

Do the Public Employment Services reach non-employed youths?

A preliminary assessment for Hungary

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ABSTRACT

One of the prime objectives of the Youth Guarantee is to convince young persons not in education or employment to register as jobseekers. This is done such that they can benefit from the services that the YG provides, which is especially important for those with a vulnerable background. However, as we show in this report based on Labour Force Survey data, the Public Employment Services in Hungary have not been particularly successful in raising registration rates, and this is only partly due to having to work with young persons who are less motivated to search for a job. What is more, we show, based on matched administrative, as well as large-sample survey data, that there were large regional differences in registration rates of NEETs. This is especially salient when looking at registration rates at the level of local PES offices. While youth in more developed areas seem to need the services of the PES less, thanks to better labour market, there is considerable variation in the propensity to register as jobseeker across micro-regions. Relying on a survey of local PES offices, we also find that outreach efforts seem to be modest, and that commitment towards getting NEETs from a vulnerable background to register as jobseeker is mixed. In particular, building active links to a variety of local stakeholders working with youth is restricted, and a considerable portion of local PES do not think that it is their role to attract these youngsters. This is compounded by the lack of time and well-trained personnel in local PES offices.

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1. Introduction

One of the main objectives of the Youth Guarantee is to provide support to those young people who need it the most due to low educational attainment or long-term non-employment. However, these vulnerable young persons typically are disengaged and have low trust in public institutions. Hence, a vital first step is to convince these young persons to contact the Youth Guarantee implementing institution, which effectively means to register as jobseeker at the Public Employment Services. The Hungarian YG Implementation Plan pointed out “[the Youth Guarantee]...requires enhanced policy co-ordination and inter-sectoral co-operation involving networks of governmental and nongovernmental local services of public education, youth and social integration services to reach out effectively to NEET youth.”

In order to understand to what extent the outreach activities were effective, we will need to first map out which groups of NEETs have the highest registration propensity, and how the composition (and number of NEETs) evolved throughout the implementation of the Youth Guarantee. Naturally, those non-employed who would like to work, and especially those who are actively looking for a job are the ones who are the most interested in registering as jobseeker with the PES, as they would benefit from job offers. We find however that even among these groups, registration rates are relatively modest. Furthermore, as the implementation of the YG coincided with an ameliorating economic situation, and the number of NEETs closest to the labour market thus decreased, the PES faced an increasingly difficult task.

In order to further understand outreach, we will map regional differences in the registration rates of NEETs. If there is a large variation across regions, and it is not fully explained by the composition of NEETs and the state of the local labour market, then we can suspect that it is related to the variation in outreach activities and their effectiveness across regions. This is what we will map out using both survey data and linked administrative datasets. We can go beyond standard regional analysis at the NUTS2 level, since we have data at the micro-region (LAU1) level. Our analysis shows very large variations, a small part of which can be attributed to the composition of NEETs, and we find that in micro-regions with higher levels of development, a smaller portion of NEETs are registered as jobseekers. At the same time, we suspect that the implementation of the YG was far from universal, hence we carried out a survey of PES local labour offices about their outreach activities.

2. Institutional and Policy Context

2.1. Institutional Context

NFSZ (PES) is an executive agency of the government. It is responsible for the disbursement of insured unemployment benefit and the means-tested unemployment allowance. The NFSZ was integrated into the general government offices in 2015, both at the county (NUTS3) and micro-region (LAU1) level. The 152 local units report to county level NFSZ offices, which in turn report to three ministries (Economy, Interior and Human Capacities). The human resources and infrastructure of the PES network is controlled by the Prime Minister's Office, while the data system (supporting both policy makers and frontline staff) is under the supervision of the Ministry of Interior.

