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YEAR BOOK

NATIONAL EMPLOYMENT SERVICE



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Abbreviations

- ABPM** – Агенција за вработување на Република Македонија (Employment Agency of Macedonia)
- ANOFM** – Agentia Nationala pentru Ocuparea Fortei de Munca
(National Employment Agency of Romania)
- SDC** – Sectoral Dialogue Committee
- CSDC** – Council of Sectoral Dialogue Committees
- SDCA** – Sectoral Dialogue Committees Act (Act LXXIV of 2009 on Sectoral Dialogue Committees and Certain Issues of Middle-Level Social Dialogue)
- SDCD** – Sectoral Dialogue Committees Decree (Ministerial Decree No. 22/2009 (30 September) SZMM on the Execution of the SDCA)
- CESP** – Committee for Establishing Sectoral Participation
- BA** – Bundesagentur für Arbeit (Federal Labour Agency of Germany)
- BIZ** – Beruf Information Zentrum (Career Information Centre, Germany)
- HPS** – Hungarian Prison Service
- CAF** – Common Assessment Framework
- CPESSEC** – Centre of Public Employment Services of Southeast European Countries
- ESSDC** – European Sectoral Social Dialogue Committees
- EIPA** – European Institute of Public Administration
- ELGPN** – European Lifelong Guidance Policy Network
- EMCO** – Employment Committee of the European Union
- EPAN** – European Public Administration Network
- ESA** – Employment Service Agency of the Republic of Macedonia
- ESF** – European Social Fund
- EU** – European Union
- EURES** – European Employment Service
- SBSDD SDS** – Supervision, Benefits and Social Dialogue Department, Social Dialogue Section
- EFIS** – Employment Policy and Financial Information System
- HITA** – Hungarian Investment and Trade Agency
- HoPES** – Heads of PES network (informal forum of heads of public employment services of EU member states)
- ILO** – International Labour Organization
- ILAS** – Integrated Labour Affairs System
- APA** – Administrative Proceedings Act (Act CXL of 2004 on the General Rules of Administrative Proceedings and Services)
- IA** – Infringements Act (Act II of 2012 on Infringements, Infringement Proceedings and the Infringement Record-Keeping System)
- OPAJ** – Office of Public Administration and Justice
- POA** – Public Officials Act (Act XXIII of 1992 on the Legal Status of Public Officials)

SME – Small and medium-sized enterprise
MCM – Multi-channelling
MBO – Management by objectives
LMAS – Labour Mediation and Arbitration Service
IRIS – Industrial Relations Information System
OSLID – Occupational Safety and Labour Inspection Directorate
LC – Act I of 2012 on the Labour Code
NTCA – National Tax and Customs Administration
NEET – Young persons Not in Education, Employment, or Training
NEA – National Employment Fund
NES – National Employment Service
MNE – Ministry for National Economy
NLO – National Labour Office
NCIC – National Career Information Centre
NCGP – National Career Guidance Portal
OECD – Organisation for Economic Cooperation and Development
OECD – Organisation for Economic Cooperation and Development
NCRI – National Council for the Reconciliation of Interests
NCRI-CENP – NCRI Committee for Establishing National Participation
NQR – National Qualifications Register
OMC – Open Method of Co-ordination
HLI – Hungarian Labour Inspectorate
NPH – National Police Headquarters
PARES – Partnership Between Employment Services
PES – Public Employment Services
PES to PES dialog – The European Commission’s mutual learning support programme for public employment services
SSO – Single sign-on (access control that enables a user to log in once)
VAD – Vocational and Adult Training Directorate
SoROP – Social Renewal Operational Programme
SIOP – Social Infrastructure Operational Programme
UNDP – United Nations Development Programme
UNDP – United Nations Development Programme
VLMP – Virtual Labour Market Portal
WAPES – World Association of Public Employment Services
WEESP – The Webtool for Evaluated Employment Services Practices

General Director's Welcome



This publication, which is designed to give a brief introduction to the activities and socio-economic and public administrative surroundings of the Hungarian labour market organisation known as the National Employment Service, has been issued regularly since 2006. This issue in the series has been our first publication since our EU presidency in 2011 and so the processes taking place in 2012 and 2013 are introduced in the same volume. The volume aims to present the activities and the corresponding organisational structure of the public employment service, as is referred to in European Union and ILO terminology.

The series of changes beginning in the organisational life of the National Employment Service (NES) in 2010 continued in 2012 as well. 1st January saw the merger of three formerly separate national agencies into a new single national institution under the name of National Labour Office (NLO). The NLO incorporates the former Employment Office (the middle-level governance body of NES), the National Institute of Vocational and Adult Education and the Hungarian Labour Inspectorate.

The organisation's remit grew to its multiple with two networks of policy agencies (labour centres and occupational safety and labour inspectorates) under its governance, while the governance of the transforming system of vocational education and training (VET) and adult education was also assigned to our office. All this had to be operated in a situation where the renewal of the national system of public administration under the Magyary Programme was still in progress and the county-based functioning of NES activities was being reinstated by their assignment to County Government Offices. The last organisational change took place as of 1st January 2013, when local job centres were placed under the governance of District Government Offices. These job centres are now present at 173 locations across the country, whereby the labour market organisation is now one of those public administrative actors that have come the "closest" to citizens. Against the background of all these changes, local job centres serve 1.1 million individual clients and 30 to 40 thousand businesses annually. The Virtual Labour Market Portal has been visited by 100 thousand individuals since it was launched in August 2013. Currently, over 30 thousand jobseekers look for jobs on-line and the portal has become Hungary's largest job portal.

With the consolidation of the new public administration system and functional structure new tasks were added to the remit of the organisation, while others were removed. In addition to the national-level professional governance of occupational rehabilitation, county-level occu-

pational rehabilitation policy agencies were established in the second half of 2012, while under the direction of the Ministry of Interior the nationwide programme of public employment was expanded and reached out to over half a million customers in 2013. The national logistical tasks linked to this work were carried out by NES. Besides the use of domestic funding, NES and the NLO itself did the lion's share in committing EU funds available in the period 2007-2013. Never before had we ever managed such a wide range of EU-funded professional activities at such a large scale. Apart from building the capacity of NES job centres, ESF-funded programmes designed to support VET and adult education; occupational safety and health; and training courses as part of winter public employment in 2013 also appeared within our remit.

Besides supporting clients affected by long-term unemployment and those economically inactive, in the summer of 2013 NES launched its second high-priority on-line service known as the Virtual Labour Market Portal (VLMP), which provides a search interface to jobseekers with good labour market prospects. With the launch of the VLMP, the number of services providing on-line thematic contents first made available via the National Career Guidance Portal in 2011 grew to two. Via these web-based applications, the labour market organisation delivers effective services to hundreds of thousands of citizens to facilitate both their decisions concerning training or the world of work and their self-managed job search. It is safe to say that with these improvements, NES has set out on the road signposted by the European Employment Package launched in 2011 towards the goals of the PES 2020 strategy.

Furthermore, the publication gives a brief insight into the NLO's international relations with the European Union and the activities carried out in cooperation with countries intending to accede to the Community.

In conclusion, it is my hope that this brochure, which has been assembled by my colleagues, will make a useful read also when readers want to find out about certain sub-themes of Hungary's labour market policy or even the entire range of NES' activities.

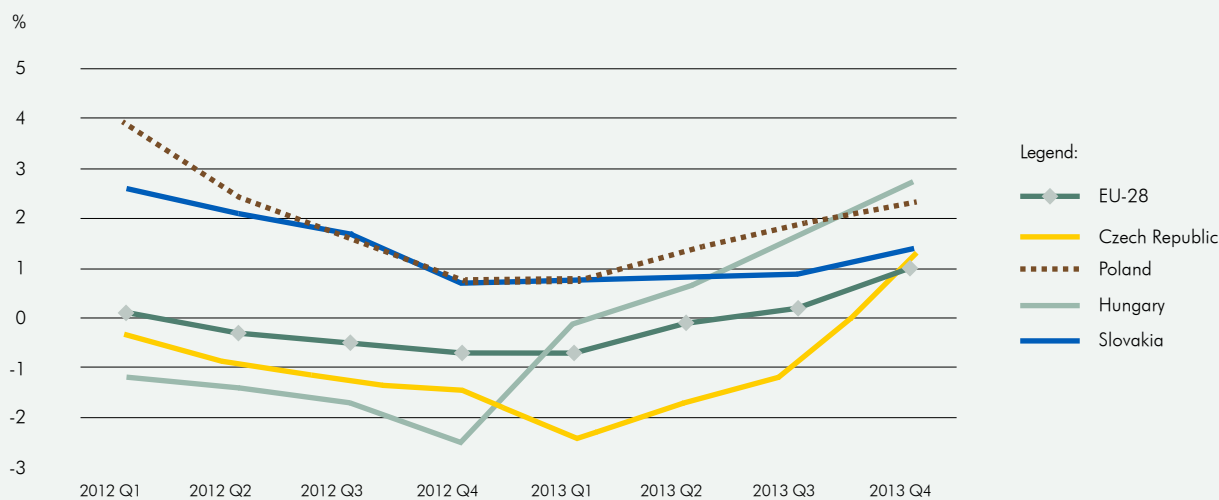
Róbert Komáromi
General Director
National Labour Office

Hungarian labour market processes with an international outlook

The global business cycle was characterised by modest growth in 2013. In the IMF's estimate, global economic performance grew by 3% in the same year. The GDP calculated for the whole OECD, whose members are predominantly the most developed countries, increased by 1.3% in 2013 compared to the previous year, while the aggregated economic performance of the EU member states essentially stagnated following a slight decrease in 2012.

In 2012, the unfavourable international environment, particularly the Eurozone crisis, caused Hungary's economic performance to fall; the negative growth accelerated and reached -2.5% by the end of the year. This downturn was considered significant among the Visegrad countries. However, domestic GDP began to grow again from Q2 2013 and this tendency continued throughout the rest of the year. In Q4, growth already was in positive territory at 2.7%, which is outstanding not only in comparison to the other countries in the region but also ranks among leading EU countries. Almost all sectors of the national economy made a contribution to growth. The performance of agriculture improved by 22%, thanks to a low base value and level of production in the previous year, while construction and manufacturing output grew by 10% and 5%, respectively. Within the latter, the performance of motor vehicle manufacturing and metal processing was decisive.

Quarterly changes in GDP compared to the same period in the previous year, 2012–2013



*Data adjusted for seasonal and business day effects

Source: EUROSTAT

Labour Force Survey (LFS) data reveal that slightly less than two thirds of the 15–64-year-old population were present in the labour market as active jobseekers or employees in 2013. Labour market participation was given increasing impetus in recent years and reached the same high level where it had peaked in the early 1990s. The reason was, in addition to a decline in the working age population, that in recent years the activity rate rose faster than did employment, as the crisis and the ensuing weak business cycle led to soaring unemployment, which only began to fall when economic recovery started in Q2 2013. Furthermore, the government took a number of significant measures to stimulate labour supply including, most importantly, the tightening of retirement rules (i.e. limiting the options for early retirement; gradually raising the retirement age; and revising eligibility for incapacity benefit) and linking eligibility for social assistance (employment-replacement benefit) to work. Mention should be made of the fact that as a result of the crisis the job search activity of those previously in an inactive status also intensified.

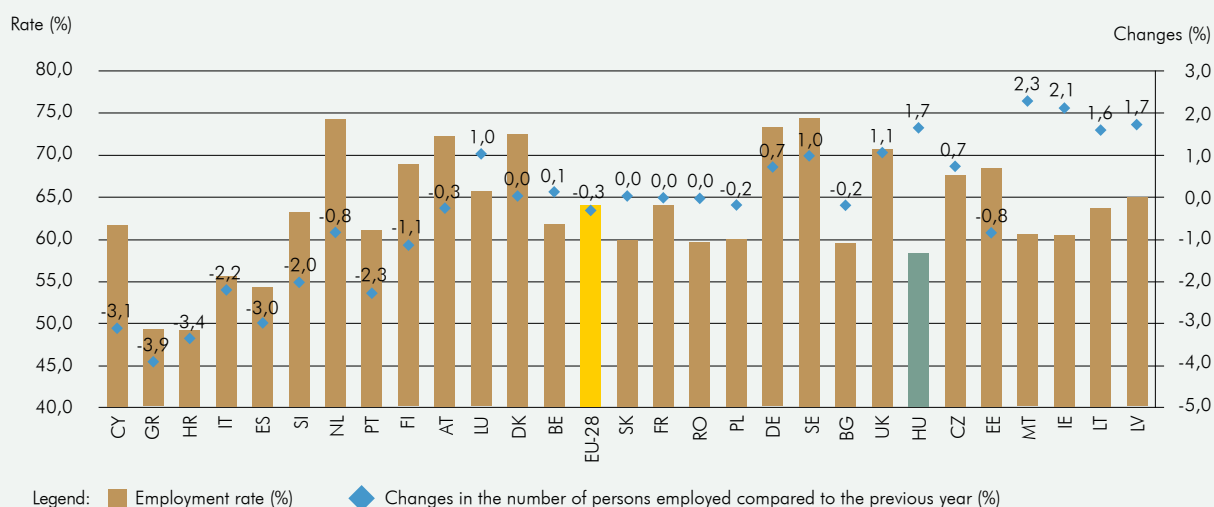
Following supply-side government measures, a further increase in activity can be expected from growing demand. This is served by a Job Protection Action Plan launched in 2013, which can in turn lead to expanding demand for labour at company level. Within the scope of the Job Protection Action Plan, employers apply for tax benefits for an increasing number of employees every month. They used tax benefits for nearly one fifth of employees, or 734.9 thousand persons, in December 2013.

In 2013, 3 938 000 persons among those aged between 15 and 74 years were employed. Following a drop in employment by 150 thousand persons, employment slowly began to grow in 2010 and its annual growth reached 1.7% in both 2012 and 2013. The employment rate climbed to 58.4% in 2013, which was 3% higher than the baseline figure in 2010. Overall, the number of those employed reached the pre-crisis level and even exceeded it in the second half of the year. By comparison with the EU, according to 2013 data Hungary is among those countries where the employed population grew the most dynamically. With its 1.7% employment growth rate, our country ranks fourth after Malta, Ireland and Latvia. Growth took place in most of the member states, but the EU average declined as growth member states were not able to offset the higher weight of negative-growth countries represented in the average. The latter primarily include Spain, Greece, Croatia and Cyprus.

In the aggregate, compared to the labour market shock in 2009 caused by the economic crisis, a 9% drop in Hungary's employment rate behind the EU average decreased to 4.7% by 2013. Even so, despite convergence, it is considered very low. 2013 data indicate that Hungary has the fifth lowest employment rate among EU member states. There are six

countries with higher than 70%: Sweden, the Netherlands, Germany, Denmark, Austria and the United Kingdom. Greece and Croatia fell below the 50% rate as a result of continued deterioration.

The employment rate (15–64-year-olds) and changes in the number of persons employed in 2013



Source: EUROSTAT

The system of public employment significantly contributed to the improving trend of employment figures. That is the main reason why in 2013, especially at the end of the year, the employed population rapidly grew. In Q4, their number rose by 2.7% compared to the previous year and the employment rate approximated 60%. The reason for that was that an unprecedented 200 thousand people were engaged in the winter public employment programme beginning in Q4 2013. As a result, no decrease in employment typical of the end of the year and caused by the natural seasonality of the labour market occurred and the employed population continued growing.

It is to be noted, however, that from the second half of 2013, in line with the start of economic growth, the labour absorption capacity of the business sector also improved. This may also be explained by recent years' rising trend in the labour market of documenting employment stimulated by lower tax rates; the introduction of a wide range of tax and contribution benefits, such as family tax reliefs and benefits available under the Job Protection Action Plan; tightened oversight of social security eligibility; and the growing popularity of

simplified employment. NTCA figures also suggest that in the summer and early autumn of 2013 over 200 thousand people worked in this manner, while their annual average was 162 thousand (132 thousand in 2012).

The unemployed population calculated according to the ILO definition was 449 thousand in Hungary in 2013. Following an increase in 2012, this population kept falling from quarter to quarter in 2013 and hardly exceeded 400 thousand in the final quarter. Our relative position improved by international comparison. For the 15–74-year-old population, the EU-28 average unemployment rate was 10.8% in 2013 resulting from a 0.3% increase in one year. Domestic unemployment stood at 10.2% in 2013, down 0.7% from 2012. The lowest unemployment rate was registered, as before, in Austria and Luxembourg, while Greece and Spain produced the most critical levels with over a quarter of jobseekers out of employment.

In 2013, the potential reserve labour force¹, including the unemployed population, was 777 thousand persons in the Hungarian labour market.

Young persons were among those hit hardest by the crisis. In respect of European Union countries, unemployment in the 15–24-year bracket reached an all-time high at an average 23.3%, or 5.6 million persons, in 2013, while 18.9 million young persons were in employment. Importantly, it should be noted, though, that a significant part (58%) of this age group is not actively² present in the labour market. There are great regional differences within the Community in terms of youth unemployment.

Despite the crisis, the situation is relatively good in Austria and Germany, where the youth unemployment rate is below 10%, while a disaster looms large in the Mediterranean region, where in the case of Greece and Spain the jobless rate exceeds 50%. In Hungary, the youth unemployment rate was 27.2% in 2013, which was slightly above the EU average. Among young persons aged 15–24 years, 175 thousand, or 15.4% of the total population, are not in education, employment or training (NEET). This is slightly above the EU average and has modestly increased compared to 2012. A large part (43%) of NEETs only has elementary education.

1 Reserve labour force: The unemployed and those who wanted to work but did not actively seek employment (226 000 persons)

2 Economically active: Employed or unemployed

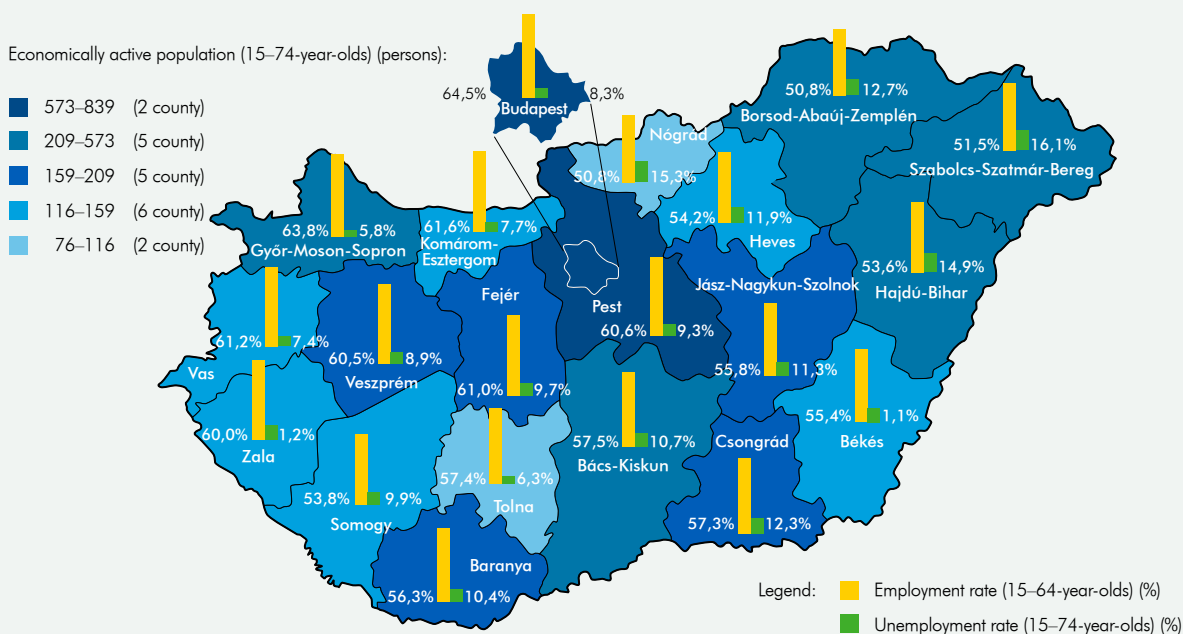
Employment trends in the major segments of the employed; unemployment rates and NEET rates					
		2013		2012	
		EU-28	Hungary	EU-28	Hungary
		%			
Employment rates					
15–24-year-olds		32,30	19,80	32,70	18,60
25–49-year-olds		77,00	75,60	77,40	74,80
55–64-year-olds		50,10	38,50	48,80	36,90
20–64-year-olds	Primary education (ISCED levels 0-2)	51,40	38,20	52,10	37,50
	Secondary education (ISCED levels 3 and 4)	69,30	63,60	69,50	64,90
	Tertiary education (ISCED levels 5-8)	81,70	78,90	81,80	78,70
20–64-year-olds	Men	74,20	69,70	74,50	68,10
	Women	62,50	57,00	62,30	56,40
Unemployment rate (15–74-year-olds)		10,8	10,2	10,5	10,9
NEET-rate (15–24-year-olds)		13,0	15,4	13,1	14,7

Source: EUROSTAT

The employment deficit is concentrated in a few clearly distinguishable groups in Hungary. Compared to the EU average, the employment rate among over-55s, despite a significant growth observable in recent years, and among young persons (15–24-year-olds) is low, while the population in the best working age (between 25 and 49 years) shows hardly any signs of reduction. In our country, there are also significant discrepancies in education: while the employment rate among people with low schooling is extremely low, that among graduates falls behind the EU average only slightly. Male and female employment rates are below the EU average to a similar extent, while the employment gender gap can be considered average (12%) in comparison to the EU. However, with Hungarian women it should be noted that maternity keeps them away from the labour market for a long time, which is indicated by a 15% lower employment rate among the 25-34-year-old female population, in comparison to women in their 40s, whose employment indicators even exceed, albeit modestly, the EU average.

Although the number of part-time employees significantly grew in Hungary in the wake of the crisis, hardly any employers use this form of employment. Compared to 2008, the number of part-timers grew by 46%, or 84 thousand persons, by 2013. People working part-time make up 6.3%, while the EU average is 19.5%. The greatest difference can be seen in the case of women: 9% of women in Hungary and one third of them on average in the EU work on a part-time basis.

Economic participation by county in 2013

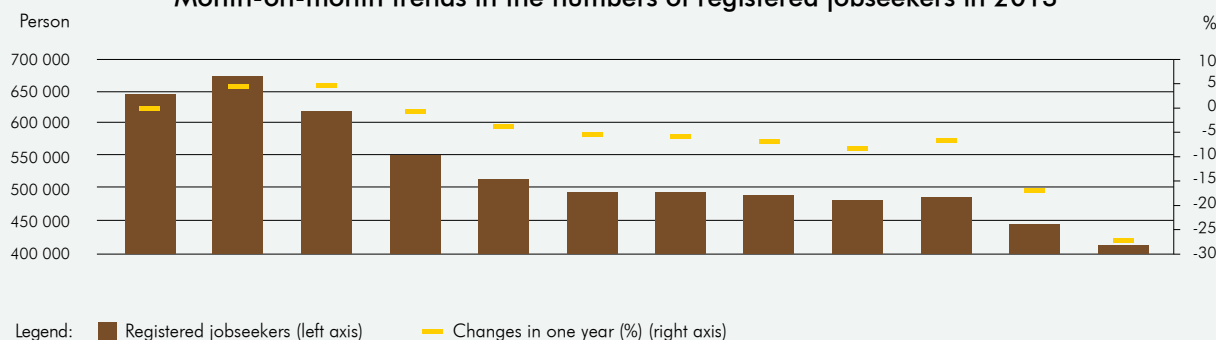


Source: NLO

Regional differences remain significant in Hungary and have hardly diminished in recent years. In 2013, the highest employment rates were measured in the capital and Győr-Moson-Sopron County, with Borsod-Abaúj-Zemplén and Szabolcs-Szatmár-Bereg Counties falling behind them with their 12-13% lower employment rates; in addition, differences between smaller regions are even wider. Although compared to 2012 the employed population increased in all regions in 2013, these growth rates differ. The highest employment growth was registered in the Southern Great Plain and Northern Hungary in one year, which is attributable to intensifying public employment programmes.

The closing day average number of jobseekers registered with NES was 527 600 in 2013, down by 31 500 (5.6%) from 2012. However, the number of jobseekers shows widely different seasonal trends behind the annual average. While in the first few months of 2013 the number of jobseekers was slightly above the level in the same months of 2012 and a 4-8% drop can be observed from May to October, it fell to 83% of the earlier value in November and to 73% in December. This means that in December 2013 the number of jobseekers was lower by 155 000 in December 2013 than at the end of 2012, the reason being the launch of a winter public employment programme of an unprecedented scale at the end of 2012, which ensured job opportunities for a large number of jobseekers in the secondary labour market.

