

REPORT
for the Government
on the operation of foreign institutions of higher education in Hungary

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1. Alternatives for the operation of foreign institutions of higher education in Hungary, and their links to Hungarian teaching programmes

As laid down in the relevant statutory regulations, there are several alternative ways in which foreign institutions of higher education may launch teaching activities in Hungary:

- a) with an operating charter authorising operations in Hungary;
- b) provision of cross-border services;
- c) teaching under licence through a Hungarian institution of higher education;
- d) joint teaching in cooperation with a Hungarian institution of higher education;
- e) dual teaching in cooperation with a Hungarian institution of higher education.

The first of the above alternatives relates to a foreign institution seeking to become established in Hungary on a long-term basis in order to provide teaching. This is the only circumstance in which foreign institutions in Hungary are required to obtain operating charters. The provision of cross-border services on a temporary basis involves a presence in Hungary, but not on a long-term basis. In this circumstance there is no need to obtain an operating charter, but there is an obligation to report to the authorities.

a) Operation of a foreign institution of higher education based in Hungary on a long-term basis with an operating charter

If a foreign institution of higher education wishes to provide teaching in Hungary on a long-term basis, it enters into an agreement with a Hungarian cooperating partner (which can be an institution of higher education, a business or other organisation), it sets up a campus and provides education on its premises. Its teaching programmes qualify as existing foreign teaching programmes, the students are engaged in a legal relationship with the foreign institution, and they receive a foreign qualification. Pursuant to Section 76(1) and (2) of Act CCIV of 2011 on National Higher Education (hereinafter referred to as the “Higher Education Act”), this is possible if:

- the foreign institution qualifies as an institution of higher education recognised by the state in its country of origin;
- the teaching intended to be provided by the foreign institution in the territory of Hungary and the qualification offered are equivalent to a teaching programme and state-recognised higher education qualification;
- the Office of Education (hereinafter “the Office”) has approved its operation.

State recognition and the provision of a qualification are basic requirements – so much so that the Office must revoke the operating charter if these conditions fail to be satisfied at any subsequent time.

In other words, operation in Hungary in this form is subject to an operating charter issued by the relevant authority.

The Office may refuse to issue an operating charter if it concludes from the expert opinion obtained by it from the organisation conducting higher education accreditation (programme accreditation) that the operating and teaching conditions in Hungary are materially different from those in the institution's country of origin. The expert opinion refers to the human and material conditions of teaching and the quality of teaching. This expert opinion does not need to originate from the Hungarian Accreditation Committee (hereinafter "HAC"); it can also be issued by the accreditation agency of the foreign institution of higher education's country of origin or by another international accreditation agency. At the same time, the Higher Education Act requires programme accreditation to make statements on implementation of the foreign teaching programme in Hungary (the infrastructure available locally, local instructors, professional experience, research and student facilities, etc.).

The issuance of an operating charter may also be denied if the above requirements are met, but the standard of education provided by the foreign teaching programme to be implemented in Hungary does not lead to a qualification that can be recognised as equivalent to a Hungarian one. This is not likely, however, if the foreign country's higher education system conforms to the Bologna Process, as in this case the course will probably lead to a foreign qualification which can be recognised as equivalent.

All authorised foreign teaching programmes are governed by the relevant foreign regulations, equally in respect of admission criteria, implementation of courses, examinations and requirements for the issuance of qualifications.

It is important to note that before the entry into force of the Higher Education Act, Section 116 of Act CXXXIX of 2005 on Higher Education (hereinafter "the former Higher Education Act") provided for authorisation of the operation of foreign institutions of higher education in Hungary, and did not stipulate that the course should lead to a tertiary qualification. This requirement also appeared in the Higher Education Act effective from 1 September 2005. There was also a period under this legislation – between 1 January 2009 and 31 August 2012 – when the Office did not have the possibility of obtaining expert opinions on accreditation with respect to teaching programmes being launched (before 2009 this expert opinion could only be obtained from the HAC). Most foreign institutions of higher education obtained their charters during this period, and as a result, not only may courses not meet the requirement of leading to tertiary qualifications, but accreditation for courses may also be absent.

