

Osama ALHENDI

*Károly Ihrig Doctoral School of Management And Business,
Faculty of Economics and Business, University of Debrecen, Debrecen, Hungary*

THE IMPACT OF THE QUALITY OF EDUCATION IN ENGLISH ON HUNGARY'S ECONOMY

Case
Study

Keywords

*Sustainable Development;
Quality Education Goal No. 4;
English Proficiency Index;
Intercultural Communication;
Economic Growth*

JEL Classification

Q01, I25, Z13

Abstract

The study aims to explain the impact of the Proficiency Index in English (EPI) on Quality Education (Sustainable Development Goal No. 4), on the development of countries globally and specifically on the development of Hungary. In order to make this point, the study used the Pearson correlation test (via SPSS software), GDP scores (IMF report) and EPI (Education First Ltd report) with data from 2017. The study was based on a survey carried out on 107 foreign students in the area of Debrecen. The questionnaire took language barriers and daily commercial transactions into consideration. According to the study EPI influenced positively on both Quality Education and the national economy. Besides that, the questionnaire indicated that foreign students faced many obstacles to communicate and socialize. The survey also provided a number of useful suggestions and solutions regarding this case.

INTRODUCTION

The quality of education is the 4th goal of the 17 sustainable development goals supported by the European Union in Rio+20 conference at the end of 2015 (European Commission, 2018). In fact, quality education is a necessary goal for achieving sustainable development. It also ensures that education is accessible to all people of different ages. Thus, they can get decent jobs and live healthy and sustainable lives (the European Union, 2017). Therefore, it is very important to enhance the quality of education in order to support economic growth. For example, quality education in any country can be developed by the improvement of the quality of English language learning. This explains why some countries (such as Singapore and Ireland) have adopted the English language as a medium of instruction in their education system. The decision makers of these countries understand the economic importance of English and hence they have developed effective education systems including the necessary educational policies and rules which can accelerate the rhythm of economic development (Suárez, 2005).

Furthermore, their society can support their economy locally if they are competent in their own national language and internationally if they are competent in the English language (Bruthiaux, 2002). Currently, English speaking countries are top-ranked in terms of their gross domestic product (GDP). However, this is not enough to conclude that there is a positive relation between English as lingua franca and economic growth. Recently, there is only a small amount of data which can justify this relation (Searegant&Erling, 2011). In addition, educational economists have conducted ample research about this issue. For instance, Grin (2001) found out that there is a positive relation between salary-based premiums and the individual's competence in the English language in the labor market in Switzerland (Grin, 2001). Another case is about the impact of proficiency in English of the country on the investor's decision. For example, Japanese investors usually prefer to locate their subsidiaries in the countries where proficiency in English is high (Ford & Strange, 1999). This example also explains why the UK's companies choose India in order to outsource services such as call centers, IT and banking services. Besides the low cost of labor, India's workforce has the ability to speak the English language well (Doh, 2005).

The case study of this paper focuses on the quality of the English language learning in Hungary and the overall development. It is very important to mention here that about 65% of Hungarians are not likely to speak any other foreign languages. In addition, 21% of Hungarians' English competence was rated as good according to the survey which

was conducted by the European Commission (European Commission, 2012). As a result, these indicators may hinder the wheel of development in the long run. On the other hand, current Hungary's EPI is 19 out of 80 countries worldwide according to the report which was published by Education First organization in 2017 (Education First Ltd., 2017).

MATERIALS AND METHODS

The study aimed to show the impact of English on the education system and the economy. Therefore, the study used secondary data from Euromonitor international report (2010) for five different developing countries. Besides that, the study hypothesized that there is a relation between two factors: EPI from EF's report and GDP from IMF's report (2017). The analysis used Pearson correlation and Scatterplot graph in order to support the hypothesis. The study investigated the validity of the EPI in Hungary. Some previous studies such as EF EPI report and Budapest Business school research were included. In addition, the study used a survey targeting 107 foreign students in the area of Debrecen. They were questioned about language barriers and daily transactions.

