

How can Public Employment Services act to reach NEETs?

A comparative report of four countries

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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. Indeed, early evaluations of the YG's implementation have reported that the public employment services (PES) were struggling to reach young people with vulnerable backgrounds. The upgraded YG, called the 'Bridge to Jobs', calls for raising awareness about the YG, and for stepping up outreach to vulnerable groups. These efforts can be considered essential to the effectiveness of the YG, as previous studies have shown these groups of young people are among those who stand to benefit the most from the services and measures that the PES can offer.

The purpose of this policy paper is to first call attention to the lack of outreach to vulnerable youth by focusing on the experiences of four European countries (Spain, Hungary, Italy, and Poland). We also show why the PES might not make sufficient efforts to incentivise vulnerable young people to register as jobseekers. Addressing this question can inform policymakers about potential paths to increasing registration levels among youth. We also 'profile' non-registered NEETs based on a variety of statistical analyses, which are informative about young persons' obstacles to registration.

Our second goal is to summarize the results of three experiments conducted in Hungary, Poland and Spain, which all aimed to increase NEETs' registration as jobseekers. While the approach in Hungary was indirect, as it targeted PES local offices, a more direct route of informing NEETs was pursued in the two other experiments. Although we were not able to measure significant increase in registration rates, the experiments contribute to the understanding of (i) why NEETs might not be willing to contact the PES, and (ii) what difficulties PES experience when trying to reach out to NEETs.

The final goal of this paper is to provide some general recommendations on what might be effective ways of reaching NEETs, in light of the results (and difficulties encountered) in the experiments, as well as the detailed statistical analysis performed.

2. NEETs and PES, a mutable connection

2.1. Registration rates: the basic figures

The proportion of NEETs who reported being registered as unemployed in 2019 was relatively high (slightly above 50%) in Spain. However, in Hungary, Italy, and Poland, only one in four (or fewer) NEETs indicated they were in contact with the PES in 2019. This gap can be explained in part by the relatively high proportion of young NEETs in Spain who were actively looking for a job, as such individuals were more likely to seek the help of the PES. However, we can also see that even within this group of young NEETs who were closest to the labour market, sizeable shares were not in contact with the PES. Providing support to these groups could prevent them from further disengaging from the labour market, and improve the effectiveness of the YG.

There is one group in particular, that seems to be a relatively obvious first target group for the PES' activities: namely, the group of young people who are inactive but want to work, as their registration rate tends to be below one in three. These young people typically think that there are no jobs available that match their skills. Clearly, these individuals would benefit from receiving more information about other jobs that might be of interest to them, or from having access to upskilling or a mentor to motivate them – all of which are available through the Youth Guarantee.

Those young people who say they currently do not want to work should also be viewed as potential PES clients. A very sizeable group of NEETs (especially in Poland and Hungary) is composed of mothers who are looking after their young children, and are likely to return to the labour market at a later stage. While these young people are currently almost completely outside of the scope of the PES' activities, the PES can nonetheless consider offering them services and training, especially if they have low education, to prepare them for a future job search, and to help them avoid long-term unemployment or inactivity.

While the main determinant of registration with the PES is job search motivation, there are sizeable regional differences in all four countries.¹ In Spain, the regional registration rate among NEETs varies from 25% to 45% for the inactive, and from 60% to 85% for the unemployed. Clearly, part of the motivation for young persons to register at the PES comes from the (financial) benefits associated. We found some

¹ It is worth noting that in most countries, one is not able to estimate NEET numbers at finer levels of disaggregation than the NUTS2 regions, which are available in the Labour Force Surveys.

evidence for this phenomenon in Spain², as regions where more inactive young persons report receiving social benefits are also the ones where more of them are registered with the PES. In Poland, the overall regional registration rates vary between 20% and 40%.