b) Engagement in higher education activities through the provision of cross-border services

Freedom of provision of services within the EEA makes it possible in higher education also for a foreign institution to engage in activities in Hungary without a full authorisation procedure, if it provides cross-border services and follows a registration procedure based on a simple reporting obligation. This is pursuant to Section 2.e) of Act LXXVI of 2009 on the General Rules of the Commencement of and Engagement in Service Activities, "*provision of cross-border services: engagement of service activities without settling, on a temporary or ad hoc basis*". These teaching activities also involve a presence in Hungary, but the foreign institution of higher education only

engages in the activities in response to the emergence of client needs, on an ad hoc and short-term basis, and so full authorisation is not required, and only a reporting obligation needs to be fulfilled. The relevant authority is required to acknowledge this if the basic conditions are met (state recognition and a course leading to a qualification).

Given that higher education constitutes teaching within an institutional setting, the fundamental problem with this approach is that it is hard to imagine someone – particularly in the case of full-time teaching – engaging in higher education activities without settling in Hungary on a long-term basis and operating the necessary infrastructure here.

Since the introduction of the new legislation, only one foreign institution of higher education has been recognised in this way: the Hagen Distance Teaching University (Fernuniversität in Hagen), which in its country of origin also only provides teaching in the form of distance education.

c) Teaching under licence

The option of teaching under licence was introduced in the former Higher Education Act in order to make it simpler for foreign teaching programmes to be available in Hungary without the establishment of a campus in Hungary and full authorisation procedures. Based on Section 77(4) of the Higher Education Act, in this circumstance a foreign institution of higher education provides teaching recognised by its country of origin on the basis of an agreement concluded with a Hungarian institution of higher education, and leaves organisation of some of the teaching to the Hungarian institution (through a licence). The foreign institution does not need to settle in Hungary. Students are members of the foreign institution of higher education, and will enter into a legal relationship with the Hungarian institution of higher education as guest students. Here, too, a foreign qualification will be issued at the end of the teaching programme, and the relevant foreign regulations will govern admission procedures, teaching and requirements for the issuance of qualifications.

d) Joint degree programmes

In this case, the foreign institution of higher education does not engage in activities in Hungary (no campus is established), and its programmes are based on student mobility. The Hungarian institution and foreign institution(s) create and launch the joint international degree programme together, and students study in several institutions (but in many cases not necessarily in every one of them). Based on Section 78(3) of the Higher Education Act, to launch a joint degree programme all the following conditions must be satisfied:

- the institutions of higher education involved qualify as institutions of higher education recognised in the countries in which they are headquartered;
- the qualifications issued are recognised as higher education qualifications under the laws of the countries concerned;
- the Hungarian and foreign institutions of higher education are entitled to start teaching programmes in an educational or academic area which is equivalent to the educational or academic area of the joint degree programme which is the subject of the agreement;
- students complete at least thirty credits in the Hungarian institution of higher education authorised to launch the programme.

As part of a joint degree programme, a new teaching programme comes into being which must be transposed into the legal systems of each of the countries concerned. Apart from a few simplifications, the procedure for establishing and launching a joint degree programme is the same as that for non-joint degree programmes (entry in the qualifications register, issuance of an order relating to the teaching and outcome requirements, obtaining HAC expert opinions, etc.). Regulations on the awarding of qualifications require an active student legal relationship with the Hungarian institution of higher education in the final term at the latest, while for foreign institutions the regulations of their countries of origin are applicable. The qualification obtained will be a joint degree or multiple degree. Students pursue their studies both in Hungary and in the partner institutions.

e) Dual/ double degree programmes

A dual/ double degree programme offers the possibility for a Hungarian institution of higher education and a foreign institution of higher education with partially overlapping teaching programmes to enter into an agreement which enables students to obtain qualifications from both programmes through organised student mobility and mutual credit offset arrangements. Typically qualifications can be obtained within a shorter period than would be possible by completing the teaching programmes consecutively.