THE RESULTS

Generally, governments usually invest in the teaching of English in order to participate in the global economy, as it can increase the level of foreign direct investment (FDI) in the country. According to Euromonitor international (2010), there is a positive relation between English and quality education and economy. In order to understand this relation, Euromonitor made a study about the impact of English on two inter-related aspects: the education system and the economy. In addition, every aspect has its own indicators which are influenced by people's proficiency in English. The indicators measuring the impact of English are as follows: the number of English speakers, adequately educated workforce, growth in the number of English speakers, government's expenditure on education, consumer expenditure on education, quality of the educational system, tertiary education enrollment rate and Internet and mobile users (Pinon & Haydon, 2010).

On the other hand, it is possible to measure the impact of English on the economy through the following quantitative indicators: ease of doing business, total FDI inflow, the percentage of FDI from English-speaking countries, total employed population etc. (look at figure 1, appendix A).

Using these indicators, Euromonitor analyzed proficiency in English in different developing countries (Nigeria, Pakistan, Bangladesh, Cameroon, and Rwanda) in terms of their education system as well as the overall economy.

Figure 2 (*Appendix A*) shows that Nigeria comes first in terms of the quality of education. The justification behind that is the role of Nigeria's government in introducing the English language as a medium of instruction in Nigerian schools. On the other hand, Pakistan, Bangladesh and Cameroon introduced English only in urban areas and private schools. In the case of Rwanda, French is the current language. However, the government has recently modified the education system and encouraged the adoption of English over French as a step to achieve the development (Pinon & Haydon, 2010).

Therefore, these indicators lead us to the conclusion that there is a positive relation between English and Quality education as well as economic growth. In other words, the government can increase the quality education of the country and hence the economic performance by allocating the necessary budget and implementing sound and effective rules which may increase people's proficiency in English in the country. As shown in figure 2, economic performance (marked in grey) increases in line with the increase of quality education (marked in orange) due to the impact of English. Besides that, figure 1 gives further explanations about how English can increase the economic performance of the nation (*Appendix A*). As reported in EF EPI organization (2017), the nations which have a high proficiency index in English are the following: Netherlands, Sweden, Denmark, Norway, Singapore, Finland, Luxemburg, and South Africa respectively. Simultaneously, these countries are top-ranked in terms of their human development index as well as their GDP (Education First Ltd., 2017).

In order to support that it was necessary to prove this relation statistically. The hypothesis was whether there is a relation between English (measured by English proficiency index) and Economic growth (measured by Gross domestic product). Therefore, the hypothesis was the following:

H0: there is no relation between natural Log of GDP (calculated via SPSS) and EPI.

H1: there is a relation between natural Log of GDP and EPI.

The data was collected from different separate sources (Education First Ltd., 2017) and (IMF, 2017) respectively for 76 countries around the world for the same year of 2017. As figure 3 (*appendix B*) presents the identity line in the scatter plot shows that there is a positive relation between

the natural log of GDP and EPI. In other words, if EPI increases by one unit, the natural log of GDP should increase too. In addition, to prove that statistically (using Pearson correlation test), the value of the correlation coefficient is positive (equals to .371) Table 1 (*Appendix B*). Using the P-value approach, P-value equals to 0.001 which is less than the significance level of 0.05. Therefore, H0 should be rejected. In other words, there is a relationship between natural Log of GDP and EPI.

In contrast, as reported in the data of EF EPI (2017), Hungary's EPI is about 19 out of 80 countries worldwide. The question is: considering the economic position of the country in terms of its GDP, is this ranking realistic or not?

HUNGARY: A CASE STUDY

Taking into account Hungary's current EPI and the quality of education in English, it is important to mention that there is a need to make appropriate changes in the policies of the education system and the necessary rules for Hungary's development and economy. The justification behind that can be summarized as follows. Firstly, in the period between 1949 and 1989, the Russian language was the language of instruction in Hungarian primary schools (Vamos, 2017). Secondly, Hungarian students cannot decide which language to study. This happens because they can choose between studying German and English. At the same time, their choices are influenced by the availability of language teachers and the number of students in class (Szabo, 2008). Thirdly, the teacher almost always uses the Hungarian language more than the target language in the classroom (Nagy, 2009). As reported by EF EPI (2016), Hungary's proficiency index in English decreased in the period between 2015 to 2016 by 0.11 as shown in the table (2) (*Appendix B*). However, this drop is not significant as compared to the neighboring countries (Education First Ltd., 2017).