Governance of the PES is simultaneously centralized and fragmented. The effectiveness of PES services may be impaired by the overly complex allocation of responsibilities in that the core functions of the PES are supervised by the Ministry for National Economy, but public works are governed by the Ministry of Interior and rehabilitation services are controlled by the Ministry of Human Capacities. Accordingly, strategic management is divided between the different Ministries. The planning of ALMP measures supervised by the Ministry for National Economy is to some extent based on labour market forecasts and local needs and targets are negotiated between the county level and the ministry. In terms of the implementation of active measures and services, county level has some flexibility, but this typically is limited to how to combine active measures with services.

2.2. Policy Context

Hungary started the YG implementation gradually: from January 2015 the programme guaranteed an offer within 6 months for those who had been registered with PES for at least 6 months, starting from June 30 2016 it provided help within 4 months for those who had been registered for at least 4 months, and finally from January 2018 it guarantees an offer within 4 months for all NEETs. In 2015, there was also a staggered rollout strategy of the YG. More precisely: in the six regions where the financing of the programme relied on YEI/ESF funds, the programme started on the 1st of January 2015, while in Central Hungary, where a combination of national and ESF funding was used, the implementation started only after the 1st of October 2015.

It is important to point out that most funds were used for ALMPs, and services had a relatively small budget. One of the novelties of the national YG framework was to employ YG mentors. At the local level, they should contact the YG participants in order to convince them to participate in the YG, and then support them throughout their programme participation. However, regular mentoring was only launched in January 2017, and mentors had very little time to perform outreach activities. Similarly, very little financing was reserved for the promotion of the YG at the local level, some of this was done at the county level. In line with the initial goal of enrolling those who have been on the dole for a significant amount of time, there was not much attention devoted to outreach. Effectively, these activities were encouraged only starting in 2018, when the stock of young unemployed persons was significantly decreasing, partly due to economic growth.

It is worth mentioning the importance of the public works programme in the Hungarian context. This is essentially a workfare programme, giving access to an income higher than unemployment assistance, but lower than the minimum wage, and is essentially a dead-end. Prior to the introduction of the YG, in 2014, there were on average around 200 thousand participants, while there were on the order of 400 thousand registered unemployed nationwide. While the proportion of those on public works among young persons was much lower, it was non-negligible. As Molnár (2019) showed, the proportion of those below age 20 among entrants into public works programmes was above 10 percent in 2015-2016. Thus, due the fear was that young persons do not enter the YG (as well as youth not performing well in school and living in poverty dropping out of school to join a public works programme), in 2017 the government legislated that for those under age 25, public works can only be used as a last resort. The fact that a non-negligible portion of young persons is currently in a public works programme has some direct consequences on our estimates of the number of NEETs. In what follows, we will consider public works participants as employed, in line with the official definition.

3. Data and definitions

LABOUR FORCE SURVEY

The first dataset we use is the Labour Force Survey, which is collected by the Hungarian Central Statistical Office, in line with Eurostat regulations. This means that it contains questions on whether a person is registered as jobseeker at the PES (and whether they receive benefits). We will use all young persons age 16 – 29, and use standard definitions of NEETs. We use data from 2015-2019, to map the evolution NEETS

and their registration at the PES from the introduction of the YG to the most recent years. This survey is representative of the population at the NUTS2 region level, hence, we will use this disaggregation in most of our analysis. As is usual for LFS, the questionnaire also contains questions about why a person is currently not working/looking for a job, hence is useful for characterizing NEETs (beyond basic demographic trends).

MICRO-CENSUS, 2016

The Micro-Census is performed in-between Censuses by the Hungarian Central Statistical Office, and it represents a 10 percent random sample of the Hungarian population. This survey was performed in October 2016. This sampling strategy allows on to calculate basic indices at the level of LAU1 (which roughly corresponds to PES local office level). While the survey contains standard questions on economic activity, and thus we can calculate NEETs in line with the definition use in the LFS, it does not contain information about registration as jobseeker. Thus, this data will be used to calculate the number of NEETs (and their basic demographic distribution) at the PES local office level.

