

Outreach to vulnerable youths within the Youth Guarantee

A note on implementation at the local level: the case of Hungary

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ABSTRACT

One of the prime objectives of the reinforced Youth Guarantee is to engage vulnerable young persons, and to encourage them to register as jobseekers. We show that this declared objective was hardly met in Hungary, and we also show that the effort devoted to outreach activities was rather limited. We also show how these efforts varied across local employment offices (regions), highlighting the role of these actors in implementing policies. Our article uses a wealth of data: a combination of administrative and survey data of young persons, as well as a specifically designed survey on activities undertaken as well as the attitudes and beliefs of local office personnel administered in 2019.

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1. Introduction

The Youth Guarantee (YG) reached and helped over 30 million young people across the EU between 2015 and 2021. However, it has become evident that large groups of non-employed youth have not been able to benefit from the YG, as early evaluations of the YG's implementation have reported that the public employment services (PES) were struggling to reach young people with vulnerable backgrounds.

In this paper, we present descriptive evidence on outreach efforts and NEET registration rates for Hungary, one of the EU Member States where the YG reaches relatively few NEETs – around one-third of them registered as jobseekers which is lower than the average of the EU at 40%. Our objective is fourfold. First, to call attention to the fact that registration rates vary largely at the micro-regional level. Second, to document which pertinent local characteristics are correlated with high registration rates. Third, to illustrate that even in a Public Employment Service with a relatively centralised governance structure, there are large variations in not only the views of staff with regards to NEETs, but also in efforts devoted to outreach.

The novelty of this paper stems from the uniqueness of the data used, including linked administrative databases, large representative household surveys as well as a custom-made survey of PES local offices, all of which can be linked at the micro-region level. This allows us to map local (regional) differences in the implementation of the YG, as well as beliefs and opinions across street-level bureaucrats.

2. Institutional and Policy 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 reported 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 planning of ALMP measures was supervised by the Ministry for National Economy and was 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.

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.¹ Throughout the implementation of the YG, the Hungarian authorities did not expand the age limit, hence we will only consider young persons under age 25. It is important to point out that most funds were used for ALMPs, and services had a relatively small budget. Similarly, hardly any funds were reserved for the promotion of the YG at the local level, some of this was done at the county level. Effectively, outreach activities were encouraged only starting in 2018, when the stock of young unemployed persons was significantly decreasing.

3. Data and definitions

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 definitions of ILO, 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.

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 Micro-census 2016. Given that our objective is to relate the Micro-census data to the PES register data, we calculated the stock of registered jobseekers for the 1st of October 2016. With these two datasets at hand, we can calculate the micro region (LAU1) level registration rates of NEETs.

¹ It is worth mentioning out the importance of the public works programme (a workfare programme) in the Hungarian context. While the proportion of public works participants was significantly lower among young persons, the implementation of the YG led to the government legislating in 2017 that for those under age 25, public works can only be used as a last resort. In what follows, we will consider public works participants as employed, in line with the official definition (despite it being employment on the secondary labour market).

We collected data at the PES local office level in June 2019.² This was done via an internet survey: we emailed to PES local office heads, and asked them to let personnel most directly involved with implementing the YG fill the survey, and we had a response rate of over 90 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, as well as on the number of frontline personnel. 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.

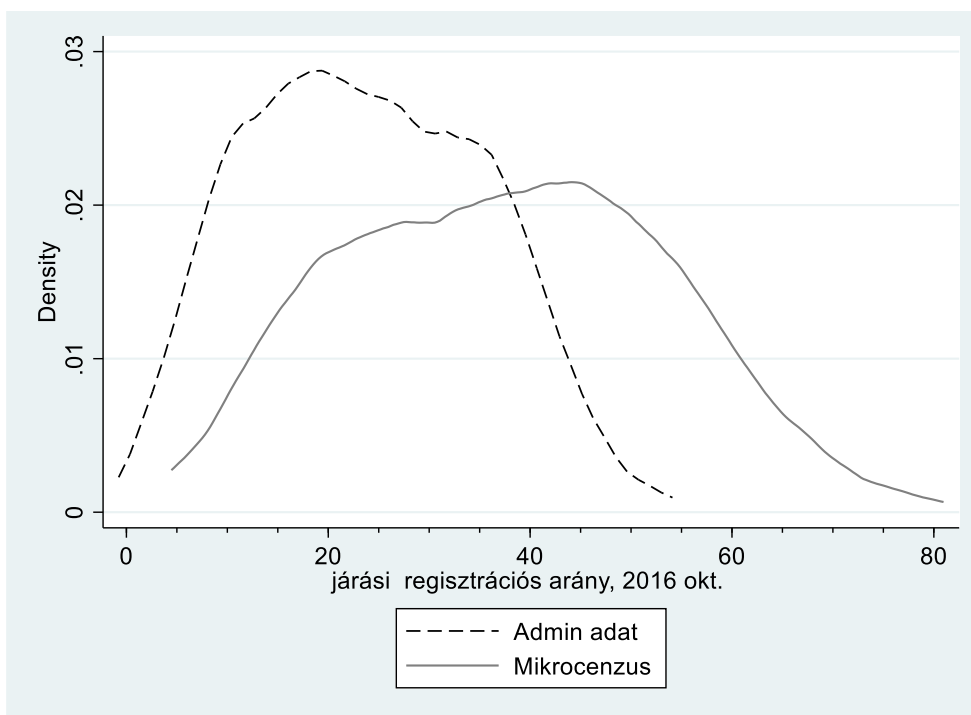
² It is important to note that we cannot attribute any causal interpretation to the correlation between registration rates and local office activities/attitudes, since the first set of data pre-dates the second one.