In this case, students have two legal relationships: for the purposes of the Hungarian teaching programme they are the students of the Hungarian institution, while for the purposes of the foreign teaching programme they are students of the foreign institution; in each case they are guest students of the other institution. At the end of the teaching programme students receive two degrees (joint or multiple degrees are not possible): the degree of the Hungarian institution in relation to the Hungarian teaching programme and the degree of the foreign institution in relation to the foreign teaching programme (dual degree, double degree). According to credit recognition rules, students can only obtain a qualification after completing the Hungarian teaching programme with at least one third of the total number of possible credits being received from the Hungarian institution of higher education.

2. Statutory procedure for the review of operating charters

Pursuant to Section 76(3) of the Higher Education Act, the Office reviews the operating charters of foreign institutions of higher education every five years. The detailed procedural rules for the review of operating charters, which were introduced by the Higher Education Act in 2011, are laid down in Government Decree No. 87/2015. (IV. 9.) on the Implementation of Certain Provisions of Act CCIV of 2011.

Based on this statutory procedure, in the summer of 2016 the Office began to review the operating charters of foreign institutions of higher education with operating charters in Hungary.

Review of the following 28 institutions was initiated in 2016:

1	Anglia Ruskin University	United Kingdom
2	Avans Hogeschool International Business School Breda	Netherlands
3	Banking Institute College of Banking (Bankovní institut vysoká škola)	Czech Republic
4	Boston University	United States of America
5	CECOS London College	United Kingdom
6	Central European University	United States of America
7	École d'Art Maryse Eloy	France
8	École Supérieure des Sciences Commerciales d'Angers	France
9	Edinburgh Napier University	United Kingdom
10	Georg-August-Universität Göttingen	Germany
11	Hēilóngjiāng Dàxué	Republic of China
12	Mahachulalongkornrajavidyalaya University	Kingdom of Thailand
13	McDaniel College	United States of America
14	Middlesex University	United Kingdom
15	Mod'Art International	France
16	Open University Malaysia	Malaysia
17	Oxford Brookes University	United Kingdom
18	Universidad de Granada	Spain
19	Universitatea de Medicină și Farmacie Târgu-Mureș	Romania
20	Université de Picardie Jules Verne	France
21	Université Panthéon-Assas (Paris II)	France
22	Université Paris Ouest Nanterre la Défense	France
23	University of Buckingham	United Kingdom
24	University of Hertfordshire	United Kingdom
25	University of Wales, Newport	United Kingdom

26	Vienna Konservatorium	Austria
27	Webster University	United States of America
28	Wyższa Szkoła Bezpieczeństwa Publicznego i Indywidualnego „Apeiron” w Krakowie	Poland

3. Problems and anomalies uncovered during the review of operating charters

Several operational situations that do not conform to regulations were uncovered in the course of reviewing operating charters. These may be grouped as follows:

- a) an institution of higher education is not running courses within the required legal framework;
- b) there is no cooperation or Hungarian partner;
- c) programmes are not accredited;
- d) the qualification issued by a foreign institution of higher education is not state-approved;
- e) a foreign institution of higher education does not qualify as a state-approved institution of higher education in its country of origin;
- f) institutions are not providing the required information for the public register;
- g) the institution of higher education is running courses that it has not officially registered.

a) A foreign institution of higher education operating in Hungary with an operating charter is not running courses within the required legal framework

The foreign institution of higher education with an operating charter is not in fact running its courses according to the order laid down in the Act on Higher Education. This means that in reality it is not operating in Hungary and has not established a campus in Hungary; instead the institution's Hungarian partner is running some or all of the courses, and accordingly the majority of lecturers are also Hungarian. Institutions of this kind should not in fact have full operating charters, but – provided legal requirements have been met – should be running courses with limited licences or should be conducting dual training. Neither of these arrangements require a foreign institution of higher education to be present in Hungary. Examples of European institutions in this group operating here with limited licences are Oxford Brookes University (UK), Buckingham University (UK), the Georg-August-Universität (Germany) and the Université Panthéon-Assas (France). This situation is not typical of non-EU institutions.