PES REGISTER DATA

We have access to a 50 percent sample of the PES register data (spell-level) for the period 2009-2017. We use this data to calculate the number of registered jobseekers at the local office (LAU1) level, along with their basic demographic characteristics. These definitions were harmonized with the ones for the Microcensus 2016. Given that our objective is to relate the Microcensus data to the PES register data, we calculated the stock of registered jobseekers for the 1st of October 2016. We only included those youth who had an active unemployment spell, meaning those whose spell was temporarily 'suspended' (this category is primarily composed of public works participants, while training participants are also part of this pool) were not counted as unemployed.

ADMINISTRATIVE DATA

In addition to the above-mentioned PES register data, we also have access to a number of other datasources (courtesy of the CERS Databank, as part of the 'Admin3' database). Of prime importance are (1) the social security (pension register) data and the (2) education register data. From the first, we have information on all those who are (legally) employed – hence, we have no information on those working in

the ‘black economy’. From the second, we know which young participated in formal training (provided by a recognised secondary or tertiary education institution). This latter means that we do not have information on those who participate in adult education, language education or similar courses (as these are typically provided by other types of institutions). Based on these pieces of data, we can provide an alternative estimate of the number of NEETs. Clearly, this number will provide an upper bound NEETs, due to the omission of the categories mentioned above, and who would count as working or in training based on survey data.

PES LOCAL OFFICE SURVEY DATA

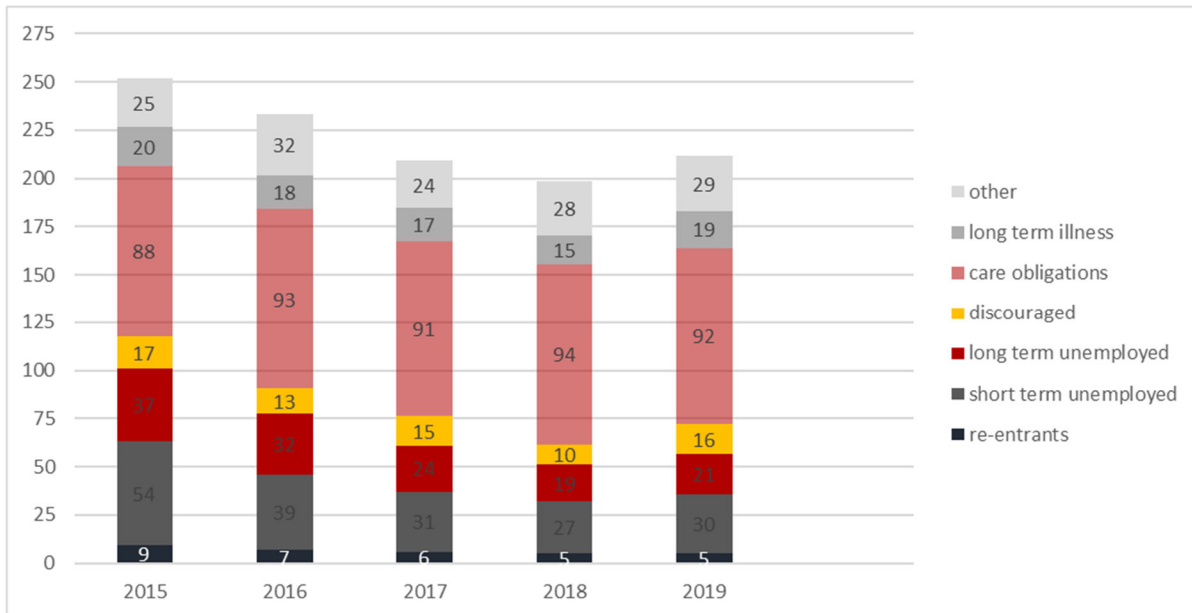
We collected data at the PES local office (as well as county office) level in June 2019. This was done via an internet survey (emailed to PES local office heads), and we had a response rate of 95 percent. The objective of this survey was three-fold. First, to obtain some information about what local offices are actually doing in terms of outreach to NEETs. Second, to obtain some information about their opinion of the importance of outreach to youths, and their attitudes towards it (including what hinders/helps outreach activities). Third, this survey was to elicit willingness to participate in an outreach experiment.