In Hungary, it was possible to estimate registration rates of NEETs at a low level of disaggregation, the district (LAU1) level, albeit this is based on data from 2016. The registration rate does not exceed 25% in the bottom quarter of districts, while it is above 50% in the top quarter of districts. Although some of these differences can be attributed to the composition of the NEET population (in other words, that NEETs differ in job search motivation or education across regions), there seem to be other factors at play. One pertinent association we found in Hungary is that a higher proportion of young persons are in contact with the PES in less developed micro-regions. This is likely indicative of the fact that where there are more job opportunities which can be accessed without support (such as in more developed micro-regions), young persons have a lower incentive to contact the local labour offices.

There do seem to be other factors, such as the relative importance of informal and formal job search channels associated with registration as jobseekers. In Italy, there are marked differences across regions: in the North both the PES and other private employment agencies play a significant role in young persons job search. By contrast, in the South, the role of these intermediaries is dwarfed by the role of acquaintances and relatives in job search – as young persons are three times as likely to use the latter channels to look for a job than public or private employment agencies.

2.2. What do PES do on the ground?

Among the reasons why young people do not register with the PES are barriers related to their attitudes and motivations, such as low trust in public institutions, fear of the stigma of being officially registered as unemployed, the perception that the programmes the PES offer are of poor quality, or simply limited knowledge about the PES. However, there are also barriers to registration related to the inadequacy of the PES' efforts. Employment offices face difficulties in identifying and approaching unregistered NEETs, and in mapping local stakeholders and establishing cooperation with them. When the services offered are not tailored to the needs of various NEET subgroups, the young people in these groups who register as unemployed often do so mainly for administrative reasons, and to gain access to passive entitlements. A

² In Spain, there are sizeable differences across regions in the level of minimum income benefits, in contrast to the three other countries.

lack of incentives and the insufficient capacity of PES staff to develop outreach strategies can also lead to low rates of registration.

Indeed, it is difficult to rule out that the fact that many NEETs fail to register as jobseekers has less to do with their lack of motivation to return to the labour market in the close future, but rather with the mediocre outreach efforts of PES. One hint supporting this is the large regional (and micro-regional) variation in registration rates: It is difficult to rule out that above and beyond differences in young persons' attitudes, their background characteristics and the state of the labour market, one of the further important determinant of registration rates is the activity of the PES local and regional offices.

We have circumstantial evidence on PES outreach effort both from surveys of young persons, as well as from questionnaires administered to local labour offices. Data from the Italian Labour Force Survey shows that close to 80 percent of young persons' contacts with the PES are for administrative reasons, which means that the active counterpart of the service is viable in a minority of cases. Analysis of university students' data in the Basque Country (ES) also demonstrates that only those who have previously worked and those who have received a mandatory course on job search strategies (as part of their earlier education) have a high propensity to be in contact with the PES, but other tertiary education students have close to no connection to the PES.

The results of two surveys carried out in Poland and Hungary in 2019-2020 indicate that the outreach activities of local PES offices are rather limited, and that the PES have little interaction with local stakeholders in related sectors (such as social NGOs).

Cooperation with schools exists, but is not formalised. Cooperation with teachers would allow the PES to find at-risk individuals, and to provide them with advice and guidance before they become disconnected from the labour market. Most of the PES in Poland and Hungary send employees to visit the public schools, and to meet students. It seems to be the case that it is the schools themselves who contact the local labour offices to organise such events, rather than the PES proactively seeking out promotion activities. The PES staff tend to focus on the most motivated students who are about to enter the labour market, and those who are finishing secondary vocational education (who are sought after by firms). PES hardly ever report that they would seek out schools with high dropout rates or would make an effort to contact students who are struggling. In such cases, the most disadvantaged students may be left behind. Only a handful of employment offices exchange data with schools and track the school-to-work transition of dropouts or of individuals from less favourable environments.

While the PES staff do venture 'outside the office', they often do so only to attend certain events. More often than not, these are education and job fairs, that have been traditionally co-organised by PES. More

rarely, PES do to participate in various types of local (cultural or sports) events to promote the YG. These activities are usually held once or twice a year. Yet again, participation at such events (especially education and job fairs) likely depends on pre-existing motivation of young persons, and hence is unlikely to reach vulnerable youngsters. The PES rarely use mobile or stationary counselling points that would allow them to provide information and services to youth living in remote areas. There are no efforts to approach at-risk individuals in places where they usually meet, such as clubs, shopping malls, streets, or their homes (street social work).

