How Do We Teach Economics?

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Contents

Economist's Education in Hungary[1]

Éva Berde, Lajos Csáki, Magdolna Daruka, Tamás Eszterhai, László Lovrics, Katalin Petró:

Increasing popularity of economist's profession.

Economist's profession in Hungary has enjoyed an increasing popularity since the seventies, but after 1990 it has taken even more advantages of transition. On the one hand this tendency is represented in the growing number of candidates for enrollment to advanced economic educational institutions. E. g. in this year, in 1996, meanwhile the number of candidates of enrollment to all advanced education institutions has decreased, the number of candidates to economic advanced institutions has increased by 15 %. Nowadays in Hungary there is only the jurist field enjoys more popularity. There is another number which well characterizes the "economist's boom": in year 1980 43 % of the applicants for advanced economic educational institutions were taken, which equals to average freshmen over candidates ratio in advanced educational institutions. The number of economics freshmen has increased in nineties, but the share of accepted candidates decreased by 30-34 %, and so became less than the average number in advanced education. This concluded in higher increasing tempos of number of candidates in economics education than in other fields of education.

On the other hand the increasing popularity of economist's profession gives its evidence in growing willingness to pay for the tuition. Both employers and employees are ready to pay even considerable sum of money for getting or being an economist. According to the willingness to pay there emerged new educational institutions, working on the basis of market and giving economics certificate.

Our aim was to find out the impulses and characteristics of the growing popularity of economist's profession and to match these characteristics with the needs of the newly forming market economy.

Who can be called "economist"?

Being able to analyze the role and importance of economist's education, initially we must define whom we consider as an economist. To put this definition is not so easy, because a broad spectrum of occupations belongs to economists. In Hitchcock [1990][2] e.g. we found 31 such occupations which can be regarded as economist[3]. On the basis of estimates, in the end of eighties there worked fivehundred thousand economists all over the world. We think, that the broadest definition of economist is given in a 1988-year survey of National Science Foundation of USA: "It is important to distinguish three subgroups of economists; technicians, policy or management economists, and academic economists. This tripartite classification is too sharp - many economists fall between groups - but it is nonetheless useful."[4] All of these three groups are considered economists in present article too.

The shift in advanced economist's education after socio-economic changes

All the three types of economists have increasing role in Hungarian society after socio-economic shift. The growing demand for economists came together with alteration of requirements toward them. There were substantial differences between the Hungarian and western practice of economic education. The difference in education and the increasing demand concluded in changes in the education of economists. In present article we basically concentrate on advanced education.

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[1] This work was supported by the Research Support Scheme of the Higher Education Support Program, grant No.:760/1995

[2] See: Hitchcock, Steven: Ranking Occupational Earnings. Occupational Outlook Quarterly, Fall 1990.

[3] 13 of these professions belonged to the best paid first quintile.

[4] See D. C. Colandere: Economics in ed.: Clark, B.R. and Nedre, G.: Encyclopedia of Higher Education, Pergamon Press Ltd. 1992.

Regarding this type of education in Hungary there exist three different levels, like throughout the world. These levels in Hungary can be found together with some specific characteristics. These three levels are the following:

1. College or undergraduate education. Students enter there after getting diploma from high school. Undergraduate education has strong practical economic orientation and includes not only diploma giving forms, but all post-secondary type of education.
2. University or graduate education which takes at least four years.
3. Postgraduate education with two directions:

   -specialized very high level practical education

   -preparing for theoretical and scientific work (Ph.D. education)

Regarding college and university levels, there are two different models. In the first one colleges and universities are separated, so it is called dual model. In the second one both college and university levels are found in the same institution, so it is called comprehensive model. In Hungarian economics education both models are represented. The ratio of colleges over universities is greater than one, as it is typical in developed countries too. This ratio is greater than in the case of other professions. Table No. 1 shows the percentage of the college and university levels in economics education and in the overall advanced education in Hungary.

Table No. 1. - The ratio of university and college level in advanced economics and overall education in Hungary

Year	Advanced Economics Education		Overall Advanced Education	
	Universities (%)	Colleges (%)	Universities (%)	Colleges(%)
1970	48,0	52.0	55,5	44,5
1980	41,5	58,5	44,8	55,2
1985	41,4	58,6	42,7	57,3
1988	44,0	56,0	43,5	56,5
1990	42,0	58,0	46,4	53,6
1991	40,0	60,0	47,9	52,1
1992	38,9	61,1	46.0	54,0
1993	39,0	61,0	43,6	56,4
1994	38,0	62,0	42,9	57,1

Source: Hungarian Statistical Yearbooks. (KSH)

Table No. 1 shows that the role of economics colleges regularly increases in Hungary. This fact thanks to the practical aspect of economics education. In the developed countries, in the first place in USA so called business schools have been taking permanently increasing role. "Business training includes some economic training, but economic theory is tangential to many of the subfield of business. For example, marketing and advertising courses depend on psychology as much, or more, as they do on economics. Finance is one area in which economics is heavily used, and the study of

finance has abstract elements which interface with those considered by economists.."[5] In Hungary typical business schools began to exist just in the last two-three years, and in table No. 1 they are included into college level.

According to distribution number there is not much difference between the Hungarian and developed countries ("western countries") economics education structure. However there are difference in the contents. In Hungarian type of economics education the theoretical side has many times more emphasis than in western type. Even in college form of education the tuition is based on such core areas that microeconomics, macroeconomics, statistics, econometrics, and mathematics as well, and not only on marketing, advertising, practical finance and so on. General Hungarian experience that students with strong theoretical background can conform to practical tasks more quickly and successfully than students only with practical educational background.

According to third level of economic education, this is presently been forming in Hungary. Both practical oriented and theoretical postgraduate educations have their origins in our system, but they are completely renewed. The new system for academics postgraduate training takes after the western-type Ph.D. training, but the postgraduate practical education, as MBA has many Hungarian aspects even now. These aspects are in close connection with former education of working people.

There is a typical Hungarian, or "socialist" aspect of advanced education: the evening and correspondence courses. This way of education was very usual in economics education and has partly saved its role, but of course in altered forms after the socio-economic changes as well. According to Hungarian terminology we call all regular form of tuition "day tuition". Before the changes took place day tuition served just for non-working students. There was no tuition fee and students with poor familiar background got certain amount of allowance. Students who worked had the only possibility to learn at evening and correspondence courses. Table No. 2 shows the share of day students in economics and in overall education.

Table No. 2. - The ratio of day students in Hungary

Year	Advanced Economics Education			Overall advanced education
	Universities	Colleges	Total	
1970	56,9	41,0	48.7	66,8
1980	54,0	43,5	47,9	63,8
1985	55,7	47,8	51,3	64,6
1990	69,7	49,7	58,1	74,8
1994	84,6	59,2	70,4	75,0

Source: Hungarian Statistical Yearbooks. (KSH)

[5] See in Encyclopedia of higher Education. See footnote no. 4.

As it can be seen in Table No. 2, the day tuition has always performed in economics in lower ratios than in overall education. From another side it means that evening and correspondence courses always have an important role. The reason of the importance of this type of education was slightly different before and after 1990. On the one hand before 1990 the evening and correspondence courses served as tools for social mobility. All participants of those courses mandatory obtained lots of favor from their employer, which normally was a government enterprise or office. On the other hand the newly and slowly formed market, basically in the eighties permanently expressed its higher demand for practically experienced economists. Those working in economic field got the possibility to acquire the essential theoretical knowledge in evening and correspondence courses.

