

# Impact of increased local cooperation on PES outreach to non- employed youths

An assessment for Hungary

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## Outreach Report - Hungary

### 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 piloted one relatively less resource-intensive method: organising workshops where local stakeholders working with vulnerable youth and local PES youth counsellors interact, so as to start co-operation. These workshops seemed to be successful in building trust and convincing local stakeholders about the necessity to co-operate in order to reach out to vulnerable youths. Thus, the immediate outputs of the pilot conformed to our goals. While the workshops seemed to help local labour offices retain their contacts to local stakeholders in the aftermath of the COVID-19 pandemic, we were unable to show statistically significant impacts on medium-term outcomes, such as the actual outreach activity or registration of youths.

IMPLEMENTED BY:

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## Contents

.....	Introduction	
.....		4
1.....		4
2. Institutional and Policy Context .....		5
2.1. Institutional Context.....		5
2.2. Policy Context .....		6
2.3. The impact of the COVID-19 pandemic.....		8
3. Outreach activities of PES local offices: results from a survey.....		9
4. Designing and implementing the Pilot Intervention .....		11
4.1. Recruitment of participants at the local level .....		11
4.2. The workshop protocol .....		12
4.3. Measuring workshop quality and outputs .....		13
4.4. Choice of treatment and control local offices .....		14
Implementing the pilot at local labour offices .....		15
4.5.....		15
5. Evaluation results .....		16
5.1. Quantitative evaluation.....		16
5.2. Qualitative analysis.....		19
6. Conclusion .....		22
Appendix.....		24
Data and definitions .....		24

## 1. Introduction

There is a variety of reasons why a young person might not contact the PES, which can range from the lack of information through lack of motivation to look for a job to a general mistrust in public institutions. Similarly, there are many different obstacles which a young person might face when trying to access the labour market. Even well-developed PES with ample financial resources struggle with reaching out to vulnerable youths, and to date, the Hungarian PES mostly concentrated its efforts on convincing young persons who have already contacted the PES to enter the YG.

In our project, we piloted a relatively less resource intensive method – putting 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 we hoped that by working together for 4-5 hours, 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 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, our main intervention logic was the following. We hire 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 local workshops were expected to induce change via four potential channels: First, the workshop could increase or strengthen participants' motivation to and commitment to reaching young people as an important goal. As such events of horizontal cooperation are relatively rare in the public sector in Hungary,

the very fact that such an event was organised would send a strong signal to PES staff that the issue was important. This was further underlined by some information on the low level of outreach to vulnerable youth provided by the trainer, and was expected to be reinforced by the experience of stakeholders in closer contact with vulnerable youth shared during the workshop.

The teamwork during the workshop was designed (2) to increase or reinforce participants' views that it makes sense to work together and (3) generate inspiring ideas of the possible methods of outreach and (4) learn about the resources of potential partners and about the value of the YG offer. Fifth and last, by creating new personal contacts between local stakeholders the workshops generated trust and network capital, which could be invested in new or upgraded forms of cooperation.

While we did not envisage any specific forms of cooperation that may emerge as a result of the workshop, we assumed that the workshop itself and/or subsequent cooperation activities will motivate the participating stakeholders to refer more inactive young people to the LLO. This would in turn increasing the propensity to register.

The outline of this research report is the following. In the next section, we outline the governance of the PES, the main points of the implementation of the YG and the policy context. In the third section, we map what LLOs do to reach out to NEETs, to map out the state of play before our pilot (and COVID-19). In the fourth section, we discuss the details of the design of the pilot, including choosing pilot LLOs, the methodology for the local workshop, and how we measure the quality of the output. The fifth section is dedicated to the evaluation of the experimental workshops, using both quantitative techniques and qualitative indicators. The last section concludes and sets out further avenues for research.

## 2. Institutional and Policy Context

### 2.1. Institutional Context

In Hungary, the EU-funded Youth Guarantee initiative has been implemented by the public employment services (PES, Nemzeti Foglalkoztatási Szolgálat). The 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<sup>1</sup>. 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, the county level has some flexibility, but this typically is limited to how to combine active measures with services.

Due to the generally centralised and ad-hoc nature of governance, cooperation with other service areas (such as social services or local development) is weak at all levels of government. Local offices of the PES lack systematic cooperation with other public services and NGOs that may provide supplementary services to the long-term unemployed (such as family counselling, childcare, mentoring, etc). These services (or cooperation) may be sporadically available in ESF funded programmes but are not integrated into the standard PES toolkit.