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. The PES meet with local stakeholders, but joint projects are rare. Local stakeholders, such as grassroots NGOs, often have more contacts and know-how, more experienced staff, and better reputations than the PES. Other stakeholders, such as municipal social services, support people at risk and their families on a daily basis. Although the PES employees are in contact with local governments, schools, and social welfare offices, more active cooperation with these stakeholders in the form of joint projects is rare. Contact with these institutions is typically not regular enough to exchange information on the youngsters who would need support, but PES do report that a non-negligible part of these meetings does touch on the topic inactive NEETs. Moreover, the PES seldom cooperate with institutions that deal with people at risk (e.g., juvenile detention or re-education centres) or with youth in general (e.g., sports, cultural, or religious institutions).

The PES offices mainly rely on traditional forms of communication, and rarely use social media. In Poland, 40% of the PES offices report using social media to promote the Youth Guarantee. In addition, just 23% of the offices say they monitor the effectiveness of their information campaigns. This suggests that most of the PES offices do not monitor whether their messages are reaching potential clients. Similarly in Hungary, while the local printed (or online) press was used by more than half of local offices, more personalised promotion is rare. It is not surprising that PES office 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 in Hungary local youth mentors³ often do not engage in outreach and promotion. While more than two-third of PES offices consider that this would be part of mentors' role, in reality, only in one-fourth of PES offices do they actually have time for such activities. This seems to be a missed opportunity, since these

³ 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.

persons are specifically trained to motivate youngsters, and hence are likely to be able to engage with those from a more vulnerable background.

3. Lessons from three pilots

We conducted randomised controlled trials (RCT) in Poland, Hungary, and Spain to investigate which interventions increase the PES' reach, and thus encourage more NEETs to register with the PES. We divided the study participants into at least two groups, with one group receiving the intervention, while the other did not. We then compared the results in the two groups. The advantage of using this method was that it enabled us to interpret the results in a causal way. This however was complicated by a host of factors, most notably the lockdowns due to the COVID-19 pandemic.

Our goal was to come up with interventions which were (i) relatively low-cost, (ii) potentially replicable and scalable. For this reason, two of the experiments entailed direct information provision to NEETs. Information provision to registered unemployed persons have been previously been found to be cost effective, even if the content of the message was not personalised. In our context, the main obstacle was how to "find" the relevant target group, which clearly is the main issue with targeting vulnerable NEETs. The two experiments conducted took radically different approaches.

In the Basque country, the issue of low registration rate of NEETs with graduating from higher education is relevant, since it is much more likely that they fail to contact the PES than in other regions of Spain. The fact that co-operation with the main university of the Basque country proved fruitful, coupled with the fact that the PES have offices located on the university campuses which turned out to be open to the idea of an outreach experiment lead to the possibility of conducting an information campaign. Providing students in Spain with information about the PES' offerings, as well as with information about the location of the nearest PES office, made them more likely to say they *intend* to register with the PES. Undergraduate students in the Basque Country who were in the last year of their degree received an email sent by the university with two versions of information about the PES' offerings. The first information campaign, which only informed students about the potential benefits of registering, was not effective in increasing their likelihood of indicating an intention to register with the PES. However, when the students were informed of both the benefits of registering with the PES and the existence of a nearby PES office providing services tailored specifically to students (a PES office located on the university campus), their likelihood of reporting an intention to register with the PES increased by more than 10 percentage points (from around 50% to

60%). These findings show that while informing students about the potential benefits of registering with the PES did not affect their willingness to register with the PES, providing them with additional information about the proximity and the customised services of the local PES office did. This latter finding might be in line with the explanations that both the ease of access, as well as the promise of tailored made services is relevant. It needs to be noted however that researchers were not able to follow up those who participated in the experiment, and hence could not test whether increased intentions lead to contacts with the PES actually improving.

