



The state of school education one year after the start of the pandemic

The OECD, in collaboration with UNESCO, UNICEF, and the World Bank, surveyed between January and February 2021 how education systems are responding to the COVID-19 pandemic, from school closures and distance learning to the gradual return to classroom teaching and the vaccination of teachers. The report called [*The State of School Education – One year into the pandemic*](#) presents the preliminary findings of the survey. The report shows the responses of more than 30 different education systems of countries or regions to the pandemic and provides a snapshot of the situation one year after the outbreak of the COVID crisis. The data were provided by government authorities. This summary is based on the report and presents the differences in school closures and financing education by a country during the pandemic.

School closures

The results of the survey of education systems' responses to the COVID crisis show that some countries kept their schools open. One year after the pandemic outbreak, less than 40% of the 33 countries with comparable data are fully – i.e. for the vast majority of students – open primary and secondary schools.

In-school learning is particularly important in the early years when face-to-face, direct contact with teachers is crucial and digital alternatives are less effective. This is broadly reflected in the survey data: the higher the level of education, the higher the share of countries where schools were either closed in February 2021 or only partially open in certain regions or for certain grades.

At the primary level, schools remained fully open in 30% of the 33 countries with comparable data, at the lower-secondary level in 24% of the countries, and at the upper secondary general level in 9% of the countries.

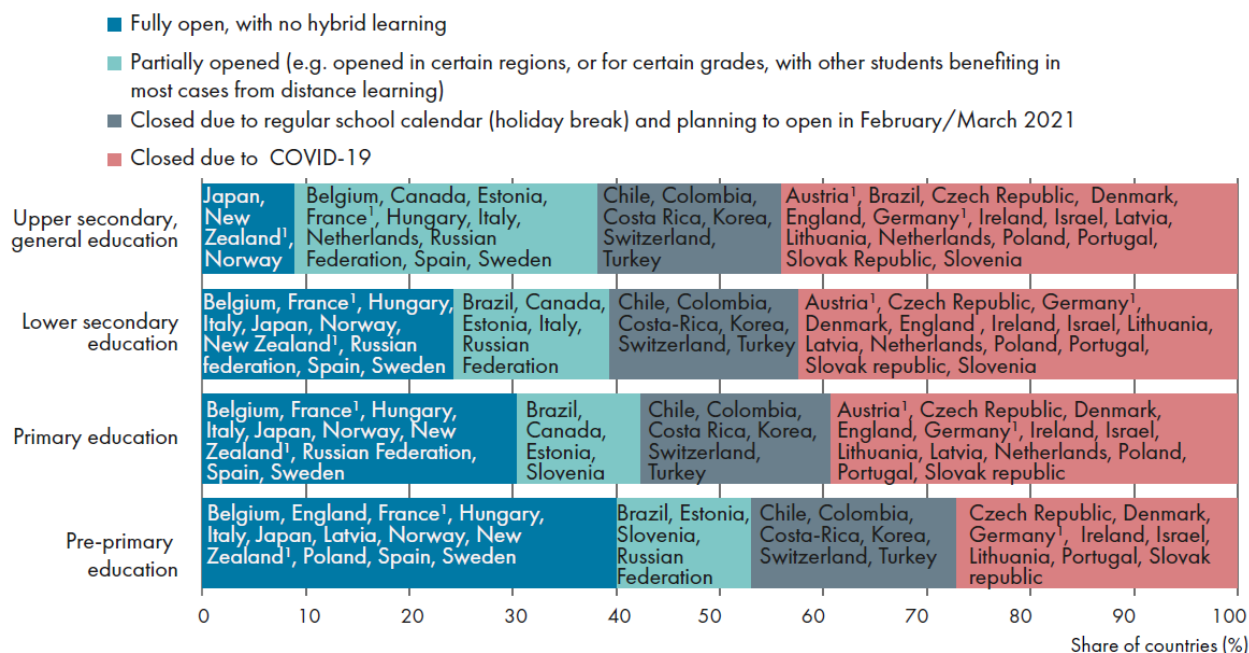
In contrast, institutions at the pre-primary level were fully open in 40% of countries, which is also due to the fact that the youngest children have the most difficulties to provide remote or hybrid learning on the one hand, and for childcare at home on the other (e.g. because of parents' employment). (Figure 1)