Month-on-month trends in the numbers of registered jobseekers in 2013



Source: NES register

Regionally, most jobseekers are to be found in Borsod-Abaúj-Zemplén (59.3 thousand persons) and Szabolcs-Szatmár-Bereg (55.8 thousand persons) counties. The number of jobseekers declined to the greatest degree between 2012 and 2013 in those counties where participation in public employment programmes was high: by 11%, 12%, 8% and 9% in Borsod-Abaúj-Zemplén, Baranya, Nógrád and Békés, respectively. In Győr-Moson-Sopron County the number of jobseekers also went down by 8% but in this case, together with some other counties with a more favourable labour market environment (e.g. Vas, Komárom-Esztergom and Veszprém Counties and Budapest), job placements were dominated by entry into non-subsidised employment.

The number of the long-term unemployed grew in 2013 compared to 2012. The average number of jobseekers out of employment for over 12 months totalled 163 300 in 2013, up by 20 000 (14%) from 2012, while the overall number of jobseekers decreased. This growth is part explained by a low base value in 2012, as public employment engaging many people already significantly reduced the number of the long-term unemployed in 2011. The other reason is that among long-term jobseekers the number of those engaged in subsidised employment is below the average.

It is to be mentioned, though, that the growing trend in the number of the long-term unemployed turned into a decline in Q4, which shows that the activation of this segment in the winter public employment programme was highly successful.

Source: NES register

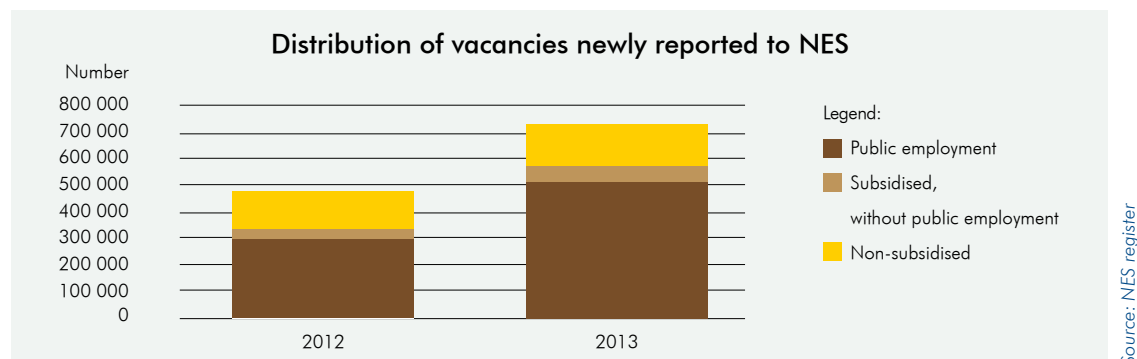
Quarter-on-quarter long-term unemployment trends in 2012–2013 (persons)					
	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Average 2012
Long-term unemployed population	135 205	135 163	147 140	157 130	143 659
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Average 2013
Long-term unemployed population	179 944	168 745	161 875	142 671	163 309
Index 2012/2013	133%	125%	110%	91%	114%

Slightly over 10% of jobseekers (66 thousand persons) are school-leavers.; the trends behind this data developed contrary to those characterising the total population of jobseekers as it grew by 7.4% compared to 2012. The increase was the continuation of the previous year's trend as the number of school-leavers had been steadily rising since mid-2012. The final two months of 2013 also showed a turning point in the case of school-leavers, whereby their number dropped below 80% by the end of the year compared to the level measured at the end of 2012 and reached the level of year 2011.

While 40% of jobseekers have no more than 8 years of elementary education, 30% have completed vocational schools or apprentice schools, 25% hold general certificates of secondary education (GCSE) and 5% have higher education, among school-leavers the proportion of persons with max. 8 years of elementary education is somewhat lower (35%), one fifth completed studies at vocational schools, 38% hold GCSE, and a further 7% are higher education graduates, based on 2013 data.

The composition of registered jobseekers by benefit type did not change significantly in 2013 as following sweeping changes in the forms and conditions of jobseekers' benefits beginning in September 2011, major transformations took place in 2012 and thus these data already showed stability in 2013. On an annual average, 58.5 thousand, or a mere 11% of jobseekers, were entitled to jobseeker's benefit and pre-retirement aid, collectively referred to as jobseeker's allowance. An additional 184.4 thousand persons (35%) received employment replacement benefit, and a very low number of people were on regular welfare, collectively referred to as social assistance. Over half of jobseekers (54%) was not eligible for any provision. These proportions, with some modification, were similar in 2012.

In the course of 2013 over 700 000 vacancies were reported by employers to NES job centres, which was close to 1.5 times higher than in the preceding year. This year again, the supply of jobs was greatly influenced by labour demand generated within the public employment system.



Of 719 thousand jobs, 498 thousand were linked to particular public employment measures in 2013, and this number significantly grew, thanks to varying public employment trends during the year; accordingly, the number of reported new vacancies of this type increase over one and half times. 159 000 vacancies were reported from the open labour market, which again signals an increase, albeit to a much lesser extent. Among non-subsidised jobs, the number of those offered to foreign nationals decreased by 8.4% in 2013. The supply of non-subsidised vacancies only shrank in three counties (Heves, Hajdú-Bihar and Bács-Kiskun) and showed a growing trend elsewhere. The most marked growth was registered in the favourably-positioned counties of Vas (60%), Győr-Moson-Sopron (34%) and Komárom-Esztergom (29%).

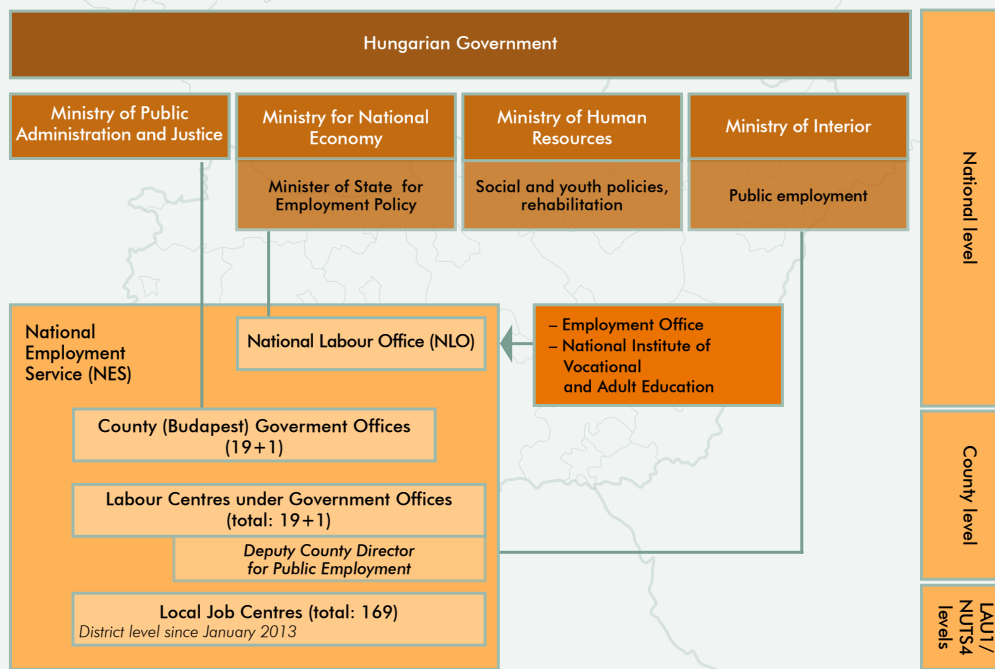
53% of non-subsidised jobs came from the tertiary sector (except public administration) and the second largest group of vacancies (25%) was generated in the manufacturing sector. Among manufacturing jobs, the food, beverage and tobacco manufacturing industry, the primary metal and metal product manufacturing industry and the motor vehicle manufacturing industry had a dominant share in 2013. The most sought-after non-subsidised jobs mainly feature occupations requiring vocational qualifications. Mechanical machine assembler, truck driver, shop assistant and chef remained the most popular occupations in 2013. The latter occupation was included in the list because of jobs offered to foreign jobseekers, as of 4.8 thousand reported vacancies 3.3 thousand were advertised for foreign nationals. In addition to occupations requiring vocational qualifications, those without such requirements listed under ISCO Group 9, such as simple service and transportation, industrial, and construction jobs, as well as loaders also appeared in the supply of jobs.

Organisational and regulatory changes

Organisational changes

Within the scope of a sweeping public administration reform and pursuant to Government Decree 288/2010 (21 December) on Government Offices in Budapest and in the Counties, labour centres as organisational units of the Budapest and county government offices became integrated into the same as policy agencies. The comprehensive public administration reform continued in 2012. Its most important implication for the National Employment Service was the formation of the National Labour Office as of 1st January 2012 as a central entity consolidating the former Employment Office, the National Institute of Vocational and Adult Education and the National Occupational Safety and Labour Inspectorate. The decision to set up the National Labour Office was enacted in Government Decree 1413/2011 (1 December). With the new organisation a top-level coordination and professional governance entity was created employing 445 staff and integrating, in addition to an employment policy remit, formerly independent areas related to labour affairs, occupational safety and health, workplace hygiene, occupational medicine as well as to VET and adult education. Labour affairs, occupational safety and health, workplace hygiene and occupational medicine are assigned to the Occupational Safety and Labour Inspec-

Structure of the National Employment Service, 2011–2014



Source: NLO

tion Directorate as an organisational unit with an independent remit and competence. Subject to Government Decree 323/2011, VET and adult education responsibilities are also assigned to the NLO's sphere of responsibilities, but in respect of these areas the NLO's relevant organisational unit, the VET and Adult Education Directorate, did not receive an independent remit and competence. The consolidation also entailed staff reductions: 29, 108 and 102 persons had to be laid off from the former Employment Office, the National Occupational Safety and Labour Inspectorate and the National Institute of Vocational and Adult Education, respectively.

With one significant exception, in 2013 no changes were made in the organisation, thanks to the fact that the most essential changes had already taken place and thus that year can be considered as a year of consolidation.

The aforementioned significant change was the set-up of district offices, on which a decision had already been made in 2012 but implementation was carried over to 2013. Local job centres as policy agencies, together with other local-level policy agencies, were assigned to the jurisdiction of district (and Budapest district) offices and thus it is in this new structure that the performance of employment and labour market-related tasks can take place at local level. The integration of local job centres began as of 1st January 2013.

Occupational rehabilitation policy agencies, which used to be under the National Rehabilitation and Social Office, were integrated into the government office structure as of 1st January 2012. As a result, the rehabilitation policy agencies assumed rehabilitation responsibilities, earlier also within the remit of job centres, from the labour market organisation.

Regulatory changes concerning professional activities

The professional activities of the NLO were also affected by a large number of regulatory changes in 2012. The NLO's new institutional structure was reflected by the passage of Government Decree 323/2011 (28 December) on the National Labour Office and the Remit and Competence of Policy Agencies under its Professional Governance. The integration of job centres into district offices naturally called for modifying areas of jurisdiction, which was implemented by the adoption of Ministerial Decree 44/2012 (22 December) NGM on the Jurisdiction of Labour Centres and of Local Job Centres under the District (Metropolitan District) Offices of Metropolitan and County Government Offices. The creation of the National Labour Office made it necessary to adopt a new Deed of Foundation and new Organisational and Operational Rules, which also took place in 2011 and 2012.

Among regulatory changes regarding professional activities, primary mention must be made of the new Labour Code entering into effect as of 1st July 2012. Due to its comprehensive nature, the new act immediately made itself felt in a number of areas. The entry into force of the new Labour Code took place in stages and therefore the coming into effect of certain provisions, such as those concerning vacation and the calculation of absence fees, was carried over to the next year. Compared to the old Labour Code, the new legislation included measures to create more flexible employment opportunities in the labour market. The first significant amendment to the Labour Code, which entered into force as of the 1st August 2013, laid down new provisions concerning the calculation of absence fees. Subject to the amendment, the monthly base wage no longer has to be divided by 174 working hours uniformly, i.e. in every month, but by the number of working hours applicable to the given month. With this amendment the lawmaker aimed to eliminate a much criticised situation whereby the amount of the employee's wage showed significant fluctuations depending on the number of days in the month in which the employee took his or her vacation. As a result of the amendment, the amount of the monthly wage paid to the employee is not going to differ significantly from the amount laid down in the employment contract in the event of vacation, nor will the amount be affected by the month in which the vacation is taken or by the duration of the vacation. In addition to the absence fee, the amendment also affected other provisions of the Labour Code.

At this point, reference must be made to the government's measures designed to stimulate employment, in particular its Job Creation Action Plan, which aimed to boost employment by offering simplified and more favourable forms of taxation for businesses as well as reliefs on social contribution taxes paid in the case of employing disadvantaged jobseekers including under-25s, over-55s, unskilled jobseekers, jobseekers with small children, and people registered as long term unemployed. The measure was adopted on 15th October 2012 and entered into force in stages.

As a result of changes in tax and contribution payments, the net nominal wage of persons earning less than HUF 300 000 in 2011 would have decreased in 2012. To avoid that, in addition to raising the minimum wage, the government also took measures to ensure that salaries grew to the required degree and therefore compelled employers to implement a so called "required wage increase" in order to preserve the net value of salaries. The government provided tax benefits to employers implementing the required wage increase in the form of a relief on the social contribution tax. Similarly to the practice of the previous year, labour inspectorates had to verify compliance with the obligation to implement the required wage increase in 2012 as well and in the event that employers were found not in compliance with this

obligation they issued a resolution stating this fact. Although the issuance of such resolution did not entail the imposition of a fine, employers failing to comply with the obligation to implement the required wage increase were put on a list of employers with unsettled industrial relations. The inclusion in this list meant a disadvantage in relation to public procurement procedures and also in applications for government funding and subsidies for employers. In addition to tax benefits and the imposition of sanctions, a third tool was also available to encourage employers to implement the required wage increase. Within the scope of an application system, employers who undertook not to reduce the average statistical headcount compared to the year 2011 and not to initiate the shortening of work time in the case of more than one fifth of their employees were eligible to apply for a non-refundable grant to the Ministry of National Economy. The National Labour Office took care of administrative procedures related to this grant.

Amendments to the core legislation, i.e. Act 4 of 1991 on Job Assistance and Unemployment Benefit (Job Assistance Act, JAA), governing the field of employment policy, have always been of key importance for the National Labour Office. The former Labour Market Fund has been renamed as National Employment Fund and as of 1st January 2012 the related legislation was also amended. It must be pointed out as a novelty that among expenditures eligible for refund against the Fund the cost of IT improvements necessary for operating a record-keeping system related to grants and benefits funded from the Fund has also been included. Mention should also be made of the inclusion in the Act of a joint right of disposal, shared between the Minister for National Economy and the minister in charge of public employment, over the appropriation for public employment earmarked from the Fund.

Subject to the JAA, the area of jobseekers' provisions has also been modified, in which the NLO staff had a key role to play. For, the amendment to the aforesaid act was implemented based on proposals from a team consisting of the staff of the Ministry for National Economy, the National Labour Office and the Labour Centres as part of the "Magyary Programme" designed to reform public administration and implemented under Measure 1.2.6 ("Coordination of Simplification of Legislation and Procedures") of the State Reform Operational Programme (SROP). The amendments primarily focussed on matters related to the establishment, disbursement, suspension and termination of jobseekers' allowance and contact-keeping and cooperation with the Labour Centres. They took into account the need for clients and also the authority to make considerable savings in terms of time and workload related to official procedures. The above mentioned modifications were adopted on 27 December 2012, but their entry into force was carried over to the next year. As a result of simplifications, jobseekers and clients requesting placement and other services can now make a

statement in which they request electronic contact-keeping. Subject to this modification, they are now entitled to indicate electronically their requests for registration; meet their obligation to report to the agency; and report any changes in their circumstances or any events concerning their registration.

In addition, there has been a decrease in the number of cases in which a resolution has to be made in dealing with benefit claims in each case. Therefore, in the future unless benefits are terminated or suspended subject to legislation, no such resolution will have to be issued.

The simplification programme also affected Ministerial Decree No. 16/2010 (13 May) SZMM on Licensing the Employment of Third-Country Nationals in Hungary. The new legislation was designed to provide an opportunity to reduce the number of documents required in the licensing procedure related to the employment of third country nationals in Hungary and to simplify the procedure for applicants. Under the previous regulations, the licencing procedure based on the evaluation of the current labour market situation consisted of two stages. As opposed to that, the modification has created the possibility of one-stop-shop service delivery.

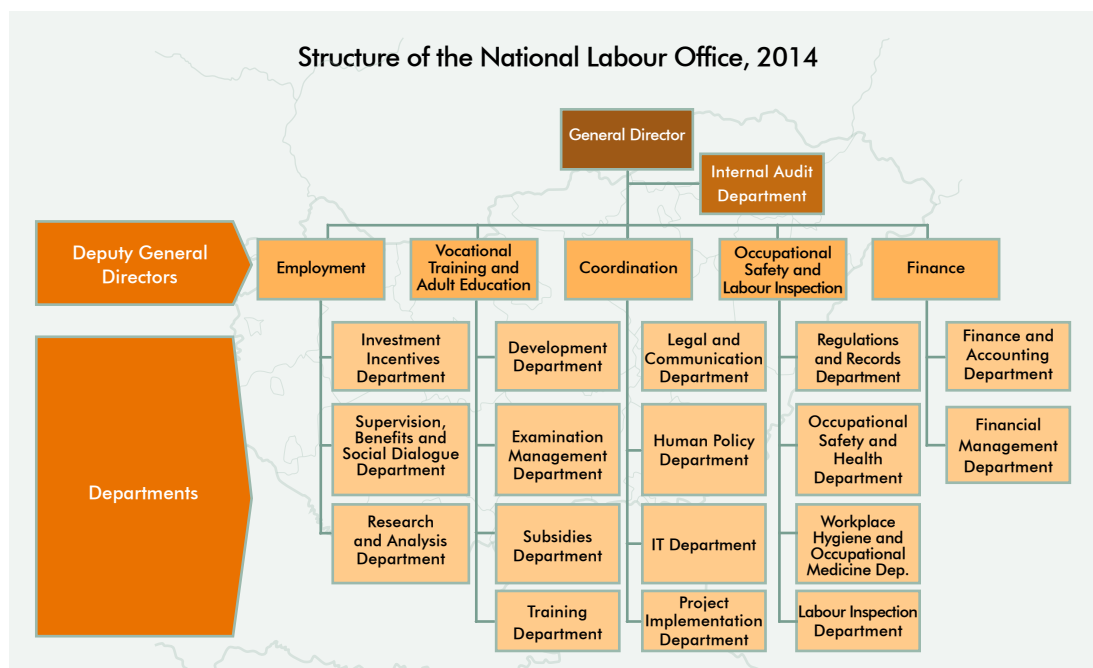
Thereby, clients can submit their need for labour and also applications including annexes at the same location, i.e. at the Labour Centres, do not have to keep contact with several organisational units (one-stop-shop procedure). In addition to the foregoing, in the case of application for a license covering the entire country or several counties, more flexible licensing procedures have been introduced, making it possible to issue licences by way of a resolution of partial approval. Moreover, the rules of extending licences have also been simplified and the number of forms to be used in the procedure and their information contents have also been minimised.

The remit of local Job Centres has been significantly widened by the inclusion of the enforcement of public employment decrees issued in infringement proceedings. In certain cases determined by the Infringements Act (Act II of 2012, IA) and the Administrative Proceedings Act (Act CXL of 2004, APA), since 15th April 2012 it has been the responsibility of the National Employment Service to enforce public employment orders. Since 1st July 2013, the Probation Service, in cooperation with the public employment service, has been responsible for enforcing such orders in the case of persons convicted in criminal proceedings. Within the scope of this responsibility, the public employment service compiles a list of employers assignable for hosting public employment programmes and makes it available to the Probation Service on its web site; it also regularly updates the list based on feedback from the Probation Service regarding assignments.

The National Labour Office as a new organisation

The organisational structure of the National Employment Service is comprised of the National Labour Office and labour centres. The labour centres function as policy agencies responsible for labour affairs under the Budapest and county government offices. Local job centres under district offices located in the counties carry out their activities under the professional governance of the labour centres. The National Labour Office is a central office performing tasks related to employment policy; occupational safety and health; labour inspection; and vocational and adult education, as well as fulfilling sectoral middle-level governance functions in those areas.

Within the employment policy remit of the NLO, its EMPLOYMENT DIRECTORATE is responsible for governing the professional activities of Labour Centres; improving the quality of services provided by Labour Centres; coordinating central labour market programmes; and organising and implementing employment and training programmes financed from the funds of the European Union. The Employment Directorate consists of three departments. These are: the Investment Incentives Department; the Supervision, Benefits and Social Dialogue Department; and the Research and Analysis Department.



The *Research and Analysis Department* is responsible for statistical processing based on NES records; performing analytical and information tasks; taking care of the long-term development and maintenance of the statistical system; and coordinating data surveys related to short-term labour market forecasts. It gathers representative data on the trends of wages and salaries annually and performs model calculations to inform wage policy decisions. Furthermore, importantly, it has to coordinate and enhance the system of monitoring active labour market policies, which includes participation in different programme evaluation, impact assessment and monitoring projects.

The *Supervision, Benefits and Social Dialogue Department* monitors the professional activities and official proceedings conducted by the Labour Centres and local job centres; examines the lawfulness of their activities; adjudicates appeals against resolutions made by the Budapest and county Labour Centres; and represents the NLO in related court proceedings. It contributes to formulating legal positions related to employment policy matters falling within its remit and competence and governs the Labour Centres' law enforcement activities. Furthermore, it carries out customer service activities and performs tasks related to migrant workers.

In connection with social dialogue, NES discharges duties related to keeping records on collective agreements; drafts ministerial decisions related to extending the scope of collective agreements to entire sectors; and contributes to establishing the representativity of an organisation (organisations) requesting such extension as well as to the functioning of Sectoral Dialogue Committees. The Labour Mediation and Arbitration Service also belongs to the NLO. It is responsible for resolving labour disputes by way of conciliation, mediation and arbitration.

The *Investment Incentives Department* is responsible for the professional operation of subsidies and services of NES other than those related to labour market training. In order to implement employment policy objectives, it coordinates government offices' tasks related to the services and subsidies provided by the labour centres. It drafts and submits proposals in respect of central labour market programmes and, in line with the criteria determined by the Minister for National Economy, governs and coordinates the implementation of such programmes. Although the implementation of public employment programmes falls within the professional remit of the Minister of Interior, the Labour Centres also receive methodological guidance from the NLO in respect of the implementation of these programmes. Similarly, the development and enhancement of IT support for such programmes also falls within the NLO's competence. The Investment Incentives Department, in cooperation with the Project Implementation Department, also contributes to the implementation of EU-funded and central programmes.

The NLO's EURES-related responsibilities cover the operation of the EURES system in Hungary. Within the scope of this activity, a EURES Central Customer Service provides information and advice in respect of matters related to entry into employment abroad and in Hungary. It initiates and carries out tasks related to international recruitments and job fairs and operates EURES cross-border partnerships (EURES-T Danubius, Pannonia) as well as building new partnerships.

It is the OCCUPATIONAL SAFETY AND LABOUR INSPECTION DIRECTORATE (OSLID) of the NLO that is responsible for performing administrative tasks in connection with safety and health at work and for enforcement activities in its capacity as labour affairs authority. This task is also shared with the occupational safety and labour affairs policy agencies (occupational safety and labour inspectorates) of the Budapest and county government offices. OSLID is an organisational unit of the National Labour Office with an independent remit and competence. Through its professional organisational units it performs the professional governance of occupational safety and labour inspectorates. The department is headed by a Deputy General Director and is composed of four departments as follows:

The labour affairs authority is responsible for the governance of labour inspection activities as laid down by Act LXXV of 1996 on Labour Inspection. Its main task is to verify compliance by employers with labour regulations. In relation to these tasks, the responsibilities of the Directorate's Labour Affairs Department include coordination; professional governance; provision of information and education to help compliance with labour regulations; and legislative drafting.