Coordination with social protection is mainly limited to data exchange concerning the long-term unemployed eligible for social assistance and public works participation. Coordination with social services may exist in some local PES but is not systematic. In theory, local employment pacts involve PES and municipalities (as well as other agencies) in the joint development of services to support labour market activation. In practice, the actual performance of these pacts varies across the country and the genuine and sustained involvement of municipal social services is rare.

## 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

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<sup>1</sup> See: Janovics L (2019) A magyar foglalkoztatási szolgálat jövője?, Munkaügyi Szemle, 62(2) 4-7.

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. The proportion of those below age 20 among entrants into public works programmes was above 10 percent in 2015-2016.<sup>2</sup> 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.

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<sup>2</sup> Molnár Tamás (2019): Job search behaviour of young people not in education, training or employment, in: Hungarian Labour Market, eds: Fazekas, K. Csillag, M., Hermann, Z. and Scharle, Á Institute of Economics, Centre for Economic and Regional Studies, <https://EconPapers.repec.org/RePEc:has:lmbook:2019>.

### 2.3. The impact of the COVID-19 pandemic

Similarly, to other European countries, the COVID-19 pandemic reached Hungary in March 2020, and during the period analysed, there were three larger waves. The first wave leads to severe restrictions which were in place, between March 16- June 15 2020. Given that during this initial wave short-time work arrangements were rather restricted and announced relatively late, it leads to massive job-loss (particularly in the hospitality and tourism industry). The restrictions during second wave, starting from November 2020 were more restricted and were accompanied by adequate short-time work arrangements. During the third wave, in early 2021, more severe restrictions were put in place again, which were gradually lifted as the number of persons getting the first job increased, first in late April, then in late May 2021. The impact of the first wave of the COVID-19 pandemic on the labour market was severe, especially in the hospitality and tourism industry, and a large number of persons with previously stable employment lost their jobs. Furthermore, the restrictions impacted the labour market outcomes for young persons particularly negatively, which has been documented, based on Labour Force data and administrative (PES) data<sup>3</sup>.

The COVID-19 pandemic also had direct and more indirect impacts on the work of PES LLOs and as well as on the administration of the YG. First of all, during the initial lockdown in the Spring of 2020, LLOs were closed to the public, hence all administration was to be done electronically (online). Second, there was a large number of new UI benefit claimants in this period, which increased the workload of PES counsellors. Third, PES LLOs were tasked with administering short-time wage subsidies, which increased their workload especially during the second-third wave of the pandemic (November 2020 – April 2021).<sup>4</sup> Fourth, and more directly related to our project, many of the services and measures of the YG (including mentoring and training courses) were discontinued, and active measures focussed almost primarily on (short-term) hiring subsidies. Indeed, there was some uncertainty around the implementation of the YG. Furthermore, and more broadly, labour policy had the objective of finding work for those who lost their job recently, rather than on attracting and serving persons further from the labour market. Finally, schools were also on lockdown in the more severe periods of the pandemic, and switching to online education was not

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<sup>3</sup> See Köllő János (2021): Employment during the first wave of COVID-19, in: Hungarian Labour Market 2020, eds: Fazekas, K. Elek P, and Hajdú T. Institute of Economics, Centre for Economic and Regional Studies; Csillag Márton – Munkácsy Balázs (2022). Young persons on the labour market and in the public employment services. in: Hungarian Labour Market 2021, eds: Fazekas, K. Kónya I, and Krekó J. Institute of Economics, Centre for Economic and Regional Studies

<sup>4</sup> It is worth noting that the number of short-time work claims was largely uneven, as it was more prominent in micro-regions with a large hospitality and tourism sector, and in more developed areas (in large cities).

necessarily smooth, hence secondary education institutions did not necessarily have time for establishing and maintaining contacts with LLOs. Thus, PES lost some of their important contacts.

### 3. Outreach activities of PES local offices: results from a survey

Here we present some of the most important points of the survey we administered in June 2019 to PES LLOs, concentrating on those we kept in mind when designing our outreach experiment.

First: 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 30 percent of the LLOs 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 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 (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 LLOs, 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 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. LLOs 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 LLOs 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).

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 point out that LLO capacities are limited. By contrast it is rather discouraging that more than 40 percent of LLOs think that such activities are primarily the responsibility of other organisations (not the PES).

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.