In 2014, about 50,000 Hungarian students failed to pass their degrees. As a result, the ministry of human capacities delegated the authority to the national employment coordination agency (OFA NKft.) to arrange a specific project aiming to help students to get their degrees. At that time, the target fund was about € 10,000,000. The project's programme included English (72%), German (25%) and French classes (2%). On the other hand, the students had to graduate from University, pass the final exam and the English language exam at B2 level at the end of 2016. The actual passing score was expected to be in the range between 35% to 65% (Lukacsi, 2016). To measure the feasibility of the project, the study divided students into two groups. The first group consisted of regular students (about 10,395 students) ('Regular'

indicates the student who is not registered in this programme for comparison purposes). The second group consisted of students with a withheld certificate (1,920 students). The study aimed to identify the percentage of the passing score of students with a withheld degree (Lukacsi, 2016).

As noted in table (3) (*Appendix B*), the scores of the students from the second group are lower than those of regular students. The results were disappointing. In each of the listening and writing section, students who had their degree withheld were close to fail. In other sections (Reading and Speaking), they obtained good scores. However, their scores were still lower than the scores of regular students (Lukacsi, 2016).

As stated in the decree issued by the Ministry of Human Capacities (18), the students are required to get at least B2 in English order to graduate from university. In fact, about 150 to 200 hours are enough to help the student to reach the B2 level. However, the best programme in Hungarian higher education was not able to meet that requirement. According to the research carried out by Budapest Business School, the available curriculum was not enough to help undergraduates to achieve the requirements of L2 (second language) (Lukacsi, 2016). Furthermore, without an entrance exam for universities, students' language competence cannot be evaluated. This explains the reason why there were about 50,000 Hungarian students with a withheld degree in 2014 (Soos, 2015).

SURVEY OF THE LANGUAGE BARRIER AND INTERCULTURAL COMMUNICATION IN DEBRECEN

The survey was carried out on 107 foreign students studying mostly at The University of Debrecen and some at other Hungarian universities. The survey showed that the English language is the only language foreign students can use daily in Hungary. About 95.3% of foreign students in Debrecen city use English and 1.9% of them use both (English and Hungarian). In addition, about 61.32% of foreign students do not have interaction with Hungarian students. On the other hand, 38.68% of them usually interact.

The reasons behind the low rate of interaction between foreigners and locals are the following: 30.51% of students give the language barrier as a reason, 6.78% the language and cultural barrier and 13.56% the university policy which isolates Hungarians from foreigners. According to the survey, foreign students added a number of suggestions such as: (1) increasing the level of English proficiency in Hungary, (2) providing compulsory lessons of Hungarian for foreign students, (3) providing common classes (for Hungarian and foreign students) (4) organising

common international events, projects, and social-educational extracurricular activities in order to increase the level of social integration (5) translating advertisements and conferences from Hungarian into English.

With respect to the daily commercial transactions, about 44.86% of students faced many difficulties to deal with Hungarians in shops and malls. The same problem occurred when renting flats (about 14.95%) and at the bank (about 7.48%). The rest of the foreign students said that they did come across not any difficulty. Economically, these obstacles may negatively affect the level of FDI in the country. This, in turn, can hinder the process of development in the area. Furthermore, about 53.27% of students preferred not to stay in Hungary and 46.73% said that they preferred to stay and search for job opportunities. In the long run, this may influence the process of brain drain and also the importation of foreign human capital which is necessary for research and development (Dodani&LaPorte, 2005).