The occupational safety authority primarily performs its activities subject to Act XCIII of 1993 on Labour Safety in order to ensure the health and safety of workers; preserve their work capacities in the long term; improve working conditions; and increase the effectiveness of safety and health inspections. To this end, the *Occupational Safety and Health Department* is responsible for performing enforcement and professional governance in relation to health and safety at work and keeping records of industrial accidents. It gives professional answers to questions sent to OSLID's web page and, within its information provision remit, provides information on occupation safety and health matters by phone and in writing.

The *Regulations and Records Department* is responsible for managing calls for proposals for the use of revenues from fines imposed in cases of safety and health violations; conducting procedures of licensing occupational safety expert; and managing tasks related to keeping official records of labour and occupational safety and health violations and undeclared workers.

The *Workplace Hygiene and Occupational Medicine Department* is responsible for informing workplace hygiene and occupational medicine-related government decisions and strategies; performing assessments and monitoring related to the work environment; carrying out risk analysis and risk assessment; fulfilling tasks related to research, analysis, education, training, professional upgrading, information provision, organisation and service provision in connection with the improvement of employees' health status and the prevention of diseases; and providing specialist outpatient care for people suffering from occupational diseases.

The VOCATIONAL TRAINING AND ADULT EDUCATION DIRECTORATE is the National Labour Office's organisational unit responsible for VET and adult education tasks. Through its *Development Department*, the Directorate governs the implementation of tasks related to content development. Within the scope of this activity, it coordinates the development of the VET and adult education system in line with standard principles; works out proposals for regulatory changes; contributes to drafting decrees governing the legal documentation of VET; and implements grant agreements falling within its competence. Its remit includes the provision of national and international data; fulfilment of tasks in connection with the recognition of foreign qualifications; preparation of VET examination chairpersons and experts; and, not least, preparation and definition of a set of requirements applicable to vocational subjects in final examinations at secondary vocational schools. It operates and enhances a Textbook Content Provision System; publishes and distributes vocational textbooks; and conducts procedures of recognising works as textbooks and of their entry in the textbook register.

The *Examination Management Department* is primarily responsible for organising examinations. Within the scope of this activity, it operates an examination centre for administering vocational examinations for non-school based training institutions and is entitled to organise examinations in the case of complex assessments in respect of all vocational qualifications listed in the National Qualifications Register. It is responsible for working out test assignments and, as part of this activity, developing, and arranging for the approval of, examination documentation related to written test assignments and activities; duplicating examination documentation used in school-based training; and arranging for the delivering to examination organisers of test assignments for use in the closing examinations of non-school based VET courses. As part of its examination supervision responsibilities, it handles examination reports; verifies related data; assigns chairpersons of vocational examinations; and manages and processes Examination Chairperson's Reports. In respect of complex tests, it manages reports of examinations in respect of all qualifications listed in the National Qualifications Register and issues a formal mandate to the entire examination board.

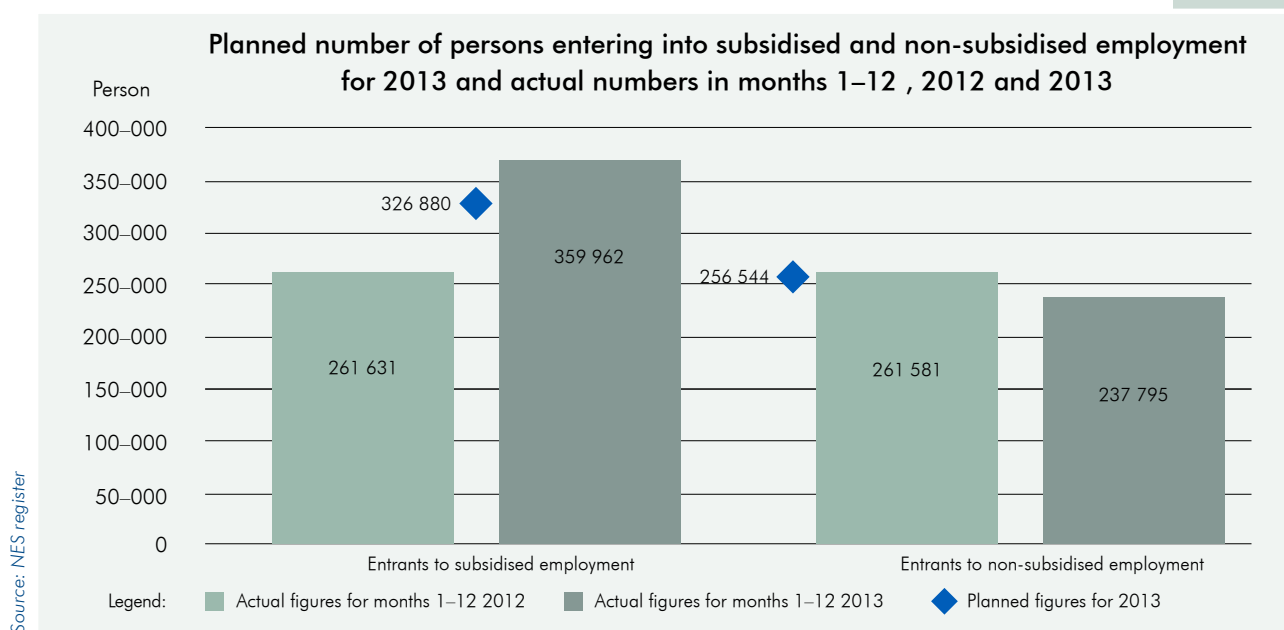
The *Training Department* is responsible for licensing; keeping records of; and overseeing adult training activities. It operates a register of andragogists and operates an Andragogy Committee. It works out and supervises a standard system of application for labour market training programmes; coordinates and keeps records of training courses provided and subsidised by labour centres; and operates a data provision system related to non-school-based training options.

The Directorate also deals with tasks related to the administration of training subsidies. Within the scope of its activity, the *Subsidies Department* is in charge of preparing and conducting application procedures related to grants available from the training subfund of the National Employment Fund and from legal predecessor funds. It works out detailed conditions of spending, and reporting the use of, subsidies in grant agreements and, based on a ministerial decision, concludes such agreements and keeps track of the use of subsidies. It keeps electronic records of the spending of subsidies. The disbursement of normative subsidies applied for by vocational schools for the funding of student grants; the disbursement of normative subsidies determined in legislation by other organisations not obliged to make contributions; the verification of the use of funds applied for and disbursed also belong to its remit. The Department is in charge of overseeing the use of grants received from the training subfund of the National Employment Fund and from legal predecessor funds.

Management by objectives and performance targets in the NES

Within the scope of management by objectives (MBO), at the beginning of each year county Labour Centres work out, on a bottom-up basis, their annual plans based on the plans of the local job centres. Planning is based on professional guidelines approved by the Minister of State for Employment Policy and takes into account the given county's labour market conditions and anticipated economic processes; available EU and domestic funds; and operational conditions. The county plans are agreed and finalised at planning meetings held at the National Labour Office in the first quarter of the year. In the professional plans, local job centres and county Labour Centres make commitments in respect of the values of indicators measuring the key processes of the labour market organisation. The achievement of these values is monitored on a regular basis throughout the year.

Based on key indicators measuring the most important processes of the organisation, performance of the National Employment Service worked out as follows in the years of 2012 and 2013: In 2013, 360 000 jobseekers entered into subsidised employment nationwide, which number was significantly, by 37.6%, higher than in the same period in 2012.



This means that in 2013 the organisation ensured the entry into employment of almost exactly 100 000 persons more than in 2012. As the number of jobseekers did not change significantly, the number of persons entering into subsidised employment increased to a significant degree – from 22.6% to 30.9% – in one year. As in the fourth quarter of the year the number of persons entering winter pub-

lic employment programmes became known, many local job centres modified its plans made at the beginning of the year and revised the number of persons entering into subsidised employment upwards. Therefore, in overall terms the modified plan figures also considerably exceeded the value in 2012. The original plans were somewhat lower than the actual figures in 2012. The number of persons actually entering into employment considerably (by 10%) exceeded even the plan.

89% of persons in subsidised employment found jobs in public employment programmes. This proportion is very high even by comparison with the figures of previous periods in the year. The overall 12 month figure is increased by the year-end launch of the winter public employment programme. In 2013, the net number of persons participating in public employment was 320 700, which means that one person was counted only once even though the same person participated in several programmes. Another 26 300 persons had an opportunity to engage in subsidised employment under SoROP Measures 1.1.2 and 1.1.4 during the year. This makes up 7.3% of all persons entering into subsidised employment. In both SoROP 1.1.2 and 1.1.4, a small number of persons had an opportunity to engage in subsidised employment in 2013, which was due to the *"First Job Guaranteed"* programme.

It should be noted at this point that even in counties with more favourable labour market conditions it is public employment that determines the number of persons entering into subsidised employment. For example, in Budapest and in Pest county 91% of all entrants to employment were placed by way of engagement in public employment programmes. But this rate is also 82% and 80% in Győr-Moson-Sopron County and Vas County, respectively.

The number of jobseekers entering non-subsidised employment was 237 000 in 2013, which is 9.1% lower than in the same period in 2012 and represents 92.7% of the plan. With the exception of Vas county, the number of entrants to non-subsidised employment was below the value of the basis year. In the case of Vas county, there was an increase of 8.8%. The decrease was only slightly lower than the national average in counties with more favourable labour market conditions such as Pest, Komárom, Esztergom, and Győr-Moson-Sopron Counties and the capital. A significant decline can also be observed in Baranya County (-24.5%), Borsod-Abaúj-Zemplén, Hajdú-Bihar and Somogy Counties (-15%) and Szabolcs-Szatmár-Bereg County (-14%). Of the number of jobseekers concerned, the number of jobseekers entering non-subsidised employment amounted to 20.4% nationally while the plan was 22.3%. The proportion in the year 2013 was over 2% lower than in 2012 and over 5% below the value in 2011. The number of persons entering into non-subsidised employment was the highest in Budapest (24.1%), Fejér County (23.5%), Győr-Moson-Sopron County (36.9%), Komárom-Esztergom County (30.1%), Vas County (36.2%), Veszprém County (29.2%) and Zala County (25.5%)

Among jobseekers in the year of 2013, 132 600 persons were engaged in training. This number is slightly more than three times the value measured in 2012, whereas it represents a more than seven-fold increase compared to year 2011. The level of engagement in training heavily depended on the particular programme and was ensured primarily through funding from the European Union, specifically the European Social Fund. Whereas in the first half of 2013 three quarters of persons were engaged in training under SoROP Measures 1.1.2 and 1.1.4 this rate dropped to only 19% during the year as the amount of training in public employment programmes increased, while 79% of the persons received training under SoROP Measure 2.1.6. These latter people took part in the “Back to School Programme”, under which training is provided for people engaging in public employment and in 2013 almost a 100 000 persons participated in training during the winter public employment programme. 47.5% of those receiving training in 2013 were women and 20% were aged under 25, with another 21% aged over 50, while 28% were registered as long-term unemployed. Among the long-term unemployed, 37 200 people entered into training in 2013, which was over eight times the number in 2012. 12.1% of all long-term unemployed people were in training in 2013.

MBO key indicators also include the number of reported vacancies, which was covered in the preceding section. In summary, the planned figures were achieved in most of the counties in terms of both subsidised and non-subsidised jobs. A slight shortfall compared to plans was registered in Békés, Borsod-Abaúj-Zemplén, Hajdú-Bihar and Heves Counties. The overachievement of the number of non-subsidised jobs compared to the basis year is particularly remarkable in two counties that can be characterised with more unfavourable labour market conditions. These are: Somogy and Nógrád Counties. Their results reflect their increased focus on employer contacts and the activities of the job agent network.

Job placement is the most important service provided by the labour market organisation and is designed to meet employers’ demand for labour as well as helping jobseekers’ rapid entry into employment. In 2013, 725 200 job placements were completed, which was the result of a 37% increase compared to the year 2012. The increase in the number of successful job placements is attributable to the high number of placements into subsidised jobs, in which case the number of placements increased by nearly 50% in 2013 compared to the previous year. This figure is explained by a high number of placements into public employment programmes. It can also be pointed out that at the time of launching the winter public employment programme, entrants to individual programmes had to be placed even if the client was transferred from an earlier programme into another one. Because of the high fluctuation typical of public employment programmes, there were multiple placements into the same job and overplacements were also typical in this case. All in all, out of one hundred placements 85

took place into subsidised jobs in 2013. This percentage was 80% in 2012 but it was even more balanced in the preceding years. The shift reflects well how the emphasis of placement activities at the job centre level was shifted as public employment prevailed and as a result job-seekers had to be placed into high-volume public employment programmes. The workload caused by the administration and the management of such a high number of placements in all probability also affects human resource capacities that can be expended on placement into non-subsidised jobs. This is signalled by the fact that a mere 7% of successful placements was into non-subsidised jobs in 2013.

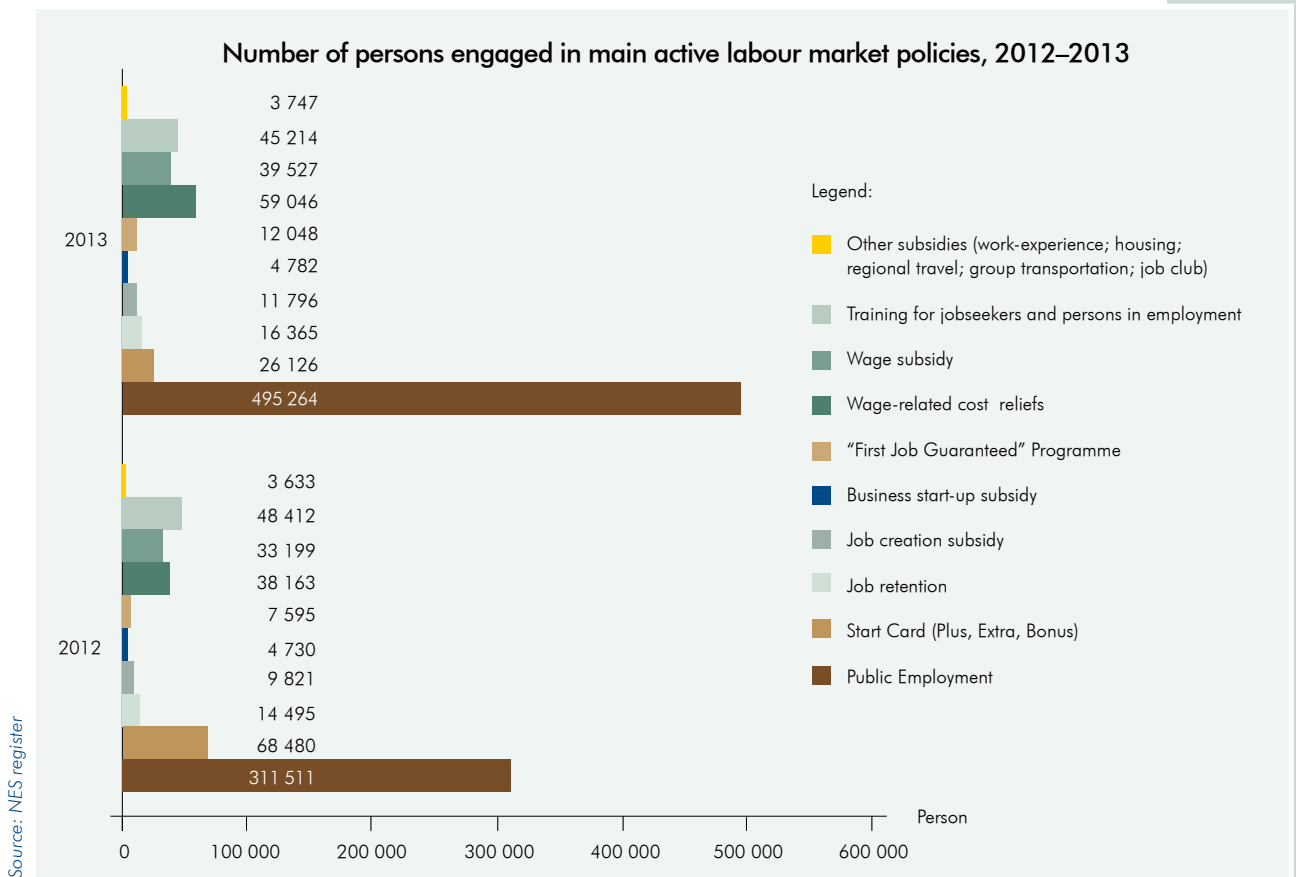
We also measure how fast job centre staff responds to incoming reported vacancies by placements. In other words, we look at how much time on average is spent before placement forms are issued and also what percentage of the issued placement forms actually leads to successful placements. In 2013, the average time elapsed from the issuance of a placement form was 6.2 days, which was similar in the case of both subsidised and non-subsidised jobs. However, while based on the issuance of placement forms 80% of placements into subsidised jobs are successful, this figure is only 35% in the case of non-subsidised jobs. It is important to note that the launch of the Virtual Labour Market Portal in the summer of 2013 militates towards a decline in the number of job placements as this online tool is designed to bring together jobseekers and employers without placement services provided by job centres.

In overall terms, 35.6% of jobseekers were activated through engagement in training; by successful placement into subsidised jobs; or by referral into subsidised employment in the course of 2013. This so-called activation rate was 27.5% in 2012 and 29.4% in 2011.

The final key activity mentioned here as a main function of the labour market organisation is connected with the field of human services. The activity related to this field is measured by what is called a “prevention indicator” in the MBO system. This indicator looks at entrants to the register of jobseekers aged under 25 within six months and, in the case of people aged over 25, within 12 months of entry from the perspective of whether they have received any substantive services. The staff of NES planned the number of persons receiving services at 53.6% within the group of people aged under 25 for the entire year 2013. The actual proportion was higher than that, 57.8%, last year. The increment of the number of people receiving substantive services during one year was higher than the increase in the number of entrants to the register and thus the number of people receiving services rose by over 6% in one year. An increase was recorded also in the group of people aged over 25, where the planned proportion, which was 59.6%, was overachieved at 61.7%, or by 1.8%, compared to the year of 2012.

The operation of traditional active labour market policies

In 2013, the number of persons participating in active employment policy measures was 713 900³ which was the total number of persons engaged in active employment policy measures started in the previous year and carried over to 2013. 218 600 persons participated in active employment measures other than public employment, which was a decrease of 4.3% in one year. In 2013, 59% more persons were engaged in the different types of public employment schemes than a year ago. Their number reached 495 300 last year; typically, however, the same person was allowed to participate in different public employment programmes several times. If everybody is counted only once then the number of persons participating in public employment programmes was 312.300⁴ in 2013..



3 The same person was allowed to engage in several active labour market policy measures within a year; they are counted several times.

4 88 004 persons participating in training linked to public employment are not included in the number of those receiving training. They are only accounted for among persons in public employment programmes.

88 000 people were engaged in training related to public employment programmes. 39 500 people, or 5.5%, received wage subsidies in the same year. There was a sharp increase in the number of persons receiving wage cost subsidies; they made up 8.3% (59 000 persons) of those involved in active labour market policies in 2013. This number meant a 54.7% increase compared to 2012. About 17 000 persons receiving benefits under the summer student work programme are also included among people receiving wage subsidies in 2013. In addition to wage subsidies, another 12 000 persons were engaged in the “First Job Guaranteed” programme designed to help people before first employment to find jobs. Support for allowing opportunities for work experience for skilled career starters was being phased out in 2013 and therefore it only concerned a few hundred people.

Support for local travel and group transportation related to employment was given to 926 persons last year. A new programme designed to promote labour mobility in Hungary provided housing benefits to 2 069 persons in 2013. 4 782 persons received support for entrepreneurial activities and this number represents 0.7% of persons participating in active labour market policies. In the same year, employers received job retention subsidies for 16 400 persons while an additional 11 800 persons were involved in job creation programmes. The final two categories of subsidies include 3.9% of persons engaged in active labour market policy measures. The number of persons participating in job retention programmes increased by 12.9% and the number of those engaged in job creation schemes grew by 20.1% compared to 2012.

The highest number of people participating in active labour market policies was registered in Borsod-Abaúj-Zemplén and Szabolcs-Szatmár-Bereg Counties in both 2012 and 2013. The distribution of participants by the type of labour market measures did not change significantly in respect of these two years.

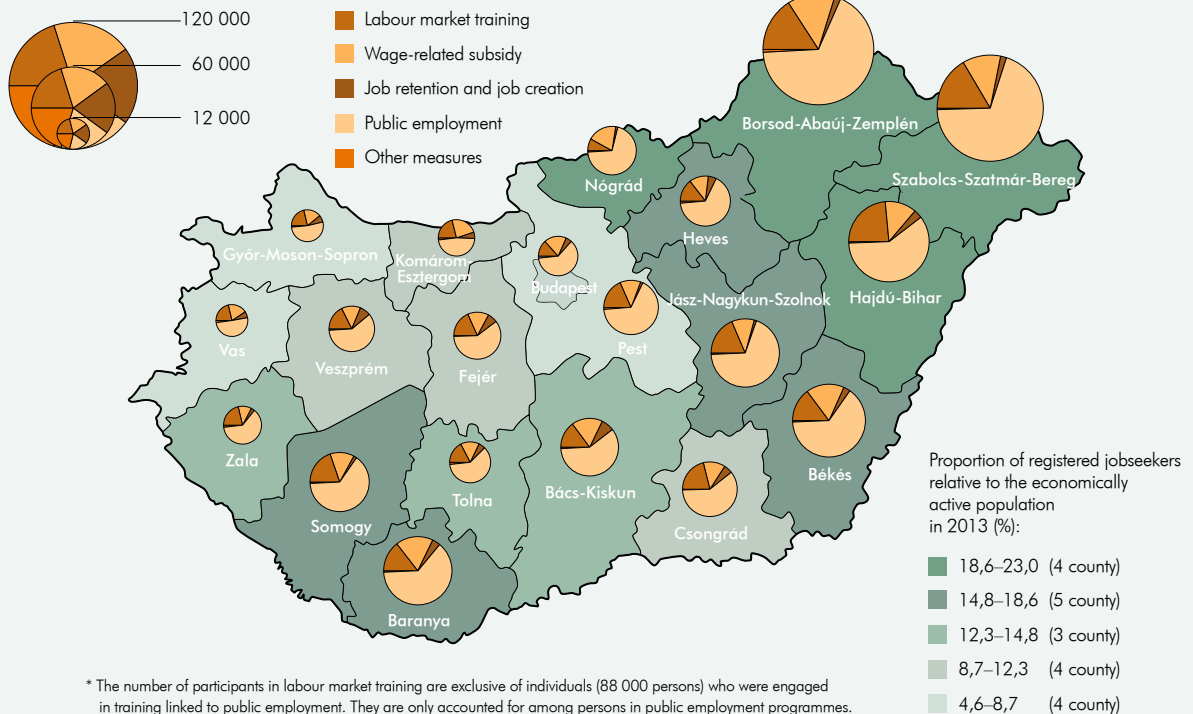
While public employment became even more dominant by 2013, a higher number of job-seekers were also involved in related training programmes. It is to be noted that in counties with more favourable labour market conditions it is public employment that dominates the spectrum of active labour market policies and only slight shifts in emphasis can be observed. In the counties of Vas, Komárom-Esztergom and Győr-Moson-Sopron and in the capital, most NES clients received labour market training that was not related to public employment.

Also, in these counties the number of persons receiving wage-related benefits was the highest. At the same time, public employment represents a smaller weight; its share, how-

ever, exceeded even 75% in regions with more unfavourable employment conditions, including Borsod-Abaúj-Zemplén, Jász-Nagykun-Szolnok, Somogy and Szabolcs-Szatmár-Bereg Counties.

Number of persons participating in active labour market policies by county⁵, 2013

Gross number of persons engaged in active labour market policies in 2013 (persons):



Source: NES register

Job creation subsidies

Calls for proposals for job creative investments by micro, small and medium-sized enterprises were advertised by the Ministry for National Economy both in 2012 and 2013. The calls were advertised subject to Act 4 of 1991 on Job Assistance and Unemployment Benefit and to

⁵ County figures do not include the number of Start cardholders.

Ministerial Decree 6/1996 (16 July) MÜM against the central budget allocated within the employment subfund of the National Employment Fund for 2012 and 2013. The purpose of the calls for proposals for job creation is to strengthen the local economy, boost the development of SMEs, strengthen their role in the economy and create new jobs.