It is noteworthy that the countries with the lowest educational performance tended to close their schools completely for longer periods in 2020. The performance of 15-year-olds in the reading test of OECD PISA 2018 explains 54% of the variation in the number of days where schools were fully closed in 2020 in upper-secondary schools. Put another way, education systems that already had worse learning outcomes in 2018 have fewer face-to-face learning opportunities for students in 2020. The explanatory power remains even after GDP per capita is taken into account: performance explains almost a third (31%) of the variation. In other words, the link between performance and the length of school closures

is not simply due to better-performing education systems in more favourable economic conditions. All this means that the COVID crisis has not only amplified

educational inequalities within countries but probably also amplify the performance gap among countries.

Figure 1. School closure as of 1 February 2021, by levels of education



Source: OECD/UNESCO-UIS/UNICEF/World Bank Special Survey on COVID. March 2021.

Note: ¹Schools were closed as of 1st February in some sub-national regions in these countries due to the regular school calendar.

Spending on education during the pandemic

The survey results show that most of the countries surveyed have increased their education budgets in 2020 in order to respond to the impact of the pandemic. Some 65% of countries with comparable data increased their primary and secondary education budgets in 2020. For the remaining countries, the budget remained unchanged, while no country reported a decrease in 2020. (Chart 1)

In 2020, the increase in primary and secondary education expenditure is mainly reflected in an increase in current expenditure (e.g. operating costs of schools, staff compensation). Countries have adopted different approaches to targeting the additional resources. For example, Denmark, France, and Hungary provided

additional funds for health-protective equipment and cleaning costs. In France, exceptional bonuses were also given to school staff. In Finland, programmes were supported to compensate disadvantaged students (e.g. non-native speakers of Finnish, students with special educational needs, or students with an immigrant background) for learning losses in remote learning periods.

In addition to increasing current expenditure, some countries have also earmarked funds for capital expenditure for more than one year. France, the Czech Republic, Hungary, Poland, and New Zealand, for example, have allocated funds to expand internet access services and to invest in IT (hardware and software).

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Efforts to increase education spending in 2020 are expected to continue in 2021: compared to 2020 figures, a slightly higher share of countries (71%) reported plans to increase their

education budgets in primary and secondary education in 2021. (Chart 1)

Chart 1. Changes planned to the primary and secondary education budget in response to the pandemic in 2020 and 2021

	Total public expenditure in the school year 2019/2020 (2020 for countries with calendar year)		Total public expenditure in the school year 2020/2021 (2021 for countries with calendar year)	
Increases	Belgium (Flemish community), Belgium (French community), Colombia, England (UK), Estonia, Finland, France, Germany, Israel, Italy, Japan, Latvia, Lithuania, Netherlands, Norway, Portugal, Russian Federation, Slovak Republic, Slovenia, Spain, Sweden, Turkey	65%	Austria, Belgium (Flemish community), Belgium (French community), Canada, Colombia, Czech Republic, England (UK), Estonia, Finland, France, Germany, Ireland, Israel, Japan, Latvia, Lithuania, Netherlands, Norway, Portugal, Russian Federation, Slovenia, Spain, Sweden, Turkey	71%
No changes	Austria, Canada, Chile, Costa Rica, Czech Republic, Hungary , Ireland, Korea	24%	Costa Rica, Hungary , Korea, Slovak Republic	12%
Don't know	Denmark, New Zealand, Poland, Switzerland	12%	Chile, Denmark, Italy, New Zealand, Poland, Switzerland	18%
Total		34		34

Source: OECD/UNESCO-UIS/UNICEF/World Bank Special Survey on COVID. March 2021.

Notes: 1) In Japan school year 2019/2020 begins in April 2019 and ends in March 2020 and school year 2020/2021 begins in April 2020 and ends in March 2021. 2) In Chile and Korea, there are no changes in the total amount, but significant changes in the distribution of expenditure.

The pandemic has also hit the tertiary level of education very hard. International students tend to pay higher tuition fees than domestic students and thus make a significant contribution to the funding of higher education institutions. Therefore, the restriction of student mobility due to the pandemic has a significant impact on the financial situation of higher education institutions. It is no coincidence that most of the countries surveyed (65% in 2020 and 71% in 2021) have

reported an increase in their higher education budgets.