After 1990 evening and correspondence economic courses ceased to be the intentional forms of social mobility and they wholly served for preparing specialists. Evening courses almost totally became supplementary courses. They give retraining for students graduating from other professions or on lower lever economics. Instead of correspondence courses distance learning courses emerged. Ninety % of supplementary and distance learning courses take the candidates for quite high tuition fee, but there is no necessity for having a workplace forth students. The typical college or university student is currently charged monthly tuition fees of Ft 2000. Those participating in retraining supplementary and distance learning economics programs are charged five to eight times more.

In Table No. 2 in years 1990 to 1994 day tuition consists of the types of education which are not correspondence, distance learning, evening or supplementary courses. The term "day tuition" more and more lacks ground, because many new forms of advanced economic education arise, and these forms combine several types and methodology of education. However the "evening types" of education has saved the role of a tool for increasing life status of the individuals.

Beside the reorganization of structure and contents of advanced economics education there were important changes according to the ownership of institutions. Before 1990 there was no sense to classify advanced economic educational institutions according to ownership because practically all these institutions belonged to the government. Nowadays there two basic forms:

1. Sate ownership. Here the tuition fee is low.
2. Private ownership. There are two types of private ownership: Foundation ownership and pure private ownership. In both types of private ownership there is charged a tuition fee much above the fee of state ownership institutions.

In institutions which provide advanced economic diploma the dominating form of ownership is the government type. But in the institutions which do not give diploma, just a certificate and provide a flexible soon acquirable market-oriented knowledge, like book-keeping, tax advisory and so on, the typical is the pure private form. Among diploma giving advanced economic educational institutions there are only a few private ones. All diploma-giving private institution have college (not university) form. Some other private institutions provide a college-level advanced education, but they are not entitled to give diploma, just a certificate. The diploma-giving is existing together with official recognition of the institution by the state. State recognition does not mean only the official recognition of the certificates issued by the institutions. Beyond advantages in prestige, these institutions are given a financial "quota" for each student and this "quota" may cover up to forty per cent of the costs of an officially recognized institution. Moreover the official recognition enables the institution to compete for Hungarian and international grants. And students of officially recognized institutions are entitled to advantages granted by state or enterprises such as exemption from draft and reduced fares.

The educational institutions - including government ownership's ones - nowadays are very diversified in their programs and their placement. Until as late as 1986, advanced economic education was provided in only five places. These were: the economic university in Budapest, the faculty of economics at a rural university, and three Budapest colleges. Additionally, there existed some institutions under the auspices of ministries that provided advanced education in economics but with no diploma. These are regarded as education outside the established education system. In addition to the five institutions of the past, officially recognized advanced economics education is now performed by three other universities with faculties or branches of economics, two colleges of economics (one of them is privately owned), and ten colleges with faculties or branches of economics. Table No. 3 shows the number of students in these institutions after 1990.

Table No. 3. - Number of students acquiring their first diploma in advanced economics institutions

Institutions			Year					
Type		Name[6]	1990	1991	1992	1993	1994	1994/1990 in %
University	Instittution, faculty	BKE	3911	3505	3524	3976	4151	106,1
		JPTE-KTK	745	831	950	1040	1131	151,8
		ME-GTK	579	661	826	937	1002	173,1
	Branch	GATE-GTK	508	270	677	831	994	195,7
		KLTE-BTK	-	-	-	90	180	u.a.
		JATE-ÁJK	-	-	-	-	53	u.a.
College	Institutions	PSZF	3254	3146	3291	3112	3054	93,8
		KVF	2024	2123	2444	2113	2334	115,3
		KKF	1883	2078	2190	2012	2280	121,1
		KGF	-	-	-	1088	1366	u.a.
		MÜTF	-	-	84	169	335	u.a.
	Economics branch or faculty	SZIF	53	137	306	509	530	1000
		ME-DFK	-	-	-	-	158	u.a.
		GATE-KVA	-	-	66	243	374	u.a.
		GATE-VTI	-	-	-	32	74	u.a.
		GATE-GYFK	-	-	-	184	300	u.a.
		KÉE	-	-	-	75	130	u.a.
		KCSF	-	-	-	-	143	u.a.
		KJF	-	-	120	160	310	u.a.
		EKTF	-	-	-	36	70	u.a.
		JATE fôisk.	-	-	-	134	210	u.a.
Total			12957	12751	14478	16741	19179	148.0
% share in advanced education			12.6	11.9	12.3	12.5	12.4	

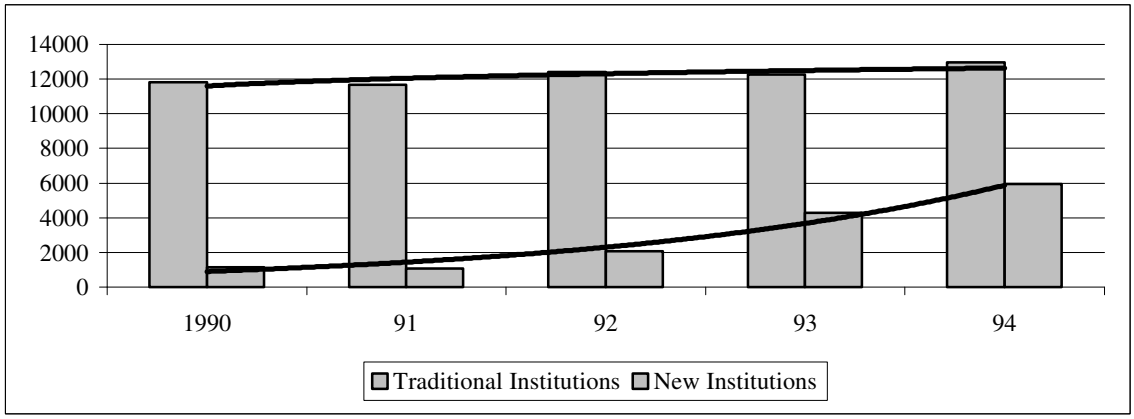
Source: Date of Statistical Yearbooks (KSH, Budapest): Number of students classified according to branches and faculties of advanced educational institutions is our collection.

During the eighties, the share of students in advanced education studying economics was 12 %. Officially published data -see table No. 3 - show, with minor fluctuations, the same value for the

[6] Fricike, légy szíves a megadott magyar szöveg alapján itt a lábjegyzetben old fel angolul a rövidítéseket. Erre én képtelen vagyok. Köszi!

years 1990 -1994. Table No. 3 does not include those institutions which do not have faculties or branches where the basic field is economics. Besides the date of table No. 3, education of economists and managers, specialized according to their main professional field, is carried out at eight technical colleges and one agricultural college. If these students also are regarded, there is more than 10 % annual increase in the number of economics students since 1990. Additionally, considering licensed but not officially recognized colleges and business schools of Hungarian or foreign institutions as well, the proportion of students in economics went up to 14 - 15 per cent in the last five years. Among all students, including postgraduate students, it is even higher. The Figure No. 1 shows the number of students since 1990, studying economics in institutions functioning before 1987 and in the new institutions and faculties officially recognized by the government after 1987.