Running courses in a manner that is not within the required legal framework also has unlawful consequences, whereby some Hungarian students on the master's degree courses of certain foreign institutions of higher education – including European institutions – may not have received bachelor's degrees, and therefore have not met the entry requirements for those master's courses. Another common problem is when a foreign institution of higher education enrolls students who have not gained entry through the Hungarian higher education enrolment process, and who later transfer to a Hungarian institution of higher education after a delay of one or two semesters.

Difficulties also occur – often because of the differing logic and systems applied in foreign legal environments – in providing proof that an institution has met the required legal conditions and has the official permissions from its country of origin which are required to operate and open a campus in Hungary. The opening of a campus in Hungary is often not accompanied by either a deed of foundation (with illustrative organogram), foreign regulation or decision by a foreign authority that indicates the intent to operate in Hungary.

b) There is no true cooperation, or the institution's Hungarian partner cannot be traced

The foreign institution of higher education active in Hungary with an operating charter does not run courses according to a signed cooperation agreement, but neither the Hungarian partner nor the foreign institution report this fact to the Office and do not request removal of the related courses from the registry or revocation of the foreign institution's Hungarian operating charter.

In these cases it is common for negotiations to have been held with the aim of international status and for cooperation between the foreign institution and the Hungarian partner to have been initiated, but cooperation may have ceased if over a number of years courses could not be launched or student numbers were very low. In spite of this the parties have not taken the steps needed to officially end their partnership. Examples of European institutions in this category are the Université Paris Ovest Nanterre la Défense (France), the University of Wales (UK), and Middlesex University (UK).

In addition, it is often the case that not only is there no existing cooperation, but the Hungarian partner cannot be traced. This can happen if the foreign institution's Hungarian partner has ceased operations and has left a legal successor, but the legal successor is not aware of the previous cooperation and has stated that it does not wish to be involved in a procedure for acquiring an operating charter. Examples of this are: the Institution for Health and Vocational Training, which is the nominal partner of Edinburgh Napier University (UK); and a private individual nominally representing the Banking Institute College of Banking (Czech Republic), who cannot be found at the address given in the operating charter.

c) The foreign institution has no accreditation for its courses

In English-speaking countries – and, in our experience, to a certain extent in Asian countries – accreditation by an independent external higher education accreditation agency or organisation (programme accreditation) is not a legal precondition for an institution of higher education to offer and run courses. Certain course elements are subject either to periodic internal audits – which typically apply to the whole institution – or to periodic audits by an external validating organisation, which also apply to the institution as a whole.

An example of an institution in this category is the Central European University (CEU): the Middle States Commission on Higher Education sets out very detailed and strict conditions which the CEU has had to fulfil and must continue to fulfil in order to remain an accredited institution in the United States.

The requirements of the Middle States Commission on Higher Education include the following.

Detailed requirements concerning faculties and staff:

- proof of teaching potential using various methods, and accordingly proof of being fit to run courses and undertake other academic responsibilities;
- the employment of sufficient numbers of full-time lecturers at the institution to ensure the permanence and improve the stability of education programmes;
- every curriculum must have a faculty which is suitably staffed to ensure the measurable realisation of its goals;
- for degree courses, all lecturers must have a doctorate in the relevant area of study, or another standard qualification in the given area as seen fit by the head of faculty;
- all lecturers must be regularly assessed by the institution;
- all lecturers must have sufficient time – in balance with their teaching and administrative tasks and responsibilities – to prepare and immerse themselves in the given area of study, to prepare independent studies and research, and to participate in running the institution and performing other teaching duties.

Expectations with regard to the curriculum and excellence include:

- the goals of all curriculums must be set down clearly in writing; all course descriptions must clearly identify the course subject and the related requirements;
- for all courses, a sufficient number of teaching hours must be provided to ensure that students are able to learn the required material within the minimum study period;
- entry to the institution must be strictly controlled to ensure that only students with sufficient previous educational attainment can begin each course;
- further strict regulations concern the calculation of credits, the course length of the various types of training, and conformity with relevant legislation for courses entitling degree-holders to practice a specific profession.