4. Variation in registration rates

We first present the variability of registration rates across micro-regions, where we take into account the differing population size of the micro-regions.³

As it can be seen from the Figure 1 below, there was a variation in registration propensity of NEETs. Indeed the difference between the 10th percentile and the 90th percentile is 35 percentage points, and the interquartile range is almost 25 percentage points.

Figure 1: Variation in registration rates across micro regions



We continue by discussing patterns of registration propensities, first by pointing out that variation in registration propensity is in part explained by differences across counties (NUTS3 regions). As much as 60 percent of the variability of registration rates is due this factor, which might be a sign that the regional PES leadership might be important for determining the success of outreach. The second pertinent feature of registration rates is the negative correlation with levels of development. This might be interpreted that as in less developed micro-regions, there are fewer job opportunities, young persons need the help of PES more. However, it is worth pointing out that this negative correlation between development and

³ It is worth noting the large variation in the size of the NEET population across micro-regions. The 5th percentile is 408; the 50th percentile is 1037; while the 95th percentile is 2981.

registration rates is relatively weak: moving from the 5th percentile to the 50th percentile of the development distribution would lead to a decrease of around 5 percentage points in registration rates.⁴

Second, there is a large variation across PES local offices in staff numbers: we asked for the number of counsellors involved with serving young persons⁵. This has a weak positive association with the size of the NEET pool size, as well as with the registration rate of NEETs. However, this latter association is not statistically significant, as it is partly due to differences between counties.

5. PES local offices' activities

This section is devoted to first presenting the various forms through which PES local offices could promote the YG, including not only their own activities, but also LLO's broader network. Then, we go on to discuss the differences in PES youth counsellors attitudes and beliefs.

We gathered data on how PES promoted the YG in events to two different groups of youth: (a) those still in education and (b) those for a wider public (who have left education).

The promotion of the YG is also fairly limited through secondary education institutions. One-third of LLOs 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: this is an influencing factor in the choice of schools was mentioned only in one-fifth of LLOs; indeed, most of the initiative for organising events at secondary education institutions comes from the directors/teachers, not the PES.⁶

The local PES offices 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 about 30 percent of the LLOs had regular promotion activities (every 1-2 months) outside of school events. However, inactive

⁴ Please note that we find very similar results if we control for the composition of NEETs in terms of main observables (gender, education, age).

⁵ Please note that this is not strictly speaking those who are employed as part of YG staff, and pls also note that this is self-reported by the heads of LLOs.

⁶ There is a positive association between the development of the micro-region and the intensity of promotion activities in schools, which is likely also due to the fact that in these regions, there are more education institutions present.

youth was the target group of these activities in no more than 55 percent of these events. We can note that the intensity of promotion through these different fora is positively correlated with each-other.

While the above promotion events might require substantial effort to organise, but the outlook is not much more positive when we look at alternative promotion channels. 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 mentors⁷ 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.

An alternative to the outreach activities directly performed by PES, 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 LLOs have a meeting with at least four stakeholders (at least) once a year, but only one-third of LLOs 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 LLOs 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 LLOs have more sporadic contact with other local stakeholders, and it is reassuring that in close to half of LLOs information exchange is about contact to inactive NEETs (among other things).

EMPLOYMENT COUNSELLORS ATTITUDES AND OPINIONS

We asked survey participants to express their opinions on a five-point Likert scale on (a) what they consider as barriers to effective outreach; (b) their view on the effectiveness of alternative practices; and (c) their general opinions about the role of PES in reaching out to young NEETs. It is worth noting that local employment counsellors' (YG administrators') opinions about the YG and reaching out to vulnerable youths

⁷ YG mentors was a new feature: they should support young persons throughout their programme participation. However, regular mentoring was only launched in January 2017, and mentors had very little time to perform outreach activities.

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 points 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).

There are considerable differences in what LOs consider efficient in reaching out to young people. It is worth noting that there is a small minority (around 10 percent) of counsellors who overall have rather mixed views about outreach methods' effectiveness, however, the rest of respondents are positive. Notably, co-operation with local partners is considered the most effective, close to 80 percent of counsellors consider this mostly or very beneficial. By contrast, only one-third of counsellors hold the view that going to festivals and other youth events is beneficial.⁸

Finally, 70 percent of LLOs 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 LLOs 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 LLOs that they have limited information about the number of (and contact to) inactive NEETs. Furthermore, around 40 percent of LLOs 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 LLOs also affirm that they need further training in how to perform outreach activities.

6. Conclusion

This research note reported on the implementation of outreach activities to vulnerable jobseekers withing the Youth Guarantee in Hungary. Our results raise two points which are noteworthy to policymakers. First, that there is a large variation across local PES offices in the effectiveness of reaching out to young persons, as well as counsellors beliefs and attitudes. This implies that (a) more evidence needs to be collected on *why* some local offices are able to reach more NEETs than others; (b) more effort needs to be devoted on information exchange, especially to ensure that all local offices have the same understanding. Second, that the reinforced Youth Guarantee puts large emphasis on co-operation with local stakeholders, which is well

⁸ We need to note however, that there is no clear association between registration rates at the micro-region level and the views and opinions expressed by counsellors. It has to be kept in mind that the data on registration rates pre-dates the survey by 2.5 years.

accepted by local offices. However, they will need more support on how to maintain contacts effectively, as there is large variation in how they approach this task.

Appendix

After having obtained the estimated registration propensities, for convenience, we assigned micro-regions into five quantiles. In the table above, we show the distribution of micro-regions by county (NUTS3 regions) and estimated registration propensity quantile. 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.

Appendix Table 1: Number of micro-regions, by counties and by registration quintiles

County	Registration quantiles					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.

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