Figure No. 1. - Economics students in traditional and in new institutions



The purpose of our survey

In order to get information on the attitude of society toward the profession and the education of economists, we have carried out a survey. Our questionnaire was given to the full-time, part-time, and distance-learning students of state owned advanced and intermediate educational institutions and their affiliated non-profit, but high fee institutions. Advanced students were in the first half of their education, and intermediate students were in the fourth or fifth years of their studies. The questionnaire for full-time students was slightly different from that for part-time students. The main areas of inquiry for each group were:

I. Evaluation of the economics profession based upon:
   A. social esteem
   B. financial compensation[7].

II. Career prospects of the economics profession based upon:
   A. socioeconomic environment
   B. educational institution.

III. Evaluation of education obtained.

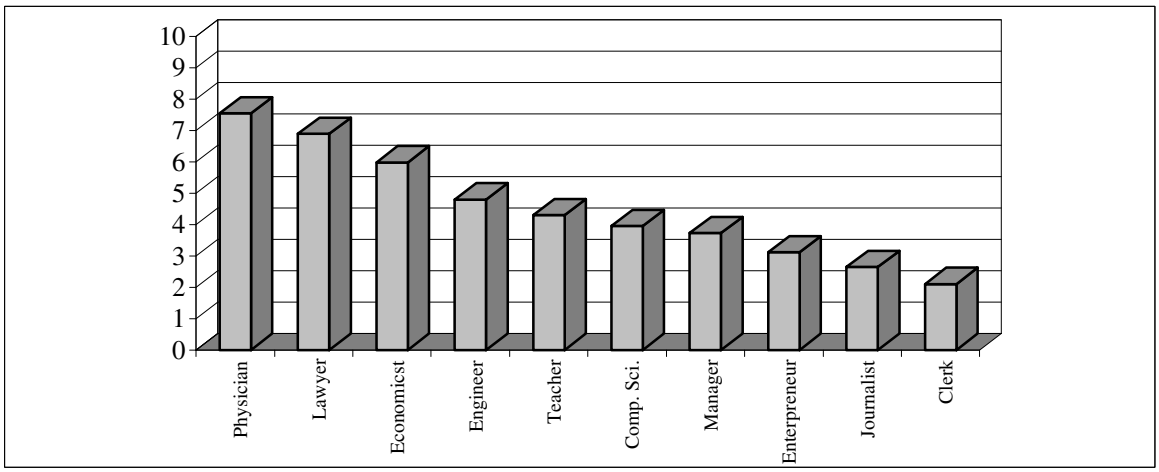
IV. The role of further professional training.

V. Mobility in the society.

[7] Under the circumstances of a newly formed market economy there is a substantial gap between social prestige and financial compensation of certain professions.

In order to measure the social evaluation of the economics profession the questionnaire was also sent to the students of the University of Horticulture.[8] Regarding area 1**,** above, the evaluation of the economics profession, each group of students had to rank ten predetermined elite professions according to points *a)* and *b)*. Enterpreneurs and managers[9] were included to distinguish them from other economics-related professions. Nearly all respondents ranked the economics profession among the top four in social esteem. The figure No. 2 shows the ranking of the prestige levels of the professions, according to the students of economics, where 10 is the highest possible ranking and 1 is the lowest.

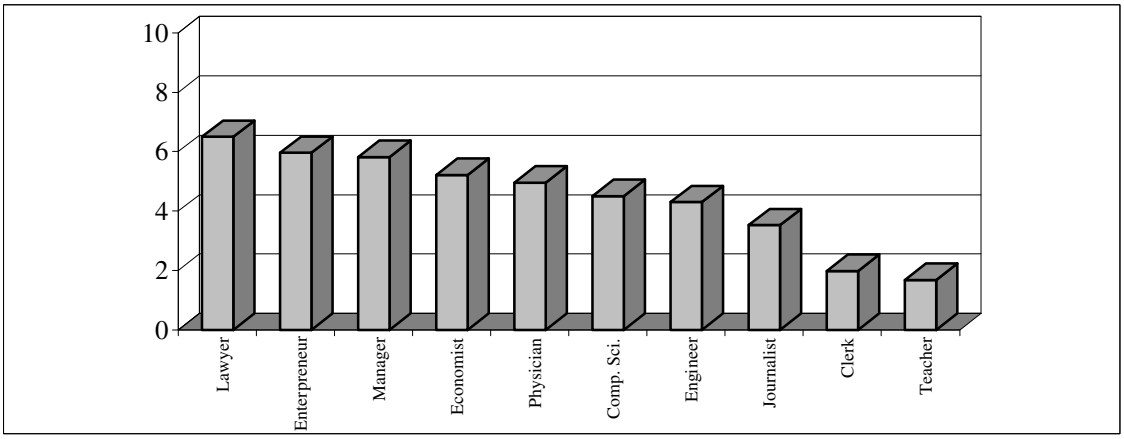
Figure No. 2. - Economics student ranking of social esteem of professions



There was little difference among the horticulture and economist students' responses. This ranking reflects a high social esteem for economists, while enterpreneurs and managers have lower social prestige. According to managers and enterpreneurs there were little difference in ranking among horticulture and economic students, but both groups of students gave higher social esteem to managers than to enterpreneurs. Regarding economics student managers occupy the seventh, and entrepreneurs occupy the eighth place. In the opinion of horticulture students sixth place belongs to mangers and ninth place belongs to enterpreneurs.

The evaluation of the economics profession based upon financial compensation had a larger variance between horticulture and economics students. As shown in the figure No. 3, economists ranked forth, according to economic students.

Figure No. 3. - Economics student evaluation of remuneration of professions



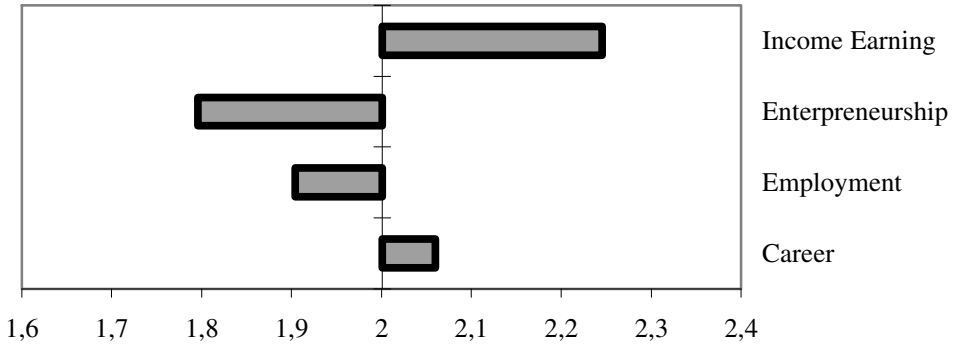
[8] A total of more than 1100 completed questionnaires were returned.

[9] The students with ambitions for these two activities are usually enrolled in economic educational institutions.

The students of the University of Horticulture ranked economists third in financial compensation. It is remarkable that enterpreneurs and managers have a more favorable ranking for earnings than social prestige[10]. It seems that neither social esteem nor earnings of several professions are similar to the rankings in developed market economies. In the case of economists however, there are no major differences.