The results of the study conducted in Poland suggest that outreach efforts should go beyond information dissemination to help NEETs overcome the various barriers they face. In Poland, we recruited unregistered NEETs to take part in our study, where randomly selected youngsters in three Southern regions of Poland were approached by a survey company on behalf of the research team. The NEETs from the treatment group received information about various services offered by the PES. The participants were then sent three text messages (SMS): one with the PES' contact details, one with links to the PES' social media accounts, and one with links to the PES' job search engines. The NEETs in the control group did not receive this information or these text messages. We then compared the rates of registration with the PES among the NEETs in the two groups, and found that the differences were not statistically significant. Thus, we did not find evidence that providing NEETs with information about the PES' offerings led to an increase in their registration rate. These findings may suggest that outreach efforts should go beyond information dissemination by seeking to build trust between NEETs and the PES⁴; help people at risk of social exclusion overcome the various barriers they face, such as stigma; and initiate social change processes for the beneficiaries.

The experiment conducted in Hungary took a rather different route towards improving outreach: it put the PES in contact with the most relevant local organisers in the framework of a local workshop. This was motivated by several factors, the most important being the limited personnel resources of the local labour offices (LLOs). Thus, our objective was to take the first step towards establishing regular contacts. We chose the format of a workshop, as by working, these actors could realise that by working together, they can achieve the common goal of facilitating the (re)integration of the young person into the labour market

⁴ Furthermore, it is debatable whether information provided by a polling company (neither a personal acquaintance, nor a public institution) is considered reliable by youth.

through the YG, and more broadly, into the local society. Furthermore, in these sessions, local stakeholders can get to understanding the co-operation can lead to outcomes which are beneficial not only for the PES, but that through the LLO youth counsellors can also provide information to other local stakeholders which are relevant for them.

Hence, the main intervention logic was the following. Local consultants/trainers who contact the most important local stakeholders working with youth (preferably those, with whom the LLOs do not already work together on a regular basis). At the local workshop, these stakeholders work together for 4-6 hours discussing the diversity of hard-to-reach NEETs and possible ways of reaching them. The immediate outputs of the workshop are new contacts between local stakeholders, local action plans for reaching youths in an embryonic form. The expected medium-term outcome is more co-operation at the local level for reaching youths, and the longer-term outcome is increased registration rate of NEETs at the PES. The main question with this chain of reasoning is whether a one-time event, with no explicitly specified follow-up, and no obligation to start effective co-operation is sufficient not only to alter attitudes, but is to also conducive to changes in activities.

The workshops were to be implemented in the Spring of 2020, but had to be postponed to Summer 2020 due to the COVID-19 pandemic, and only 29 workshops in eight counties were successfully carried out (significantly lower number than the originally planned). The workshops were successful not only in enabling the local PES offices to acquire useful contacts, but also in fostering trust and reinforcing the need for cooperation among the stakeholders.⁵ However, the labour market situation in the wake of the COVID-19 pandemic did not allow for increased efforts to reach out to disadvantaged young people. Indeed, the results of a follow-up questionnaire and a comparison of the outreach activities of the participating local offices in the nine months following the workshop with similar local offices from the control group did not show large changes in behaviour.

4. Recommendations

A first step towards mapping more precisely NEETs, their obstacles and their needs is *to collect more data*. Information on the composition of the NEET population, and on their labour market flows, may be

⁵ While unfortunately, the number and intensity of contacts decreased in all micro-regions due to the COVID-19 pandemic, the local offices which participated in the workshops were more successful in retaining these contacts.

collected at the national and local levels, and then used to tailor the support to the needs of particular subgroups. Local PES offices should be provided with support in developing and using tools to collect information on potential clients at the local level, as local offices often refer to lack of knowledge as an obstacle to more effort. Furthermore, linking administrative data sources and complementing these with survey data (collected potentially at the regional level) is a much needed step towards mapping NEETs.