Due to the high level of interest expressed during 2011, twice the previous year's budget was made available to applicants in 2012. Nationally, 750 proposals were submitted to the Labour Centres worth HUF 10.3bn in total. Following a strict formal and substantial appraisal of proposals, finally 584 businesses were awarded non-refundable grants for creating 4 010 new jobs representing HUF 7.3bn in total. Of HUF 10bn also available in 2013, 822 applicants were awarded subsidies. In line with the objectives of the application scheme, the overwhelming majority of applicants implemented their investments in disadvantaged regions by employing jobseekers in a high number of newly created jobs. With the use of the grant budget, businesses were awarded non-refundable grants to create 4914 new jobs and to employ 3 889 jobseekers in these jobs. At the same time, the grants helped retain 9 923 jobs.

Wage subsidies

Local job centres are authorised to provide wage subsidies for job creation in the event that disadvantaged jobseekers or jobseekers with disabilities are hired. The conditions of the availability of subsidies are laid down by Act 4 of 1991 and Ministerial Decree 6/1996 (16 July) MÜM. In the case of this subsidy, a person must be considered disadvantaged if he or she is a job seeker and

- only has elementary education, or
- fulfilled the age of 50 years by the start date of employment, or
- has not reached the age of 25, or
- has been registered with the local job centre as a jobseeker for at least six months, or
- is an adult person sharing the same household with one or more dependents, or
- received childcare benefit, child-rearing benefit, maternity benefit, childcare fee, or carer's allowance within the past 12 months, or
- was in custody or serving its sentence to deprivation of liberty or custodial arrest within the past 12 months.

A non-refundable subsidy can be awarded to an employee who undertakes to employ a person belonging to any of the aforesaid target groups. The duration and amount of subsidy vary by target group.

The local job centres provided wage subsidies in the case of 33 199 persons in 2012 and for the employment of 39 527 persons in 2013.

Subsidies to support the entrepreneurial activities of jobseekers

Subject to Ministerial Decree 6/16 (16 July) MÜM, the labour market organisation provides subsidies for entrepreneurial activities in the following three categories:

- up to HUF 3m through an application procedure in the form of seed money on a refundable and/or non-refundable basis;
- non-refundable subsidy disbursed monthly up to the amount of the lowest compulsory minimum wage for a maximum period of 6 months;
- subsidy to cover the costs of consultancy services necessary for the start-up and continuation of entrepreneurial activities.

The subsidy can be awarded to a person who has been registered as a job seeker by the labour market organisation for at least 3 months or to a person who is in receipt of rehabilitation benefit and undertakes to become self-employed either as a sole trader or as a personally contributing member of a business partnership, in the latter case by either starting-up a new company or joining an already existing company, or as a primary agricultural producer. A further precondition in the case of subsidy in the form of seed money is that at least 20% of the gross value of the investment must be provided as match funding and financial coverage must be available for the repayment of the subsidy should this obligation be violated. Importantly, it is to be noted that while in the case of claiming income supplement subsidy the entrepreneur does not have any further obligations after the expiry of the six-month subsidy period, in the event of making use of the investment subsidy the business must remain in operation for a minimum of three years.

In the past two years, the number of persons awarded such subsidies was approximately 4 700 in each year.

Job retention subsidies

In addition to subsidies for the creation of new jobs there was significant interest in job retention subsidies as well since the onset of the economic crisis. A large part of employers in several counties continued to struggle for survival last year, too. At the same time, the majority of businesses sought to avoid staff reductions and they made efforts to retain jobs by making

use of subsidies available under legislation. It is Act 4 of 1991 on Job Assistance and Unemployment Benefit and Decree 6/1996 (16 July) MÜM that lay down the conditions of the availability of job retention subsidies. Subsidies can be awarded to employers facing temporary liquidity problems that intend to terminate the employment of the employees by way of ordinary notice for reasons related to their operation. Subsidies can be applied for the employment of those employees who have been employed by the given employer for a minimum of six months and whose job the employer would terminate by way of ordinary notice in the absence of such subsidy. The subsidy, which takes the form of a non-refundable grant, serves partially to cover the salary and related taxes and social contributions of the employee. The amount of the subsidy in the years 2012 and 2013 was uniformly up to 50–90% of the total amount of the salary and related tax and social contributions of the given employee aged between 25 and 75 years. However, the monthly amount of subsidy is maximised and cannot exceed 150% of the required lowest minimum wage per employee. The subsidy can be disbursed monthly and subsequently for maximum one year for the employment of the employee affected by termination of employment.

In both years, the Ministry for National Economy launched a programme which was going to be implemented by labour centres in a decentralised manner in order to deal with labour market crises and to support restructuring aimed to promote employment. In each year, a minimum of HUF 500m was available for the programme. The programme was designed to preserve businesses' employment capacity; prevent collective dismissals; promote the retention of jobs; and deal with employers' temporary operating problems. Through the programme, labour centres in the jurisdiction of which employers were planning to carry out collective dismissals affecting at least 50 persons, which was considered significant in the given region, had access to additional funds from the employment subfund of the National Employment Fund. In this programme, employers planning to lay off at least 25 persons were also entitled to apply for the subsidy in regions with more unfavourable labour market conditions. The maximum amount of job retention subsidies was up to 120% of the compulsory lowest minimum wage per employee per month and the subsidy was disbursed for a maximum period of six months.

In 2012, the Ministry for National Economy received 49 applications in total, of which subsidies were awarded in 41 cases. Altogether 41 companies were awarded a total of HUF 778.1m from the central and the de-centralised budgets, whereby 1 950 and 4 245 job were respectively retained indirectly and directly. In the course of 2013, the labour centres submitted requests for additional funding to the Ministry for National Economy in 33 cases, of which a positive decision was made in 21 cases. Based on that, HUF 300 665 000 in total were spent on job re-

tention subsidies and HUF 2 374 000 were spent on liquidity studies required for an informed decision, i.e. altogether HUF 303 039 000 were paid to the labour centres concerned, with the use of which amount 1 327 persons and 3 309 persons were respectively supported directly and indirectly in retaining their jobs.

Subsidies for supporting work experience for skilled jobseekers entering into first employment

The above subsidy can be awarded subject to Government Decree 70/2009 (2 April) on the support of part-time employment in order to provide work experience opportunities for skilled persons entering into first employment and prevent staff reductions. The subsidy is designed to facilitate the employment of skilled persons entering into first employment through the provision of appropriate work experience. The wage subsidy can be awarded to an employer who undertakes to employ, at least on a four-hour basis per day and for a duration of minimum one year, a person with vocational skills and entering into first employment.

Mobility subsidies

In order to reduce the burdens of accessing the workplace, subsidies are available from the employment subfund of the National Employment Fund. The rules of the subsidy designed to reduce the burdens of getting to work are laid down in Government Decree 39/1998 (4 March) on subsidies designed to reduce burdens of accessing work and supporting recruitment. These subsidies can be grouped into the following three main categories:

- subsidy for regional travel;
- subsidy for group transportation and;
- housing benefit.

Subsidy for regional travel

Subsidies for regional travel can be applied for by an employer; by a person who has been registered as a job seeker or as a person before first employment for at least 6 months; and by a person with disabilities who has been registered as a job seeker for three months. The subsidy can be disbursed for a maximum period of one year.

Subsidy for group transportation

Subsidies for group transportation are only available if the employer uses its own or a rented bus, minivan, passenger car or a transport service available for this purpose to carry at least four employees from one or several settlements to work on a route leading to the employer's site. The amount of subsidy can cover that portion of the travel pass valid between the employee's place of residence or domicile and the employer's site which is payable by the employer and can be disbursed for a maximum duration of one year.

Housing subsidy

The above legislation has introduced a new form of subsidy as of the 1st October 2012, which is housing subsidy for jobseekers and is designed to improve the labour market position of would-be employees and maximise the chances of their entry into employment. The subsidy creates an opportunity for jobseekers to accept jobs at locations distant from their places of residence by way of making use of a non-refundable housing benefit. The subsidy is available to those jobseekers who undertake to accept job opportunities available at a location away from their place of residence and have been registered

- as jobseekers for at least three months, or
- as career starters, or
- as jobseekers affected by collective dismissals, or
- as jobseekers after their employment in a public employment scheme.

Further conditions for the availability of the subsidy include the requirement for the job seeker to enter into employment for a minimum duration of six months and with at least 20 working hours per week. Also,

- the place of employment should be at least 100 kilometres away from the job seeker's permanent residence or the travel time between the place of employment and the permanent residence must exceed a total of five hours in the event of using public transport, and
- the jobseeker must not have its own property at or near the place of employment, and
- he or she must not enter into an employment contract with a previous employer.

The regular income that can be earned while making use of the above subsidy is also maximised and cannot exceed three times the minimum wage. For the subsidy to be available the job seeker must present an employment contract and an apartment rental agreement. The subsidy can be awarded exclusively in the case of employment within Hungary and is available only

for a property within Hungary and for a maximum period of 18 months. The amount of the subsidy depends on whether one or several persons will lease the property. In addition, different limits are applicable to the specific durations of the availability of subsidy: The amount of subsidy decreases after each third of the duration for which it has been granted. The subsidy can be spent to cover expenses related to apartment rental including utility costs and is also available for different properties leased in the duration of the disbursement of the subsidy. However, no increase in costs will influence the amount of subsidy. After the expiry of the availability of the subsidy, another subsidy can be awarded after 36 months have passed since the expiry of the previous one.

National labour market programmes

The “First Job Guaranteed” Programme

In view of EU 2020 objectives and in line with domestic employment policy goals, a central labour market programme was launched in 2012 designed to address youth unemployment under the title “*First Job Guaranteed*”. The programme is designed to deal with labour market tensions affecting young persons aged under 25 years and before entry into first employment. In other words, it is designed to improve the labour market position of young persons and help them enter into their first employment, as well as ensuring that they can obtain the necessary work experience. The programme facilitates the supply of skilled employees as existing employees retire. During its availability, the subsidy provides an opportunity for employees nearing retirement to share their wide-ranging experience and skills that they have acquired during their active career. Supporting the employment of persons before their first jobs also lays the foundations of the government’s Job Protection Action Plan, in particular its component targeting under-25s and thus ensures the work trial stage of employment. The interrelated subsidies will result in generating sustainable employment for career starters aged under 25 participating in the programme. The target group of the programme are those young jobseekers aged under 25 and registered by NES who are unskilled or have been registered as long-term jobseekers. Based on experience from the “*First Job Guaranteed*” Programme, the programme was re-launched in 2013.

The complex programme consists of the following elements:

- labour market services;
- wage subsidy and;
- travel subsidy for accessing the location of work.

Interest expressed in the programme was beyond expectations and instead of the anticipated 3 500 individuals planned to be supported with a HUF 3.3m budget nearly 7 600 career starters were able to enter into employment in 2012. As a continuation of the programme in 2013, 10 000 young persons found subsidised employment with the combined use of domestic and European Union funds..

Labour market programme entitled “Facilitating summer student work”

In the period between 1st of July and 31st of August 2013, a central labour market programme was launched in order to address the issue of a growing number of inactive young persons. The programme was designed as a preventive tool focusing on helping students enter into employment as early as during their years of study and in addition to providing work experience it also gave an opportunity to make earnings. The long-term goal of the programme was to allow participants to have a sense of achievement and thereby promote the process of work socialisation. In addition, the programme was designed to assist local municipalities and 100% municipali-

ty-operated institutions performing core municipal functions in meeting their extra demand for labour during the summer holiday period. Funding for the programme was available from the central tranche of the employment subfund of the National Employment Fund. The beneficiaries of the programme could be local municipalities and municipality-run institutions performing core functions with a track record of employing full-time learners aged between 16 and 25 years in an employment relationship from 1st July 2013 the earliest, either on a full-time or a part-time basis. The complex programme, in addition to a service component also included a non-refundable wage subsidy, the amount of which was maximised at 100% of the salary but not exceeding HUF 100 000.

The success of the programme was evidenced by the fact that as opposed to 7 500 persons planned to be involved for two months, employers applied for the employment of 17 760 persons in total during the period of the programme. At the same time, 16 951 full-time students requested to be registered for placement in the programme. Of them, employment contracts were signed with 15 869 persons with the use of a budget of HUF 1.5bn.

Central programme entitled “Promoting the acquisition by women of 40 years of service”

The programme was launched by the Ministry for National Economy under the title *“Promoting the acquisition by women of 40 years of service”*, which was a centralised programme made available from 15th October 2013. The labour market programme was designed to promote the employment of women registered as jobseekers and having reduced chances of finding employment due to their age. The programme aimed to support these women in acquiring the necessary length of service for their retirement.

The target group of the programme are women aged over 55 who have been registered as jobseekers for at least six months and need no more than 12 months to have 40 years of service. The duration of the subsidy can be 10 months maximum per person and at the same time cannot exceed the number of months missing for a complete 40-year length of service. Under the programme, employers undertaking the obligation to re-employ the beneficiaries, women in the target group will be eligible for 100% of the amount of tax and social contributions payable in relation to their wages. According to the programme conditions stipulated in the initial call for proposals, application for participation in the programme was possible until 31st December 2013. Since last year few applicants signed up for the programme, the intake period was extended until 30th April 2014.

Labour market services

Over the past two years, the JAA underwent several significant amendments but in respect of service delivery no major change to legislation occurred. The role of labour market services is of paramount importance due to the growing demands of the economy and the labour market, and therefore Labour Centres facilitate the employment of their clients and their rapid re-entry to labour market by the provision of services within the bounds of their capabilities.

Labour market services	Caseload in 2012	Caseload in 2013
Occupational Information Counsellor	16 637	8 369
Participation in job fairs	5 243	3 858
Participation in training fairs	520	910
Career guidance sessions	1 128	565
Career adjustment sessions	256	238
Psychological counselling	2 678	3 668
Teaching job search techniques	13 010	14 266
Job Search Club	960	564
Job counselling	49 695	50 631
Training information provision	23 392	25 861
Rehabilitation counselling	6 009	759
Reintegration group sessions	46 970	39 572
Reorientation group sessions	444	589
Key competency development group sessions	172	71
Motivational group sessions	2 044	1 442
Job search counselling	167 458	168 844
Career counselling	5 622	7 231
Conversation with a mediator	113 652	113 848
Provision of Labour market and occupational information	128 956	161 362
Orientation group sessions	102 132	106 861
Mentoring service	2 975	14 005
Career choice counselling (individual)	1 867	2 497
Career change counselling (individual)	2 474	3 737
Rehabilitation Information Centre	839	21
National total	695 135	729 769

Source: NLO

The number of jobseekers making use of the services and also the number of cases show a great increase when comparing the past 3 years. Human resource experts working in the labour market organisation provided assistance to about 421 000 clients in 730 000 cases in the year 2013. Compared to the previous year, this number sharply rose. In the year 2012, 409 788 persons used services offered by the labour market organisation in 695 135 cases. The greatest increase was registered in the frequency of using services promoting employment and information provision. The number of clients participating in job search counselling rose by over 35 000 persons in 2013 compared to 2012, while the number of clients relying on labour market and employment information provision services doubled in the same period. Customers using rehabilitation counselling dropped to one tenth, the reason for which was that as of the 1st January 2013 a National Office for Rehabilitation and Social Affairs was set up and as a result rehabilitation services also provided by local job centres were transferred to rehabilitation policy agencies.

In order to increase its capacity, in recent years NES has relied to an increasing extent on those partners who are capable of providing labour market services at high standards. The outsourcing of labour market services particularly concerns psychological and employment counselling and information provision, but there were also a high number of cases using job search counselling and group counselling sessions. Building the capacity of the organisation also made it possible for employment services to improve when provided by NGOs and for-profit organisations and to become available in other forms and under different arrangements.

Career orientation activities

As a key task, the NES provides assistance to young persons in their career choice and vocational orientation. The labour market organisation has recognised that the acquisition of career building skills promotes the long-term sustainability of young persons' employability. As a complement to activities promoting career choice and career change, since 2001 it has become a tradition to organise career choice exhibitions across the country every year. The series of the events is a complex information and professional system of assistance, whereby an appropriate foundation is provided for creating harmonising career choice and labour market needs. Besides, it also fills a gap which can only be managed by social cohesion. Its success is also explained by the fact that visitors can have an insight into all the exhibitors and through that can compare schools or training providers delivering identical training programmes.

Nearly 126 000 visitors attended career choice exhibitions in 2013, which was almost 3 000 more than in 2012 and 15 000 more than in 2011. Adults and parents accompanying the young

visitors also received information about training supply and also had access to other information related to training from our staff specialising in training counselling. It was observable that more parents visited the exhibition last year than in the previous years. In 2013, their number was 7 006 and it was 6 045 in the previous year, while it was 5 020 in 2011.



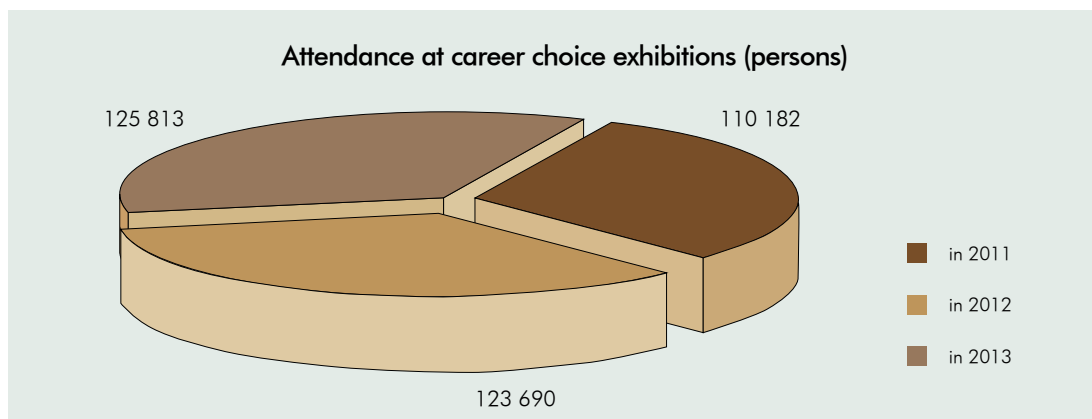
The exhibitions offer a good opportunity to present a wide range of occupations covered by courses in trade schools and secondary vocational schools, accredited vocational training providers and other non-school based training institutions, as well as options for pursuing further studies at adult education training providers. The events also offered a chance to introduce different forms of practical vocational training such as the system of apprentice contracts. The training institutions and employers participating in the programme presented work processes and work

tools on-site giving an opportunity to test them and thus providing a picture to the visitors about the major characteristics of individual occupations, especially those occupations of which there is a shortage on the labour market and also the skills and abilities that are required for learning those occupations. The effectiveness and the justification of the exhibition is shown by the fact that not only the number of visitors increases year by year, but also the number of exhibiting organisations; especially, vocational secondary schools, general secondary schools and employers are represented in the largest numbers.

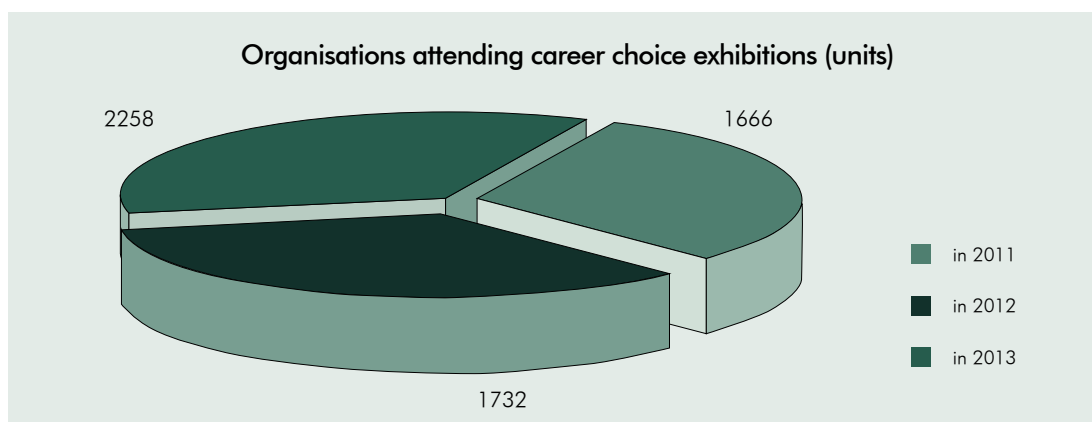
As an important means to inform career decisions, the events featured as a key element the development of realistic self-knowledge for students. In order to increase self-awareness it was possible to use personalised career counselling techniques and tools as well as obtaining labour market and employment information. For the building of a realistic career plan, labour market information is also necessary and therefore the exhibition provided information to visitors about the labour market needs of the given region with special regard to the most sought-after occupations or occupations in short supply, as well as employment and career opportunities in different occupations. Within the scope of exhibitions, the visitors also familiarised themselves with specialised literature on careers and employment manuals and they were also exposed to video

presentations of hundreds of occupations and were able to use computer programmes to identify occupations and career options most suitable for them; by completing a questionnaire they could gain a direction or receive confirmation as to the correctness of their career decisions.

Source: NLO



Source: NLO



In addition to exhibitions, labour centres also help career choice by organising factory visits. Every year, there is a growing need for having an understanding of occupations in a real environment. Based on the evaluation of factory visits, experience gained in practice and also personal experiences make an important contribution to young persons' career choice and their informed decision in making their choices. The professional programmes of such events are made more colourful by the inclusion of entertaining and awareness-raising programmes, cultural shows, talent shows and special demonstrations. In 2013, 11 137 persons visited demonstrations presenting a practical aspect of career orientation with contributions from 377 employers. This was about 1 000 persons more than in 2012 and by nearly 4 000 persons more than in 2011.

Use of the European Social Fund in order to reduce unemployment

Improvement of the employability of disadvantaged social segments in the convergence regions

The complex project⁶ launched with co-funding from the European Social Fund aims to support the labour market integration of disadvantaged jobseekers by way of personalised and complex individual plans. The project exclusively intended for the convergence regions was launched on 1st May 2011 under the direction of the Ministry for National Economy and the Labour Centres and has continued ever since. The scheduled conclusion of the project is 30th April 2015 and the available budget in the programme totals HUF 106bn. In the meantime, the project has responded to new challenges emerging during implementation. In 2012, the project target group has been expanded to include career starters receiving labour market services or preventive services and also to non-jobseekers returning from care and persons affected by collective dismissals and recipients of housing subsidy supporting employment at remote locations. In addition, in 2013 the range of subsidies available in the project was increased and thereby young career starters receive support for entering into first employment and gaining work experience.

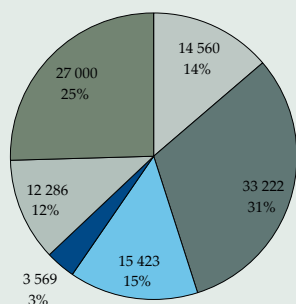
The main indicators reflecting project implementation to date are shown in the table below

Indicators/Measures	Target value by 30 April 2015 (persons and/or %)		Actual value 1 May 2011 to 31 December 2013. (persons and/or %)
Number of persons engaged in project	13 539	6 764	37 942
Of them, Roma	14 515	17 545	45 779
INDICATOR: Of which, number of under-25s in labour market services not registered as jobseekers	5 490	7 897	15 605
Number of training participants	5 844	6 964	15 442
INDICATOR: Of those participating in training, number of persons successfully completing training	72	361	450
Number of persons successfully completing programme	1 539	12 144	15 602
INDICATOR: Of those successfully completing their programme, number of persons in subsidised employment – i.e. with wage subsidy, wage-related cost subsidy, travel subsidy for access to work, or subsidy for self-employment – or in non-subsidised employment	886	50	50
Number of persons employed (without subsidy) or self-employed on 180 th day after individual programme completion	45	114	178

Source: NLO

⁶ SoROP Measure 1.1.2-11/1-2012-0001 "Improving the employability of disadvantaged persons (Decentralised programmes in the convergence regions)"

Engagement in the SoROP 1.1.2 project between 1 May 2011 and 31 December 2013 (persons)



Legend:

- Persons with low schooling
- Career starters
- Over-50s
- Women reentering labour market after child care
- Persons eligible for employment replacement benefit
- Long-term unemployed or persons at risk of long-term unemployment

Main data of subsidies and services provided under the SoROP 1.1.2 project are as follows:

Subsidies/Services	Data for 2012 and 2013 (persons per respective year)		Cumulative data 1 May 2011 to 31 December 2013 (persons)
Provision of labour market and employment information	13 539	6 764	37 942
Job counselling	14 515	17 545	45 779
Career counselling	5 490	7 897	15 605
Job search counselling	5 844	6 964	15 442
Psychological counselling	72	361	450
Mentoring assistance	1 539	12 144	15 602
Income supplement during service provision	886	50	50
Subsidy for travel related to service	45	114	178
Training subsidy	17 838	25 081	50 232
Income supplement during training	16 466	23 718	47 592
Subsidy for travel related to training	1 316	6 683	8 678
Subsidy for accommodation costs related to training	0	161	244
Subsidy for meal costs related to training	247	43	290
Job creation subsidy (wage subsidy)	11 720	1 282	31 586
Wage-related cost subsidy	8 151	13 813	31 055
Travel subsidy for access to work	478	554	1 324
Housing subsidy	201	1 379	1 539
Subsidy for self-employment	889	1 049	2 406
Occupational medical examination	1 411	4 322	7 051
Aptitude test related to training	14 452	16 213	32 117

Improvement of the employability of disadvantaged segments in the Central Hungary Region

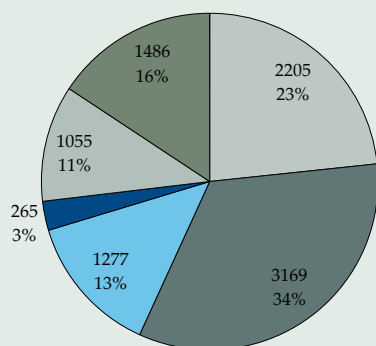
The project is exclusively designed for the Central Hungary Region⁷, which can be considered a “counterpart” of SoROP Measure 1.1.2 targeting convergence regions, and is also designed to promote the labour market integration of disadvantaged jobseekers through the implementation of personalised complex individual plans. The project was launched on 1st May 2011 under the direction of a consortium within the Ministry for National Economy and Labour Centres and has continued ever since. The scheduled conclusion of the project is 30th June 2014 and its available budget is HUF 7bn. This project has also responded to the new challenges emerging during its implementation and its target group has been widened in 2012 to career starters receiving labour market services or preventive services, non-jobseekers returning from care and jobseekers affected by collective dismissals. In 2013, the range of available subsidies under the project has been widened by the addition of a wage subsidy component, which is designed to support young career starters in entering into first employment and gaining work experience.