On the other hand, without social integration, international students will not be ready and prepared for the labor market after graduation. Hungarian labor market usually requires the foreigner to speak the Hungarian language in order to be accepted in the company or any other institution in Hungary. About 53.27% of international students will not stay in Hungary and expressed their intentions and reasons as follows: (1) going back home (2) few job opportunities for international students in labor market (3) the difficulty of Hungarian language (4) looking for new opportunities outside Hungary.

CONCLUSIONS AND RECOMMENDATIONS

According to what was previously discussed the relationship between the proficiency index in English and the development of the country is positive. The reason is the impact of EPI on the economic indicators, such as total FDI inflow, the percentage of FDI from English-speaking countries, gross income per capita, etc. In addition, there is also a positive relationship between EPI and quality education. Decision makers invest in this relationship by formulating the necessary rules and policies by which the quality of English language education can be improved, as shown in the case of Nigeria and Pakistan.

This case study focused on Hungary. According to statistical analyses and surveys, most foreign students prefer to look for jobs outside Hungary after graduation. They explained that by language and cultural barriers and the lack of job opportunities in Hungary. In the long run, this

mindset may hinder the wheel of development in the area. This discourages brain drain mobility to Hungary.

The recommendation of this study can be summarized as follows. Firstly, there is a need to establish international schools and kindergartens in the area: the International School of Debrecen is expected to be opened in September, 2019 by Debrecen's municipality. In addition, the number of students in the class should be decreased to 10. This can enhance students' English speaking skills. It is also important to attract and hire English native speakers as teachers and encourage them by increasing their wages and salaries. Besides that, teaching Math, Chemistry, Physical education, etc in English would be useful (CLIL programme) and gradually introducing the bilingual system in Hungarian educational institutions. Furthermore, the education system can be enhanced by formulating educational policies and rules aiming to increase the quality of the English language learning. Finally, it is very important to enhance the intercultural communication between locals and foreigners by organizing common international events, classes, and programmes.

REFERENCES

- [1] Bruthiaux, P. (2002). Hold your courses: *Language education, language choice, and economic development*. TESOL Quarterly 36(3). pp. 275-296.
- [2] Dodani, S., & LaPorte, R. E. (2005). *Brain drain from developing countries: how can brain drain be converted into wisdom gain?* Retrieved from <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1275994/#>
- [3] Doh (2005): English for employability, pp. 5-7. In: *the English language in development*. (Coleman H.) British Council, United Kingdom, 24 p. ISBN: 978-086355-638-8
- [4] Education First Ltd. (2017). *EF English Proficiency Index*. Retrieved from <https://www.ef.com/~/media/centralefcom/efpi/downloads/full-reports/v7/ef-epi-2017-english.pdf>
- [5] Euromonitor International (2010): *The Benefits of the English Language for individuals and Societies: Quantitative indicators from Cameron, Nigeria, Rwanda, Bangladesh and Pakistan*. Retrieved from <https://www.teachingenglish.org.uk/sites/eacheng/files/Euromonitor%20Report%20A4.pdf>
- [6] European Commission. (2012). *Europeans and their languages*: European Commission. pp 7-26.
- [7] European Commission. (2018). *The Sustainable Development Goals*. Retrieved from https://ec.europa.eu/europeaid/policies/sustainable-development-goals_en
- [8] European Union. (2017). *Sustainable development in the European Union*. European Union, pp. 16 In: *Sustainable development in the European Union*, European Union, Luxembourg, 372 p. ISBN 978-92-79-72288-2.
- [9] Ford, S. & Strange, S. (1999). English for employability, pp. 5-7. In: *the English language in development*. (Coleman H.) British Council, United Kingdom, 24 p. ISBN: 978-086355-638-8.
- [10] Grin, F. (2001). *English as economic value: Facts and fallacies*. World Englishes 20(1). pp. 65-78.
- [11] IMF (2017): *GDP (current prices) by country*. Retrieved from http://www.imf.org/external/datamapper/NGDPD@WEO/OEMDC/ADVEC/WEO_WORLD
- [12] Lukacs, Z. (2016). *Értéktanteremtés a turizmus-vendéglátás szakos hallgatók szaknyelvi képzésében – avagy: hogyan mérjük az oktatás segítésére [Added value in the foreign language instruction program for tourism and catering majors – or: how to test to assist education]*. Nyelvvilág, 17, 5-18.
- [13] Nagy, K.. (2009). *English language teaching in Hungarian primary schools with special reference to the teacher's mother tongue use*. The Stirling Institute of Education, University of Stirling, Hungary, 440 p.
- [14] Pinon, R. & Haydon, J. (2010). *The Benefits of the English Language for Individuals and Societies: Quantitative Indicators from Cameroon, Nigeria, Rwanda, Bangladesh and Pakistan*. Euromonitor International Ltd, United Kingdom, 71 p.
- [15] Searegant, P. & Erling, E. (2011). *Dreams and Realities: Developing countries and the English language. The discourse of 'English as a language for international development': Policy assumptions and practical challenges*. British Council, London, 22p. ISBN 978-086355-659-3.
- [16] Soos, A. (2015). *A diplomamentő programról [About the language instruction scheme for graduates with a withheld degree]*. Paper presented at the meeting of Certified Foreign Language Examination Centres, Budapest, Hungary.
- [17] Suárez, S.L. (2005): *Does English rule? Language instruction and economic strategies in Singapore, Ireland, and Puerto Rico*. Comparative Politics 37(4), 459-478.
- [18] Szabo, I. (2008). *Foreign language teaching in Primary Education in Hungary*. Retrieved