4. Evolution of the composition of NEETs and their registration propensity

THE NUMBER OF NEETS, CATEGORISED BY CLOSENESS TO THE LABOUR MARKET

In recent years, the number of young people not in education, employment or training (NEET) has decreased, and their composition has also changed significantly. Young people not in education, training or employment were divided into seven groups following a categorization recently used by (Mascherini–Ledermaier, 2016). Re-entrants who will soon start to study or work at a particular job, short-term unemployed looking for a job for less than 1 year and long-term unemployed looking for a job for over a year. Discouraged workers who want to work but are not actively looking for work because they think they will not find a relevant job. Those unavailable due to illness or disability who are not able to go to work because of their illness, while those unavailable due to family responsibilities who cannot work because they are typically caring for children or other family members. The other category includes everyone who could not be classified in the above groups due to lack of data or for other reasons.

Figure 1: Evolution of number of NEETs between 2015-2019, by distance from labour market (thousand persons)



It can be clearly seen that the recovery from the crisis and the increasing demand for labour have absorbed those unemployed youth who were relatively close to the labour market. The number of short-term unemployed has nearly halved in five years, and their proportion fell from 20 to 14 percent of all NEETS. Similarly, the number of long-term unemployed has also fallen, and they represented only around 10 percent of NEETS in 2019. By contrast, the number of young persons who were not looking for a job was relatively stable. This means that those furthest from the labour market (those who would not like to or not able to work) represented more than two-thirds of NEETS in 2019.

Registration as jobseeker among NEETs is rather low and has also been falling in the past five years: it fell from around one-third, to close to one-in-five. Registration as jobseeker at the PES also varies significantly with this simple measure of closeness to the labour market, see in the table above. Registration tends to be higher in groups who want to work and/or also looking actively for a job, while (not surprisingly) registration is very low in other groups. It is worth noting that the registration rate among discouraged workers is also relatively high, close to fifty percent. Indeed, two processes seem to be driving the fall in registration rate. First, that the proportion of those furthest from the labour market has risen; second, that registration among those closest to the labour market has decreased.

Table 1: Descriptive evidence on registration rates by distance from labour market

	2015	2019
<i>Distance from labour market</i>		
Waits for a recall	53	43
ST unemployed	74	56
LT unemployed	53	63
Discouraged	46	49
Long-term ill	10	2
Care obligations	3	3
Other	15	11
Total	32	22

DOES JOB SEARCH AND PES REGISTRATION MATTER?

It begs the question whether the categories used above are meaningful in the case of youth, thus we analyse to what extent job search and motivation are conducive to job finding. Furthermore, we look at the correlation between being a registered jobseeker and job finding. We perform an analysis similar to the work of Micklewright–Nagy (1999), we used Labour Force Survey individual data from 2015 to 2018 to investigate the factors that influence the employment prospects of 15–29-year-old NEETs. Thus, we use the rotating panel structure of the LFS in order to estimate survival models, using an inflow sample (note that have at most six quarters available for each individual). As output variable we used the time until exiting the NEET status, and we controlled for - among others- level of education, age, gender, region, and quarter. Leaving NEET status to study has not been taken into account here.

In addition to labour demand and individual motivation, help from the public employment services can also shorten the duration of job search through providing jobseekers with specific job offers, training or advice to improve the effectiveness of individual job search. Identifying the causal effect is difficult because there is a two-way relationship: registration can improve the efficiency of job search, but registration itself can be a step towards job search. Therefore, our analysis is descriptive: in survival models, we estimated how motivation and job search affect the length of time to return to work or return to school. The results are shown in the table below.

