



## MINISTRY OF HUMAN CAPACITIES

**H. E. Betsy DeVos**  
Secretary of Education  
United States of America

U.S. Department of Education  
400 Maryland Avenue, SW  
Washington, D.C. 20202

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**Dear Madam Secretary,**

As you have surely heard through news in the media, the Hungarian Government has amended the Hungarian Act on Higher Education, which affects, among others, the George Soros founded Central European University in Budapest.

As this issue has aroused a great deal of international interest, allow us to provide some background information on it. The Government of Hungary respects – and in all cases acts in accordance with – international and EU law, academic freedom, the autonomy of universities and principles of fairness; it likewise expects natural and legal persons residing or operating in the country to also fully comply with legislation, because in a democratic state no one and nothing may stand above the law.

Given the fact that in recent years an increasing number of foreign institutions of higher education had started teaching operations in Hungary, in 2011 Parliament passed new legislation on higher education: Act CCIV. This clarified and tightened the general system of requirements, and provided for reviews of institutions' operations at five-yearly intervals.

Statutory inspections began in the autumn of 2016, with the competent authority carrying out comprehensive reviews of all foreign institutions of higher education. The authority's inspections revealed numerous shortcomings, and therefore the Government requested that it prepare a report summarising these. This report was made public by the Government, and it clearly shows that there are a number of irregularities in the operations of most of the 28 foreign institutions registered in Hungary.

Please find attached documents describing the statutory forms in which foreign institutions of higher education may launch teaching operations in Hungary, the categories of irregularities detected, and a translation of the report.

Among the irregularities revealed in the inspections, one we consider to be critical is that in which a foreign institution does not meet the basic requirements of Paragraph § 76 (1) of Act CCIV 2011 on Higher Education in Hungary. This stipulates that a body which is not a state-recognised institution of higher education in its country of origin may not award state-recognised higher education qualifications related to courses conducted in Hungary. A similarly critical problem arises if an institution is a state-recognised institution of higher education in its country of origin, but the teaching which takes place in Hungary does not lead to state-recognised higher education qualifications. The Hungarian education authority deals with the majority of matters arising *ex officio*: in some instances permits having already been revoked, and in others new permits have been issued.

The review clearly shows that of the 28 foreign institutions inspected, only one was found to be free of irregularities or inadequacies in compliance. As a matter of course, with regard to the other 27 institutions action will be taken to bring an end to infringements. Compliance with the rules is not impossible, the rules apply to everyone. No exceptions can be made – including for the CEU, which opponents of the legislative amendment have publicly portrayed as being its target.

We would stress that the sole aim of the amendment to the Act on Higher Education is that foreign universities operating in Hungary do so legally, transparently and in compliance with Hungarian law.

Where the newly adopted legislation requires, we judge that with a view to the future it will be necessary to have contracts between the competent bodies in Hungary and those in the countries in question; this would not only make it possible to institute shared overview of teaching and administrative cooperation, but would require it. The legislative amendment's most important point is precisely that in the future a university from outside the European Union may operate in Hungary if – through an international agreement – the country of origin and Hungary express support for that university operating in its new location. This is not a condition which renders international cooperation impossible: on the contrary, through the world of knowledge and higher education it expressly aims to create closer links between Hungary and the country in question. If both countries agree to a particular collaboration, the institution of higher education concerned can benefit greatly, as clearly both governments can thus provide it with ongoing support.

In order to clarify reports appearing in the media, we think it is also necessary to focus here on the special situation of the Central European University. In 2005 a political decision saw the creation of the "*Közép-európai Egyetem*". This is a Hungarian institution of higher education recognised by the state on the basis of a decision by Parliament, operating

according to Hungarian law, privately-maintained, and operating with a unique status – unlike any other foreign university in Hungary. The “Central European University” (CEU), however, which is maintained jointly with this private university, is registered in Hungary as a “foreign” institution of higher education. This is despite the fact that it only operates in Budapest, and in the United States is not engaged in any form of educational activity whatsoever. The *Közép-európai Egyetem* and the CEU are two separate legal entities. The CEU is understood to be the “foreign” institution described above, which operates according to the US legal system. From a logistical point of view the two universities are one and the same, operating on a single campus.

In April 2004 the Prime Minister of Hungary and the Governor of New York signed a joint declaration, confirming their agreement that, as a university registered in New York State, the CEU would simultaneously gain university status in Hungary. On the basis of this agreement an Act passed by the Hungarian parliament determined that the *Közép-európai Egyetem* would operate in Hungary as a non-state university running its courses under Hungarian rules as a Hungarian institution of higher education, in Master's departments and doctoral schools. The university's special status was confirmed in Act CXXXIX of 2005 and then in Act CCIV of 2011; therefore its dual status has remained unchanged since 2004. The new Hungarian legislation in no way affects the courses of the *Közép-európai Egyetem*, which operate under Hungarian law and are recognised by the Hungarian Accreditation Committee as being of high quality. An international agreement can provide the basis for the same situation in relation to the CEU, and thus the conditions for its future operation can be ensured. Let us mention at this point, that at the above mentioned stage of the amendment process, George Soros tried to influence – with success – the Hungarian legislative procedure by sending a letter to the incumbent minister of education. Please find his letter in the attachment.

Once again we would like to emphasise that, in light of the results of the inspections carried out, the amendment of the Act on Higher Education states that the legal basis for the operation of foreign universities in Hungary must be international agreements, which stipulate shared overview of teaching and the administrative cooperation which this requires. In accordance with the fundamental principles and rights set out in the Fundamental Law of Hungary, international agreements naturally will not restrict academic freedom or institutional autonomy. As has hitherto been the case, the Hungarian government will in no way interfere in the methods and principles according to which an institution organises its teaching – whether that teaching is conducted within the legislative framework of Hungary or of a foreign country.

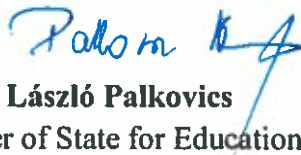
As was indicated by Hungary's Minister of Justice in a meeting with the Rector of the CEU prior to submission of the Bill, bearing in mind the fact that four US institutions are engaged in higher education activities in Hungary and all are affected by the new regulations, we are ready to conclude international agreements on these, should the US government consent to this.

Finally, we would like to inform you that after submission of the Bill the Secretary of State for Education also met the Rector of the CEU, whom we informed in writing of the delegated interlocutor and my willingness to participate if necessary. Naturally agreement may only be reached in accordance with legislation and Hungarian and international regulations in force in Hungary.

The Hungarian government is prepared to reach a constructive agreement. This aim is not served, however, by scaremongering and the spread of false statements regarding the imperilment of educational freedom. Such distortions may mobilise international academic opinion, but they do so while simultaneously misleading it.

We trust, Madam Secretary, that you will receive our letter with sympathy, and Hungary will enjoy an even stronger relationship and fruitful cooperation with the Government of the United States.

Yours sincerely,

  
**Dr. László Palkovics**  
Minister of State for Education



  
**Zoltán Balog**  
Minister of Human Capacities