Overall, most countries were able to mobilise additional funds in response to the pandemic in the 2019/2020 school year, and many of them are estimated to be able to mobilise additional resources also in the 2020/2021 school year. Adding that this does not solve the long-term economic and social consequences of the pandemic, which are far more challenging.

Consequences of learning losses

Due to the worldwide school closures in early 2020 because of the coronavirus (COVID-19), an estimated 1.5 billion students and their families have been faced with schools that are open one day and closed the next, causing huge disruption to their learning. Some of them have been able to compensate to some extent for the negative effects of school closures through alternative learning pathways with the help of their parents and teachers, but many, especially those from the most disadvantaged and marginalised groups, have been excluded since they did not have access to digital learning resources or lacked the support and motivation to learn on their own. Since the pandemic is still raging, many education systems are still struggling to cope with the ever-changing situation.

The precise learning losses due to school closures are not yet known, but some analyses¹ suggest that primary and secondary school students could expect some 3 percent lower-income over their entire lifetimes after every three months of closure. At the national economy level, it could lead to an average of 1.5% lower annual GDP over the rest of the century.

The learning losses caused by the COVID crisis will be more deeply felt by disadvantaged students. All the evidence suggests that students whose families are less able to support out-of-school learning will face greater learning losses than their more advantaged peers. In other words, learning losses do not affect students equally, further reinforcing educational and social inequalities. However, even before the COVID, inequalities in education were the biggest challenge for education systems.

Overall, the learning losses resulting from school closures can cast a long-term shadow over the welfare and well-being of individuals and nations alike.

¹ See: Hanushek, E. and L. Woessmann (2020). *The Economic Impacts of Learning Losses*. OECD, Paris.

A comparison of the COVID19-induced economic crisis in Hungary and the region

Below we present three figures to show the effects of the economic crisis, induced by the coronavirus pandemic that broke out in spring 2020, on the GDP of Hungary, Germany, and other countries of the region last year. The method was inspired by the webpage of The National Institute of Economic and Social Research (NIESR) (www.niesr.ac.uk), and we used the quarterly GDP figures - compared to the onset of the crisis - as indicators.

Figure 1 compares the economic effects of earlier crises on the Hungarian and on the German economies with those of the 2008 crisis and the 2020 coronavirus pandemic.

It can be seen that the 2008 crisis had a less drastic effect on German and Hungarian GDP than the Great Depression had on the US economy in the 1930s and the transformation setback had on the Hungarian economy after the regime change in 1990. In magnitude the effects can be likened to the crises hitting Great Britain in the 1930s and after the 1979 second oil crisis.

It is also to be noted that Hungary was much slower to come out of the global crisis than its primary exports market Germany. The