Table 2: Correlation of various factors with the time until exit from NEET status to employment and to education, 2015–2018

	Exit to employment	Exit to further education
Wants to work, not seeking a job actively, not available	0.6480 (0.2348)	1.0878 (0.2157)
Wants to work, not seeking a job actively, available	2.4735*** (0.3800)	0.6922 (0.1800)
Wants to work and actively seeks a job	2.8805*** (0.3943)	0.9875 (0.2084)
Re-entrant	3.6825*** (0.8888)	1.0715 (0.5595)
Age	1.0687*** (0.01386)	0.8356*** (0.01597)
Registered jobseeker in the previous period	1.0970 (0.1432)	0.4887*** (0.1236)
Vocational education	1.4640*** (0.1763)	0.5450*** (0.1169)
High school leaving certificate or further education	1.1800 (0.1289)	1.4030*** (0.1742)
Female	0.8537* (0.08042)	1.1870* (0.1227)
Constant	0.002385*** (0.001253)	0.4294 (0.2977)
Number of observations	2,578	2,452

Note: Coefficients express the effect on the logarithm of the odds ratio. Coefficients greater than 1 mean that this factor speeds up the placement process, while factors with a coefficient less than 1 impede it.

***Significant at a 1 per cent, **5 per cent, *10 per cent level.

Source: own calculation from LFS data.

When looking at those who entered employment, not only the life situation, but also the self-reported willingness to work has a significant explanatory effect. Those who are available to work within two weeks will find a job significantly faster, even if they did not actively seek job opportunities in the previous year quarter. Thus, while it is clear that wanting to work and availability are very strong determinants of job finding, active job search is not such an important factor. Not surprisingly, those waiting for a call-back (or recall) spend significantly less time in non-employment than other groups. However, contacting the employment office does not significantly reduce the duration of job search.

Table 3: Relationship between motivational factors and registration with time until exit from NEET status to employment, 2015–2018

	Wants to work	Does not want to work	Wants to work and actively seeks a job	Wants to work but does not actively seek a job
Registered jobseeker in the previous period	1.3582** (0.1812)	1.2549 (0.6490)	0.9139 (0.1654)	1.9937*** (0.4319)
Number of observations	934	1,644	529	405

Note: Coefficients express the effect on the logarithm of the odds ratio. Coefficients greater than 1 mean that this factor speeds up the placement process, while factors with a coefficient less than 1 impede it.

*** Significant at 1 percent, ** 5 percent, * 10 percent level.

Source: own calculation from LFS data.

The role of the public employment services may be different for certain groups of young people not in education or training. Examining separately the groups created based on motivation, we find that registration with PES significantly reduces the duration of the NEET status for those who want to work but are not actively searching for a job themselves. This implies that the support of the employment services is not particularly helpful for those who are able to look for a job on their own, while those who themselves are not seeking employment for some reason may be activated by the help of PES.

5. Regional variation in registration propensity

In this section, we will analyse variation in registration propensity first across NUTS2 regions (based on LFS data), then at the micro-region level (by using a combination of data sources). The first analysis is useful, as it can serve as basis for cross-country comparisons, while the second goes closer to the actual performance of local labour offices. It needs to be noted however that the propensity for youths to register as unemployed clearly depends on the job opportunities which can be found without the intermediation of the PES, that can vary largely with the structure of the local labour demand. Furthermore, it is not clear whether all local offices can use the same level of resources (both financial and personnel), as the number of NEETs does not factor into the distribution of these.

ANALYSIS AT THE REGIONAL LEVEL

We will first examine the seven NUTS2 regions of Hungary, using the categorization of NEETs similar to the above. For simplicity, we aggregated finer categories into two major categories based on distance from the labour market – based on the results of outflows from NEET status. We define ‘closer’ as those who would like to and are available for work, while all others are classified as ‘further’ from the labour market.¹

We need to note that there is a clear ranking of regions by economic development and labour market between the different regions, with Central Hungary being the most developed, Central and Western Transdanubia somewhat less developed, Southern Transdanubia and Southern Great Plains in significantly worse position, and Northern Hungary and the Northern Great Plain being even less developed. As it can be seen in the table below, the proportion of those furthest away from the labour market among NEETs is around 75 percent in the three most developed regions; while there is some variation in the four less developed regions. What is most notable is that there are huge differences in registration rates across regions even within distance from labour market categories. For instance, the registration rate is as low as 12 percent among those wanting to work in Central Hungary (the most developed region), and it is as high as 72 percent in Northern Great Plains (the least developed region).