#### ASSOCIATION OF REGISTRATION RATES WITH LOCAL OFFICE CHARACTERISTICS

Finally, it is worth relating registration rates with LLO and micro-region characteristics. It is worth emphasizing that the estimated registration rates are based on data which pre-date our survey, thus, we cannot assign any causal interpretation to our findings.

It seems to be clear that, irrespective of what measure of registration propensity we use, there are significant differences across counties with variability up to 30 percentage points. Second, registration rates are significantly lower in more developed micro-regions, likely due to the fact that there are more labour market opportunities available, and young persons might not be interested in what the PES has to offer. Finally, having more staff at a given LLO is associated with slightly higher registration rates, which does imply that there might be more time available to attract young persons.

It is worth noting that the opinions and attitudes of LLO personnel could in principle have an indirect effect on registration rates by influencing through their outreach efforts. We found three indicators to be associated with registration rates. First, agreeing with the opinion that ‘there are very few inactive NEETS, most of them have already registered’ somewhat surprisingly is negatively correlated with registration rates. Thus, this seems to be a sign of lack of awareness of the local realities. Second, LLOs which report that lack of well-trained staff (or lack of time due to administrative burdens) is an issue indeed have a lower registration rate. By contrast, the lack of access to adequate methodological guidance is associated with higher registration rates – this could be a sign of a more committed attitudes.

## 4. Designing and implementing the Pilot Intervention

### 4.1. Recruitment of participants at the local level

As outlined above, we assumed that the impact of the workshops will, to a large extent depend on the composition of workshop participants. The aim was to recruit participants who are highly relevant for outreach (are in contact with NEETS), but do not yet have a well-established contact with the PES. This aim drove our approach to selecting local trainers who were tasked with recruiting the local participants: we used our existing contacts and desk-research to identify agencies who had a strong local network in each county. To make sure that the selected agencies endorsed our aims, we held an in-person meeting to explain the purpose of the experiment and provided them guidelines on the types of stakeholders they need to find. In this guide, we specified 5 broad types of organisations (PES, schools, leisure and sports, social and health services, other, e.g. church-run charities or Roma NGOs) and asked trainers to ensure a balanced mix of these.

We asked the local trainers to send us a provisional list of stakeholders before they would start on inviting them and gave them feedback on these, where they did not fully follow our guide (it should be noted that

some trainers failed to send us the provisional list in time, despite tying part of their payment to this obligation).

## 4.2. The workshop protocol

The script of the workshop was designed to maximise interaction between the participants and to bring home the main messages: (1) there is a need to improve PES outreach (2) NEET are a diverse group which calls for diverse outreach methods (3) it is worthwhile to cooperate with other agencies and share resources. The script was co-developed with one of the experienced trainers and discussed with all the local trainers in an in-person meeting where all trainers participated.

The logic of the workshop was to first clarify the need for improving outreach, then focus on the diversity of NEETs and how this calls for varying approaches in outreach and start thinking about possible ways that may work well in practice. Having participants envisage some concrete techniques of outreach prepares the ground for discussing their existing resources and how they may all benefit from sharing these. Thus, the point was not to have participants develop ready-to-use methods of outreach, but rather to ground the discussion of resources in some concrete examples of outreach activities, and also to allow participants to experience working and thinking together and sharing ideas.

The workshop was divided into 5 main parts as shown in Figure 1 below, each contributing to the above-mentioned main aims. The script provided detailed instructions on how to facilitate the group activities and background notes on the information to be shared with participants.

Figure 1 Main blocks of the workshop



### 4.3. Measuring workshop quality and outputs

In order to measure the quality of the intervention and the outputs, we used both qualitative tools and quantitative indicators. First, we measured the baseline of the outreach activities of the local offices and county level offices of the PES in an initial online questionnaire in June 2019. This was repeated for local offices in the treatment and control group in May 2021, roughly a year following the intervention. For each workshop, we asked (via the trainers) all participants to fill in a 2-minute participant questionnaire on existing attitudes before and after the workshop. These focused on their awareness of the outreach problem and the value of cooperation. We also asked trainers to fill in a longer (about 15 minutes) questionnaire after the workshop, which focused on aspects of quality (deviations from the script, facilitating and distracting factors) and their assessment of the extent to which various aims of the workshop were reached. Lastly, we asked trainers to photograph flipcharts and provide the list of participants (names and affiliations). These were used to construct indicators for measuring the quality and immediate outputs of the workshop in terms of participants awareness of the importance of outreach and the value of cooperation (see section 5.2 for further detail on these). Response rates varied considerably

between the questionnaires and also across workshops. Trainers' views are available for 29 of the workshops and over 70% of PES offices responded to the pre and post workshop surveys. Response rates were on average lower and varied considerably on the 2-minute participant questionnaire (which was anonymous).