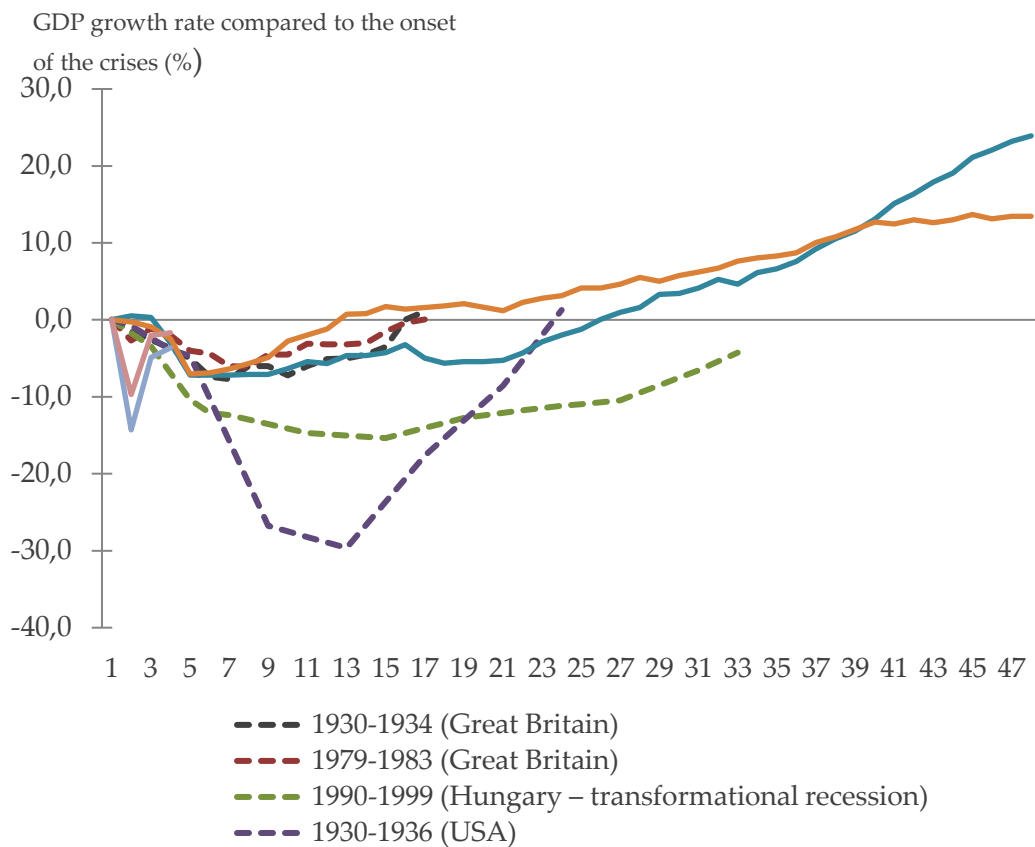
Hungarian crisis was deeper on the one hand, and recovery started much later than in Germany on the other. While the recession had hit the two countries at virtually the same speed and force, after the turning point Germany recovered more quickly and vigorously.²

It shows clearly that the 2020 coronavirus-induced crisis took a different course than earlier crises. The reason is that the extent and speed of setback and recovery is not predominantly defined now by the internal structural characteristics of the economy, but by epidemiological measures responding to the waves of the pandemic, affecting each economic sector differently.

However, since the second half of 2010 the rates at which the two countries recovered to pre-crisis levels began to grow increasingly wider apart. Beginning in the second half of 2013 the Hungarian economy started capitalising

on the German upturn that resulted in the Hungarian growth rate reaching and later exceeding the German growth rate.

Figure 1: Where are we in the COVID crisis? - comparison with earlier crises



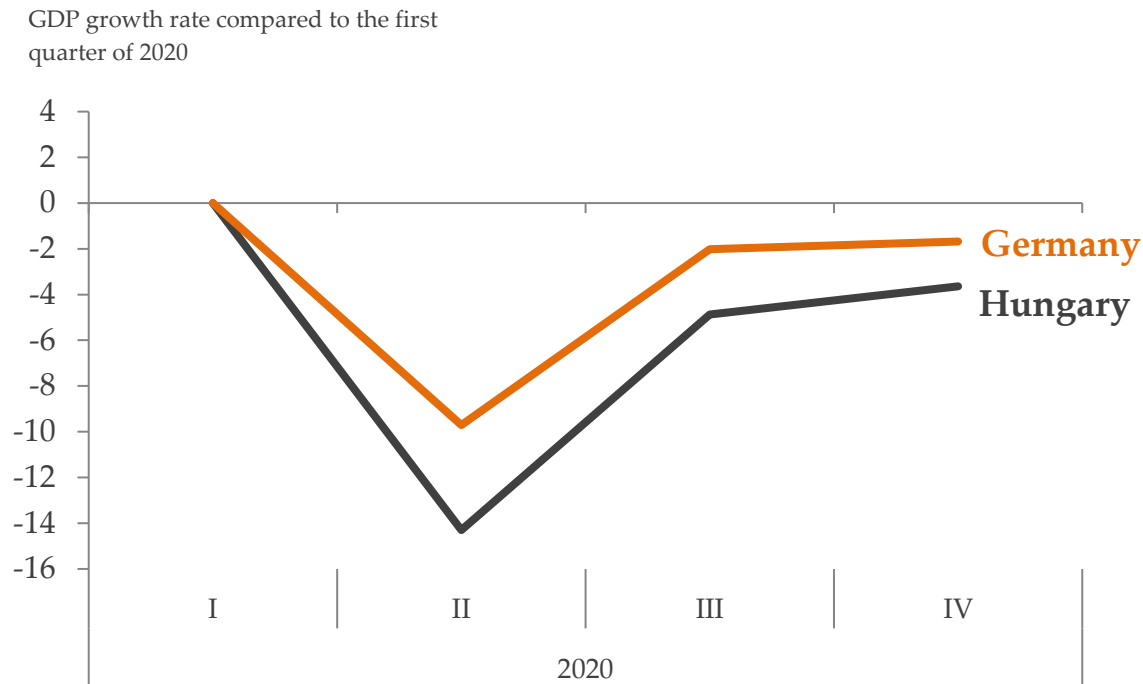
Source: data by IEER, KSH, Eurostat and Destatis

