The background features a series of red, wavy, concentric lines that create a sense of depth and movement, resembling a stylized 'C' or a series of overlapping curves. The text is white and stands out against the dark background.

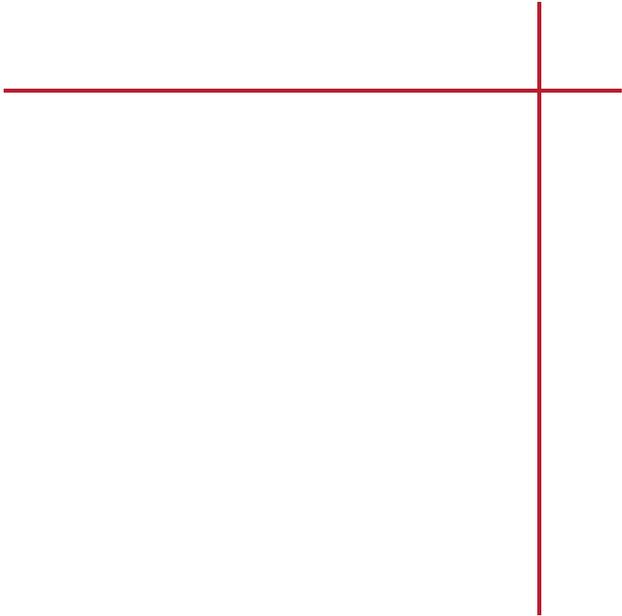
CFTE Centre for Finance,
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**CFTE ACADEMIC AND
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SERIES**

**The Role of the
Government in Education**

Gergely Fábíán
CEO of the Budapest Institute of Banking,
Executive Director at Magyar Nemzeti Bank

ARTICLE 6

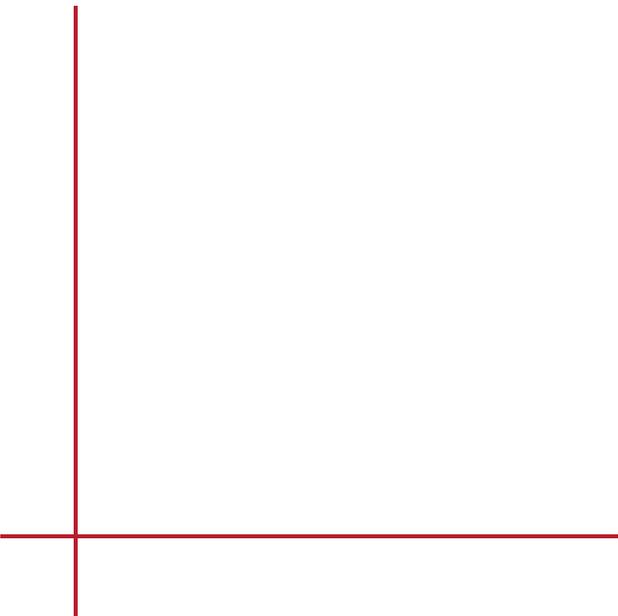


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Awareness and Impact in education: The Hungarian case

By Gergely Fábíán,
CEO of the Budapest Institute of Banking,
Executive Director at Magyar Nemzeti Bank

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The dire need to reskill and upskill talent is prominent amidst today's rapid technology developments, and Hungary is no exception. According to Cedefop¹, the European Union's reference centre for vocational education and training, the share of the adult population with potential for upskilling and reskilling is estimated to range between 31.6% and 40.4% of the total adult population (1.7 to 2.2 million adults) based on a snapshot from 2016.

The actual need today might be much higher and more severe for several reasons. Firstly, the share of adults compared to youth is significantly higher than in previous periods of technology disruption². Secondly, the spread of technology is much faster³ in the 4th industrial revolution with the potential of having a similar impact seen in previous industrial revolutions. In addition to this, technologies are more complex today which intensifies the need for continuous learning among adults more than ever. As a result, adult education has appreciated in the 21st century and has become as important as youth education on secondary and higher levels. Therefore, in addition to many initiatives for youth education from the central bank, an adult education centre, the Budapest Institute of Banking (BIB in short) was established in 2017 under the auspices of Magyar Nemzeti Bank (the central bank of Hungary) and Budapest Stock Exchange. The mission of BIB is to support upskilling and reskilling in the financial sector and beyond by offering over 100 sorts of courses to beginners, experts, and leaders.