The main indicators reflecting the implementation of the SoROP 1.1.4 project during the indicated period are shown in the table below		
Indicator	Target value by 30 June 2014 (persons and/or %)	Actual value 1 May 2011 to 31 December 2013 (persons and/or %)
Number of persons engaged in project	7 000 persons	9 457 persons
Of which, number of under-25s in labour market services not registered as jobseekers	target not specified	3 574 persons
Number of training participants	4 200 persons	5 632 persons
Of those participating in training, number of persons successfully completing training	target in percentage: 83% (3 500 persons)	target in percentage: 73% (4 088 persons)
Number of persons successfully completing individual programme	5 950 persons	3 757 persons
Number of persons employed (without subsidy) or self-employed on 180th day after individual programme completion	2 250 persons (38% of those completing individual programme)	1 683 persons (45% of those completing individual programme)

Source: NIO

⁷ SoROP-1.1.4-11/KMR-2011-0001 “Labour market programme to support the employment of disadvantaged persons in the Central Hungary Region”

Engagement in the SoROP 1.1.4 project between 1 May 2011 and 31 December 2013 (persons)



Legend:

- Persons with low schooling
- Career starters
- Over-50s
- Women reentering labour market after child care
- Persons eligible for employment replacement benefit
- Long-term unemployed or persons at risk of long-term unemployment

Source: NLO

Main data of subsidies and services provided under the SoROP 1.1.4 project are as follows

Subsidies/Services	2012	2013	Cumulative data 1 May 2011 to 31 December 2013 (persons)
	Data for (persons per respective year)		
Job counselling	1 761	852	4 277
Psychological counselling	0	144	390
Mentoring assistance	0	828	2 925
Income supplement during service provision	0	199	208
Subsidy for travel related to service	0	14	58
Training subsidy	2 667	2 040	5 632
Income supplement during training	2 266	1 888	5 243
Subsidy for travel related to training	2 037	1 364	4 422
Job creation subsidy (wage subsidy)	907	448	1 822
Wage-related cost subsidy	553	574	1 327
Travel subsidy for access to work	4	14	20
Subsidy for self-employment	288	135	486
Occupational medical examination	0	0	7
Aptitude test related to training	1 194	1 545	3 074

Source: NLO

“Back to School”

This priority project⁸ is implemented in a consortium between the NLO and Budapest and County Government Offices. The total budget available for the programme for the period between the programme launch on 23rd April 2012 and the completion of the project on the 22nd April 2015 is HUF 44bn. The programme is designed to improve the educational level of the adult population and increase the number of participants in adult training as well as motivating adults to study and thereby supply employers with skilled labour. The project offers an opportunity to adults with no or low skills or with obsolete skills to catch up with the labour market; obtain basic vocational qualifications; fill their competency gaps regardless of their educational level; and acquire the skills and qualifications necessary for meeting specific labour market requirements, and thereby improves their employability. In addition, the programme allows an opportunity for persons engaged in public employment to find jobs in the open labour market by improving their chances through intensive basic skills development courses aimed at people without completed eight-year education and to attend remedial course, accredited vocational courses listed in the National Qualifications Register or courses designed to teach certain specific skills. The programme also offers assistance to disadvantaged segments of the population, such as people with disabilities, women, the Roma, and people living in the most deprived regions.

Number of persons engaged in the project by project component			
Project components	Number of those engaged in training in 2012 (persons)	Number of those engaged in training in 2013 (persons)	Number of those engaged in training in 2012–2013 (persons)
Start programmes	9 903	9 461	19 364
National public employment	2 576	4 304	6 880
General training courses	257	1 933	2 190
Training for public employment programme participants in most deprived micro-regions	0	656	656
Winter public employment	0	92 500	92 500
Total	12 736	108 854	121 590

Source: NLO

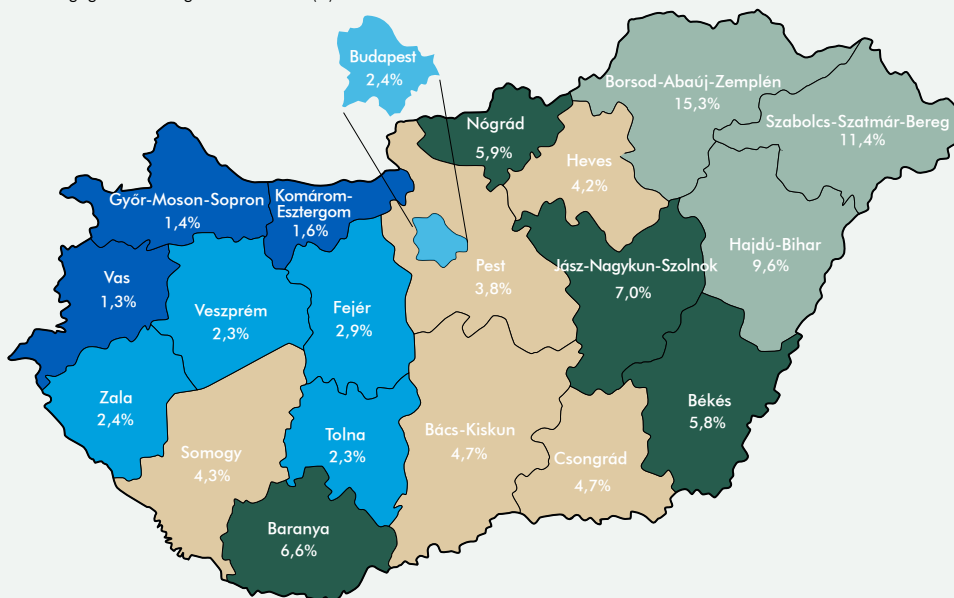
8 SoROP-2.1.6-12/1-2012-0001 “Back to School”

It is remarkable that by 31st December 2013 the number of dropouts from courses was only 1 396 persons, which is very low and represents a mere 1.14% rate. Even when excluding training courses under the winter public employment programme launched in December, the dropout rates remained below 5%, thanks to the activities performed by the mentors of county Labour Centres and also to the fact that both training institutions and training participants were motivated by the incentive system available within the scope of the project.

Distribution by county of persons engaged in the project

Distribution by county of persons engaged in training in 2012–2013 (%):

- 9,6–15,3 (3 county)
- 5,8–9,6 (4 county)
- 3,8–5,8 (5 county)
- 2,3–3,8 (5 county)
- 1,3–2,3 (3 county)



Source: NLO

In 2012 and 2013, the highest number of participants in the “Back to School” Programme was recorded in Borsod-Abaúj-Zemplén County (18 300 persons, or 15%), in Szabolcs-Szatmár-Bereg County (13 700, or 11%) and Hajdú-Bihar County (11 600, or 9.6%). In terms of the number of participants, the counties of Baranya, Békés, Nógrád and Jász-Nagykun-Szolnok stand out with 7 000 to 8 400 persons.

Considerable overwork was created by subsidies available for training under the winter public employment programme for local job centres, since the number of persons engaged in training increased almost four times, or 100 000 persons, on the one hand, and there was a very short

time, only 2 months, available for involving an increased number of participants in training. In the preparatory phase and during implementation, additional difficulties were caused by the fact that it was not until December that the implementation regulations of the new Adult Education Act were issued, and therefore licensing procedures required a highly intensive pace of work both from the staff of training providers and of the Vocational and Adult Training Directorate. A further responsibility was imposed by the need to provide transport for over 50 000 training participants, which was arranged for under agreements with the Hungarian State Railways Company (MÁV) and the Volán Coach Companies as well as with the use of travel vouchers issued by the National Labour Office. Despite the challenges, the organisation successfully dealt with the aforesaid task and of the 100 000 persons prescribed for participation by 31st December 2013 92 500 people in total were engaged in training.

The training specialisations available under the winter public employment programme for public employment participants were determined by the Ministry of Interior in conjunction with employers. In training courses launched as a result of needs assessment, the following numbers of participants were involved within the scope of winter public employment:

Number of persons engaged in winter public employment	
Training field	Number of participants (persons)
Key competency development	47 398
Competency development	422
Remedial courses for Years 7 and 8	260
Accredited courses listed in the National Qualifications Register	21 204
Training for semi-skilled jobs	22 896
Official training	320
Total	92 500

Source: NLO

Project indicators as of 31 December 2013			
Indicator	Target	Actual	Actual as % of target
Number of persons engaged in training	137 000 f6	121 590 f6	88,6%
Number of persons successfully completing training	91 450 f6	16 291 f6	17,6% ⁹
Number of Roma engaged in training	10 000 f6	23 010 f6	230,2%

Source: NLO

⁹ The number and percentage of those successfully completing training keep changing with project progress. Data presented here show the status as of 31 December 2013. The undertaken indicators will be achieved by the end of the project.

Professionally, the programme progresses faster than anticipated given the fact that there are nearly 1 and a half years remaining from the implementation period and so far the engagement rate has been 88.6%. All this is also evidenced by the previously mentioned low dropout rate. The financial progress of the project is on schedule, meaning that 80% of the subsidy allocated for the target group has been committed. The amount paid by 31st December 2013 against the project budget was HUF 10 106 000, which can be considered to be on schedule, given that the winter public employment programme component was launched in the final month of the year.

Labour market integration of ex-offenders in several stages

Together with its consortium partners – including the Ministry of Interior as the lead partner of the consortium, the Hungarian Prison Service (HPS) and the Office of Public Administration and Justice –, on 1st December 2012 the National Labour Office began the implementation of a priority project¹⁰ designed to reintegrate ex-offenders into the labour market in several stages. The project budget for the entire project duration, i.e. until 31st January 2015, is HUF 2.685bn, of which 670m is available to the National Labour Office. The primary aim of the project is to assist offenders in custody in 29 prisons in their re-entry into society and the labour market and thereby reduce re-offending rates and social exclusion and contribute to placing ex-offenders into employment by the provision of training and labour market services. The secondary purpose of the model is to create a service provision system by the coordinated cooperation between participating organisations that provides standardised assistance in reintegration at a national level and its components can be made available to the entire inmate population allowing an opportunity for personalised development interventions. The project includes a personality and competency development component as well as having a focus on the development of the target group through training and aftercare programmes. In addition, it creates an environment hospitable towards the model and also provides training for professionals dealing with the target group.

Three types of professional implementing providers deliver offender reintegration services in the 29 prisons. These are

1. reintegration counsellor employed by the National Labour Office and responsible for employment-related tasks;
2. project manager within the prison, who is responsible for mainstreaming the integration programme into the daily operation of the prison. This person is employed by the HPS;
3. aftercare coordinator, whose responsibility is to promote the social reintegration of offenders. This person is employed by the Office of Public Administration and Justice.

10 SoROP-5.6.3-12/1 "Model of multi-stage social and labour market reintegration and high-intensity aftercare of ex-offenders"

Penal institutes of the Hungarian Prison Service

Legend:

- National and regional institutes
- ◆ County institutes
- ▲ Institutions
- Business associations



Source: www.bvop.hu

The reintegration counsellors employed by the National Labour Office are responsible for the following activities.

- provide services in prisons on four days of the week and at the local job centre on one day of the week;
- during this activity, implement employment and labour market-related project elements;
- cooperate with the project manager of the prison, the aftercare coordinator and the staff of the prison service;
- cooperate with other staff at the job centre and the contact person assigned there;
- forward local and national employment and labour market information including information on training and employment opportunities and labour market trends to the persons concerned in order to support inmates;
- gather information about jobs and employers not requiring a clean criminal record at his or her own job centre and from other job centres;
- explore opportunities for engagement in public employment programmes;
- obtain and provide information to inmates in a targeted manner prior to their release with a focus on the availabilities of the job centre competent over the place of residence or domicile of the inmate and, if there is such a person, about the reintegration counsellor and available vacancies, etc.

Activities performed by reintegration counsellors are arranged into the following four inter-related stages.

1. Integration provision to and recruitment of inmates

Contents: a general introduction to the integration programme; labour market services, current regulations on available subsidies and other forms of support.

2. Practical preparation of inmates

Contents: assessment of the needs and orientation of inmates; shaping their vision of the future; preparation of action plans based on which individual and group motivational sessions are held; lifelong guidance and other skills and competency development sessions.

3. Vocational training for inmates

Contents: provision of theoretical and practical training included in the National Qualifications Register. The employees of the local job centre make a proposal as to the occupations to be covered in the training with special focus on skills shortages and in order to maintain motivation they hold motivational sessions for their clients.

4. Intensive aftercare and labour market counselling

The fourth stage is basically composed of two sub-stages:

a) Exit stage

Contents: provision of labour market services and information; job search counselling; development of key competencies; teaching job search techniques; and preparation for release in individual and group sessions.

b) Post-release stage

Contents: intensive aftercare following release from prison; application of restorative techniques; assistance with registration with the local job centre and provision of help in entry into employment; online services.

SoROP 5.6.3 project indicators as of 31 December 2013

Indicator	Required minimum target (persons, units)	Progress by 31 December 2013 (persons, units)
Number of professionals attending preparatory session	100	117
Number of professionals attending workshop	100	116
Number of persons engaged in programme (Stage 1)	5500	2825
Number of individual development plans (IDP)	5000	2222
Number of persons successfully completing Stage 2 part of IDP	1750	
Number of persons engaged in training Stage 3	750	
Number of persons gained qualification	600	
Number of persons successfully completing Stage 4 part of IDP	1000	
Number of professional forums	57	17

Source: NLO

On-line services

Multi-channel customer service

The magnitude of demand for labour market services and efforts to use resources economically highlights the primary importance of finding those channels through which the organisation's target groups can be reached the most efficiently, be they jobseekers or employers.

Accordingly, the move towards multi-channel service delivery helps target service provision more accurately, whereby more intensive and typically personalised provision of assistance is possible to those most in need of such services and easy-to-use online tools can be made available to clients who are capable of solving their own problems related to finding employment with the use of such tools.

The tools now available on the Internet are already capable of meeting citizens' need for a "take-home" service, which is available for 24 hours a day and serves as a flexible self-information tool.

Figures and visitor statistics indicate that there is a huge demand for online services. Every year, hundreds of thousands of clients try as a first step to rely on their own resources and use the Internet to find information that they need. In the next chapter, the most important online services operated by the labour market organisation and their enhancement in the past two years will be discussed.

Thematic portals of priority importance

In the years of 2012 and 2013, the NLO took significant steps towards the development of thematic portals and thus the provision of targeted online services. This period saw the launch of two portals affecting hundreds of thousands of users, which can serve as a self-information tool for clients, citizens and employers alike. Primary mention must be made of the Virtual Labour Market Portal, which was launched in 2013 after a long period of preparation, whereby, similarly to most European countries, Hungary now also has a national online job search interface operated by the labour market organisation.

The other application is the National Career Orientation Portal, which is designed to provide a set of lifelong guidance tools to be used by clients and through which decisions are facilitated in relation to studies (e.g. the choice of the first qualification) or employment (e.g. the start-up of a business).

The Virtual Labour Market Portal – *vmp.munka.hu*

This new online service operated by the labour market organisation is primarily designed to bring together employers and jobseekers. Accordingly, the typical target groups of this application are jobseekers (not only registered jobseekers) and employers. Jobseekers can upload their CVs through the Virtual Labour Market Portal (VLMP) and can browse job vacancies, while employers can publish their job advertisements and search CVs uploaded to the system. It should be noted that employers have an opportunity to report their own vacancies via the VLMP with the same contents that they publish on other channels, i.e. in person, by phone or on a piece of paper. Demand for labour reported in this way is integrated into the supply of jobs offered at local job centres. Relevant international examples suggest that the opportunity to report vacancies in this manner has an incentive effect in many cases and can increase the number of vacancies known to the labour market organisation in the medium and long term alike. However, the VLMP can also display those advertisable jobs which have been reported through the job centres, and in that sense the launch of this portal allows jobseekers access to a large part of the vacancy supply of NES. They can also browse these vacancies from home and contact employers according to their preferences. The new portal can be shortly described with three words: cost-free, genuine and convenient. It is cost-free as the use of the application is completely free of charge for both target groups. It is genuine because both the uploaded CVs and the published vacancies are controlled by the staff of the labour market organisation and, if necessary, they can initiate adjustments or make additions together with the user. And not least it is convenient to use, which is a feature continuously enhanced by the NLO based on feedback from clients.



For nearly one year since the launch of the portal, experience has shown that clients respond positively to the new service. There are currently 40 000 CVs and 19 000 vacancies available in the system. Based on these figures, it is safe to say that the VLMP is already an important actor on the domestic online job brokerage market. The positive response is also well-illustrated by the fact that during the month since its launch over 1.5 million searches have been initiated by users via this interface.

National Career Guidance Portal – eletpalya.munka.hu

The National Career Orientation Portal (NPP) has been available since 2011. It is designed to act as an integrative collection point of career orientation and career guidance tools in order to help both learning and labour market-related decisions. It is a repository of over 40 newly developed online self-knowledge questionnaires, which are available in adult and youth versions as well. As the first tool of its kind in Hungary, it was via the NPP that jobs listed according to the new occupational structure became possible to know and as part of the development of the portal approximately 500 occupational data sheets have been drawn up. There is an integrated link storage on the portal which creates connection to a collection of hundreds of systemised and categorised references. They can serve as a good point of departure for both professionals and clients to obtain information. This data warehouse is effectively supplemented by a knowledge warehouse, a glossary and a document warehouse, all accessible from the portal. In 2013, the portal had 395 000 individual visitors.

Dual Portal – dualis.hu

Explicitly designed for the young audience in its spirit and implementation, a new portal presenting the dual vocational training and education system has been launched which is now available for the youth in the form of a downloadable application on smart phones as well. The portal presents dozens of occupations and summary descriptions of the new VET system addressing both learners and parents and employers. In addition, orientation on the portal is assisted by galleries and video selections.



Efforts aimed at portal integration

In addition to the foregoing, the National Labour Office operates a number of other frequently visited portals. A family of portals known as www.munka.hu has a key role to play as it integrates employment, VET as well as occupational safety and health areas. In this respect, the years 2012 and 2013 saw the start of enhancements aimed at portal integration, whereby a family of portals can be put together enabling standardised, easy-to-use registrations and log-ins at the same time.

The number of visitors and visits at other NES and NLO portals

- Homepage of the National Labour Office (www.munka.hu): 395 918 (visitors)
- Employment arm (nfsz.munka.hu): 17 019 430 (visitors)
- VET and adult education arm (www.nive.hu): 491 586 (visitors)
- Occupational safety and health arm (ommf.gov.hu): 273 039 (visitors)
- National Career Guidance Portal (eletpalya.munka.hu): 395 918 (visitors)
- Entrepreneurship Portal (vallalkozas.munka.hu): 133 191 (visitors)
- Rehabilitation Portal (rehab.munka.hu): 4 172 (visitors)

Further online development projects in 2013

Wage compensation system

The system provided IT support to employers carrying out the minimum wage rise or the guaranteed minimum wage rise in 2013 for registering their applications for subsidy; conducting procedures; and handling financial settlements. In addition to registering applications, by using data stored in the system employers were able to account for subsidies electronically. The integrity of the system allowed dispensing with the paper-based submission of reports of the use of subsidies.

With this application, 4 540 and 3 815 subsidy applications were registered and processed in 2012 and 2013, respectively.

Electronic contact-keeping

An electronic contact-keeping system launched in 2013 allowed clients to keep contact with local job centres by email. With the help of the programme available nationwide to anybody, the following matters can be dealt with:

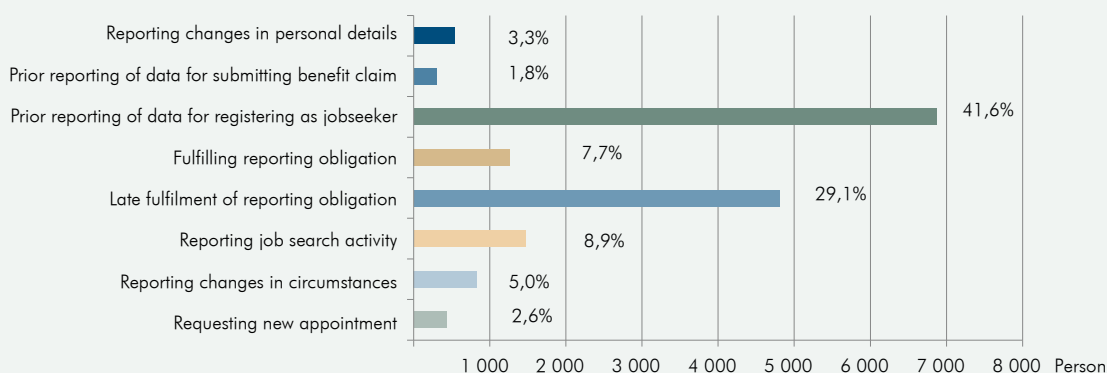
- indicating an intention to submit a benefit claim or request for registration;
- reporting any change in material facts and circumstances concerning the conditions of benefit eligibility;

- reporting job search activities¹¹;
- meeting jobseekers' reporting obligations.

To these reports the local job centre sends an electronic response that can include a request for data or information provision; a reporting date; or confirmation of receipt of the client's email.

In 2012, altogether 24 551 persons indicated their entry into employment online via the system serving the reporting of job search activities before the introduction of the electronic contact-keeping system in July and a further 16 506 persons used services related to electronic contact-keeping between July 2013 and the end of the year, according to the following distribution:

System for the reporting of job search activities



Source: NLO

¹¹ The on-line reporting of job search activities was already possible in 2012 via the predecessor of the software enabling on-line contact-keeping.

Good practices in counties

– Labour market programmes

The Labour Centres under county government offices can launch labour market programmes combining service and grant components in order to alleviate local labour market tensions and improve the employment prospects of disadvantaged jobseekers as well as strengthening their entrepreneurial skills. Of these initiatives, two significant programmes will be presented below.

“Business Incubation” programme

Based on the adaptation of Belgian, Portuguese and French models, the programme worked out in Békés County in 2011 and implemented in the years 2012 and 2013 aimed to improve entrepreneurial skills. Within the scope of the project, a unique and innovative method was adopted which made it possible for business start-ups to test their ventures risk-free in a protected environment in addition to building up an entrepreneurial attitude and stimulating entrepreneurship. 18 persons were engaged in the programme. The candidates received training and mentoring in order to facilitate their entrepreneurial activities; besides, they had an opportunity to advertise themselves and their own products and services to an increasingly wider segment of the population. They had an opportunity for such activities in different forums including fairs and exhibitions. Following a test period, each of the 18 persons selected within the project were able to become entrepreneurs. The Labour Centre assisted their entrepreneurial activities by providing six months' salaries and seed money for the programme participants to achieve their objectives. 180 days after programme completion, 10 persons continued their activities, 5 temporarily suspended their business operations and 3 persons entered into employment. In 2013, the Labour Centre under the Békés County Government Office was awarded the *“For Stimulating European Businesses”* prize in recognition of its *“Business Incubation”* project.