The requirement in Hungarian law for external accreditation of faculties is not a requirement in the United Kingdom for the operation of the University of Buckingham or Oxford Brookes University. For these institutions the higher education accreditation organisation only performs accreditation at the level of the entire institution. The degrees issued by these universities are checked and authorised through an internal quality control system, and accreditation is not performed by an external accreditation organisation. According to the information at our disposal, the freedom this provides is so extensive that in practice the International Business School (IBS) – the Hungarian partner of the University of Buckingham and Oxford Brookes University – develops a programme based on its own courses within the Hungarian system and in accordance with the English universities' expectations. If the latter judge that the programme developed by IBS meets their expectations, then students are awarded the equivalent qualifications in the UK.

For foreign institutions of higher education based outside the European Union, a lack of programme accreditation was identified for institutions including Hēilóngjiāng Dàxué, the Heilongjiang University of Chinese Medicine, and this is also presumed to be true for Mahachulalongkornrajavidyalaya University.

d) The qualification issued by a foreign institution of higher education is not state-approved

Based on the official opinion issued by the Hungarian Equivalence and Information Centre (HEIC), it has been ascertained that the qualifications issued by two European foreign institutions of higher education – Mod’Art International (France) and the École d’Art Maryse Eloy (France) – are not state-approved, and do not conform to the French system of higher education qualifications (Licence, Master, Doctorat). These courses may be included in the French national higher education registry (the *répertoire national des certifications professionnelles*), but France has developed a system in which only courses offered by state-run institutions of higher education provide a French higher education qualification; this is primarily a question of administration and formality, rather than of quality. A similar system exists in Vienna with regard to the Vienna Konservatorium. Therefore it would seem that French and Austrian private institutions of higher education cannot fulfil the conditions required to receive an operating charter in Hungary, as laid down in the Act on Higher Education.

The regulations on official procedure state that an institution must be given a deadline for fulfilment of a requirement it has not yet fulfilled – even if it can be determined that the institution in question will not be able to do so. If the deadline is not met or the response is inadequate, its operating charter must be revoked.

e) The foreign institution of higher education does not qualify as a state-approved institution of higher education in its country of origin

The CECOS London College falls into this category, according to the official opinion of the MEIK, which includes the following findings:

1. “State-approved institutions of higher education include institutions of higher education with degree awarding powers, and which have been recognised as such by the relevant legislation in the United Kingdom (‘recognised bodies’). Other institutions of education are authorised to conduct higher education and are approved by institutions of higher education with degree awarding powers, but the institutions of education themselves do not have degree awarding powers (these are referred to as ‘listed bodies’).”
2. “However, only courses offered by institutions of higher education with degree awarding powers (‘recognised bodies’) that award qualifications included in the United Kingdom’s higher education degree system (foundation degree, bachelor’s degree, master’s degree, PhD) can be regarded as ‘courses that award higher education degrees.’”
3. “In view of the above, it may be determined that the former CECOS London College (currently CECOS Training) had ‘listed body’ status, but has since lost this status. The registered institution does not currently exist under this name and cannot be regarded as a British institution of higher education; it does not have – and never has had – degree awarding powers. The qualification in question is not recognised as a degree in the United Kingdom.”

Based on expert opinion, this foreign institution does not fulfil the requirements set down in Article 76 § (1) of the Act on Higher Education, according to which higher education courses can only be offered in Hungary by institutions that are state-approved in their country of origin, and the courses offered and the certificates awarded in relation to them in Hungary must correspond to courses that provide state-approved higher education qualifications.

f) Failure to provide the required information for the public register

According to Article 19 § (3) of the Act on Higher Education, institutions of higher education must provide information for the public register on higher education. According to data from 31 December 2016, 28 foreign institutions of higher education have operating charters in Hungary. Of these, five institutions provided information for the public register on higher education. The official decision closing the review of operating charters stated that the authority will set a deadline for institutions to fulfil their obligations to provide data.

g) Offering courses that are not officially registered

In recent years on many occasions several foreign institutions of higher education have offered courses in Hungary that were not registered in advance.