Topic 2 above, career prospects of the economics profession, served to check the accuracy of the answers to previous topic, and it made possible a more thorough analysis of several aspects. The respondents had to evaluate the possibilities provided by the economics profession. The evaluation was transformed to the 0 – 3 range. The deviations from the average, which was 2, were analyzed. As shown in the figure No. 4, the respondents found that a diploma in economics provided the highest income.

Figure No. 4. - Evaluation the possibilities provided by the economics profession



The worst chances were attributed to enterpreneurship, a result which initially puzzled the writers of this article. However it supports the typical Hungarian common believe, that to be an enterpreneur sometimes needs qualities which do not match with working a lot or having a broad spectrum of professional knowledge. The answers given to topic 3 above, evaluation of education obtained, were in accord with the results of the questions regarding career prospects of the economics profession. The participants had to list those disciplines that were missing or lacking enough emphasis in their curriculum. They listed practical subjects such as computers and foreign languages first. And some areas with no direct relation to the economics profession were mentioned, such as communication, negotiation, leadership and problem solving. The respondents had to indicate their preferences between the strengthening of theoretical or practical training. It was possible to cast ballots for both. The choice for more practical training was 3.9 times larger, on average, than the preference for more theoretical courses.

There was virtually no respondent who did not emphasize the importance of further professional training. The survey clearly shows that people regard the economics profession such an occupation which permanently needs renewing the knowledge obtained quite like in the best educational institution.

Regarding mobility within the society we found the following: Among full-time students, there was a strong correlation between their parents background and their career expectations as an economist. The same correlation could be observed among part-time working students regarding their current income and their expected future career. Full-time students were generally more optimistic than working part-time students concerning their future prospects. Part-time students however, were not as critical of their educational institutions, and attributed a higher esteem to their academic level.

[10] There was an extraordinary discrepancy between the social esteem of the teachers and their financial compensation. Their social esteem is far higher than their remuneration. This relative discrepancy exists for physicians, too.

Respondents were asked to give mark in 1 to 5 scale to their educational institutions in several aspects. Figure No. 5 shows the average marks of each aspect and the minimum and maximum evaluations based upon each single institution's average marks.

Figure No. 5 - Evaluation of educational institutions in several aspects

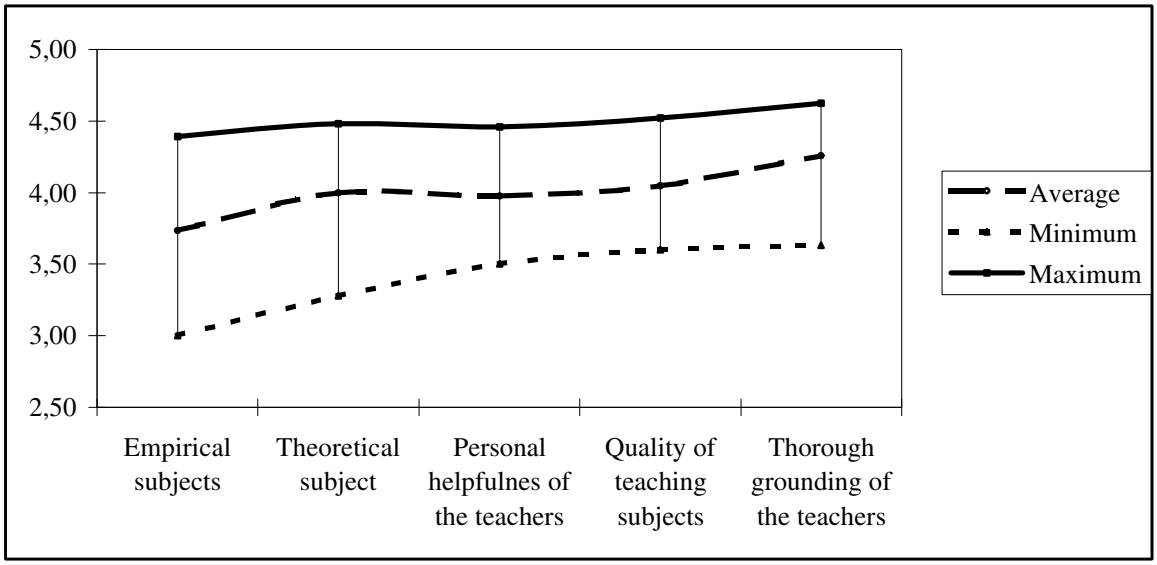


Figure No. 5 shows that educational institutions were generally given good marks in all areas. In the opinion of the respondents, well-prepared instructors, using relatively good textbooks, however, produce practical and theoretical education with lower esteem. A causal analysis of this phenomenon requires further study. As a result of the survey, it can be stated that the respondents are relatively satisfied but want to study more and better economics.

The Not So "Elite" Instructors of an "Elite" Profession: Or a Snapshot of the Situation of High School Economics Teachers[11]

Éva Berde, Magdolna Daruka and Katalin Petró

1. The Goal of Our Investigation

Professional economist has become one of the most popular occupations in Hungary today.[12] This popularity is not limited to those with higher levels of education but also exerts its influence on the job prospects of people with only vocational high school diplomas and especially those who have received vocational training beyond high school. The quality of vocational or professional education depends on the availability of up-to-date teaching materials and reliable textbooks, as well as the preparation and ability of the teachers. Those who provide instruction in economics on the high school or vocational school level are themselves economists with university degrees.[13] We will examine the possibilities of these economics teachers. For the purposes of this paper we have defined an economics teacher as someone who teaches economics and business related subjects including statistics. Their situation will be analyzed with reference to their prestige in the workplace and in their community, as well as their own perceptions of themselves.

We have organized our questions around three themes:

In comparison with other intellectual professions what is the prestige of the teaching profession among teachers of economics and teachers of other subjects?

The motivation of economics teachers for staying in or abandoning the profession of teaching.

The evaluation of economics courses (or subjects) from the perspective of professional education, changes in the subject matter taught, and the retraining and continuing education of economics teachers.

2. The Participants in the Survey

In order to evaluate the situation of high school economics teachers we conducted a survey and followed it up with in-depth interviews. Nearly 10% of the teachers of economic subjects in Hungary's 160 economics and commercial vocational high schools participated in the project.[14] In order to make a comparative evaluation of our results, we also included in our survey a group of

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[11]Funds (grant No. 760/1995) from the Research Support Scheme of the Higher Education Support Program allowed us to begin this project and collect the data for the present article. We are indebted to the teachers, who participated in our study. Without their cooperation we could not have collected the data necessary for our analysis. We also wish to thank Lajos Csáki, Tamás Eszterhai and László Lovrics, who on behalf of the supporting foundations provided technical help. Furthermore we would like to express our gratitude to Dr. András Tóth, national chief adviser of the National Institute for Vocational Education [Nemzeti Szakképzési Intézet]; Attila Kovács and Erzsébet Madlovics Sánta, chief advisers of the National Institute for Vocational Education ; Dr. Mrs. Gusztávné Barsi and Dr. Anna Majoros, principals of economics vocational schools; Valéria Gyuris Sipos, assistant principal; and Mária Szepesi Kerekes, economics teacher. They provided invaluable help in establishing a good working relationship with the participating teachers. Last but not least we would like to thank our colleague László Trautmann for his assistance with research methodology and Katalin Borbély, assistant professor of the College of Modern Commerce, for her observations on the first draft of our article. This paper was translated from the original Hungarian by Peter and Gabriella Schimert.