Sándor Berki upholsterer

“Self-Start” Programme

The Baranya County-based “Self-Start Programme”, which was modelled after the core idea in Békés County, aimed to support creative businesses. One of the most important values of Baranya County and especially the city of Pécs is the creative industry, which exists and con-



A creative blend of novelty and tradition

close of the programme, 17 persons commenced their activities as entrepreneurs and an additional 3 persons, even though not engaged in business activities, entered into non-subsidised employment by the time of programme completion. The programme also provided evidence that novelty and tradition can make an excellent combination manifested in creative products. A case in point is a business specialising in doll-making, which revives folk embroidery specific to the South Transdanubia Region, a tradition that has unfortunately completely disappeared from everyday culture. In addition to a smile, these creations also bring a traditional cultural treasure to people's homes. The project adapted to local conditions, part of which is support for self-employment, was implemented with the use of HUF 77.3m.

tinuously develops here and which is worth supporting from an employment policy aspect as well. The helping activities made available under the programme have been worked out in view of the selected special target groups. The forms of assistance included personal mentoring provided by so called "god-parents" and coaches supporting the entire group of programme participants. 20 people were engaged in the programme, of whom 17 began their business activities after training and 8 persons also successfully applied for seed money. At the

Quality development in the NES in the period 2002–2013

The need for quality development already emerged in public administration in the early 2000s, in response to public and government expectations. The purpose of this activity is to provide high quality services; improve the effectiveness of organisations; introduce a managerial attitude; and achieve more cost-effective operations.

In order to improve the quality of its services and maximise the satisfaction of its partners, the National Employment Service worked out and began to introduce in the labour market organisation its own customised partner-centred quality management system in 2003, based on experience from a pilot model implemented in 2002. The model, which is based on the core principles of quality management including managerial and employee commitment; client focus; continuous improvement and development using the PDCA cycle; and employee engagement, has been worked out by the staff of the organisation and phased in with the use of funding from the European Union (PHARE, HRDOP, SoROP) in a growing number of organisational units.

The first phase of the nationwide development work (2002–2004) covered one job centre in each of seven counties under the PHARE Twinning Programme to modernise the employment service. In the second phase of organisational development (HRDOP Measure 1.2 (2005–2008)), another 60 job centres were engaged in the implementation of a partner-centred quality management module. A further opportunity to modernise the employment service was offered by SoROP 1.3.1 Priority Programme I (2008–2013), whereby an additional 41 job centres (21 in 2010 and 20 in 2011) introduced the model. From that time on, 64% of the job centre network would use the tools of the partner-centred quality management system. The latest development objectives of the National Employment Service (SoROP Measure 1.3.1 II) now includes, among other things, the goal whereby by 2015 a partner-centred quality management model should be in use in the entire organisation at all three levels, i.e. at all local job centres, county Labour Centres and the Employment Directorate of the National Labour Office. As an additional requirement linked to this



NLO Partner-Centred Quality Award Winners

phase, administration related to the model must be reduced to a minimum while preserving the spirit of the approach and effective methods must be applied to ensure that the elements of partner-centred quality management are integrated into the mindset of the organisation's staff and mainstreamed into their everyday work.

The success of quality management efforts within the labour market organisation is conditional on the development of organisational operation, whereby

- employees (managers and staff alike) have a sense of commitment, a comprehensive strategy and a clear vision;
- the operation is partner-centred, driven by resource analysis, conscious, planned and well-regulated;
- the work completed is regularly measured; results are evaluated and analysed in each case; and regular feedback is a standard practice;
- work processes are continuously improved in a systematic manner;
- the technical and material conditions provide maximum support for work;
- a large part of activities are centred on dealing with partners whereby everybody receives high quality services;
- effective support is provided in order to influence the development of the local labour market in a positive direction;
- the organisation is prepared for implementing the provisions of national and EU employment strategy guidelines.

The introduction of a partner-centred quality management model serves the setting up of an organisation meeting the above requirements.

As can be seen from the foregoing, every element of the quality management system will only be known by all NES units by the summer of 2015, as that is the time by which the model will universally be introduced. However, the partner satisfaction element of the system has been in use at all local job centres since 2006 and every county labour centre has measured and analysed employee satisfaction since 2007 as well. In addition to employee needs and satisfaction assessment at local job centres, employer needs and satisfaction are also measured once a year and the needs and satisfaction of clients contacting local job centres during the assessment period and/or using services are also assessed. There are two variants of the surveys for the measurement of the latter including a more detailed complex questionnaire that is used once a year to carry out the assessment, and a much simpler questionnaire including the seven questions which is used twice a year to assess client satisfaction. The questionnaires used for data surveys are standardised nationwide and administered at centrally determined intervals.

NES considers partner satisfaction surveys as a tool to place partner-centeredness at the focus of the work of organisational units. The objective is to have an understanding of the needs, expectations and satisfaction of the partners; ensure the regularity of feedback; determine strengths and weaknesses; and carry out quality-focused organisational assessment and thereby enable measures resulting in more effective operations that better meet partner requirements.

Trends of partner satisfaction indicators in the period 2011–2013

Using the management by objectives (MBO) system, the organisation monitors the trends of the partner satisfaction indicator, which indicator is a numerical form of aggregate results from satisfaction surveys. The indicator of partner satisfaction is abbreviated as 'P' and its value is determined in percentage terms. The P-indicator is the sum of satisfaction indicators calculated from the three questionnaires administered to partner groups (Ü = complex client survey; M = employer survey; D = employee survey). The P-indicator can only be interpreted in respect of job centres for the time being. It is calculated as follows: $P (\%) = (40 \times \ddot{U} (\%)) + (40 \times M (\%)) + (20 \times D (\%))$ The indicators making up the P-indicator are created by the weighting of responses to certain questions included in the questionnaires.

The partner satisfaction indicator has been stagnating nationwide in recent years and it grew from 82.1% in 2011 to 84% in 2013; however, when looking at county-level average values no significant change can be seen compared to previous years. The county 'P' indicators varied between 88.6% and 77.7% in 2013. The value of 'Ü', 'M' and 'D' indicators making up the 'P' indicator and their relative weights did not change significantly either in 2013 or in the previous years. With the exception of a few cases, the value of the 'M' indicator is the highest in all counties followed by the 'Ü' indicator with a similar level. The average value of the 'M' indicator was 91.9% in 2013 and the client satisfaction indicator was 87.8%. The employee satisfaction indicator was lower than any of the foregoing indicators and the national average in this case was only 60.6% in 2013, slightly higher than in the preceding years (it stood at 59.6% in 2011 and at 58% in 2012).

Analysis of complex client needs and satisfaction surveys in the period 2011–2013

In the last question, which was also one of the most important questions, of the questionnaire the clients were given an opportunity to formulate their expectations in respect of local job centres against 11 criteria. Among them, more or better job opportunities were put first, i.e.

65.3% of clients need this condition to be in place according to national aggregate data. The second most frequently chosen requirement was the reduction of waiting time below 22–24 minutes nationally. 21.3% of respondents would like to see this happen nationally; the same figure in the capital is three-fifths while in Pest County is one third higher. The third most often chosen requirement was the ability to deal with official matters by phone or via the Internet. 18% of all respondents would need this option and this rate shows great differences according to the clients' educational level. Among degree holders 32.1%, while among people with basic education – and they are the most numerous in our clientele – only 10% would want this option. When examined, the need for telephone-based and self-service tools reflects that clients in the age group of over-55s are the least supportive of this kind of enhancements, while people under this age are more consistently in support of such options.

Analysis of employer satisfaction surveys in the period 2011–2013

To the important question of which of the services provided by the local job centres employers intend to use in the future, responses from employers do not show significant differences compared to the data of recent years in respect of any of the services. Based on 2013 data, most respondents intend to request job placement services (77.7%) followed by requests for employment related services (73.4%), while the third most frequently requested service is provision of information on subsidies for employment development (63.4%). The last place is occupied by assistance related to collective dismissals (3.4%). This order of responses and their relative shares are entirely consistent with the earlier habits of service users. Only 15.8% of respondents indicated that they would not want to use any of the services offered by local job centres.

Analysis of employee satisfaction surveys in the period 2011–2013

Employees also evaluated their overall satisfaction with their places of work and again no significant changes can be identified between individual years. 14.5% of employees are completely, while 50% are rather satisfied with their workplaces; 4.7% are completely or rather dissatisfied with their places of work.

To the question of how important certain pre-determined criteria for the efficiency of work are, responses show the following ranking order of criteria based on employee questionnaires completed in the years 2011–2013:

- 1–2. clear instructions and procedures (96.2%);

- 1–2. manager's leadership style (96%);
- 3–4. effective team work with colleagues (95.9%);
- 3–4. reliable and fast IT equipment (95.9%);
5. user-friendly software (94.8%);
6. personalised motivation (87.9%);
7. opportunity to express opinions openly (85.5%);
8. consultation with manager on an increasing number of subjects (83.3%);
9. regular professional training (81.7%);
10. comfortable office (72.3%).

Again, no significant changes were identified in the years under review in these cases either, except for one case: in the case of reliable IT equipment, there was a 6.9% drop in the number of satisfied respondents last year (2011: 40.2%; 2013: 33.3%). Also, there was an increase almost by the same degree (6.6%) in the number of respondents completely dissatisfied or rather dissatisfied, their total ratio being 18.1%.

Based on their level of satisfaction ("completely" + "rather satisfied"), employees ranked factors influencing work efficiency in the following order:

1. manager's leadership style (83.7%);
2. effective team work with colleagues (82.6%);
3. consultation with manager on an increasing number of subjects (78.1%);
4. comfortable office (76.6%);
5. opportunity to express opinions openly (61.3%);
6. clear instructions and procedures (60.7%);
7. personalised motivation (52.1%);
8. reliable and fast IT equipment (48.2%);
9. user-friendly software (47.0%);
10. regular professional training (42.4%).

Among optional factors only in one case, in respect of comfortable offices, was satisfaction higher than the importance of the same factor according to the staff. In all other cases, satisfaction was lower. It can be observed that while the importance of factors was measured at around 96% in four cases and almost reached in 95% in a fifth case while being the lowest at 72.3%, satisfaction with the same factor varied between 83.7% and 42.4%. The greatest difference (of almost 50%) was recorded in the case of user friendly software and reliable and fast IT equipment. But differences in satisfaction with professional training (39.3%), personalised motivation (35.8%) and clear instructions and procedures (35.5%) were also high.

CAF

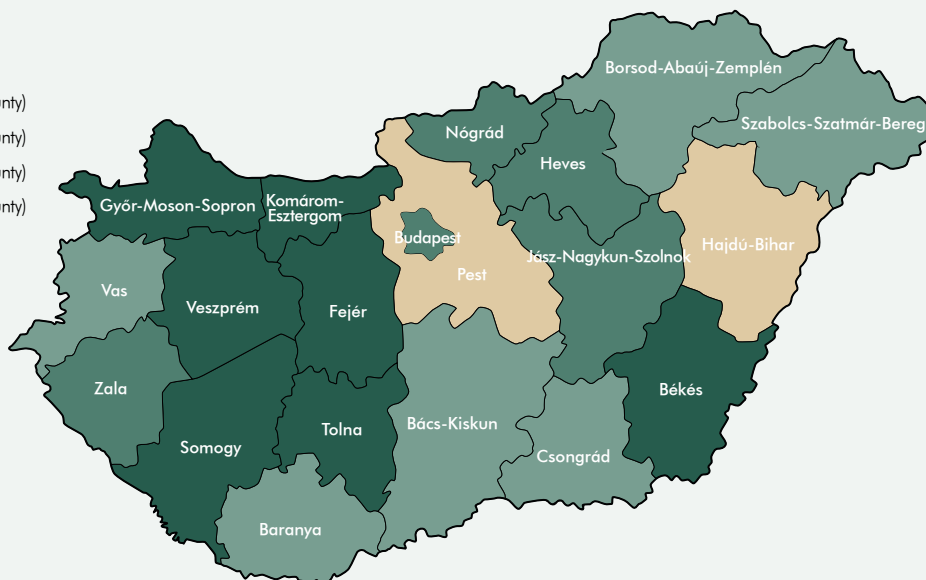
Towards the late 1990s, the European Union already formulated the requirement for the quality standards of citizen services to be improved. In this respect, the European Institute of Public Administration (EIPA) and the European Public Administration Network (EPAN) created a public sector quality management instrument known as Common Assessment Framework (CAF), the widespread introduction of which in the member states also contributes to equalising the standards of public administration services across the EU as well as creating an opportunity for inter-organisational comparison and applying benchlearning and benchmarking.

In the labour market organisation the concept, importance and methodology of self-assessment according to CAF has been known since 2002. Its introduction took place progressively as part of the partner-centred management model. In 2012, in addition to 108 local job centres already familiar with the model CAF-based self-assessment was introduced at an additional 18 job centres where the directors of County Labour Centres had realised the importance of the tool and therefore decided to make its use compulsory.

Local job centres performing CAF-based self-assessment by county in 2012

Legend:

- 100,0–100,0 (7 county)
- 75,0–99,9 (5 county)
- 50,0–74,9 (6 county)
- 38,4–49,9 (2 county)



Source: NLO

CAF-based self-evaluation would be rolled out to the entire NES as a continuation of the introduction of the partner-centred quality management model and thus in 2013 every local job centre, every county labour centre and the Employment Directorate of the National Labour Office had to use the model on a compulsory basis.

About 200 self-assessments have been performed at national level and as part of these assessments the organisations and organisational units have identified the following areas for improvement:

- improve the quality of NES services and strengthen confidence in these services;
- strengthen and develop external communication
(e-contact, clear information, Internet, web page);
- intensify cooperation with external partners;
- improve internal information flows and communication
(sharing professional knowledge; more frequent meetings; more effective cooperation and exchange of information; and regular feedback);
- train and integrate new recruits in the organisation;
- organise internal training courses and professional upgrading courses;
- have a better understanding of the organisation's quality assurance policy and strategy;
- engage staff more in solving problems and motivate them to express opinions;
- strengthen teamwork;
- apply benchmarking and benchlearning;
- reduce workload;
- work out an incentive and reward system;
- replace obsolete IT equipment
(computers and old software systems).

ISO

In 2010, with European Union funding a quality management system according to the ISO 9001:2008 standard was introduced in the National Labour Office and what were regional Labour Centres under the then structure of the labour market organisation. The successful introduction and operation of the quality management system was also attested by certificates. The commitment of the leadership of the National Labour Office to quality is proven by the fact that the Office supported the organisation and financial coverage of review audits to renew the ISO certification valid for 3 years even when the regional Labour Centres already operated under county government offices as legal successors.

The following government agencies are concerned in the maintenance of ISO 9001 certification:

1. Budapest Government Office
2. Baranya County Government Office
3. Békés County Government Office
4. Borsos-Abaúj-Zemplén County Government Office
5. Fejér County Government office
6. Vas County Government Office

In the spring of 2013, although a management decision was made about the need for the quality management system primarily to support the regulation and improvement of the activities of the Employment Directorate and project implementation and support areas, the NLO top management worked out a joint quality policy. The quality policy of the Office demonstrates management's commitment to creating, maintaining and continuously developing the quality management system and provides a framework for determining quality objectives. As a mission, the quality policy covers all professional tasks of the NLO but the scope of the adopted quality management system currently does not extend to the activities of the Vocational Training and Adult Education Directorate and the Occupational Safety and Labour Inspection Directorate. The introduction of the partner-centred quality management system at the Employment Directorate points out and has confirmed the importance of quality policy and quality improvement. The renewal audits of the quality management systems took place at the government offices concerned at the end of the year followed by a renewal audit at the NLO in January 2014.

The full introduction of partner-centred quality management strengthens the Labour Market Organisation's quality management efforts and allows integrating the toolkits of the two management systems as well as implementing continuous improvement as a driving force of development.

Research and analysis

The research activity of the National Employment Service is rather complex. On the one hand, owing to its functions, it uses and orders many kinds of research during its operation. Such research covers, besides the employment issues, the topics of youth policy and social interest reconciliation¹², and fields related to the development of the NES activities and services in the broad sense. Research highlighted in this chapter focuses primarily on the topic of employment and on studies related to development of NES.

The research role of NES concerns three important fields. Firstly, it organises and orders research; secondly, as a decisive actor of the labour market, it provides an empirical basis and supplies data, information, empirical knowledge not available elsewhere for research supported from other sources. Thirdly, NES and the National Labour Office itself conducts surveys, research and analyses.

The most important field of the research-organising and -ordering activity of NES is the SoROP 1.3.1 programme co-financed with the Union, entitled *“Development of the National Employment Service, II”*, supporting research promoting the activity of the organisation directly or indirectly. Research funded under this programme concerned the following four main topics:

1. Studies laying the foundations of modernising the functions and activities of the labour market organisation
 - Examination of job placement and labour market services of the National Employment Service from 2004 to 2009 – ÉVA BERDE
 - Evaluation of active labour market policies regulated under the Job Assistance Act and operated by the Public Employment Service and, besides, ALMPs regulated and administered elsewhere, in 2004–2009 – MÁRIA FREY
 - Preparation and evaluation of a municipality survey for the research *“Complex evaluation of the active labour market policies”* – MP 2002 GAZDASÁG- ÉS TÁRSADALOMKUTATÁSI KKT.
 - Evaluation paper on the labour market programmes launched by the Public Employment Service and the National Employment Foundation in 2004–2009, and the crisis management programmes of 2009 – HUMÁNERŐ TANÁCSADÓ ÉS SZOLGÁLTATÓ BT.
 - Multivariate, control-group-based evaluation of active measures and labour market programmes – CONSULTING’95 BT.

12 For the research on the topic of social interest reconciliation, see the chapter on “Industrial relations and cooperation”

- Examination of awareness of the Public Employment Service, the degree of satisfaction of the user groups, and the labour turnover share of the Public Employment Service – *IPSOS ZRT.*
- Synthesising paper to support the long-term strategy of the Public Employment Service with international research experience. Proposals to update the development directions – *MÁRIA FREY*
- Preparing the activity of the National Employment Service for the new labour market challenges. Proposal for the treatment of employment enhancement within the framework of public procurement – *FDNT TANÁCSADÓ KFT.*
- Preparing the activity of the National Employment Service for the new labour market challenges. The impact of the changes taking place in the public sector on the individual strategies and through that on the labour market – *FORSENSE 2.0 KFT.*
- Public opinion poll on awareness of the lifelong guidance services – *VÁLTÓPONT*

2. Research related to the development of the system of lifelong guidance

- Development of a lifelong guidance system in Hungary – *A. G. WATTS*
- Review of the domestic career orientation controls. Proposal for a national-level system of control and financing – *PRINCZINGER ÜGYVÉDI IRODA*
- Examination of the efficiency and cost inputs of the career orientation/guidance system from the economic point of view – *KOPINT-TÁRKI*



3. Research concerning the operation and effectiveness of specific elements of the employment policy

- Small- and medium-sized enterprise policy. Entrepreneurial expectations concerning development policy, and contacts and the trust infrastructure of businesses in Hungary – *HÉT FA KUTATÓINTÉZET KFT.*
- Stimulating the green economy – *LÉLEGZET ALAPÍTVÁNY*
- Papers on the economic and labour market situation and possibilities, and on support to promote employment in the cross-border regions – *KOPINT-TÁRKI*
- Development of temporary work agency and its effect on employment and the economic processes – *DÉL-DUNÁNTÚLI HUMÁNERŐFORRÁS KFT.*

4. Research focusing on creating one million new jobs

- Background papers related to the creation of one million new jobs – compiled by: *FERENC MUNKÁCSY*

International activities of the NLO

World Association of Public Employment Services (WAPES)¹³

Hungary is a founding member state of WAPES. The association is committed, in line with the global objectives (ILO, OECD, UNDP etc.), to promoting the self-development of employment services maintained by the state. The General Director of the NLO has acted as Treasurer of the Association since the last General Assembly Meeting, held in June 2012.

This three-year mandate has been marked by a major change in the life of the world organisation while Hungary is filling the Treasurer's position: WAPES has been transformed from a de facto international organisation to an incorporated international non-profit organisation registered under Belgian law. This change required a major re-



Members of the WAPES Finance Workshop

structuring of the operation of the organisation, in particular its financial order of procedure, based on the proposal of the Hungarian Treasurer. The changes referred to above were effected by way of a workshop day held in Budapest in 2013, where professionals actively taking part in the operation of the world association discussed topics defined by the NLO: development of a new financial order of procedures, modification of the membership fee calculation system, elaboration of the peer review fund. The invitees included the authors of the previous audit reports, the new auditors, the representative of the previous Treasurer, a former and a current vice president, the President's assistant, and the General Secretary and the current Treasurer with their experts. The English-language summary of the event was published on the internet portal of the organisation.¹⁴

Informal network of Heads of Public Employment Services (HoPES)¹⁵

NES has been a full member of the HoPES forum, which has been active since 1997, as from 2004. The relevance of the forum as strategic partner of EMCO increased after the adoption of the EU 2020 Strategy. Cooperation intensified in the past two years. The crucial event was the

¹³ <http://www.wapes.org>

¹⁴ <http://en.munka.hu>

¹⁵ <http://ec.europa.eu>

resolution proposal submitted on 17th June 2013 to tighten cooperation between the public employment services of the Member States. Establishing the legal personality of the HoPES network, intensifying its role and promoting the employment policy initiatives of the European Parliament and the European Commission and assisting their implementation were part of the proposal.

The re-definition of the functions of the public employment services to make them up-to-date, client-oriented and active service providers offering genuine employment solutions is in progress in most Member States (PES 2020 Agenda). A modern and efficient public employment service cooperates with the institutions of education and training, develops synergies with the actors in the private sector and in other fields of employment, monitors the employer needs and skills development and, moreover, relies to a growing extent on the smart use of the IT and communication technologies and their combination with the conventional client services (MCM).

The need for enhanced cooperation between the public employment services surfaced in the wake of the adoption of the Amsterdam Treaty in October 1997 and the resulting open method of coordination (OMC). The forum of the Heads of Public Employment Services of the Member States¹⁶ was the first active formation designed on the basis of the OMC model. In order to meet the PES targets set by the Union for 2020, the General Directors deemed it necessary to strengthen the operation of the current forum by giving it a more formalised framework setting. Hungary supported the process from the start. The formalised framework and the establishment of the PES network covering the entire Union will boost the advocacy capacity of the employment services, create an opportunity for their experience exchange and for the development of a more unified labour market policy.

Expert cooperation (PES-to-PES dialogue, PARES, WEESP)

HoPES and the representatives of the Employment DG launched several expert-level initiatives as of 2010–2011 to support the implementation of the integrated employment policy guidelines of the Europe 2020 key strategy.

¹⁶ Organisations of the EU Member States and of Liechtenstein, Switzerland, Norway and Iceland.

Of the ten integrated guidelines of the Europe 2020 strategy¹⁷, the following are present directly in the activity of PES:

- *Integrated Guideline 7*: Increasing labour market participation and reducing structural unemployment.
- *Integrated Guideline 8*: Developing a skilled workforce responding to labour market needs, promoting job quality and lifelong learning.
- *Integrated Guideline 9*: Improving the performance of education and training systems at all levels and increasing participation in tertiary education.
- *Integrated Guideline 10*: Promoting social inclusion and combating poverty.

The following activities were realised in 2013 within the scope of specific professional cooperation¹⁸

- regular meetings of PES experts where the parties review the tools related to the PES 2020 change in function, and those related to Integrated Guideline 7 of the Europe 2020 strategy. Output of the activity: updating of the country fiches of the Member States and support to public employment services to design the necessary internal reforms.
- The PARES initiative supports networking that is a consequence of the new role concept of the employment services. As a first step, the cooperation of the private and public employment services and TWAs livened. The initiative “code-named” as PARES targets the development of professional cooperation with the organisations surrounding PES, i.e. schools, chambers, trade unions, employer organisations etc. This topic relates to the reconsideration of private and public cooperation and the intensive liberalisation of the public services that has gathered speed at Community level from 1987 on, with the entry into force of the Single European Act.
- The third exercise is the development of WEESP, i.e. the database of demonstrated best practices in employment policy, supported with evaluation, an initiative linked to PARES.