Table 4: Descriptive evidence on registration rates by region (2019)

<i>Region</i>	Far from the LM (%)	Registration, close to LM (%)	Registration, far from LM (%)	Unemployment rate	GDP/head (million HUF/month)
Central Hungary	76	12	1	2.9	6.0
Central Transdanubia	76	33	2	4.1	3.6
Western Transdanubia	75	28	2	3.2	4.1
Southern Transdanubia	62	63	11	9.1	2.6
Northern Hungary	60	67	11	12.2	2.6
Northern Great Plain	57	72	6	10.7	2.5
Southern Great Plain	67	47	2	6.1	2.8

Source: own calculation from LFS data, Hungarian Central Statistical Office data.

In order to obtain estimates of registration propensities, we performed a regression analysis at the individual level. We ran linear regressions of whether a NEET was registered on their labour market status

¹ This means that short- and long-term unemployed, labour market re-entrants, and discouraged workers are classified as ‘closer to the labour market’.

(the seven categories mentioned above), as well as a host of individual-level controls, along with region dummies. In the first column, we display results without any controls, while in the second column, we show the results with the individual controls. Comparing these two columns, we can see that the aggregate differences across regions is partly due to differences in composition of NEETs. However, the registration rate is still 20-23 percentage points higher in the three least developed regions than in Central Hungary.

Table 5: Regression analysis of regional differences in registration rates

<i>Region</i>	<i>No controls</i>		<i>Full controls</i>	
	Coefficient	Standard error	Coefficient	Standard error
Central Hungary	-	-	-	-
Central Transdanubia	0.063	0.022	0.061	0.025
Western Transdanubia	0.055	0.028	0.047	0.030
Southern Transdanubia	0.273	0.037	0.206	0.031
Northern Hungary	0.300	0.029	0.233	0.028
Northern Great Plain	0.309	0.027	0.222	0.025
Southern Great Plain	0.134	0.028	0.083	0.025

Note: Coefficients effect on registration. The reference category is Central Hungary. In the full controls model, we include gender, schooling, age and job search motivation. Source: own calculation from LFS data.

ANALYSIS AT THE MICRO-REGION LEVEL

As mentioned previously, we also have estimates of the number of NEETs at the micro-region (LAU1) level which corresponds roughly to the jurisdiction of local labour offices. We collected the demographic characteristics of NEETs at the micro-region level, classifying them into eight categories based on gender, age and level of schooling. We use data from the unemployment register at the same level of disaggregation, and by dividing the number of registered unemployed by the estimated number of NEETs, we obtained an estimate of the registration propensity at micro-region level.

In the next step, we estimated regression models of registration propensity, in order to take into account the differing demographic composition of NEETs, along micro-region fixed effects. We use these estimated effects to describe the regional variation in registration propensity. Indeed, there are very large differences across micro-regions, with the 10th percentile slightly below one-in-four and the 90th percentile at two-thirds. Not only in the tail of the distribution are there are large differences: at the 25th percentile of micro-regions, only one in three NEETs are registered as jobseekers at the PES, while at the 75th percentile 52 percent of NEETs are in contact with the local labour office. We also found that the demographic composition of NEETs explains very little of the variation in registration rates. While it seems that relating

an index of development, registration propensity of NEETs is higher in less developed micro-regions, which might be due to the fact that there is a larger need for the services of the PES in these regions.

