COUNTRY FICHE: HUNGARY

PES NAME: National Employment Office (NFSZ)

Basic organisational model

Type of organisation/relation to government

NFSZ works under the Ministry of National Economy, which is responsible for employment policy. The county and metropolitan employment service centres are part of the county-level government offices (Prefectures).

Structure and organisational levels

- National Employment Office;
- 20 County Labour Centres;
- Less than 20 branch office and service delivery centres and approximately 152 branch offices.

Management structures and the role of social partners

- Management: NFSZ used to be fully financed from the Hungarian Labour Market Fund (LMF). As of 2011 it will be directly financed from the state budget. At the time of the EU accession of Hungary in 2004, NFSZ was designated as an agency to deliver employment programmes funded by the ESF. Currently, the two funding mechanisms are intertwined and NFSZ's work follows two parallel systems.
- Supervision: NFSZ is accountable to the Ministry, which has a methodological/supervisory function with respect to the county labour centres.
- Social partners: social partners participate in the steering committee of the LMF, which is in charge of all decisions concerning the funding sources of the operation and active measures of the service.

Financing model

PES financing by source, Hungarian Fiorin (million)

	Expenditure (HUF million)						Change 2010-2011 (%)		
	2010			2011 (forecast)					
Source of funding (%)	Total Budget	Operating costs	ALMP	Total Budget	Operating costs	ALMP	Total Budget	Operating costs	ALMP
Total	85.878,4 (100%)	23.147,9 (100%)	54.898,0 (100%)						
Social security contributions									
Government and other public funding	85.878,4 (100%)	23.147,9 (100%)	54.898,0 (100%)						
ESF									
Other EU Funding									
EURES									
PES own revenues									
Other									

Human resources

PES human resources. Date of observation: N/A

	Number of staff	% directly servicing clients
Total	**3.783**	68%
Employment and Social Office	316	1%
Regional offices	3.467	74%

Note: There are 2.755,5 employees directly servicing clients (2 employees in Employment and Social Office and 2.753,5 in the in the regional offices).

Integration of employment services and benefit payments

Unemployment and related benefits

- Since its creation in 1991 NFSZ deals with both active and passive labour market measures. It is responsible for the payment of unemployment benefits to all the unemployed regularly registered as jobseekers as well as for monitoring eligibility criteria.

Other social benefits

- The social security system is in charge of paying benefits to persons with disabilities. NFSZ plays a leading role in vocational rehabilitation. Some specific groups, such as those over 55 years of age, parents raising children under 14 or persons who suffered from severe health problems must cooperate with organisations specifically designated by municipalities in order to meet the eligibility criteria.

Clients/Customers

Jobseekers. Date of observation: December 2010

	Number	%
Jobseeker client groups		
Total	591.278	100%
School-leaver career-starters	53.203	9%
Beneficiaries of allowances (job-search/social allowance)	371.930	63%
Job-search support	190.216	32%
Social support	181.714	31%
No support	219.348	37%
(Unregistered) client applying for service	38.131	6%

Further breakdowns are typically applied to monitored unemployed persons: gender; age; duration of unemployment; disability; educational attainment; area; career-starter; desired occupation; sector of last job; receiving/not receiving support; reduced work capability.

Employers. Date of observation: December 2010

Employer client groups	Number	%
Total	8.044	100%
Customers announcing collective redundancy	57	1%
Customers announcing labour demand	6.966	87%
Wage/wage cost subsidy	922	11%
Support for communal work	89	1%
Support for the training of employed persons	10	0%

Other clients

In addition to employers and jobseekers, NFSZ has two other major client groups: clients who apply for job-search support and clients who apply for services (including employees).

Types and methods of service provision

Services for jobseekers

- General information on the NFSZ service provision and on job vacancies given to clients at the moment of their registration;
- Job brokering and job search support available to everyone online and in regional offices;
- Personal counselling services, career guidance, psychological counselling as well as individual action plans for jobseekers facing placement difficulties;
- Collective assistance sessions in order to favour re-integration, re-orientation and career guidance.

Services for employers

- Information on the NFSZ service provision and on labour market trends provided to all employers by

regional offices;

- Job vacancies and newsletters and publications can be advertised on the internet or via email;
- Branch-level meetings are useful to provide information on training and education courses, in order to favour the employability of jobseekers;
- Legal and financial counselling for small and medium-sized enterprises and for new entrepreneurs through face-to-face interviews.

Job vacancies and market share

Collecting information on job vacancies

Job vacancies are collected in several different ways: labour demand reports are filled in by employers on paper or electronically; PES officers regularly visit employers or contact them by phone or via the internet in order to keep the vacancy database up-to-date. Labour force management questionnaires are submitted to employers quarterly.