The NLO took part in all three activities during 2012–2013. The PES-to-PES dialogue comprised annual dissemination conferences, peer reviews mobilising a smaller number of people and follow-up seminars. Besides the activities presented here, NLO regularly supports the activity of the EMCO Indicators Group as well.

¹⁷ Brussels, 27.4.2010 COM(2010) 193 final

¹⁸ <http://ec.europa.eu/social/main.jsp?catId=105&langId=en>

EURES activity

The Hungarian EURES network, operating within the structure of NES, is composed of the EURES Section of the NLO's Investment Incentives Department and has approximately 30 EURES advisers in total and one EURES assistant per NES office. The professional coordination of the network is the responsibility of the NLO's EURES Section, based on the activity and financial plan submitted to the European Commission annually, under the PROGRESS programme.

Increased access to the services of EURES



Training and job fair

In line with the activity plan, the new EURES publications including a general flyer about the services of the network; a publication entitled “Before you start...”; and an English-language publication entitled “Living & Working Conditions in Hungary” have been released, while brochures containing information about the country have been updated. Press appearances are coordinated by the advisers at county level and thus EURES is present in both the national and the local media.

In 2013, the Section concentrated on two major campaign events: on the one hand, the “Don’t become a victim abroad” campaign launched jointly with the police (NPH/ORFK) continued, whereby the two organisations appeared together at several job fairs and held joint presentations on the potential dangers encountered during job search abroad.

Networking with other sectors and organisations

The Hungarian EURES plays a lead role in network-based cooperation: the existing cooperation schemes have been upgraded, periodic consultations have been held with the partner organisations and they took an active part in the meetings of the Representation of the European Commission in Hungary. As a member of the National Coordination Mechanism to Combat Trafficking in Human Beings, they reported at the sessions on the measures taken to combat labour exploitation and on the details of the EURES–ORFK campaign. Last year, EURES Hungary established good working relations with the Hungarian Investment and Trade Agency

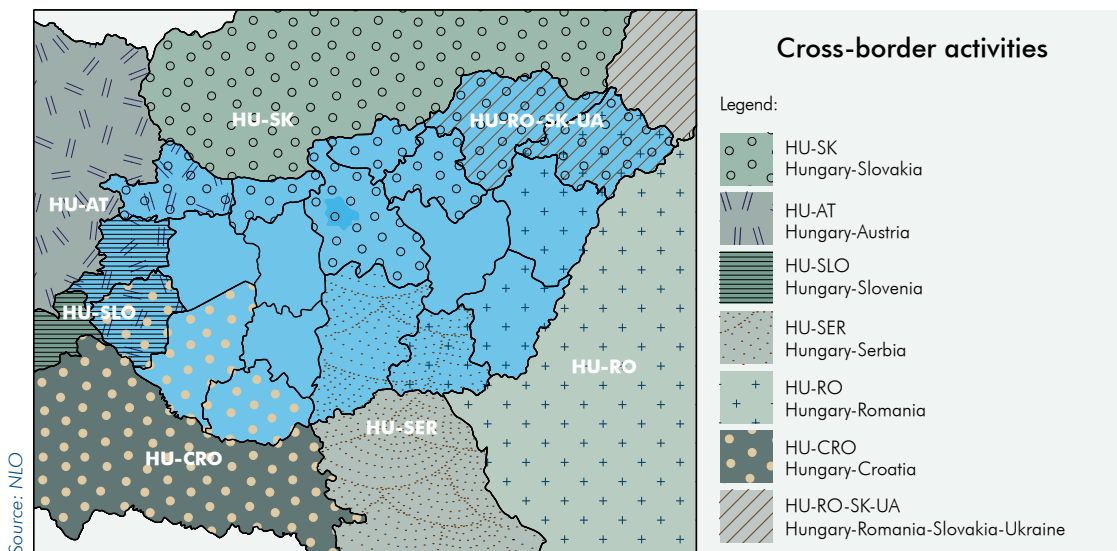
and the Enterprise Europe Network. The staff members of the EURES, Eurodesk, Europass and Euroguidance network organised a successful professional conference on 28 November 2013 entitled “Show the way! – European networks for youth employment”, addressing their partners and experts dealing with the youth and with labour issues. The objective of the event was to share the methods, programmes and information available at the networks or supporting their work, in the form of presentations, roundtable discussions and methodological workshops based on best practices.



Conference entitled „Show the way! European networks for youth employment”

Cross-border activities

The mission of the two EURES-T partnerships enjoying the direct support of the Hungarian EURES network is to exert a positive influence on labour mobility in the cross-border regions by assisting employers and jobseekers in overcoming the cross-border administrative, legal and tax administration barriers.





Several events were realised in 2013 with the support of EURES-T Danubius in the Hungarian–Slovakian cross-border region, including, among other things, the information and job fair in Győr and Érsekújvár, the public consultation forum in Léva, the factory visit in Galánta, and the professional day *“Together along the border”* in Tata. The EURES-T Pannonia partnership, on the other hand, supported in the Austrian–Hungarian cross-border region e.g. a labour market meeting in Vienna, a job fair and career guidance expo in Zalaegerszeg and in Nagy-

kanizsa and a public forum in Sopron. As part of the Romanian–Hungarian cross-border cooperation, an information day was held in April 2013 in Nagyvárad (Oradea), Romania, where Romanian jobseekers interested in employment in Hungary were provided collective guidance on the conditions of work and living in Hungary. A bilateral meeting was also held in Romania, in Harghita and Kovászna Counties having an ethnic Hungarian majority, as part of the cooperation overarching the Hungarian–Romanian border. Moreover, a Slovenian–Croatian–Hungarian cooperation started as well in 2013. The first trilateral meeting was held on 29 May in Zalakaros, organised by the National Labour Office and the Labour Centre of the Zala County Government Office.

National Career Information Centre

The goals of the National Career Information Centre (Euroguidance Hungary¹⁹) are the following:

- To enhance the European dimension in the fields of the national education systems, in career guidance and career orientation and in particular to contribute to the development of the Hungarian counsellor network: to provide updates as part of the further training activities on presentations held at conferences, on developments in the fields of education and training in the European Union, on new results and on the new practices in guidance.

¹⁹ Euroguidance is a network of international information centres connecting the guidance services of 34 European countries. The service is primarily directed at persons wishing to study in EU countries. It is designed to make known to a wide audience learning, scholarship and work experience opportunities available across Europe.

- To introduce the guidance services of the Member States of the Union, the EEA countries and the accession candidate countries to each other, and to promote their cooperation, including the supply of information to those interested in the European training opportunities, scholarships and apprentice programmes personally, by e-mail or on the phone, and through publications and the internet. Also, cooperation with other institutions supported by the European Union – EURES, Europass, Europe Direct Informations Network, Eurodesk, Tempus Foundation – to make the last activity as efficient as possible.
- To develop assistance provided to the information and orientation services, to put them in a better position to promote mobility for the purpose of learning and to support the exploitation of the learning opportunity inherent in mobility.

To provide and exchange quality information in the following fields:

- the guidance systems of education and vocational training in the Member States of the Union, the EEA and the accession candidate countries;
- the project results, innovative methods of work and best practices from the field of lifelong guidance;
- the systems of education and training in the EU and the EEA Member States and in the accession candidate countries;
- Community initiatives and programmes in the fields of education, training and mobility;
- other mobility opportunities for the purpose of learning.

Bilateral and regional relations

Western Balkan relations

The foundations of the employment policy organisation “*Centre of Public Employment Services of Southeast European Countries*” were laid in 2006 in Sofia by the declaration of employment policy cooperation signed by nine South-East European countries, and its establishment was initiated by Bosnia-Herzegovina and Serbia, the two founding members, in Belgrade in 2007. The president of the organisation is elected from among the participating countries (in alphabetic order) for a year and the country concerned organises two two-day conferences, a managerial and a professional one, in the same year. The Centre is an official organisation of WAPES. Thanks to its good relations with the Western Balkan states, on 14 November 2013 the National Labour Office became a full member of the organisation including Bosnia-Herzegovina, Croatia, Serbia, Montenegro, Macedonia, Bulgaria, Romania, Slovenia and Turkey. NLO’s membership of CPES-SEC is exemplary in the sense that, through the NLO, Hungary is the only full member that lies outside the geographically defined Western Balkan or South-East European scope of the organ-

isation. In line with Hungarian foreign policy strivings, the NLO promotes the Euroatlantic integration of the regions through its intensive Western Balkan policy and the development of the relevant professional relations. The NLO's objectives include, in particular, common project development and cooperation in the twinning programmes and in other applications.

International Expert Academy

Cooperation between the Western Balkan countries and the International Expert Academy dates from the time of the Hungarian Presidency of the European Union. It involves cooperation agreements and regular professional events to boost the experience exchange of the participating countries. The thematic of the meetings organised in Hungary with the participation of 10–12 experts covers a significant field, partial field of employment policy. Accordingly, the public employment services of Bosnia-Herzegovina and Serbia introduced their respective domestic best practices together with their Hungarian colleagues concerning the topics of the theory and practice of work authorisation, the international aspects of allowances to jobseekers, the operation of occupational health and safety and labour inspectorates, statutory regulations concerning occupational health and safety and labour affairs, the practice of combatting undeclared employment, the system of the passive employment policy measures, the structure of the national educational system, structured dialogue and employment of the youth among other things.

Flemish relations

Main topics of the study trip in December 2013 in the framework of the Hungarian-Flemish government agreement signed in 2013 for a two-year period were: multi-channel client service; use of online applications; and competency-based job placement.

Bilateral international agreements

Cooperation with the Federal Labour Agency (BA) of Germany

The objective of the agreement concluded on 9 October 2013 for five years is to establish bilateral cooperation in the fields of employment, labour affairs and training. Subject to the agreement, the parties plan to cooperate in the form of experience exchange and the adoption of best practices in the following fields:

- organisational management, professional controlling system (target system, indicators, monitoring);
- labour market monitor and labour market report (data structures, query options, forecasting);
- mediation and guidance methodologies, and the related IT systems;
- career choice information systems – on-line systems, institutions such as e.g. BIZ;
- methodology of guidance provided to employers;
- active labour market and vocational training measures.

Cooperation with the National Employment Agency of Romania (ANOFM)

The agreement signed by the Romanian and Hungarian employment organisations on 22 November 2013 also covers 5 years. Cooperation extends to the following fields:

- activity of the labour centres and offices;
- organisational management, professional controlling system (target system, indicators);
- labour market monitor (data structures, query options, forecasting);
- mediation methodology and the related IT system;
- methodology of guidance provided to employer;
- active measures;
- targets, practice of their evaluation indicators;
- benchlearning activity concerning the European employment strategy (EU 2020);
- cooperation in the field of the promotion of the free movement of labour (EURES).

Cooperation with the National Employment Agency of Macedonia (ABPM, ESA)

The objective of the five-year cooperation agreement concluded with the Macedonian labour market organisation in the spring of 2013, on 29 March, is to establish and develop cooperation between the public employment agencies of the parties in the fields of services offered to jobseekers and to employers, respectively. Cooperation covers e.g. the following fields:

- information exchange on the development of the labour market;
- the employment policy toolkit;
- theory and practice of labour market statistics;
- experience sharing on the utilisation of the resources of the European Union;
- information exchange on the training models;
- consultation on issues pertaining to accession to the Union.

Main delegations visiting Hungary in 2012

The Office was visited by 15 foreign delegations coming from the countries listed below that were updated on the following issues:

Iraqi delegation

The senior officials coming to the NLO, led by *Nassar Al-Rubaie*, the Iraqi Minister of Labour and Social Affairs, were introduced to the structure and operation of the *Hungarian National Employment Service*, the main characteristics of the Hungarian labour market, and the VET and adult training and labour affairs and occupational health and safety branches of the NLO during their professional programme. The discussions touched upon the possibility of exploring the professional cooperation and experience exchange options in the two countries. The delegation was received also by Minister of State for Employment, *dr. Sándor Czomba*.

Turkish delegation

In April, a delegation composed of Turkish financial, vocational training and economics professionals and headed by *Mustafa Yilmaz*, Deputy Governor of Kırıkkale Governorate, arrived at the Office. They were most curious to learn about the Hungarian training and VET programmes and the structure and operation of EURES.

Swedish delegation

The six-member delegation came from the *Unemployment Benefit Agency of Instrument Mechanicians*. The objective of their visit was, among other things, to learn about the situation of the Hungarian labour market, the Hungarian benefit system and the structure and operation of NES.

Serbian delegation

The delegation of the Serbian National Employment Service composed of three persons visited the NLO under the “Study Trip to Public Employment Services – work with the employers” TAIEX programme. The programme itself was created by the European Commission, and

TAIEX stands for Technical Assistance Information Exchange. The objective of the study trip was to learn how to cooperate better with the employers, i.e. small and medium-sized as well as large enterprises, through various procedures and strategies, with special regard to communication.

Chinese delegations

Deputy Ministerial delegation

Pursuant to the joint declaration signed by the Hungarian Ministry of National Economy and the Ministry of Human Resources and Social Insurance Affairs of the Republic of China, the parties provide each other opportunities for mutual experience acquisition and knowledge transfer in the fields of employment policy, labour inspection and VET. Accordingly, the National Labour Office hosted three professional delegations coming from China in 2012 and in 2013.



Chinese Deputy Prime Minister's delegation members and NLO representatives

Delegation of Guangdong Province

The six-strong delegation composed of the leaders and experts of the self-government of the Chinese province of Guangdong arrived in Budapest in mid-June, upon the invitation of the Municipality of Pest County. They visited e.g. the National Labour Office and a local job centre and were introduced to the labour market situation in Hungary.

The members of the delegation of the Human Resources and Social Security Division of Guangdong Province listened to lectures on the topic of employment policy at the NLO.

North-east Chinese delegation

The members of the delegation were senior representatives of the National Committee for Development and Reform. During the study trip, the Office introduced them to the employment situation, the current trends and opportunities and the effects of the relevant policy of the Union, and the possibilities of promoting employment in Hungary.

Korean delegations

Two Korean delegations came to the Office. The visit of the first was dedicated to understanding the measures taken to prevent youth unemployment, and to getting acquainted with the system of secondary and tertiary education in Hungary. The second delegation was interested in the political, legal and financial aspects of the Hungarian vocational training system, the structure of NLO, the tasks and activities of the Vocational Training and Adult Education Directorate, the functioning of VET, the system of recognising qualifications, adult training functions and activities, as well as the LLL strategy.

Main delegations visiting in 2013

Traineeship programme for Turkish civil servants

Under the traineeship programme of the Turkish Public Employment Service financed from Union funds, entitled “Quality improvement of the public employment services”, the National Labour Office hosted two Turkish civil servants for a one-month traineeship programme, from 27 May to 21 June 2013. In the first phase of the study visit, the structure and operation of the National Employment Service was presented, then a visit was organised to the Labour Centre of the Veszprém County Government Office, where the visitors were provided more extensive information on the county-level tasks. The programme included a visit to a local job centre, organised by the Labour Centre of the Budapest Government Office. In addition to the presentation of the structure and operation of the National Labour Office, the Hungarian system of active and passive labour market policies was described in detail, together with the fulfilment of migrant and EURES functions, the situation of the domestic and the EU labour market, and the Hungarian vocational training system. The programme included a visit to the Office of the Secretary of State for Public Employment of the Ministry of Interior, and participation at the inauguration of the “Business Incubation” programme upon the invitation of the Labour Centre of the Békés County Government Office. There was an opportunity for the guests to present the structure and operation of the Turkish PES and provide information on their priority projects.

Study trip of Turkish secondary school students

The Turkish group consisting of secondary school students and the teachers accompanying them spent three weeks in Hungary under the *Leonardo da Vinci mobility programme*. The project was

entitled “*Competitiveness and employment opportunities in Europe*”. Their field of interest, also relevant to the NLO, was the typical features of the Hungarian labour market and the development of employment in Hungary.

Macedonian Twinning Project

The Hungarian National Labour Office and the Swedish Social Security Agency won the right to implement the Macedonian Twinning project to prepare for the free movement of workers. The application had been submitted in the form of a consortium by the Swedish Social Security Agency as lead partner and the Hungarian National Labour Office as junior partner.

Negotiations with the Macedonian party resulted in the execution of a cooperation agreement in Budapest, on 29 March, by the Hungarian National Labour Office and the Macedonian employment office, under which the Hungarian party is ready to share its experiences concerning the operation of the public employment network and, in particular, the use of Union support, and cooperation with the social partners.

The aim of the project is to prepare the beneficiary country for fulfilling its obligations stemming from EU law before the accession period. The two organisations cooperate closely for that purpose. Long-term resident experts are assigned to supervise project implementation on site, together with the beneficiary country, and short-term experts are assigned to assist with specific sub-components. The current application comprises two components: review of the social security system, implemented by the Swedish lead partner and deployment of the EURES system, the task of the Hungarian consortium partner, the NLO. The EURES component is focussed on three activities:

- *Activity No. 1 (legal harmonisation)*: harmonisation of the legal material concerning the free movement of persons and employment and wording of proposals. Short-term experts delegated by the Ministry of Public Administration and Justice also take part in the activity.
- *Activity No. 2 (training)*: training of the staff members of the employment organisation to lay the bases of the fulfilment of the guidance and infrastructural functions, including a Hungarian study trip as well.
- *Activity No. 3*: preparation and presentation of promotion materials concerning the free flow of workers by target group, to the employees and the employers.

The 18-month project cycle followed by a 3-month reporting period started in March 2014, after the arrival on site of the Swedish and Hungarian long-term experts.

Industrial relations and cooperation schemes

Main activity of the sectoral dialogue committees

Pursuant to Act LXXIV of 2009 on Sectoral Dialogue Committees and Certain Issues of Middle-Level Social Dialogue, the task of the sectoral dialogue committee is to promote the balanced development of the sectors, to realise sector-level autonomous social dialogue in order to establish appropriate working conditions, to preserve industrial peace and enhance the lawfulness of the labour market processes. According to Section 25 (1) of the Act, the Minister supports the implementation of the professional programmes of the SDCs and promotes the administrative, business management, financial, and IT activities related to their operation.

In 2012–2013, the successful operation of the SDCs rendered the sectoral industrial relations more predictable, promoted the dialogue of the sectoral social partners and the conclusion of sectoral collective agreements and simplified their extension. SDCs gave the social partners opportunities to discuss the issues within their competence, pertaining to their sector, and to initiate common action, training and programmes. During their participation in the work of the European Sectoral Social Dialogue Committee (ESSDC), the SDCs managed to make visible and protect the national interests. Through their active work in the ESSDC, the SDCs increased the good reputation and visibility of the whole country and became the active tools of economic diplomacy in Europe. The activity carried out in the ESSDC kept on intensifying in 2012–2013.

The backbone of the substantive work of the SDCs consisted of developing joint positions concerning issues of relevance for the sector, commenting on draft legislation, concluding sectoral agreements (collective agreement, wage agreement), preparing professional positions, participating in the work of ESSDC and maintaining international contacts in Europe. This was promoted by conferences, training, workshops, papers, the involvement of experts, research targeting specific sub-areas, translations of technical documents and other events. The places and framework settings of the related decisions were the SDC sessions. Besides the programmes listed above, the members of the SDCs took part in lectures, training and seminars.

Pursuant to the resolutions of the Committee for Establishing Sectoral Participation, in 2012–2013 and currently there were/are thirty active SDCs, constituting 23 financial funding units. A total of eighty advocacy organisations are present in the thirty SDCs. The SDCs currently take part in twenty-two ESSDC activities.

In the past two years, SDCs, acting on the basis of the guidelines adopted by the Council of Sectoral Dialogue Committees and heeding the comments of the expert body, implemented

503 programmes based on the public support budget and hundreds of programmes debited to their own interest representation budget. The work of the SDCs contributed actively to having orderly industrial relations in as extensive a range as possible. Therefore, more than 15 000 persons took part in the events realised by the SDCs based on their public and own interest representation funds.

The SDCs prepared/ordered several expert documents (study papers, expert opinions, analyses, research, background materials for concluding/extending collective agreements) to be used in professional decision-making concerning the sector, to develop joint positions, comments on draft legislation and prospective sectoral agreements. The resulting papers were approved by the SDC Expert Committee. The expert documents make it possible to plan and predict with more certainty the sectoral developments and the market, economic and employment trends. Information available this way lays the ground for longer-term planning, the preparation of the new legislation and the presentation of the situation ever of the sectors in various publications and in the press, where the interests of the sector are represented by the SDC.

Study papers

The papers are dedicated to such important sectoral issues as employment, training, OSH, sectoral outlook and strategy, analysis of the statistical data of the sector, entering into collective agreements. They review the various sectoral concepts and programmes, and present the relevant best practices of the Union and the countries. The papers examine sectoral dialogue itself in the context of the sectoral policy objectives. The delivered papers have been discussed in detail quite extensively, at events and extended meetings.

Analysis

The objective of economic analyses prepared upon the request of the SDC of the Timber Industry, Furniture-making and Sylviculture on several occasions, in a quarterly breakdown, is to understand the most detailed data available on the timber and furniture industry and the resulting developments, in a macro-economic and global economic context. These are essential work documents for the professional organisations, representing the basis of their data reporting and interest representation activities and useful also to raise awareness of the sector.

Documents related to concluding and extending collective agreements

The SDCs relied on experts familiar with labour law and on expert advice to prepare the collective agreements. Apart from personal consulting, the experts drew up written proposals concerning the design or revision of the collective agreements in consideration of amend-

ments to the Hungarian Labour Code. The legal experts (lawyers) took part in the SDC events related to the collective agreements, and introduced and explained certain points of the draft versions as part of their expert activity, as oral addenda. During the discussions, they helped interpret the individual clauses, and presented the legislative background and legal correlations in order to reach a consensus between the various parties advocating different opinions and even ensured their proper legal wording, and took care of the corrections and amendments in finalising the drafts.

Research

The Trade SDC ordered a research to assess employee interests in the sector, on the following topics:

- assessment of the cafeteria issue and realisation of this year's wage increase;
- survey of the preliminary expectations, in particular regarding the minimum wage and the guaranteed wage minimum issues, for 2014;
- assessment of the cafeteria needs, feedback from the employee perspective of the changes of the sectoral legislation, evaluation of the effect of the sectoral agreement.

Papers, research and analysis laying the foundations of the functions, activity and professional work of the SDCs

Food Industry SDC

- Effects of the minimum wage and the special taxes on the costs of the food industry and on employment – *FDNT Tanácsadó Kft., Agrár Európa Kft.*
- Employment potential and the reality; the situation and prospects of vocational training in the Hungarian food industry – *Agrár Európa Kft.*

Construction Industry SDC

- Compliance with sustainability requirements; regional/social implications of upgrading the energy efficiency of buildings, in particular on employment, social cohesion and dialogue – *Pro-Conf Bt.*
- Utilisation of the experience of international skilled worker contests – *Wiesner Bt.*
- Economic analysis for the timber and furniture industry – *Olga Milei*

Trade SDC

- Scheduling and sample documents of works council elections (Methodological aid to administer the works council elections of 2013–2014) – *Gábor Fónai*
- Sectoral survey – *ECO-Vista Kft.*

Chemical Industry SDC

- Subsistence level, 2012 – *CS-Farm Kft.*
- Impacts of demographic changes and their treatment in the European and Hungarian chemical industry – *NESA Hungary Kft.*

ITC SDC

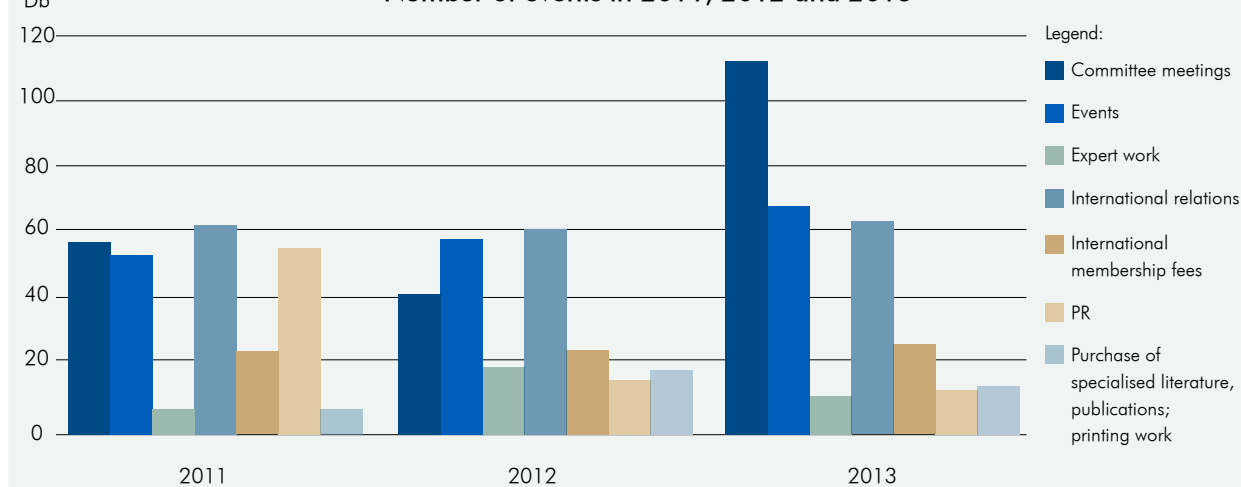
- Expert paper for the preparation of the social campaign to promote healthy work at work-places with display screen – *e-KerNet Kft.*
- Paper to prepare collective bargaining in ITC dialogue – *H-TD-H Kft.*

Programmes implemented against the subsidy budget in 2011, 2012 and 2013

Designation	Units/Occasions			Participants		
	2011	2012	2013	2011	2012	2013
Committee meeting	59	43	56	868	626	1 078
Event	55	60	63	6 578	5 210	5 535
Study, research, analysis and consultancy	8	21	12	5	25	12
International relations	64	63	65	211	142	189
International membership fee	26	26	28	–	–	–
PR	58	17	14	–	–	–
Purchase of specialised literature, publications, periodicals; printing	8	20	15	–	–	–
Total:	278	250	253	7 662	6 003	6 814

Source: NLO

Number of events in 2011, 2012 and 2013



Source: NLO

Industrial Relations Information System (MKIR/IRIS)

MKIR (IRIS) is the information system of institutionalised bi- and trilateral relations between the employees, employers and the respective interest representation organisations on the one hand, and the government on the other (agreements, contracts and legally regulated forms of cooperation), promoting the collection, classification, research of data and information and data supply based on it.