[12]For a financial and social evaluation of the economics profession in Hungary see: Berde-Csáki-Daruka-Eszterhai-Lovrics-Petró [1996a], Berde-Csáki-Daruka-Eszterhai-Lovrics-Petró [1996b], and Berde-Csáki-Daruka-Eszterhai-Lovrics-Petró [1996/97]. For the job opportunities available to graduates of economics vocational schools see: Mártonfi [1992].

[13]See Table 1.

[14]According to the data base of the National Institute for Vocational Education, we estimated that approximately 700 to 750 teachers of economics work at the roughly 160 economic and commercial vocational high schools.

teachers working in the previously mentioned vocational high schools, who teach general education subjects.[15]

In the introduction we have already indicated that these teachers of economics have university degrees. In addition a majority of them have pedagogical certification. The possession of university degrees was also characteristic of the control group, the members of which all possessed pedagogical certification. Table 1 details the educational levels of those surveyed.

Table 1 - Educational Background of Those Surveyed.

	Economics Teachers (%)	Other Teachers (%)
College	16	9
University	84	91
With Pedagogical Certificates	81	100
Without Pedagogical Certificates	19	0

Based on Table 1, we can see that in terms of professional and pedagogical training the teachers of general education subjects are somewhat better prepared than those teaching economics. This phenomenon is no accident, because

> On the one hand due to the lack of economics teachers, schools must employ instructors, who are willing to teach but lack pedagogical certificates.
>
> On the other hand there are many opportunities to acquire a higher level of economic knowledge. Several different universities and colleges exist where students can obtain a level economic knowledge that is sufficient to meet the requirements for instruction on the secondary school level. At the same time the training of economics teachers exists only at the Budapest University of Economic Sciences.[16]

More than 90% of the teachers participating in the survey taught at public schools. This proportion accurately reflects the fact that despite the recent appearance of foundation, ecclesiastical and private schools on the secondary level, the role of the state in secondary education remains dominant.At the time the surveys were completed, the average age of the two groups was almost identical. The teachers of economics were on average 40.5 years old, while the instructors in general subjects averaged 40.6 years. The variation of the ages within the two groups did not show much difference either: 8.2 years for the teachers of economics and 9.8 years for those of the general subjects. The surveyed economics teachers and their counterparts in the control group included both teachers who were under thirty and those who were over fifty.

The teachers surveyed were overwhelmingly female. Men comprised only 9% of the general subject teachers and only 18% of the economics teachers.

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[15]The control group consisted of teachers of Hungarian grammar and literature, history, foreign languages, mathematics, physics, chemistry and computer science. The teachers of these subjects made up approximately 26% of those surveyed.

[16]Nevertheless no economics teacher will graduate from the Budapest University of Economic Sciences during the 1996-1997 school year.

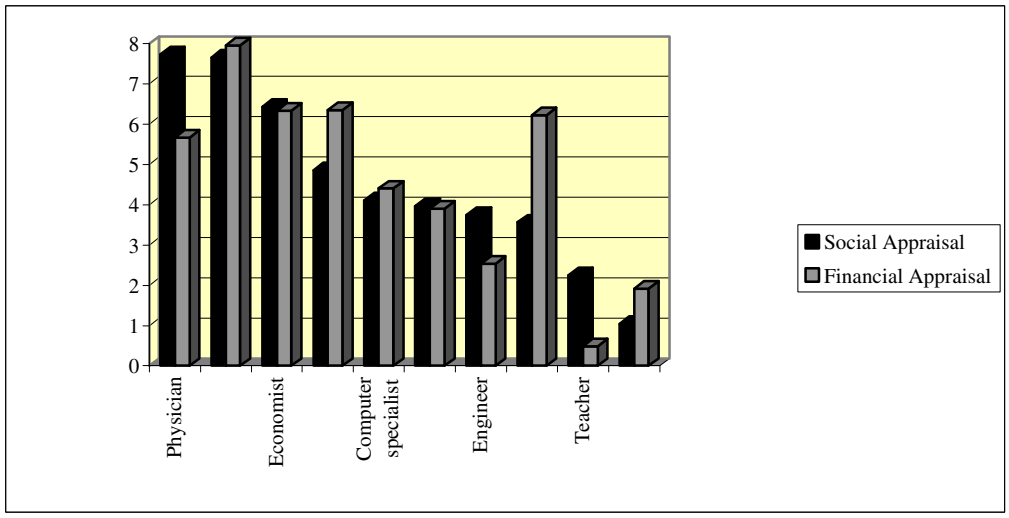
3. The Evaluation of the Teaching Profession Based on the Opinions of those Participating in the Survey.

Financial and Social Status

Our first group of questions attempted to explore the opinions of the teachers on the social and financial position of the teaching profession. We then desired to compare the results with the opinions of the teachers of general subjects, as well as with the data from one of our earlier surveys of secondary school students.[17]

The respondents were given a list of ten primarily white-collar professions and asked to rank them in social and financial terms. No matter what subjects the respondents taught, the rankings were very similar. The value judgments of the teachers and the students in the earlier survey, however, revealed certain differences. Each participant was asked to give a score of nine to the most valued profession and zero to the least. The results of the survey among the teachers can be seen in Graph 1.

Graph 1. - The Opinions of Secondary School Teachers on the Social and Financial Prestige of Various White-collar Professions.



Among both the teachers of economics and the control group of instructors in general subjects the same four professions: doctor, lawyer, economist and manager, led the list for social appraisal. In the case of financial appraisal the top four were lawyer, manager, economist and entrepreneur. Among the teachers of economics the social prestige of teachers with an average of 2.47 points ranked ninth; while in terms of financial prestige the teachers with an average of 0.5 points occupied the "tenth," or last, place. Among the control group the social appraisal average of 1.62 and the financial appraisal average 0.43 also consigned them to ninth and tenth places respectively.

[17]See: Berde, Csáki, Daruka, Eszterhai, Lovrics, Petró in [1996/97].

During the in-depth interviews it became even more apparent that according to the appraisal of the educators the low social and financial estimations of the profession are in harmony with each other. The teachers saw their position and condition in society as rather hopeless. Nevertheless the teachers of economics were somewhat less pessimistic on this score than the members of the control group. The difference in the appraisals of the two groups can probably be explained by the fact that the opportunities of economics teachers both within the field of education and outside of it are considerably better. The instructors teaching general subjects enjoy fewer choices, and the opportunities they do have offer less pay.[18]

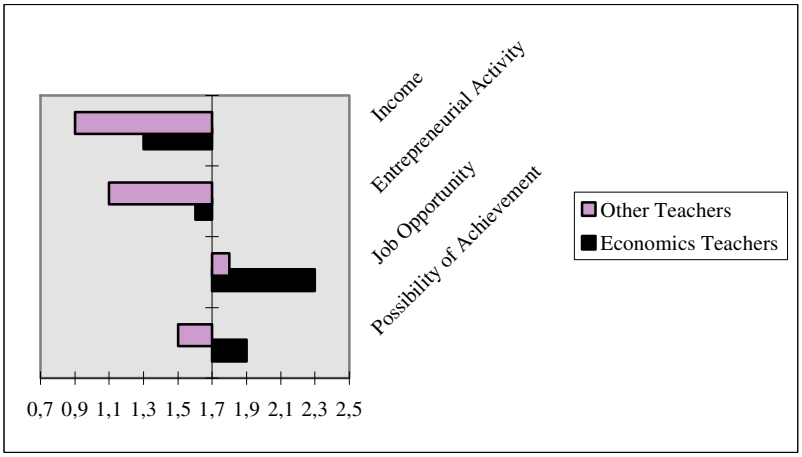
We compared these results with those of a survey conducted earlier among students at vocational schools offering specialized instruction in economics. The financial appraisal of the same list of professions similarly placed teachers last. On the other hand, in terms of social prestige teachers were ranked fifth. Therefore, those who were in closest contact with teachers had formed a much better social appraisal of them than the teachers had thought of themselves.