Examples of this include the LL.M. course at Georg-August-Universität Göttingen, the Executive LL.M. in International Business Law at Boston University, and the Bachelor's Degree in Protocol and Specialist Institutional Relations at Universidad de Granada. During the operating charter review process we identified this problem at the CEU, which ran 17 courses without first registering them. The registration applications for these course have since been submitted, and are currently being assessed.

The table below summarises the above problem groups by institution.

	Name of foreign institution of higher education	Country of origin	Hungarian partner institution	The foreign institution of higher education operating in Hungary with a charter is not running courses within the required legal framework	There is no true cooperation	There is no cooperation and the institution's Hungarian partner cannot be traced	The foreign institution has no accreditation for its courses	The qualification issued by a foreign institution of higher education is not state-approved	The foreign institution of higher education does not qualify as a state-approved institution of higher education in its country of origin	Failure to provide the required information for the public register	Offering courses that are not officially registered	
1	Anglia Ruskin University	United Kingdom	Budapest Business School	Operating charter withdrawal by 31 December 2017; a total of nine graduate students; entry into force: 23 February 2017							x	
2	Avans Hogeschool International Business School Breda	Netherlands	Budapest Business School							x		
3	Banking Institute College of Banking (Bankovní institut vysoká škola)	Czech Republic	Eventus School of Business and Arts		x	x				x		
4	Boston University	United States of America	Eötvös Lóránd University							x		
5	CECOS London College	United Kingdom	Central European American Studio Ltd.				x	x	x			
6	Central European University	United States of America	Central European University				still providing information			x	x	
7	École d'Art Maryse Eloy	France	Visart Art Academy Ltd.				x	x				
8	École Supérieure des Sciences Commerciales d'Angers	France	ESSCA Foundation Hungary							x		
9	Edinburgh Napier University	United Kingdom	Health Registration and Training Center		x	x	no information	no information	no information	x		
10	Georg-August-Universität Göttingen	Germany	Eötvös Lóránd University	x						x		
11	Hěilóngjiāng Dàxué	Republic of China	Semmelweis University				x	HEIC opinion request ongoing	HEIC opinion request ongoing	x		
12	Mahachulalongkornrajavidyalaya University	Kingdom of Thailand	Dharma Gate Buddhist College				ongoing procedure, no information			x		
13	McDaniel College	United States of America	College International Education Ltd.									
14	Middlesex University	United Kingdom	Budapest Metropolitan University	Operating charter withdrawal; entry into force: 15 February 2017							x	
15	Mod'Art International	France	Mod'Art International Hungary Ltd.				x	x				
16	Open University Malaysia	Malaysia	Eszterházy Károly University				ongoing procedure, no information			x		
17	Oxford Brookes University	United Kingdom	IBS International Business School	x			x			inadequate information provision		
18	Universidad de Granada	Spain	International Protocol School Hungary Ltd.		x	x				x		
19	Universitatea de Medicină și Farmacie Târgu-Mureș	Romania	National Institute of Oncology				still providing information			x		
20	Université de Picardie Jules Verne	France	Budapest Business School				ongoing procedure, no information			x		
21	Université Panthéon-Assas (Paris II)	France	Eötvös Lóránd University	x			ongoing procedure, no information			x		
22	Université Paris Ouest Nanterre la Défense	France	Budapest Business School	Operating charter withdrawal; entry into force: 23 February 2017							x	
23	University of Buckingham	United Kingdom	IBS International Business School	x			x			inadequate information provision		
24	University of Hertfordshire	United Kingdom	Gábor Dénes College		x					x		
25	University of Wales, Newport	United Kingdom	Facultas Nonprofit Ltd.	Operating charter withdrawal; entry into force: 16 February 2017							x	
26	Vienna Konservatorium	Austria	REIL-VIOLIN Conservatory Nonprofit Ltd.				ongoing procedure, no information					
27	Webster University	United States of America	Szent István University		x					x		
28	Wyższa Szkoła Bezpieczeństwa Publicznego i Indywidualnego „Apeiron” w Krakowie	Poland		No Hungarian partner, but the institution is seeking to operate in the future and is seeking a representative							x	

The above table shows that McDaniel College (USA) is the only foreign institution of higher education with an operating charter in Hungary for which no anomalies were found.