Functions of MKIR:

- Implement statutory data collection on industrial relations ordered by legislation or by agreements;
- maintain the resulting databases, data processing;
- supply data to authorities and to other clients – directly or through the internet, in the framework of the publication of information of public interest or upon the request of social partners, the labour administration, the authorities experts, private individuals etc.;
- support the decisions of the administration of relevance for the industrial relations; publishes reports, analyses on the status of the system of industrial relations.

MKIR makes it possible for the social partners to fulfil their statutory disclosure obligations and it provides data and information to the various authorities for their decisions. MKIR assists with the following statutory processes:

- a) Ministerial Decree 2/2004. (I. 15.) FMM on the detailed rules for reporting and registering collective agreements obliges the contracting parties to report the conclusion, amendment or termination of such agreements and to meet the related statistical reporting requirements.
- b) Article 15 of Act XXIII of 1992 on the Legal Status of Public Officials and Government Decree 24/2011 (9 March) on Determining the Representativeness of Trade Unions Active at Employers within the Scope of the POA oblige the trade unions active at public institutions to certify the number of trade union members in public employee status and to determine representativeness every three years.
- c) Act LXXIV of 2009 on Sectoral Dialogue Committees and Certain Matters of Middle-Level Social Dialogue and Ministerial Decree No. 22/2009 (30 September) SZMM on the Execution of the SDCA order the members of SDCs to supply data necessary to determine the rights related to participation and decision-making and to the determination of representativeness. The above rights are determined on the basis of the data by the Committee for Establishing Sectoral Participation.

The SDCA prescribes data supply related to the extension of the sectoral collective agreement for the applicant parties. The extension of the sectoral collective agreement and the cancellation of the extension – where the conditions of the extension are not met – is assigned to the competence of the minister responsible for employment, and MKIR is to be used as well to prepare the relevant decision.

- d) Government Decree 357/2009 (30 December) on Certain Issues Related to Works Council Elections compels workplace-level election committees to supply data on the results of the works council elections, in order to establish the aggregate results, the SDC participation conditions of the trade unions, the decision-making (voting) rights of the SDC and its sectoral representativeness.

MKIR still comprises data collected according to some previous legal regulation or agreement that has been repealed already. Pieces of information that can be queried from the database to this day:

- e) Government Decree 175/1998 (30 October) on Certain Issues Related to Public Employee Council Elections imposes statistical reporting obligations on workplace-level election committees concerning the public employee council election results in the interest of the national aggregation of data. The obligation was repealed by Government Decree 48/2005 (23 March).
- f) Based on the agreement of the Council of Sectoral Dialogue Committees on “The conditions and order of operation of Sectoral Dialogue Committees in the period until the codification of the relevant legislation” dated 22 September 2004, the sectoral employee and employer interest representation organisations had to certify the fulfilment of the conditions of participation in the SDC and those of sectoral representativeness. The agreement became ineffective upon the entry into force of the SDC Act.
- g) Pursuant to the Act on the National Council for the Reconciliation of Interests (NCRI/OÉT), the member organisations of OÉT had to report certain data on the basis of which the Committee for Establishing Sectoral Participation decided on their participation.

The appropriate display of information available on the industrial relations is crucial for both the NLO and NES in order to be able to examine the developments concerning the world of work. MKIR has a highly complex clientele including social partners, NGOs, individual users, researchers and universities, but the system supplies data also to the official and administrative proceedings, e.g. the extension of collective agreements, the establishment of new sectoral dialogue committees, the allocation of public aid to the SDCs, and it provides authentic information also for incidental judicial procedures. Moreover, the NLO needs MKIR also to fulfil its obligations under international conventions, organisational memberships – of ILO or the EU e.g. – imposing reporting and data supply obligations concerning certain fields of the industrial relations.

Owing to its special legal status, the Hungarian Labour Mediation and Arbitration Service (LMAS/MKDSZ), as potential user is an institution active in the intermediary zone between official and public use. It is a precondition of proactive mediation that the mediating agency should have information on the terminated collective agreements or the ones approaching their date of expiry, since these are the situations where collective labour disputes are most likely to occur. Knowledge of the content of effective collective agreements, on the other hand, is absolutely necessary for efficient arbitration.

The input side of MKIR is managed partly by the users themselves and partly by the Social Dialogue Section under the Supervision, Benefits and Social Dialogue Department of the NLO but the supply of background data depends to a significant extent on such national organisations as the Court of Registration, the Central Statistical Office (CSO), certain ministries and, for public employees, the municipalities as well. The MKIR database does not overlap with any other existing labour statistics systems (CSO, NLO's Research and Analysis Department) but complements them. It proved to be a useful analytical tool in the field of industrial relations in the past decade: it provided data for many reports and research projects. Notwithstanding such positive experience, MKIR, too, is in need of development, which started in 2013. The application itself was rewritten to make it more client-friendly, and it has an easy-to-develop, outward open, easy-to-use query surface and adjusts quickly to the permanently changing query structures. A system of access rights matching the professional tasks has also been designed. The MKIR design elements will be replaced by those required by the NLO. The source code and the copyright will be the property of the NLO. The NLO will be able to cope with the development and operation tasks in the future, and thus it can save the costs of operation covered by the central budget previously.

Data processed in the MKIR system in 2012–2013

Keeping records of collective agreements	Filing system
556 pcs reporting collective agreements	2947 pcs filed document
150 pcs new request for registration	of which 1352 pcs filing and sending collective agreement notice
550 pcs sending user code	201 pcs confirmation of works council registration
120 pcs sending temporary user code	54 pcs ÁRMB (CESP) correspondence
Works council election system	Other
210 pcs processing works council registration request (verification; sending code)	5 pcs ÁRMB (CESP) request
453 pcs works council election memorandum	2 pcs collective agreement extension request
Data provision to external partners	in relation to which three electronic data provision by advocacy organisation
Serving ILO statistics	
Data provision to "Mirror of the Labour Market"	

Source: NMH

EU-funded development of the Hungarian employment organisation

Projects terminated by 2012

Development of the employment service, Phase I

This project²⁰, relying on the outcome of previous (Phare, HRDOP 1.2) development programmes of the employment service, was meant to improve the efficiency of the active labour market policies and to reinforce the capacities of the organisation. The project was implemented from February 2009 to July 2012, from a budget of HUF 7 983 108 758, by the NLO and by the county labour centres. The priority project was realised, in line with the development direction, in three distinct components.



The Job Centre in Békés before...



...and after reconstruction

Service development component

This component was meant to develop the professional background and system of contacts necessary for the fulfilment of the tasks of NES.

Main results

- Development of the services to be provide to employers;
- operation of the Roma employment organiser and job broker network;
- developments related to complex rehabilitation;
- establishment of cooperation with the social services;
- identification of work opportunities suitable for flexible work organisation;
- creation of an SME supporter website and network;
- preparation of the Virtual Labour Market Portal.

²⁰ SoROP-1.3.1-07/1.-2008-0002: "Development of the employment service as part of the integrated labour and social system"

Information technology developments component

The main direction of IT developments was the improvement of the IT support of the services and the administration processes. The integrated labour market information system has been upgraded, and the system supporting the operation of the employment measures and the financial processes has been expanded in order to enhance the efficiency of resources utilisation and monitoring. The modernisation of the administration through the simplification and reduction of administrative activities and higher efficiency appeared as an objective.

Main activities

- upgrading the central IT system;
- expanding the Portal functions and upgrading the e-government services;
- data warehouse developments based on the NES data assets;
- developing the Employment Policy Financial Information System;
- supporting the administrative processes of NES;
- central IT infrastructure developments.

Strategic management and regional planning support component

Strategic management and planning support covered the renewal of the planning system, the extension of the quality management system, the modernisation of the human resources management system of NES and staff training and, moreover, research laying the basis of employment policy decisions and evaluating the activity of the organisation. The component included the development of the EU and bilateral relations and professional experience exchange as well.

Main results

- The assistance/support system customised to the groups defined by profiling category is ready, as well as the research report on the exploration of life situations and the detailed specification of the village enterprise model.
- The Roma employment organisers engaged 960 persons in service, 1 094 in training and 2 643 in employment.
- The job brokers identified more than 23 500 vacancies.
- In the context of the legal and financial services, guidance services were provided to 13 545 clients.
- The Entrepreneurship Portal, the Rehabilitation Portal and the Virtual Labour Market Portal have been created, and the data warehouse has been expanded.
- The integrated financial/accounting system was upgraded and integrated with the professional system, so a precise, nationally standardised monitoring, registration in a closed accounting system and the generation of up-to-date information necessary for the management has become feasible.

- The central hardware development and the expansion of storage systems, application and database servers were implemented, and the related licences were procured.
- The human resources development model was specified, and an IT-based HR management system was introduced, and 1 630 persons were provided training.
- Thirteen papers informing employment policy decisions were made and awareness of NES as well as client satisfaction and the labour turnover share of NES have been investigated. The client satisfaction assessment methodology is in place. For the results of the research, see the website at <http://www.employmentpolicy.hu>.
- The introduction and auditing of the “Partner-centred quality management model” has been accomplished at 21 offices, and the introduction of the model started at another 20 offices. 300 staff members took part in initial training, and seven offices introduced the process-centred quality management model.
- The NLO and six regional NES centres deployed their quality management system and had it certified according to MSZ EN ISO 9001:2009.
- The Management Information System Plan has been designed.
- Survey papers have been made of the labour market situation of the cross-border regions; a training material was developed on the application of the cross-border service toolkit. An expert database was created and the database of NGOs has been published electronically to support international cooperation.

Development of the content and methodology of the career guidance system, Phase I

Under the project implemented from September 2008 to June 2011²¹, a standardised career guidance system was developed that provides efficient assistance to individuals of different ages and in different life situations to be able to find their own skills and, concurrently, the learning pathways meeting also the labour market requirements. The project budget was HUF 2 080 049 932. The project undertook to upgrade the Hungarian career orientation and lifelong guidance system, and developed a service system of exceptional quality for the potential users.

Activities

- The network of almost 50 career guidance counsellors is in operation and it has already provided individual and collective consulting and collective development services.
- Methodological development training has been organised for professionals getting in contact with career orientation during their work.

21 SoROP-2.2.2-08/1: “Development of the content and methodology of the career guidance system”

- The development of the multichannel National Career Orientation Portal is ready, and its closed professional community surface, the Virtual Community of Counsellors, has also been created.

Main results

- Number of newly created employment and occupational information materials, the so-called “FIT folders” (occupational information files): 100; number of updated “FIT folders”: 50.;
- Number of career orientation films: 42;
- Number of persons who received career guidance counselling: 115 497.;
- Degree of satisfaction of persons given career guidance counselling: 92%.;
- Number of professionals who completed the career-guidance-related training programmes with success: 1996.;
- Number of persons participating in post-graduate training: 83.

Infrastructure development, Phase I

The project implemented from May 2009 to May 2012²² as the follow-up of previous NES programmes modernised the buildings and IT toolkits of twelve local job centres. Case administration became more up-to-date at the offices concerned, and improvements promoting self-information were realised to ensure client-friendly service, through the utilisation of HUF 1 238 574 015 in support.



The Job Centre building in Sopron before...



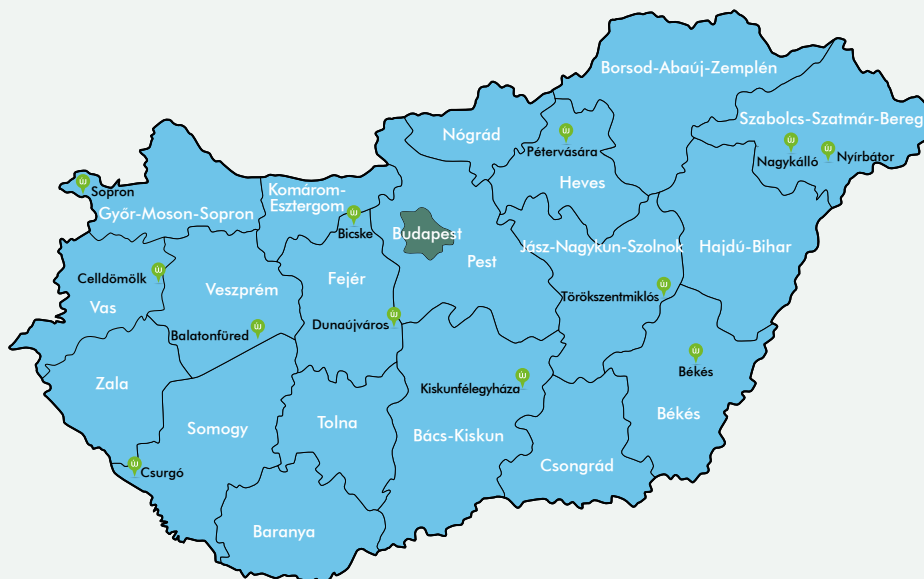
...and after reconstruction

22 The project realised the infrastructure development necessary to construct the self-information area of the offices, the modern design of the client area, up to the EU quality standards, and a consistent office image. Accordingly, the external and internal renewal of the office buildings concerned in Balatonfüred, Békés, Bicske, Celldömölk, Csurgó, Dunaújváros, Kiskunfélegyháza, Nagykálló, Nyírbátor, Pétervárd, Sopron and Törökszentmiklós has also been accomplished.

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The other main professional objective was to equip the client area of job centres with self-information tools, to modernise the info-communication network and the administration process, and to implement improvements promoting an interactive client-friendly service process. In that context, so-called M-points, i.e. self-information kiosks have been installed at the offices to help the clients of the organisation look for employment on their own; multi-functional printers, routers and switches have been procured, and 318 administrator workstations have been installed in the country, for the sake of modern administration.

Infrastructure development projects implemented between 2009–2012 by county



Source: NIO

The project results, i.e. a modern IT background and the renewed, more comfortable environment, help us provide our clients as extensive assistance as possible, in addition to the personalised services, in an environment that is up to the European standards.

Projects starting from 2012

Development of the National Employment Service, Phase II

This priority project²³ aims at developing the services and strengthening the capacities of NES in the fields related to the public administration reform. The project is implemented from October 2012 to June 2015, with a budget of HUF 3bn. Its objective is the precise mapping of the situation of the clients, in order to provide them services matching their labour market position that will actually raise their employment chances. Another objective is to develop the system of allowances and services to employers. The project supports the reinforcement of the international cooperation schemes and the development of the internal operation and human resources of NES.

Renewal of NES capacities to manage labour market transitions

During implementation, the emphasis is put on services matching the individual needs. The objective is to create a new framework and new tools setting the direction of employer contact keeping at the office. Novel services are introduced that use the options offered by the new communication channels.

Research to lay the foundations of improved competitiveness

This activity comprises control group research based on the positive results of previous research to identify the employment effects of the services and the active and passive measures. A labour market forecasting model will be developed that can provide direct assistance in defining the development directions of the labour market policies, active and passive measures and services. The NES library will also undergo development.

Development of organisational target systems

This activity covers four fields. It reformulates the long-term development strategy of NES, focusing on its priority areas. It inserts the strategy into a management system ensuring flexible change management, operated with the help of the quality management system, and it gives special emphasis, in the light of the above, the values of organisational culture, keeping in mind the organisational integration of the new development directions.

International cooperation activity

The development comprises the examination and adaptation of international experience and best practices, the promotion of the mobility of Hungarian workers within the EU, and support to cross-border cooperation in the cross-border regions.

23 SROP 2.2.2-12/1-2012-0001: "Content and methodology development of the system of career orientation"

Training of NES staff

As part of the training component, this includes the organisation of programmes related to the technical improvement; follow-up of previous successful programmes to ensure sustainable development; and training related to organisational changes defined by legislation.

Development of the content and methodology of the career guidance system, Phase II

The project, to be implemented from June 2012 to May 2015 on HUF 2 753 113 239²⁴, is designed to renew and make accessible to every citizen the range of career orientation tools and services, based on the career orientation and lifelong guidance developments and service experience of NLO and its legal predecessors, in order to support decisions taken in the world of learning and work.

Methodology and tool developments

The project develops on-line as well as off-line methodological tools. Note the materials (film and text) of the National Career Orientation Portal (www.eletpalya.munka.hu) presenting specific occupations, and the development and upgrading of career orientation questionnaires.

Training of professionals

Initial training to 4 000 professionals active in career orientation on a part-time basis to let them carry on their lifelong guidance activity on the basis of more extensive knowledge, more efficiently. Qualified career orientation counsellors are provided masters training in the framework of the project.

Networking

Thanks to several events and workshops, a professional network has been created that considers the deployment and operation of a modern system of lifelong guidance its common cause. It is important to align the relevant developments with the European career orientation strategies and the priorities defined by the international organisations. Participation in the ELG-PN policy network is a key element of international networking.

24 SROP 2.2.2-12/1-2012-0001: "Content and methodology development of the system of career orientation"

Utilisation, information supply, social marketing

The priority project gives special emphasis to the utilisation of the toolkit and lifelong guidance services to be created under it. The developments are supported by extensive social marketing; they are made visible at the related professional and public events and festivals. A technical periodical is issued on topical lifelong guidance issues to professionals of the field.

Portal consolidation at the National Labour Office

Besides personal services to the clients, the establishment of the self-information options, e-information, i.e. access to web-based services, is being given increased attention. Accordingly, the aim of the project²⁵ is to have a uniform NLO portal engine and SSO solutions providing for standardised log-ins, and the introduction of the new portal engine that would let the NLO boost the quality and efficiency of services related to job and training search, vacancy reporting and career guidance. The project lasts from March 2013 to June 2014, and it is supported by HUF 295 027 500.

First, a common portal engine will be introduced for the National Career Guidance Portal (NCGP/NPP) and the Virtual Labour Market Portal (VLMP/VMP) under the project. This will provide access to or upgrade the following services:

- web-based job search among NES job offers via VMP;
- CV uploading;
- making appointments;
- identification without visiting the office;
- vacancy reporting via the internet to the NES vacancy database through the VMP services;
- services to employees and employers via NPP.

Infrastructure development, Phase II

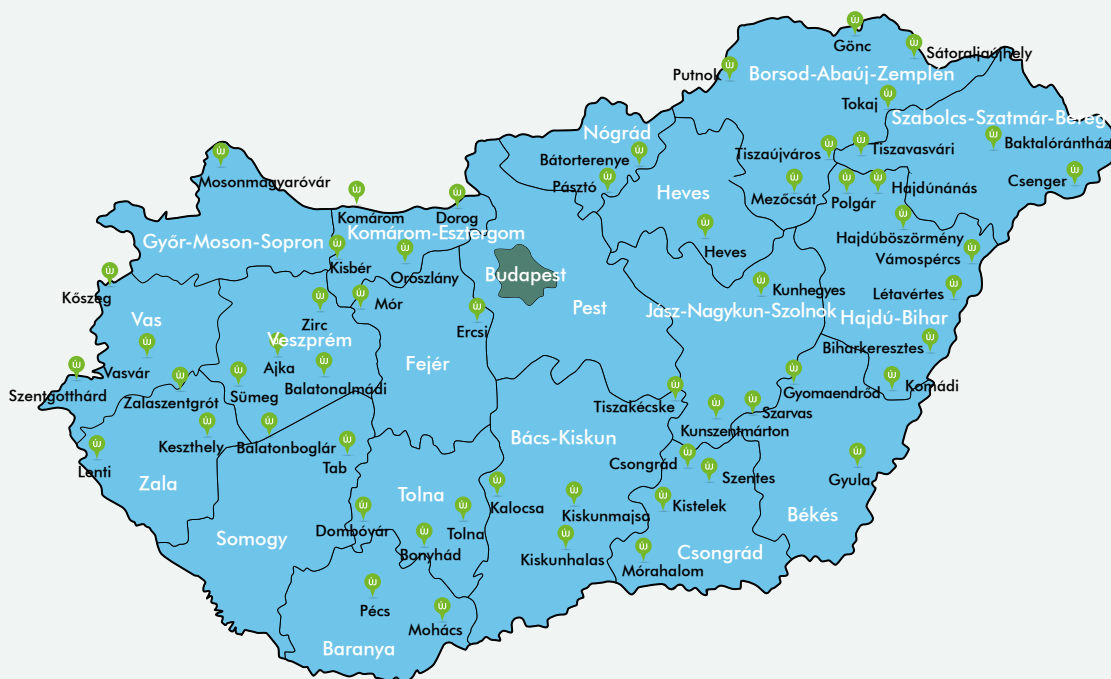
The project²⁶ is being realised by the consortium of the NLO and the Office of Public Administration and Justice (OPAJ/KIH), out of a grant budget of HUF 6bn. Implementation started on

25 EAOP-2.A.2-2012-2012-0020: "Portal consolidation at the National Labour Office"

26 SIOP 3.2.1-12/1-2012-0001: "Establishment of the framework of the integrated system through the development of the infrastructure of the employment service", Phase II

As a result of this priority project, the establishment of the infrastructure matching the new service model, the modernisation of the administrator and client spaces, the installation of the self-information system, the elimination of physical obstacles and the investments necessary for up-to-date administration will continue and be completed by 30 June 2015 at 56 job centres.

Infrastructure development projects implemented between 2012–2015 by county



Fulfilment of data scrubbing and migration tasks for the registers

The objective of the project implemented in 2013 from a support budget of HUF 110 432 400²⁷ was to ensure the provision of more reliable and precise data on the unemployed registered in the Integrated Labour Affairs System (ILAS/IR), the integrated specialised system of the NLO, to the competent authorities and to contribute to the acceleration of the client service process and consequently to increased client satisfaction thereby.

Under the project, the data in the IR have been cleansed and the related administration processes and activities have been rationalised. The project developments resulted in more precise client information at NES, ensuring more efficient administration and service delivery based on more reliable and more controlled data.

Introduction of a paper and document management system at the NLO

The project implemented between March 2013 and June 2014²⁸ targets the preparation of a filing and document management system supporting also the electronic services of the NLO, based on a grant budget of HUF 239 665 000.

Projekt tasks

- Procuring the devices necessary for implementation (high-capacity scanners and expansion of the server and of the storage system);
- developing a unified paper and document management system;
- introducing electronic record management at the NLO;
- accelerating the document flow and making it more efficient;
- creating digital archives;
- developing the IT support of internal processes.

27 SROP-1.A.4-2012-2012-0010: "Data-clearing and migration tasks of registers"

28 EAOP 1.A.2-2012-2012-0047: "Introduction of a paper and document management system at the National Labour Office"