#### 4.4. Choice of treatment and control local offices

Our aim was to find a sufficient number of local labour offices (or micro-regions) that are open to participating in an experiment, and to find LLOs that are as 'similar' as possible but not willing to participate in the experiment. To check the similarity, we used the responses to our questionnaire in June 2019 and some contextual features. In June 2019, out of the 150 LLOs that received a questionnaire (Budapest was excluded), 70 LLOs indicated that they were open to participate in an experiment.

Practical (organisational) considerations were taken into account alongside scientific requirements.

First, we used statistical tools to estimate the factors that influence the likelihood of being open to the experiment. Here, we used only information from the questionnaire that characterised the goals and attitudes of the LLOs (youth counsellors); and what problems they considered relevant<sup>5</sup>. Our contextual variables were the following: categories formed from the complex KSH variable on the economic development of the district, and the number of NEETs, and the region (NUTS2). We estimated a probit model, where the left-hand side variable was binary – whether the LLO was willing to participate in an experiment.

Our statistical model fit reasonably well, i.e. it can appropriately group willing and unwilling districts and produced results (largely) in line with our expectations.<sup>6</sup> The districts that preferred to participate in the experiment were those where the organisation of the outreach was hampered by a lack of resources and the fact that district colleagues do not have data/information on the number (and identity) of young people not working, while districts with a shortage of professionals are less willing to participate. Colleagues' attitudes/goals also have a strong influence on their willingness to participate. Thus, those who believe that reaching young people with a problem is essentially the responsibility of other organisations, for whom following procedures is of paramount importance, or for whom getting young people into (early)

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<sup>5</sup> This also means that information that could potentially be an 'output variable' (i.e. characterising the quality and quantity of outreach activity) was not included in the analysis.

<sup>6</sup> In constructing the statistical model, we sought to include characteristics that we expected to influence willingness to participate, and from these we selected the most statistically significant variables.

employment is essential, are less likely to participate in a trial. Conversely, those who consider it very important to reach young people with a problem and who want to help young people into better/more sustainable jobs are more likely to participate.<sup>7</sup> Finally, we used our statistical model to calculate the estimated probability of participation for each district.<sup>8</sup>

In the second step of our procedure, we selected the counties in which at least three LLOs wished to participate in the experiment - for practical reasons, we do not consider it appropriate to select counties with less participant offices.<sup>9</sup> We then considered as 'potential participants' those districts that had indicated their openness in the questionnaire and were in a county with relatively high 'needs' one - 59 such districts were identified.

In the next step, for each potential participant, we tried to find a 'pair' that was statistically similar and located in the same region. We considered districts that were a) in the same county and did not wish to participate in the experiment but had a high estimated propensity to participate, or b) wished to participate but were not included in the sample because they were in a county with less 'needs' and in the same region. For each potential participating district, we looked for at least one 'pair' within that region with an estimated probability difference of participation no greater than 15 percentage points.<sup>10</sup>

#### 4.5. Implementing the pilot at local labour offices

Throughout the implementation of the pilot, we sought to keep in mind the requests of the PES (both at the central level and at the county level). Thus, we (both directly, and with the help of the local implementers) initially approached all county level heads of the PES, in order to explain the rationale behind our pilot. We had a positive response from all but one county. The implementation of the pilot was initially scheduled – in agreement with PES county-level offices - between 15<sup>th</sup> of March and 15<sup>th</sup> of April

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<sup>7</sup> Among the contextual variables, where there are more problems, in the sense that there are more NEETs, they are more likely to participate. The degree of development is not clearly related to the intention to participate, because the beneficiary and the districts to be developed with the complex programme are the ones that would prefer to participate.

<sup>8</sup> The majority (90 per cent) of the districts intending to participate were covered by the estimated participation probability interval [0.24; 0.99], while for the potential control group it fell within [0.07; 0.77].

<sup>9</sup> We wanted to avoid selecting one or two LLOs from a large number of counties. First, these could be geographically at a large distance to travel, at prohibitive costs. Second, due to the hierarchical structure of PES offices, it seemed more straightforward to convince a smaller number of county PES office heads.