from
<http://www.encuentrojournl.org/textos/Szabo.pdf>

[19] Vamos, A. (2017). *Hungarian-Russian bilingual schools in Hungary during the Soviet occupation (1945–1989)*.

APPENDICES

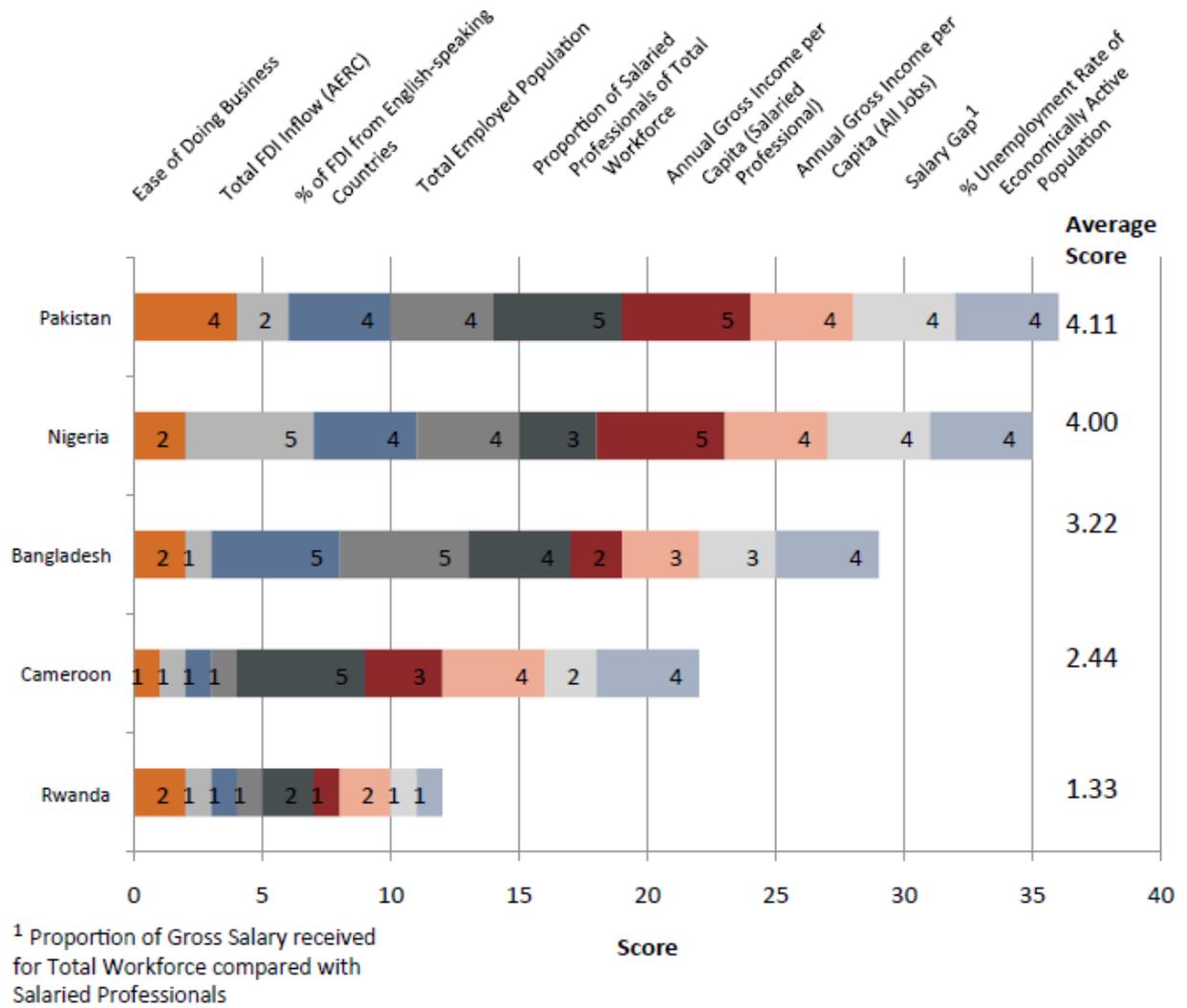


Figure 1. The Economy and English- Summary of scores in 5 Researched Countries.
Source: Euromonitor International, 2010.