Table 6: Number of micro-regions, by counties and by registration quintiles

County	Registration quintiles					Average registration rate
	1 st	2 nd	3 rd	4 th	5 th	
Baranya	0	0	1	1	5	61
Bács-Kiskun	1	3	4	2	1	46
Békés	0	0	4	2	3	61
Borsod-Abaúj-Zemplén	0	0	3	6	6	59
Csongrád	1	4	1	0	1	44
Fejér	5	2	1	0	0	31
Győr-Moson-Sopron	4	0	0	0	1	38
Hajdú-Bihar	5	0	3	5	2	36
Heves	0	3	1	2	0	42
Jász-Nagykun-Szolnok	4	3	0	0	0	29
Komárom-Esztergom	0	0	3	2	1	49
Nógrád	6	1	0	1	3	41
Pest	1	2	1	2	2	45
Somogy	0	0	3	3	4	55
Szabolcs-Szatmár-Bereg	0	0	3	4	1	53
Tolna	1	0	2	1	1	44
Vas	1	5	0	0	1	41
Veszprém	2	8	0	0	0	33
Zala	2	1	2	1	0	34

Source: own calculation based on Micro-census data (2016). Budapest is not included in the calculations.

After having obtained the estimated registration propensities, for convenience, we assigned micro-regions into five quintiles. In the table above, we show the distribution of micro-regions by county (NUTS3 regions) and estimated registration propensity quintile. We can see from the table above that while counties (the level at which PES have some very limited autonomy) have some explanatory power for the tendency to be in contact with the PES offices, there is also significant variation within counties.

In addition to the main results above, we also examined the number of estimated NEETs and their registration rate using administrative data. As previously noted, the number of NEETs is significantly higher based on administrative as opposed to survey data. In the median district, the number of NEETs is estimated to be 445 persons based on the Microcensus, while it is 560 using the administrative data.

Accordingly, the median registration rate is only 23 percent using the second datasource, while it is 37 percent based on the survey data. However, the overall pattern of registration rates and their regional variation is very similar using the two different data sources, this can be found in the Appendix.

6. Outreach activities of PES local offices: first results from a survey

We will not provide a full analysis of the PES local office survey, but we will outline some of the most relevant points we will use when designing our outreach experiment.

First: the local PES offices (henceforth: LO) put only a moderate effort into promoting the Youth Guarantee among inactive youths in events which were outside education. About 40 percent of LOs barely promoted the YG (up to 2 times per year); a further 30 percent participated in 3-5 events in the past year. Thus, only 30 percent of the LOs had regular promotion activities (every 1-2 months) outside of school events. However, inactive youth was the target group of these activities in no more than 55 percent of these events.

The promotion of the YG is also fairly limited through secondary education institutions. One-third of LOs had no such promotion activities; one-third had only a couple of such events, and only one-third regularly organised events at secondary education more regularly. It is worth pointing out that these events do not typically target students from a vulnerable background (disadvantaged, those at risk of dropping out etc.). The proportion of vulnerable students as a determining factor in the choice of schools was mentioned only in one-fifth of LOs, and it is even rarer to devote additional attention to such students in a given school (it was mentioned only in 10 percent of responses). Indeed, most of the initiative for organising events at secondary education institutions comes from the directors/teachers, not the PES.

Third: while the local printed (or online) press was used by more than half of LOs, more personalised promotion is rare. It is not surprising that LO employees (who are public servants) do not use their own personal ties (including social media) for popularising the YG. What is much more disheartening is that local youth mentors often do not engage in outreach and promotion. While more than two-third of LOs consider that this would be part of mentors' role, in reality, only in one-fourth of LOs do they actually have time for such activities.

Fourth, regular interaction with local stakeholders, which would allow for exchange of information and timely response to reach out to vulnerable NEETs is not widespread. While two-thirds of LOs have a

meeting with at least four stakeholders (at least) once a year, but only one-third of LOs has such contact with a wide array of stakeholders (at least eight different types of stakeholders). When considering regular, quarterly contact, we found that less than half of LOs have such connections to more than two organisations, and only one-fourth has such regular interaction with at least four types of stakeholders. LOs have the most intensive contact with organisation responsible for public works programmes, as well as with vocational secondary education institutions. Contact is much less regular with local family and social care centres, with local (social) NGOs, with the (Roma) Minority Nationality Self-government and the leaders of local cultural institutions (such as libraries), typically around one-fourth of the LOs has regular contact with these stakeholders. Many LOs have more sporadic contact with other local stakeholders, and it is reassuring that in close to half of LOs information exchange is about contact to inactive NEETs (among other things).