<sup>10</sup> The result of the selection, the counties and the number of districts to be included were Baranya (3); BAZ (6); Békés (6); Fejér (5); Hajdú-Bihar (4); Heves (3); Nógrád (4); Pest (3); Szabolcs (3), 37 in LLOs in total.

2020. Unfortunately, this coincided with the first wave of the COVID-19 pandemic, hence, we could only accomplish one test occasion in March. The local implementation thus had to be rescheduled for Summer 2020.

During the Summer of 2020 we ran into further complications, which were initially caused by the heavy workload of PES local labour offices, as they had to deal with (a) a large number of new UI benefit claims, and (b) they were tasked with administering short-time work arrangements. This meant that workload was particularly high in micro-regions hard-hit by COVID-19 related job loss, (in tourism, hospitality and catering) which were typically concentrated in more-developed counties. As a result, it was particularly difficult to find suitable dates in Central Hungary. Furthermore, local implementers also ran into problems as (a) some local PES offices were not committed to participation, and (b) it was particularly difficult to contact secondary education institutions due to summer vacations.

Due to the problems listed above we had to make three alternative arrangements. First, we had to find replacement counties/LLOs – thus, due to practical considerations, we ended up enlisting 3 LLOs from Somogy county.<sup>11</sup> Second, we had to allow the minimum number of participants (organisations) to fall below 10 (especially in smaller/less populous microregions). Finally, in cases where LLO PES personnel was not available, we allowed youth mentors (who are PES sub-contractors) to participate. Arguably, all these changes could somewhat reduce the quality of the workshops. Finally, 30 local workshops took place in nine counties: in Baranya (4); BAZ (6); Békés (4); Fejér (3); Heves (2); Nógrád (4); Pest (1); Somogy (3); Szabolcs (3).

## 5. Evaluation results

### 5.1. Quantitative evaluation

The main logic of the quantitative evaluation is that we compare the immediate and short-term outcomes in the LLOs where a local workshop took place with those from comparable LLOs (from the same regions). The quantitative evaluation looks at four points of the potential effects of the pilot. First, it the motivation to reach out to vulnerable young people; second, the increased contacts between local stakeholders and

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<sup>11</sup> This was unfortunate from the point of view of evaluating outcomes, as it was difficult to find suitable matches for these LLOs.

the LLOs; third, the actual efforts of LLOs to reach young persons; and fourth, the number of young persons registered as jobseekers.

The quantitative evaluation builds on the data sources discussed in detail in the Appendix, and it relies heavily on the data collected in the 2019 and 2021 surveys of LLOs, as well as on PES register data. We will show quantitative comparisons first for the after-treatment period, meaning the October 2020 – June 2021 period. Second, we will briefly discuss evaluations relying on the comparison of the changes between Spring 2019 and Spring 2021. This latter means that we rely on a differences-in-differences identification strategy to estimate the effect of participation in the local office workshops on the outcomes listed above. This means that we assume any changes which happened between Spring 2019 and Spring 2021 did not differentially affect the participant and the non-participant LLOs, hence they can be attributed to participating in the local workshops. Clearly, one such factor might be how the COVID-19 pandemic had divergent consequences for the local youth labour markets, which might be incidentally correlated with participation in the local stakeholder workshops. We will discuss how we mitigate this possible bias later. This quantitative evaluation is limited by a number of factors. First, given the low number of participants LLOs we will use 10 percent levels of statistical significance. This was further exacerbated by the lower response rate to the questionnaire, as well as further problems of missing data. Due to these issues, the number of participants LLOs is 25 and 38 LLOs which did not participate in the pilot.<sup>12</sup>

Our first set of results relate to responses to a series of statements used to test LLO youth counsellors' attitudes and beliefs. These were:

- Those who do not register at their own initiative will be very difficult to motivate.
- It is extremely important to increase the participation of vulnerable youths in the YG.
- Outreach to vulnerable youths is primarily the task of other organisations.
- We need to increase the number of participants in the YG.
- It is important to respect the rules and regulations to the last letter.
- It would be important for us to reach out to vulnerable youths, but we do not have the time for this.
- The lack of services during the COVID-19 pandemic affected the number of youths registering for the YG.
- We will have to rebuild and increase the number of our contacts with stakeholders now, after the pandemic.

However, using statistical testing we could not reject the hypothesis that pilot participants and non-participants did not differ in their responses. In other words, the pilot did not seem to affect these attitudes.