The question is not about if the State has to play an important role to tackle upskilling and reskilling, but rather the real question is how. The challenge is that many people are not aware that they need upskilling or reskilling and even if they are aware they do not know what skills they need. Hence most of them are working, having limited time for studying, and several of them would return to "school" after one or more decades and consequently be less adaptive for learning. Based on my experience, the answer to the "how" is based on awareness and impact.

Awareness and impact in education

Let me elaborate on what I mean by awareness and impact in the Hungarian case. At BIB, awareness accounts for half of the job. Even if bankers know that digitalization and sustainability is important, it is hardly translated into action, particularly in the field of education. The role of the state is to promote acting, show direction and give good guidance. One example of such an occurrence is when when a hundred central bankers took an artificial

¹ https://www.cedefop.europa.eu/files/hungary_country_factsheet.pdf

² <https://www.ksh.hu/interaktiv/korfak/orszag.html>

³ <https://www.weforum.org/agenda/2016/01/the-fourth-industrial-revolution-what-it-means-and-how-to-respond/>

intelligence course⁴, which highlighted the importance of AI to the banker community. With regards to impact, a key aspect is that within a short period highly effective skill transfers are needed. Thus it is important to provide high-quality, experience-based education. Whether in the form of digital solutions or classrooms, education must embrace entertainment, visuality and interactivity. Neuroscience proves that using more visual senses and creating emotions for instance through storytelling and role play help a lot in effective learning⁵. At BIB, courses are so-called ‘out-of-box sessions’ with all sorts of edutainment elements, for instance, role plays with improvisational actors.

Almost 20,000 people have studied at BIB in the past 3 years, out of which 10,000 participated in e-learning related to mandatory training required by [Mifid2](#) regulation or [Mortgage Credit Directive](#) (MCD). Close to 6,000 people started their career, thanks to BIB, by obtaining a license to work in the Hungarian financial sector. Finally, almost 4,000 people participated in voluntary upskilling with a satisfaction rate of 9 out of 10 among approximately 100,000 people. Apart from the benefits of edutainment playing a major role in driving this success, these results could not be achieved without domestic and international cooperation from the private sector⁶. Cooperation is beneficial, as first it helps gauging the expectations of the demand side, second it helps creating the high-quality, practice-oriented content with outstanding lecturers, and last but not least it helps introducing innovative methods⁷, which improves the experience and efficiency of learning.

The SME supporting initiative of BIB

Another initiative taken up by BIB is aimed at boosting skills among Hungarian entrepreneurs. The skill gap is present among entrepreneurs as well among small and medium-sized companies, who employ the majority of labour force. The [E-kkv](#) programme, where kkv is the Hungarian abbreviation for SME, addresses several challenges in the SME sector related to digitalization and entrepreneurship. The EU-funded programme started at the end of 2020 and is a free online programme containing 9 modules with total 70 hours material, out of which currently 8 modules are available. Entrepreneurs can get ideas, inspiration and obtain knowledge on innovation, digitalization, corporate finance and how to pass the family business on to the next generation. Next to knowledge this program helps forming a mindset among Hungarian entrepreneurs. The focus of the programme is not just on ‘what’, but on ‘how’ digitalization and innovation can be done. Thus, managing HR challenges, external and internal communication, agile ways of working, change management and growth hacking are parts of the curriculum. The programme does not stop here: from articles, webinars to workshops, the goal is to increase awareness and impact.

⁴ <https://blog.cfte.education/cfte-bib-graduation-ceremony-central-bank-of-hungary/>

⁵ Paine, N., 2014. The learning challenge. Dealing with technology, innovation and change in learning and development 1st ed. Kogan Page.

⁶ See the list of BIB partners: <https://www.bib-edu.hu/partners>

⁷ https://www.bib-edu.hu/news/moody%E2%80%99s_analytics_educational_framework_in_budapest

Conclusion

To conclude, achieving impact is a long journey, but the endeavour can fail easily if the customer experience is not satisfactory, and this is where government initiatives may fade. The most important factors in this case are high-quality, edutainment and cooperation with the private sector. Apart from impact, generating awareness is also an important role of the state. Looking ahead, the goal of BIB is to introduce a new initiative on the Hungarian market that can significantly boost awareness and impact. Given the complexity and time scarcity of individuals, this can be achieved through digital platforms that help map skills and skill gaps of individuals based on their needs and interests and use that information to help create a learning path with short online programmes in topics related to business, economy, finance and technology. To help bolster professional development in the financial services sector introducing mandatory requirements will also be key. Currently, in Hungary mandatory requirements only exist in the case of the health care sector, law, book-keeping and audit sectors - introducing more mandatory requirements for continuous professional development in the financial sector would be the next step to help take the industry to a whole new level.