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As seen in Figure 2 there was a hefty drop in GDP at the time of the first wave in the second quarter both in Hungary and in Germany (14.3% and 9.7% respectively), owing to strict restrictions introduced all over Europe including Hungary and Germany (lockdowns,

cancelling events, closing hospitality units and shops). As expected, the partial lift of such restrictions in the summer revived tourism that brought along a quick bounce back in the third quarter, but the second wave in autumn broke the trend in the fourth quarter.

Figure 2: Where are we in the COVID crisis? - comparison of the German and the Hungarian economies



Source: data by IEER, KSH, Eurostat and Destatis

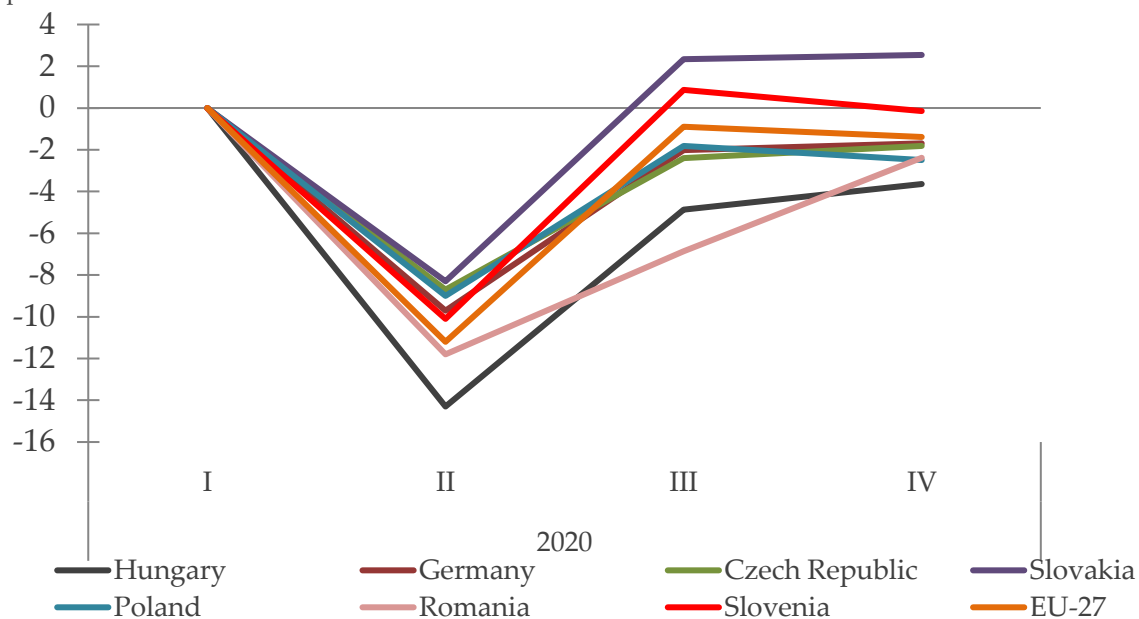
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It is clearly visible on Figure 3 that the second quarter of 2020 was one marked by a significant decline all over the region (also in EU27), and the quick bounce in the third quarter was followed by stagnation and, in places, a slight decline in places. The onset of the crisis hit Hungary the most severely (-14.3%), with a setback characterised by a performance 3 percentage points below the EU

average, and although Hungary had overtaken Romania in the third quarter, it relapsed in the fourth quarter to (-3,6 százalék). There are two countries in the region that could reach pre-crisis levels: Slovenia reaching (0.9%), and Slovakia surpassing (2.3%) it in the third quarter and the latter country's economy was even able to grow somewhat in the fourth quarter (2.5%).