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<sup>12</sup> This means that we had to exclude five pilot LLOs due to lack of data.

A further test of changes in attitudes as well as in actions can be gleaned from responses to the question on actual outreach activities. In the table below we can see marked, yet statistically not significant differences. Indeed, it can be seen that a much larger proportion of LLOs expressed the opinion that it would have been important to reach out to vulnerable youths, from among those who did not actually manage to organise significant activities.

*Table 1: Outreach activities in 2020-2021, by treatment and control groups*

Did you have outreach activities to vulnerable youths in the past 9 months?	<i>Treatment</i>		<i>Control</i>	
	Number	Percent	Number	Percent
Yes, we did.	8	32	16	44
We wanted to, but did not have an opportunity due to the pandemic.	10	40	6	17
No, we did not (due to COVID-1)	7	28	14	39

This latter result is also related to the different promotion activities performed by LLOs. We looked at such activities in schools and on other fora. There were no significant differences across pilot participants and non-participants in these activities, with around 55-60 percent of LLOs not doing any promotion activities at youth oriented events. A rather disheartening (but hardly surprising) result is that less than one in six LLOs had any promotion activities at schools (likely due to restrictions on physical presence). A somewhat more positive result was that slightly more than 40 percent of LLOs promoted the YG on social media, which was a noticeable improvement over the proportion reported two years earlier (which was slightly lower than 30 percent). However, overall, there were no differences across pilot participant and non-participant LLOs. Next, we take a look at the outcome which the local workshops were supposed to affected directly: contacts with local stakeholders. Overall, we find mildly positive tendencies in pilot participant LLOs, as can be seen in the Table below, and on average, the number of contacts in the pilot LLOs is 0.9 more than at non-participant LLOs. While this is a 33 percent higher than the number of contacts at non-participant LLOs (2.7), but this is not a statistically significant difference.

*Table 2: Number of contacts in 2021, by treatment and control groups*

Number of contacts	<i>Treatment</i>		<i>Control</i>	
	Number	Percent	Number	Percent
0-1	9	36	18	47
2-4	5	20	9	24
5-6	8	32	7	18

7-10

3

12

4

11

We also need to examine the change in contacts between 2019 and 2021, to get closer to estimating the effect of the pilots. Overall, the number of contacts decreased not only due to the shorter reference period (9 months in 2021 as opposed to 12 months in 2019), but likely also due to lower efforts on the part of LLO staff. Thus, LLOs lost more than 4.5 contacts on average, and it seems that pilot participants were more successful in retaining contact, as they lost only 3 contacts. However, when we take into account the region, it turns out that about half of the difference between participant and non-participant LLOs can be attributed to the county. Thus, we cannot reject the hypothesis that the pilot did not help LLOs retain contacts.

Finally, we examined the impact on the number of registered youth in the micro-regions, more precisely the change in the number of registered jobseekers between Spring 2019 and Spring 2021. In this specification, we had to take into account that the COVID-19 pandemic could have impacted micro-region differentially. Specifically, those regions with a higher importance of tourism and hospitality (and more developed regions generally) were more negatively affected, which could have driven up the number of young jobseekers irrespective of the effect of participating in the pilots. To take this into account, we control for (a) the number of jobseekers in Spring 2020, (b) the proportion of short-time wage subsidies in Fall 2020-Winter 2021 relative to the active age population. However, our estimates show no significant differences across pilot and non-participant micro-regions in the number of registered young unemployed.

## 5.2. Qualitative analysis

The qualitative analysis serves two aims: first, to shed some light on the process that may potentially generate an impact as a result of the intervention, and second, to assess the potential for upscaling the workshop format that we developed for this experiment. The analysis is based primarily on the trainers' survey and participants' lists, which is available for all workshops (except one where the trainer's survey is missing). Participants' responses are only used on a subsample of workshops where the response rates were sufficiently high, however, these cannot be regarded as representative of all workshops.

Overall, the qualitative data collected on the workshops suggests that the approach worked well in increasing or reinforcing participants' openness to cooperation and generating ideas for how to cooperate. This came across both in the trainers' assessment (Figure 2, B indicators) and in participants' views (Figure 3). The quality of the workshops varied considerably in all other aspects, as summarised in Table 3 below.