The Teachers' Opinion of the Opportunities Provided by Their Profession

In evaluating the teaching profession one part of our questionnaire was directed at exploring the possibility of finding opportunities within the profession. We asked the participants in the survey to determine the viability of achieving success, finding work, engaging in entrepreneurial activity, or earning money in their profession. For each question the respondents could chose among the following: highly possible, possible, difficult, and not possible. In analyzing the responses, we assigned to each of these answers the value of three, two, one and zero respectively. If we take all aspects into consideration, the average "opportunity index" (the average of the earlier appraisals) for teachers of economics was 1.775, which appears somewhat more favorable than we might expect from the ranking of the white-collar professions. The in-depth interviews made clear that in evaluating the opportunities provided within the profession the teachers of economics took into account the possibility to work as economists, either by moonlighting in a second job or by employing their economic knowledge to engage in entrepreneurial undertakings.

With the help of Graph 2 we can compare the opportunity index of the teachers of economics with those of the control group of instructors of general subjects.

Graph 2. - The Average Values by Category of the Opportunity Index as Judged by the Two Groups of Teachers.



[18]We will return to these questions in greater detail later.

The average "opportunity index" of the control group is 1.325, which remains 0.5 less than that of the teachers of economics, or based on the maximum value of three, over 15% less than that for the economics teachers. The instructors of general subjects evaluated their situation in all the examined areas as worse than that of the teachers of economics. They viewed their possibilities to achieve as 0.4 lower, or 13% less in terms of the maximum value for the category; and they also saw their opportunities for jobs and entrepreneurial activity as 0.5 lower, or in terms of the maximum value 16% less. Both groups were fairly pessimistic in regard to the opportunities for income, but the 1.3 appraisal of the economics teachers was 0.4 higher than that of the teachers of general subjects.

The greatest difference in the views of the two groups emerged in the category of "Job Opportunity." The relatively high level of employment opportunity for the teachers of economics - none of these educators believed that it was not possible to find a position in the profession - is in harmony with the experiences of the Budapest University of Economic Sciences as an institution of higher education that trains teachers of economics. The steady decline in the number of students desiring a teaching career reveals a direct contrast with the increasing employment openings and job offers for teachers of economics.[19]

Due to the previously mentioned lack of financial reward, an increasing number of public schools are finding themselves in an impossible situation. The competition for teachers of economics in vocational schools has noticeably increased. In the interest of maintaining themselves and developing their programs the public vocational schools have found the establishment and development of five and six year, specifically professional, or so-called postsecondary, programs essential. At the same time these schools are having a more and more difficult time finding well-trained, competent professional teachers for their programs. The salary structure of the teachers in these traditional vocational schools has not yet been adjusted to the new market realities; nor have social appraisal and financial benefits kept pace with the increased professional and pedagogical requirements. Indeed, over the last few years these have increasingly grown apart. During the course of the in-depth interviews we learned that the evaluation of the opportunities for income for the teachers of economics has been somewhat improved by the rapid growth of courses, which are devoted to various forms of professional training and are functioning not in the state sector but in various other sectors. These undertakings, which are most common in larger communities, have in recent years offered considerable opportunities for additional income for economics teachers. We would like to continue now by closely following the evolution of income.

The Conditions of Income

Based on the survey we can elaborate the following picture of the conditions of income for the teachers of economics, one of the most sought after groups within the pedagogical field. The average monthly take-home pay of the economics teachers participating in this survey was 42,298 Hungarian Forints[20] (about $ 266.5), which is approximately HUF 4,000 ($ 25.2) larger than the monthly take-home pay of the members of the control group.[21] According to the pay scale for public employees, which was in effect at the time of the survey,[22] the monthly gross income of teachers of the same age, experience and educational level - without regard to whether they taught economics or other subjects - averaged HUF 40,700 ($ 256.4) per month before taxes. If we take into consideration the deductions

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[19]The high schools are trying to employ teachers for their new or unoccupied positions by using personal contacts and advertisements. The authors of the present paper are approached about four or five times each month with requests for teachers. At the beginning of the school year these requests are even more frequent.

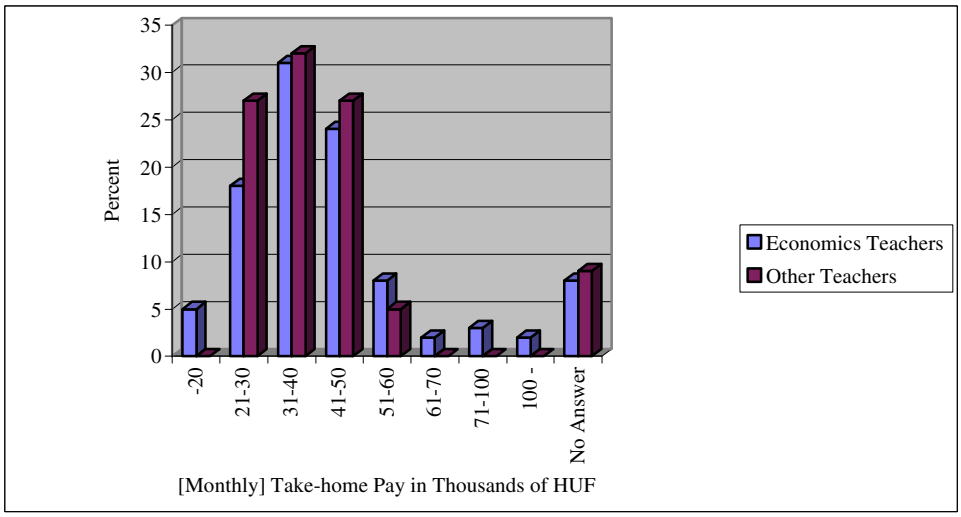
[20] 1 Hungarian Forint [HUF] equaled about $ 0.0063 in year 1996.

[21]We can use another one of our surveys to compare the income of economists, who have higher education degrees, with that of the teachers of economics. If we consider economists and teachers of economics, who are roughly the same age, the monthly take-home income of the economists is on average HUF 85,100 ($ 536.1), or more than double that of the teachers of economics.

[22]See Magyar Közlöny 31(1996): 1812.

for personal income tax, social security, medical care and other obligations, their net income averaged around HUF 29,000 ($ 182.7). Due to second jobs and other sources of earned income every teacher in both categories indicated that his or her income considerably exceeded this level. Graph 3 indicates the after-tax income of the teachers in both groups.

Graph 3. - The Teachers Classified on the Basis of Their Take-home Pay.