Figure 3: Where are we in the COVID crisis? - regional comparison

GDP growth rate compared to the first quarter of 2020



Source: data by IEER, KSH, Eurostat and Destatis

International trends

Changes in the production, consumption and employment situation in certain major international economies compared with peer expectations and the previous period.

		Period in review	Actual data	Expectations	Previous period
	Unemployment Rate	(April)	6.0%	6.0%	6.0%
Germany	Manufacturing Purchasing Managers Index	(April)	66.4	65.8	66.6
	IFO Business Climate Index ¹	(April)	96.8	99.5	96.6
France	INSEE Business Climate Index ²	(April)	95.3		96.8
	Unemployment Rate	(April)	6.1%	5.8%	6.0%
USA	CB Consumer Confidence Index	(April)	121.7	113.0	109.0
	Manufacturing Purchasing Managers Index	(April)	60.5		59.1
China	Manufacturing Purchasing Managers Index	(April)	51.1	51.7	51.9

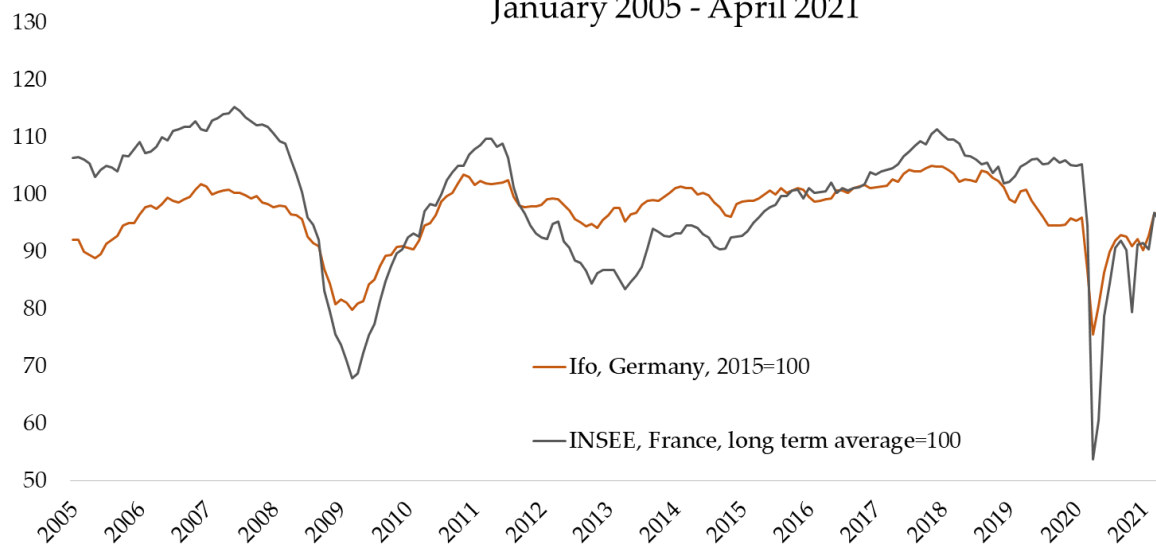
¹<https://www.cesifo-group.de/ifoHome/facts/Survey-Results/Business-Climate/>

²<http://www.insee.fr/en/themes/indicateur.asp?id=105>

The rest of the data source: <http://worldeconomiccalendar.com>

In Germany, the IFO business climate index increased slightly compared to March. The manufacturing purchasing manager index (PMI) decreased compared to previous period. Unemployment rate remained the same for Germany. The French INSEE business climate index decreased compared to last month. In the United States, the CB consumer confidence index demonstrated a significant increase compared to the month prior, and it performed better than expected. The manufacturing PMI increased compared to March in the USA. The unemployment rate has slightly increased compared to last month. The Chinese manufacturing PMI decreased compared to previous period.

Business confidence in Germany and France,
based on the Ifo and INSEE business climate survey,
January 2005 - April 2021



Sources: www.ifo.de, www.insee.fr

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