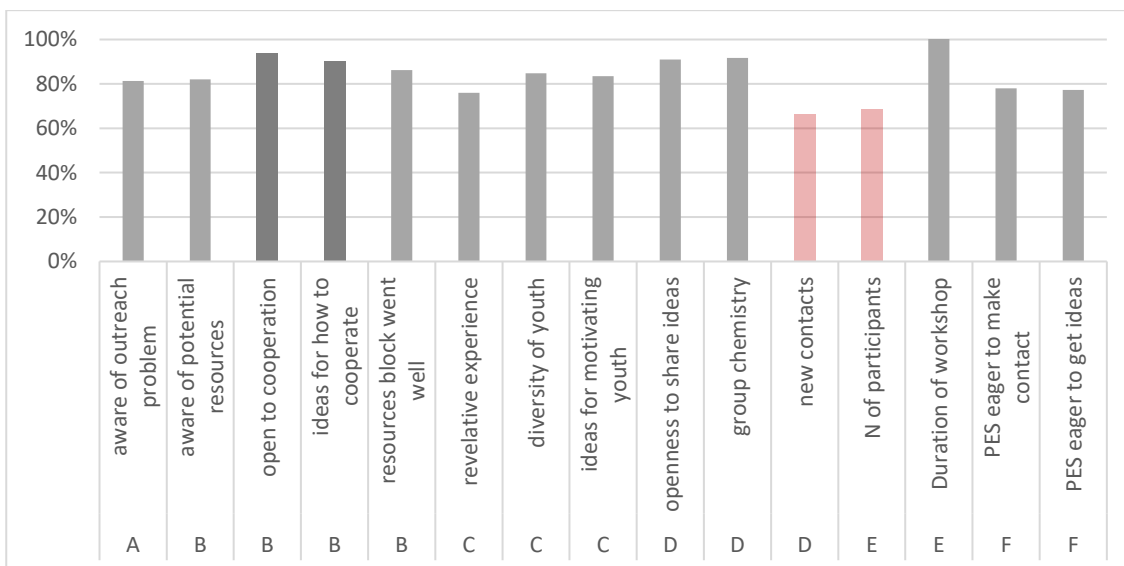
Table 3. Summary of qualitative assessment

	aims	overall qualitative assessment	basis for the assessment
A	motivation for proactive outreach activities (awareness of problem)	medium	TS
B	openness to cooperation, awareness of its value	uniformly high	TS, PS
C	inspiration for solutions	medium / varied	TS, PS, photos
D	personal contact with relevant stakeholders	medium / varied	TS, participant list
E	intensity: number of participants, duration of workshop	low / varied	TS, participant list
F	PES involvement	medium / varied	TS, participant list

Notes: TS= trainer survey, PS=participant survey

The workshops were least successful in engaging potentially relevant stakeholders: this was however not due to the approach but rather to the difficulties induced by the pandemic, as suggested by the observed variation in the number and composition of participants and in the involvement of the PES even across workshops organised by the same trainers (e.g. in Borsod county). However, these outcomes underscore the importance of selecting local trainers with a strong local network, allowing ample time for contacting the participants and using appropriate incentives for trainers to make a special effort to recruit as many relevant stakeholders as possible.

Figure 2 Trainers' evaluation of the quality of the workshop (mean values of actual/potential maximum score)



We consider the involvement of PES staff a key aspect in implementing the workshops, as we expected impacts to come mainly from generating contacts between the PES and other stakeholders, rather than

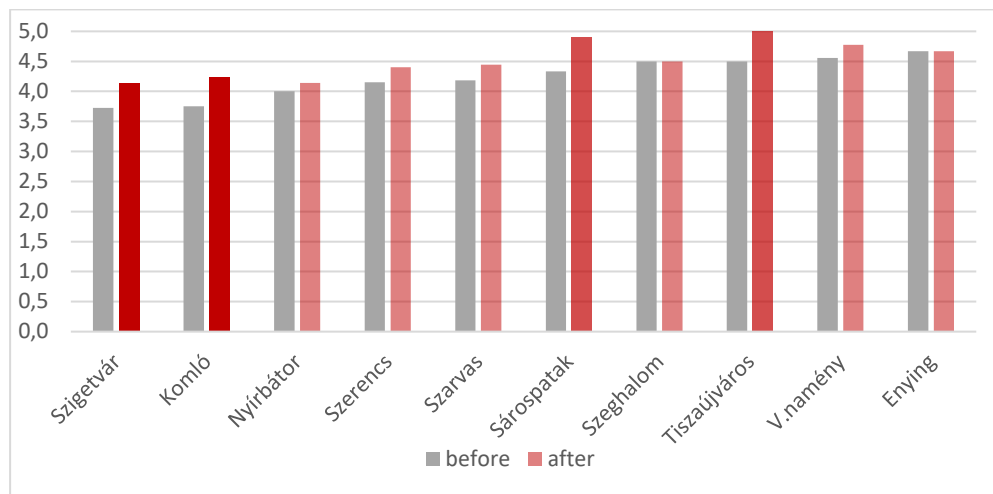
from informing and connecting relevant stakeholders with each other. In this respect, we observed more variation than anticipated, which was partly due to the special circumstances created by the pandemic, but also partly to variation in the motivation and strategic views of local and county level PES units. As table x below shows, the original plan to have at least one local YG counsellor at the workshop was achieved in 19 locations. In 4 workshops both local and county level YG staff participated: this may have strengthened PES involvement (in the case of good cooperation between the local and the county level) or have repressed the involvement of local PES counsellors (if the county coordinator was perceived as wanting to control the local level).