Vacancies and referrals

Latest stock of vacancies: 48.755 (20 December 2010 – 20 January 2011). Of these, 12.579 used a mediation service. Filled positions were 11.904.

Matching of supply and demand

NFSZ regularly monitors the mismatches between demand and supply of labour by recourse to two regular questioned-based surveys: the 'Quarterly Labour Management Survey' and the 'Short-Term Labour Market Survey'. This information is collected periodically at national level.

Market share

Thanks to the results of the short-term labour market survey, the NFSZ keeps accurate data regarding market share (25.1% in 2010).

Method: HU short-term labour market forecast concerning the sources of filling vacancies and their respective shares.

Active labour market policies

LMP Services

Name of service	Brief description	Delivery
Job-search agreement	The job-search agreement (plan) is the joint document of the jobseeker and the competent NFSZ office which defines the hierarchical series of activities to promote labour market re-entry.	NFSZ
Career guidance	Career guidance promotes the career choice/modification of clients and the specification of a career plan matching their interests, competencies, personality and the labour market demand.	NFSZ
Job-search counselling	The personalised introduction of the main job-search techniques, the ones that can be used with good effect in job-search (phone calls to employers, CV-writing, preparation for face-to-face meetings, identification of unannounced jobs etc.) can take place in the form of individual or group guidance sessions. In group sessions, participants can use the experiences of their peers, and acquire the skills of up-to-date job-search to be used independently during job-search later on with the help of the group leader. The 3-week Jobseekers' Club helps participants to practice job-search techniques.	NFSZ
Mentoring service	Mentoring activities are provided to assist disadvantaged persons. The mentor provides information to the mentored client, acts as a motivator, gives support to establish and maintain regular contact, and provides personal assistance to job-search, the selection of adequate training, the successful completion of training, placement and job retention.	NFSZ

LMP Measures

Name of measure	Category	Brief description	Delivery
Training of unemployed person	2	Training support is meant for unemployed persons or for persons in employment if their regular employment is not feasible without such training. Support may take the form of an income supplement or income supplementing allocation; payment of the tuition/examination fee of the training institution or the costs of accommodation and transport.	NFSZ
Employment support for part-timers	3	Support can be offered at the employer's request for at least four hours a day of a full-time employee to prevent redundancy. Eligibility is limited to 12 months and 80% of the personal base wage and the relevant contributions due to the employee for the lost working time. The employer is subject to the obligation of further employment and, in addition, he/she undertakes to pay the employee as wage, in addition to the labour wage, the support segment minus taxes and contributions.	NFSZ
Mobility support	4	To reduce the costs of commuting to work, inter-city transportation support can be granted from the employment fund segment of the LMF. This support can last for up to 12 months.	NFSZ
Public works programmes	6	Temporary employment for registered jobseekers, to perform especially infrastructural and environmental protection tasks and public functions to help the catching up of deprived regions and the reduction of unemployment.	NFSZ
Support for new entrepreneurship	7	Eligible jobseekers must be registered for at least 3 months, and they must be willing to provide for their own employment in the context of a one-man business or as members of business associations or as agricultural original producers.	NFSZ

Cooperation/partnership

In recent years, private providers and business associations have been allowed to act as service providers, thereby supplementing the NFSZ's own resources. Consequently, a broad range of services has become easily accessible to a wider circle of jobseeker clients living in places where NFSZ centres do not have enough capacity to meet the local demand. Labour market services provided to jobseekers involved in EU programmes are purchased by NFSZ centres from private providers according to the rules applicable to public procurement.

Evaluation

Evaluation is incorporated in the design of the ALMP programmes, through a periodical assessment by the organisation under the NFSZ control. Labour market programmes financed by EU funds are, instead, assessed by external companies commissioned by Managing Authorities.

Management logic and performance measurement

Planning process

The main objectives and targets are determined through a complex planning process, involving the regional labour centres, the NFSZ and the government. This process follows a bottom-up logic typical of 'Management by Objectives' techniques. The regional offices firstly make proposals for the target value of the indicators, then these have to be approved by the NFSZ in order to create a draft of the national plan. The document must then be approved by the Government.

Types of objectives and targets

The 2011 targets cover many areas of activity, of which the most relevant ones are:

- Number and rate of registered jobseekers becoming employed;
- Number and rate of registered jobseekers involved in labour market training;
- Duration of reported vacancies from the date of announcement to the date of filling or cancellation;
- Number and rate of activated persons;
- Partner satisfaction indicators.

Monitoring

The statistical follow-up on quantitative targets is carried out on a regular basis (quarterly assessments of results are provided to the NFSZ and to those who have authorised access to this information), through 3

systems: the INDI method, an Internet-based planning programme and a programme which elaborates the data after monthly closure. Performance against targets is regularly monitored and discussed in order to develop the planning of the objectives and targets for 2011.

Lean management

No mention is made of lean management processes and procedures.