF regulations, but partly this is the consequence of weak strategic leadership capacities of domestic sectoral leaders.

A third, strongly related challenge is linked with ownership. Development goals and priorities have been determined not necessarily by intrinsic systemic needs but by external funding possibilities. A frequent perception of key actors have been that instead of receiving money to realise their goals they were obliged to create new goals in order to receive money. They did not always identify themselves with the goals of the development interventions but implemented them mechanically under fiscal or accountability pressures. A related fourth challenge is linked with bureaucratisation. The burden of managing exceptionally large new resources and the fears of sanctions (e.g. non-reimbursement) in case of management errors led to the establishment of over-bureaucratized procedures with strong accounting managers and weak strategic or professional leaders.

Although evaluation is an integral part of ESF actions, thorough professional evaluations remained rare. Even if evaluations took place, the results have not often been used for mutual learning and for adjusting practices on the basis of learning from experiences. Very few development interventions have been accompanied by serious impact analyses using rigorous scientific methodology.

Although most countries in the central-eastern European region have been facing similar challenges, there are no forums where they could share their relevant experiences. Some experts, including the author of this text share the opinion that the European Commission should play a more active role in gathering and analysing the experiences of ESF funded educational development programs in the central-eastern European region and use this knowledge to support development planning and implementation leadership in the next programming period. There is a need for a systematic analytical work that could enhance a better understanding of how ESF funded development programs can be used to orientate the further development of education systems and how governments could use this powerful system steering tool in a more effective way.