*Table 4* Level of involvement by the PES in the local workshops

	N of workshops
no PES staff	1
mentors only	3
only one local YG counsellor	10
local YG counsellor +mentor	2
several local YG counsellors	7
local and county YG staff	4
only county YG coordinator	3
together	30

Participants' views seemed to be broadly in line with trainers' assessment of the key aspects of the workshop. The comparison of participants' responses before and after the workshop (for those where response rate was high) is suggestive of a positive change in participants' attitudes towards the value of stakeholders' cooperation (Figure 3). It is notable that most participants (at least those who answered the survey) already held positive views before the workshop, and the workshop reinforced these. Moreover, we observe a marked positive change in the two locations where pre-workshop views were the most sceptical.

*Figure 3* Participants' views of the value of cooperation in outreach activities before and after the workshop, by location\*



Note: Average scores of respondents' agreement with the statement "If local experts cooperate, they can reach many more youth not in education or employment," measured on a Likert scale of 1 to 5.

\* in the subsample where the response rate was at least 75% for both surveys

## 6. Conclusion

In this report, we described a pilot experiment implemented in local districts (corresponding to the catchment area of local PES offices), which was built on the observation that most 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). The pilot involved organising local workshops aimed to put LLO staff in contact with the most relevant local stakeholders, with the ultimate objective of facilitating co-operation between the PES and those with more direct contacts to vulnerable youths. The implementation of the pilot was rendered particularly difficult by the COVID-19 pandemic, which led to a drop in the number of local workshops, and in the number of participants at those which actually took place. The results of the experimental pilot were mixed. On the one hand, our quantitative evaluation failed to find any statistically significant impact of the pilots, although it hinted at a positive effect on the number of contacts with local stakeholders. On the other hand, the qualitative analysis supports the idea that the local workshops were largely successful, as they reached most of their immediate objectives, though with some variation across locations. Arguably, the largest benefit to these workshops was to strengthen commitment and generate ideas for cooperation between local stakeholders in reaching more vulnerable youths.

These results lead to a host of further questions. First, whether regular follow-up local workshops could lead to more pronounced effects. Second, in a more practical vein, how to make local stakeholders (especially education institutions) who are not even ready to participate at workshops aware of the benefits of such events. Third, whether the policy context is a major determinant of the medium-term impact of such workshops. More precisely, if such local workshops can only be effective if local PES offices are encouraged by suitable incentives and also enabled by adequate resources to increase their efforts of outreach to vulnerable youth.

## Appendix

### 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 NEETSs 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 data sources (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. We circulated a shortened version of this survey in June 2021 to selected counties, in order to have a follow-up.

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.

### Table A2.1. Example of characterisation of selected target group

Women aged 22-25 with vocational secondary education (szakiskola), with child aged 2-3

<b>factors hindering job search</b>	<b>factors supporting job search</b>
lack of information [on PES services, job options]	getting information on options
previous bad experience [with PES, in job]	simplified administration [in accessing YG]
staying focused on child's needs	client-friendly opening hours of PES
thinking that they have poor chances to go to work	on-line access to PES registration and services
wanting another child	openness to commute
family disapproves	inner motivation, wanting to work
difficult to get to local PES with the child	previous good experiences [with PES, in job]
low motivation to take up (registered) job	opportunity to continue education/training
bureaucratic hurdles	hope/ambition to improve their lives
lack of part time jobs	good public transport
fear of having to take up a[n unsuitable] job offered by PES	access to cash transfers while looking for a job / in training

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