The only way 69% of the economics teachers could earn the income indicated on their survey forms was by engaging in work over and above their teaching at vocational schools.[23] Although the respondents acknowledged the possibility of working as economists, in reality most of their income from outside of their school was related to teaching, and only 16% derived from non-teaching related activities. Table 2 illustrates the types of ownership of the places offering employment opportunities for the economics teachers in the sample to obtain income outside of their schools.

[23]Those teachers of economics who did not earn income outside their employment as vocational school teachers made on average HUF 30,200 ($ 190.2) per month in take-home pay. By working overtime they realized a higher income than that to which they would have been entitled based on the official public employee scale for workers aged 37.4 years, which on average would have netted them only HUF 25,700 ($ 162).

In order to understand better the extraordinarily low income of economics teachers and the relatively large share of their income that derives from overtime work, let us look at an example in which the income from overtime work outside the school does not even constitute a particularly high percentage of the total monthly earnings, yet the effort devoted to overtime is roughly sixty to seventy hours per month. After the 1997 pay raise the gross monthly income of a forty-two year old male economics teacher with two diplomas can be broken down as follows:

- Base pay = 56%
- Bonus as a homeroom teacher and adviser as well as leading a teacher's cooperative = 4.3%
- Income from overtime at the school = 32%
- Other income from teaching elsewhere = 7.7%.

Table 2. - The Teachers of Economics Who Performed Work for Outside Income Pursued These Activities in Places of Employment with the Following Types of Ownership:

Type of Ownership	Percent of Those Engaged in Outside Work
State Ownerhip	35.7
Self-employed	45.2
Private Business Owned by Others	14.3
Two of the Above Places	4.8

In analyzing the answers of the control group, we discovered that although the average age was forty, and the distribution of ages within the group closely approximated that for the economics teachers, not only was their average monthly income less by HUF 4,000 than that of the economics teachers, but the difference between the highest average monthly take-home pay and the lowest within the control group was only HUF 9,080 ($ 57.2) and considerably less than the HUF 18,860 ($ 118.8) difference among the economics teachers. The relative equality revealed by the income of the teachers of general subjects indicates little income earned outside the schools. Their opportunities to earn extra money are considerably narrower than those of the economics teachers. Only 36% earned income outside their primary place of work, and 63% of this additional money was connected to teaching. This additional instruction was above all typical only of the computer science and language teachers.

In comparing the income of the two groups, let us again emphasize that at the schools where the teachers are primarily employed their salaries are based entirely on their ages and college or university degrees. Within a particular category the salary is the same for all. The hourly fees paid for the additional or extracurricular courses are several times greater than the salary paid by the public schools to their employees for the regular courses they teach.[24] Opportunities to teach such additional courses are available mostly for the economics teachers, and usually only for those working in larger communities. The growing opportunities outside their schools for the teachers of economics, when compared to those within their primary places of employment, involve the danger that fewer and fewer economics teachers will choose to teach additional courses above the required ones in the vocational secondary schools. Additional income will primarily derive from teaching extracurricular courses, either in the form of private lessons or courses for groups. Thus the condition of the public schools can be expected to deteriorate. The public schools will provide security from unemployment for economics teachers but they will not be able to compete in terms of the salaries they pay. It is probable that at secondary vocational schools the number of courses in economics and finance taught by non-professional teachers will increase.

[24]If these same institutions offer extracurricular courses as sources for extra income and employ teachers from outside their schools, then they pay considerably more.

4. The Motivations for Remaining in or Leaving the Profession

The picture that emerges from the analysis of the social and financial appraisals is in harmony with the motivations for remaining in or abandoning the profession. Of the economics teachers surveyed 21% planned to find new jobs. Approximately one half of this 21% desired a change in hope of better opportunities, while the other half felt pressed by circumstances to seek employment elsewhere. Another 50% confessed that although they did not desire to leave the profession, it would be reasonable to do so. If we combine these two groups, then almost 72% of the surveyed teachers of economics can be considered dissatisfied with their current places of work, and only 27% feel satisfied in their position. The situation among the teachers of general subjects is even more depressing. Although only 18% felt satisfied in their current job, there were none who were familiar with any better available opportunities and as a result desired to change jobs. They only planned to change employment due to the pressure of circumstances. With the help of Table 3 we can compare the two groups in terms of their intentions to change jobs.

Table 3. - The Intention of Those Surveyed to Change Jobs.

Do You Plan to Change Your Place of Work?	Economics Teachers (%)	Other Teachers (%)
Yes, Due to Circumstances.	11	9
Yes, Due to Better Opportunities.	10	0
No, But It Would Be Reasonable.	50	68
No, I Am Satisfied.	27	18
No Answer.	2	5

In spite of the fact that the teachers of economics were somewhat less dissatisfied with their current places of work than the teachers of general subjects, many more of the economics teachers were thinking of changing jobs, which for all of them in practical terms meant that they would leave the pedagogical profession. We asked if financial, or professional, or perhaps some other reasons were responsible for their desire to change careers. With the exception of 10% all indicated financial reasons were primarily responsible and low social prestige was only a secondary reason. Such individual motivations to change fields as a lack of a sense of achievement or loss of motivation were rarely reported.

Not only the reasons for leaving the profession but also the motivations for staying in it are very interesting. Despite the remarkably inauspicious picture it seems apparent that if a person spends several years as a teacher, then he or she will only leave the profession with difficulty, or not at all. In searching for the reasons, we found that 63% of the economics teachers identified their love of the profession and sense of calling as decisive, but no one said that they desired to remain teachers because of the "financial security" that the profession provided. The second reason cited by 15.8% of the economics teachers for remaining in the profession was that teaching constituted "a good profession for women."[25] The continuation of family traditions at 5.2% was most commonly cited third.

The in-depth interviews provided striking testimony from the economics teachers for the importance of the teacher- student relationship, the allure of helping to form the next generation, and the independence and freedom of the pedagogical profession.

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[25]Please note again that 82% of the economics teachers participating in the survey were women.

5. The Evaluation of Economics and Related Subjects from the Perspective of Vocational Education. Curricular Reform, Teacher Retraining and Continuing Education.

The social and economic changes of the last few years and the development of market-based economic relationships have demanded many rapid accommodations from economics teachers. The fundamental changes in the material to be taught have repeatedly presented a series of seemingly insoluble problems. The new tools for teaching and the new textbooks have generally lagged two to three years behind the economic changes, yet the demand for teachers with the new skills appeared almost instantly. In this vacuum the responsibility and independence of the teachers grew substantially. They found themselves forced to take steps in basically one of two possible directions. Either they must leave the profession, or they must be retrained through continuing education. Based on our survey, we believe that they received relatively little help for the second of these alternatives. One of the questions in the questionnaire required the respondents to identify the sources of their new skills and knowledge. Their answers are summarized in Table 4.

Table 4. - Opportunities for Economics Teachers to Learn New Skills and Acquire New Knowledge.[2627]

Source of New Knowledge and Skills	Percentage Employing the Source[16]
Continuing Education	47.4[17]
Studying Textbooks	84.2
Regularly Following Periodicals, Newspapers, News Reports	86
Conversations on the Profession with Colleagues	68.4
Visiting Other Schools	17.5

The less than 50% participation in continuing education still, however, presents too rosy a picture of the realities. On the one hand only 53.1% of the employers supported continuing education,[28] on the other hand more than half of the organized continuing education courses in which the respondents participated consisted of courses lasting only a few days.