More research is needed to understand *why young people do not register with the PES*. Among the reasons why young people do not register with the PES are barriers related to their attitudes and motivations, such as low trust in public institutions, fear of the stigma of being officially registered as unemployed, the perception that the programmes the PES offer are of poor quality, or simply limited knowledge about the PES. It is important to understand the relative importance of all of these different factors. Our findings from our pilots seems to suggest that it is not simply a lack of knowledge about the YG offers which prohibits registration, but rather the difficulties of access of local offices and the belief that tailor-made services are absent which might be equally important.

There is more research to be done on the *actual day-to-day implementation* of the Youth Guarantee on the ground. This means analysing the interaction of different levels of PES, including the interpretation of YG by PES front-line counsellors. A lack of incentives and the insufficient capacity of PES staff to develop outreach strategies can also lead to low rates of registration. A further point which needs to be studied is the incentive structure of PES when implementing the YG. In particular, whether and under what circumstances PES have incentives to reach out to more vulnerable young persons. A notable point is how the obligation to find a good quality offer within four-months' time from initial registration is interpreted, and whether this actually dissuades counsellors from reaching out to vulnerable NEETs.

Activate NEETs who are outside the labour force. There are several reasons for reinforcing PES' activities towards inactive young persons. First of all, this is a focal point of the new 'Bridge to Jobs' initiative. Second, many of those actively looking for a job are already in contact with PES, and those who are not are likely not in need of YG services. However, many inactive young people do not have obstacles which would be difficult for the PES to overcome, as many of them lack motivation or need some additional skills training. In many countries, mothers who are temporarily out of the labour force due to looking after young children can be added to this list. Thus, there is considerable number of young people who could be activated in a relatively short time.

Cooperate with schools. Cooperation with teachers would allow the PES to find at-risk individuals, and to provide them with advice and guidance before they become disconnected from the labour market. Most of the PES in Poland and Hungary send employees to visit the public schools, and to meet students. However,

the PES staff tend to focus on the most motivated students who are about to enter the labour market. Similarly, while there are PES offices on university campuses in the Basque Country, the PES do not promote their activities to students. This is a much needed step, since it could lead to the PES offering young persons relevant services before they slip into long-term NEET status.

Cooperate with local stakeholders. Local stakeholders, such as grassroots NGOs, often have more contacts and know-how, more experienced staff, and better reputations than the PES. Other stakeholders, such as municipal social services, support people at risk and their families on a daily basis. Although the PES employees are in contact with local governments, schools, and social welfare offices, more active cooperation with these stakeholders in the form of joint projects is rare. Moreover, the PES seldom cooperate with institutions that deal with people at risk (e.g., juvenile detention or re-education centres) or with youth in general (e.g., sports, cultural, or religious institutions). Study in Hungary showed that organising workshops for local stakeholders might be a first step towards effective outreach.

Customise and bring the PES services close to youth. The PES should increase their presence in areas in closer proximity to the potential target groups. This can be done by using mobile units, participating in various types of local (cultural or sports) events or establishing local branches. The study conducted in Spain showed that information provided to university students about the presence of a local PES branch on the university campus increased their willingness to use PES services.

Use social media. The PES offices mainly rely on traditional forms of communication and rarely use social media. However, more personalised communication is needed to get young persons on board. It is advised that PES counsellors implementing the YG get regular training in effective communication with young persons, as well as in the use of social media. Furthermore, PES need to explore practical solutions to being present in social media, such as giving YG counsellors personal accounts etc.

Build trust between NEETs and the PES. Information campaigns should be provided by a trustworthy institution, and be supplemented by other activities that help people at risk of social exclusion overcome the various barriers they face, such as stigma; and initiate social change processes for the beneficiaries.

Reconsider the role of the PES in supporting NEETs. Reaching out to individuals who are outside the labour force is not perceived as a traditional task of the PES staff. While most of the staff agree with the goal of getting more NEETs registered, a considerably smaller share believe that this is the responsibility of the PES. Changing the attitudes of PES counsellors is crucial, as the effectiveness of such initiatives is correlated with their attitudes and efforts. The PES in these countries could draw from the examples of PES in other European countries that incorporated practices aimed at reaching out to unregistered and economically inactive individuals.

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