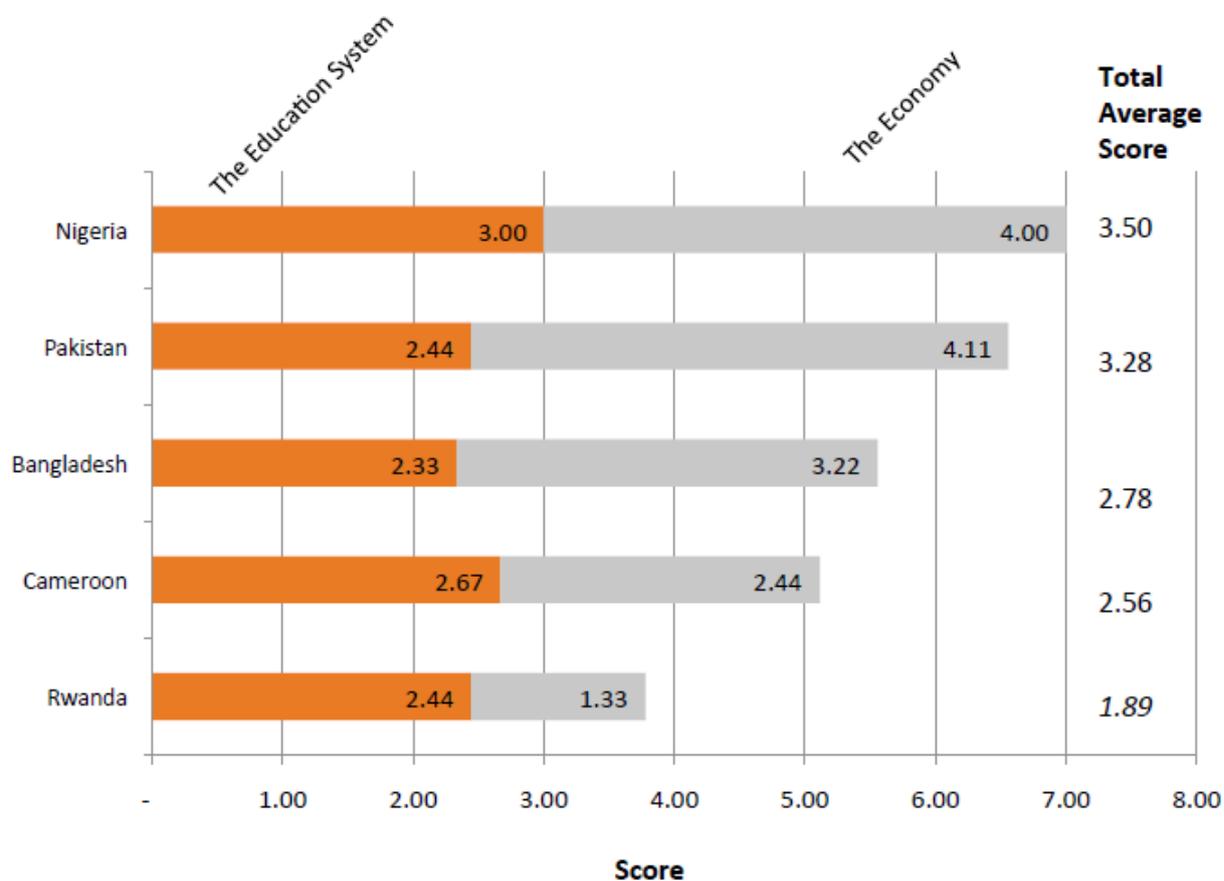


Figure 2. The Education System and The Economy – Comparative performance
 Source: Euromonitor International, 2010.

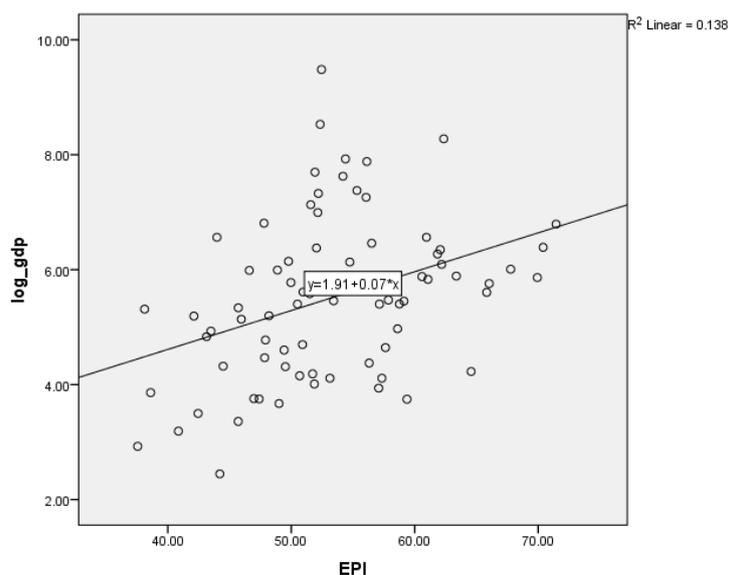


Figure 3. The relationship between GDP and EPI.
 Source: Collected and analyzed by the author (SPSS software).

Tables 1
Pearson test. The correlation between EPI and Log GDP

Correlations			
		EPI	log_gdp
EPI	Pearson Correlation	1	.371**
	Sig. (2-tailed)		.001
	N	76	76
log_gdp	Pearson Correlation	.371**	1
	Sig. (2-tailed)	.001	
	N	76	76

Source: Data is collected and analyzed by the author using SPSS software
**. Correlation is significant at the 0.01 level (2-tailed).

Table 2
Hungary's changes in English skills over the past year in comparison with neighboring countries

Country	EPI (2015)	EPI (2016)	Score change
Hungary	58.72	58.61	-0.11
Romania	58.14	59.13	+0.99
Slovakia	57.34	57.63	+0.29
Serbia	59.07	59.37	+0.30

Source: EF EPI Report, 2017.

Table 3
Passing score (%) of Regular and Withheld degree certificate

Candidates	Listening	Reading	Speaking	Writing
Regular	54.9312	56.8391	67.6763	49.4340
Withheld	36.8171	51.6667	46.7933	37.5269
Grand mean	51.9791	55.9887	64.2733	47.4764

Source: Lukacsi, 2016, Euroexam International, Budapest Business School, Hungary.