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**The recommendation of county development and training committees**

# Executive Summary

The development of vocational education has a central role in the educational and economical strategies of the Hungarian government. It includes the coordination of labour demand and supply. One of the pillars of the development and coordination is the decision on the professional structure of Hungarian workforce. Its objective is to narrow the public educational funding to those professions that are demanded by the economy.

In the course of our research conducted with the help of the National Vocational and Adult Training Agency and the „NFA KA 3/2013” scholarship we have studied the relevancy of the decision on the professional structure concerning the 2014/2015 academic year in the South Plains Region.

We studied the relevancy of the decision on the professional structure from two aspects. First we examined to what extent the decision was based on the labour demand. In this phase we compared the decision with the situation reports and labour market prognoses available in the time of the decision. Then we examined if present labour demand confirms the decision. In this phase we checked the job opportunities and the unemployment data for the professions that were supported in the decision and also for those that were not.

We focused on five groups of professions: critical professions with significant oversupply or overdemand; professions granted by educational scholarship; professions in which the proposal of the local actors were different from the decision of the government, professions with high unemployment rates and vocational trainings demanded by the local employers.

We have to emphasize that our analysis is based on a snapshot of the labour market in the fall of 2015. Thus, we can only state if the present demand and supply confirm the decision or not. But the decision is based not only on the labour demand and supply of a given time, but

on several other factors. So one cannot judge the compliance of the decision only on the basis of demand and supply. We have to note that his type of research has a limited validity due to the lack of comprehensive data, basically on job vacancies. And finally we have to be aware of the fact that the decision of a given year will affect the output of the vocational education system only years later. Thus we can judge the compliance of a decision only several years later.

The key findings of our research are the following.

Generally speaking we can say that in the case of professions with a promising labour market outlook the decision is demand-driven. But in the case of professions with an unfavourable labour market outlook or a high unemployment rate, the decision is not based on the narrow demand. The decision follows the previously set principle of not to discourage a profession until there is a lasting and unquestionable negative prognosis. Our research confirms that this is appropriate, since we have found several professions that were not proposed by the local actors, but were supported by the government, and now are demanded by the labour market.

In the case of professions that had a promising outlook and were thus supported by the decision, we have found much more unemployed people than vacant jobs. So, the labour market situation itself does not verify the decision. This is also true for the professions that are granted by educational scholarship.

There are several cases when the decision of the government differs from the proposal of the local actors. We concluded that the government was right not to support some professions, for there is no significant demand for them. But in most of the cases when the decision supports a profession not proposed by the local actors, it seems that the proposal was right.

We found that the decision supports all the trainings that are demanded by the local employees.

In the course of our research we have identified some factors that make the coordination of labour demand and supply a great challenge. These are:

* the lack of comprehensive and reliable data
* the simultaneous presence of overdemand and oversupply in certain professions
* the difficulties of intervening to the educational system.

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