Fifth, it is worth noting that local employment counsellors' (YG administrators') opinions about the YG and reaching out to vulnerable youths is far from uniform. While more than 75 percent agreed that it would be important to engage more young persons into the YG, or that it is very important to reach out to (disengaged) inactive youths, they also pointed out that LOs capacities are limited. By contrast it is rather discouraging that more than 40 percent of LOs think that such activities is primarily the responsibility of other organisations (not the PES).

Finally, 70 percent of LOs think that it is due to capacity constraints that they cannot engage in outreach to NEETs. This does not simply mean the lack of time, but also the lack of well-trained personnel. By contrast, relying on local stakeholders for outreach is not limited by potential partners' attitudes, as only 15 percent of LOs affirmed that lack of openness on the part of local stakeholders is a limiting factor. By contrast, it seems that the exchange of information between local partners is limited, as it is a problem for 75 percent of LOs that they have limited information about the number of (and contact to) inactive NEETs. Furthermore, around 40 percent of LOs are not cogent of which local stakeholders would be best suited for co-operation in order to reach out to NEETs, and one-third of LOs also affirm that they need further training in how to perform outreach activities.

7. Conclusion

Our analysis revealed a few key points. First, that the overall performance of the PES in Hungary in terms of outreach is rather lacklustre. This is partly due to the fact that an increasing proportion of NEETs are rather far from the labour market, with no wish to start working in the near future (with a sizeable proportion

being mothers with young children). However, even among those wanting to work, the proportion registered as jobseekers is not particularly high. Second, there is large regional variation in the proportion of NEETs registered as jobseekers, and while some of these differences can be attributed to the composition of NEETs, we can suspect that they are also related to the outreach efforts of the local PES offices. Third, using novel survey evidence, we document that some PES local offices have only a limited outreach activity, with limited promotion outside of secondary education institutions, and having a rather restricted interaction with local stakeholders in other sectors (such as social NGOs).

What remains to be analysed is the relationship between outreach activities and registration propensity of NEETs at the micro-region level. On the one hand, we have rich data on the local context, and extensive information on the activities of local Los. On the other hand, our data on the composition of NEETs at the local level is rather limited and can suffer from measurement error. Furthermore this analysis will not be able to establish causal relationships, especially since the data on registration rates pre-dates the survey about the outreach activities.

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Appendix

Table A1 2 Registration of NEET youths (2016), by county and data source (%)

County	Micro-census			Administrative data		
	P25	P50	P75	P25	P50	P75
Baranya	44	55	59	25	29	34
Bács-Kiskun	30	37	42	20	21	23
Békés	42	48	54	23	27	33
BAZ	43	51	59	31	36	39
Csongrád	19	32	34	12	19	23
Fejér	17	20	26	10	13	17
Győr-Moson	10	12	26	4	8	9
Hajdú-Bihar	41	48	54	30	33	37
Heves	29	38	52	21	25	31
Jász-Nagykun	16	38	62	15	23	38
Komárom-Esztergom	15	17	20	6	9	11
Nógrád	18	30	51	9	16	30
Pest	46	50	56	35	40	41
Somogy	39	42	52	27	29	39
Szabolcs-Szatmár	21	28	45	11	14	32
Tolna	34	42	46	21	23	25
Vas	21	27	28	9	13	15
Veszprém	20	25	31	12	13	15
Zala	32	33	35	16	21	23

Registered jobseekers/NEETs, percent. P25= the registration rate at the 25th percentile within a given county; P50= median registration rate, within county; P75= 75th percentile of registration rate, within county.

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