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[26]A teacher might well have made use of all of the available sources and marked his or her survey accordingly. Nevertheless the teachers participating in the study usually only employed two or three methods to acquire new skills and knowledge.

[27]The necessity for continuing education and retraining for the teachers of general subjects proved to be negligible in comparison with the demands for such accommodations placed on the economics teachers during the last ten years. Nevertheless 59% of the teachers of general subjects, who participated in the survey, had enrolled in continuing education courses. This constitutes a higher percentage than that for the economics teachers.

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[28]The main forms of support were reimbursement for expenses (64%) and reduced teaching load (11.5%).

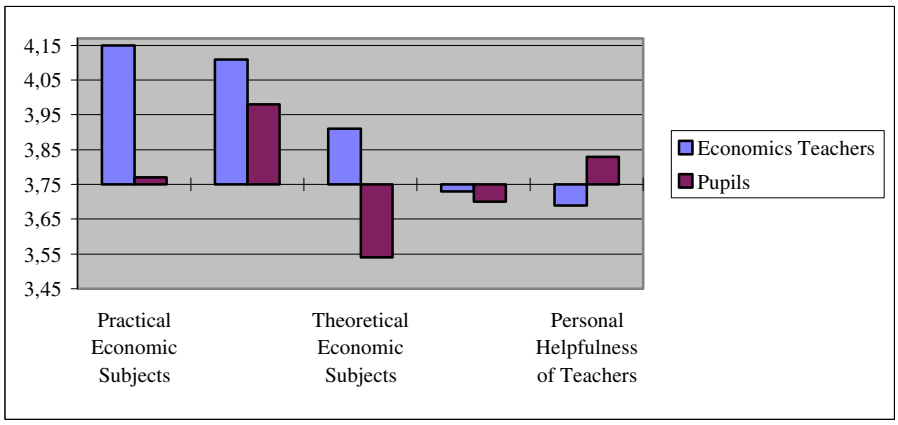
In order to verify the practice of keeping up with developments in the profession we asked the respondents to name several studies with which they were familiar and had recommended to their colleagues. Of the teachers surveyed 35% did not name any such study. Most of the studies recommended to colleagues consisted of textbooks used in higher education courses, bulletins and journals. More scholarly studies in the stricter sense were rarely mentioned.

Considering the fact that much of today's scholarly publication is not in Hungarian, we were curious as to whether or not the economics teachers considered knowledge of foreign language scholarly publications necessary, and if they spoke foreign languages. The results were fairly contradictory. While 63% thought it necessary to be familiar with foreign language publications, only 21% had the necessary language skills to do so. Of those who did speak foreign languages 75% spoke one and 25% two, with German and English most commonly cited.

Despite these results, 93% of the surveyed teachers of economics believed that during the recent past they had in some way significantly expanded their professional knowledge, and 7% even had the opportunity to study abroad. It would appear that the rapid professional development, largely predicated on the teachers' own independent initiative and sense of professional responsibility, has largely been successful. This seems to confirm the results of the earlier survey that we conducted among students.[29]

In our earlier survey we had asked students. In the present study we requested that teachers, based on the customary scale of one to five (one being the lowest and five the highest), evaluate the material being taught in general, the basic theoretical subjects as well as the practical subjects. Furthermore, they were asked to appraise the competence of the teachers and their pedagogical abilities. The average grade from the teachers was 3.8 and from the students 3.7. The views of the teachers and the students on each of these different issues can be compared on the basis of Graph 4.

Graph 4. - The Average Grades Provided by Economics Teachers and Students on Different Issues of Teaching.



Behind the virtual agreement on the average general grade in the teachers' and the students' evaluations lie some serious differences on the various individual questions. The teachers ranked their own or their colleagues teaching abilities the lowest; while the students graded their instructors' teaching abilities second only to their professional competence. It would appear that the students judged their teacher's personal instructional abilities much higher than the teachers themselves did. On the other hand the students were less satisfied with either the practical or the theoretical subjects.

[29]For the results of the survey of students, which also included university students, see: Berde, Csáki, Daruka, Eszterhai, Lovrics and Petró in [1996/97]. Since that survey our sample of high school students has considerably expanded.

It is interesting to note that from the five areas under consideration the teachers ranked the practical subjects highest and also assigned the theoretical subjects a grade average of over 4. At the same time the teachers thought that the material being taught only merited a grade around 3.7. During the in-depth interviews it became apparent that the teachers often felt that they were compelled to use textbooks that had not been properly thought through or proved to be too uneven. Thus only their personal knowledge of economics could make these comprehensible to the students. The survey included a question that required the teachers to appraise on the same one-to-five scale the materials they were teaching. The results for the most commonly evaluated courses appear in Table 5.

Table 5. - The Grades Given by Teachers to the Contents of Vocational Economics Courses. [30][31]

Name of the Course;[20]	Grade for Content
Economics;[21]	4
Bookkeeping	4
Statistics	3.5
Finance	2.8
Economic Law	2.5
Management Planning	2

Based on Table 5, we can see that the average grade of 3.13 given by teachers to the content of vocational economics courses remains below not only that of the 4.15 given to practical subjects but also the 3.73 assigned to the material taught as well. It would appear that the teachers were more critical of the material with which they themselves were well familiar, than of the material used by their colleagues. Therefore they considered the general picture to be better than the particular parts that they best understood.

[30] Due to a lack of data the courses that were only occasionally mentioned and rarely taught at economics vocational schools, such as business economics, management, introduction to taxation, and personnel management, were not included in the table.

[31] Some respondents mentioned micro- and macro-economics separately, but these have been averaged together and included under economics.

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[21] Some respondents mentioned micro- and macro-economics separately, but these have been averaged together and included under economics.

6. Summary of the Survey Results

Despite the rapid and sweeping social and economic changes, the survey indicates that secondary vocational education in economics is in relatively good hands. The average grade for instruction among both teachers and students was around 4. Largely by their own efforts, the economics teachers have tried to keep up with the changing demands. Nevertheless, they seem to have little energy to acquire a scholarly foundation as a part of these efforts. They work in conditions of little social prestige or financial reward, despite the fact that their degrees in economics still place them in an advantageous position relative to their colleagues who teach general subjects. Their only hope for improving their difficult circumstances lies in teaching or working outside of their own schools.

Finding a job as an economics teacher is not encumbered with difficulties. Indeed, the demand for teachers of economics exceeds the supply. Even with only a degree in economics and no degree in teaching, practically anyone can teach in an economics vocational school. But the customary marketplace laws for lack of supply do not apply; the economics teachers receive the same salary as the colleagues who teach general subjects. There are very few full-time jobs available outside the public schools. At the same time the extracurricular courses for which they are relatively well compensated are increasing. Thus, even if the economics teachers keep their teaching positions at vocational schools, they will increasingly consider these as merely providing a more secure background, and whenever possible they will take second jobs.

Based on the experiences of other countries, we think it probable that in Hungary the suddenly expanded demand for economists with secondary and higher degrees will eventually decline and stabilize at a level that is typical for Western European countries. Consequently the relatively privileged place of economics teachers within the pedagogical profession as a whole will cease. This development would not be beneficial, if it would foreshadow even lower financial and social prestige and no hope of escaping to greener pastures. The previously described problems of economics teachers can only be solved together with those of the teachers of general education subjects.

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