



**EFFORTS, CURRENT TASKS  
AND MAJOR ACHIEVEMENTS  
OF THE HUNGARIAN PUBLIC  
EMPLOYMENT SERVICE**



## Efforts, current tasks and major achievements of the Hungarian Public Employment Service

Giving a thorough consideration of its own role, in the spirit of modernisation, ÁFSZ has worked out in 2004 a medium-term strategy based on a thorough assessment of the situation. The main purpose of this strategy is to make sure that ÁFSZ – which has an organisational network in the whole country (ÁFSZ includes the National Employment Office, as well as 20 County-based (Budapest) Labour Centres, 173 Local Labour Offices and 9 Regional Training Centres) – plays an appropriate and efficient role in responding to challenges arising in association with the EU accession and integration, under the changing economic and labour market conditions.

The mission of the Hungarian Public Employment Service is:

**‘Promoting efficient operations of the labour market in order to raise the level of employment.’**

The major strategic objectives and priority tasks of the Hungarian Public Employment Service are:

### 1. Increasing significantly the labour market participation

#### ■ Collecting more information on the demand of employers and satisfying it at a high level

- In order to improve the information of the labour market actors, the ÁFSZ has started to build a uniform, nation-wide and regional information system.
- An overall review is prepared about the labour recruiting habits of employers, the practice followed in the selection of staff and on the basis of this information measures will be taken to expand and further develop the service system.
- Based on the expectations and demand of the employers, ÁFSZ defines the quality requirements of its services.
- By introducing Internet-based job brokerage, ÁFSZ contributes to make public more vacancies, to create rapid communication between the actors of the labour market and to reduce administrative loads.
- By launching pilot service models, it can be ensured that the labour market organisation meets the developing and changing service requirements. (Nowadays, such requirements include for example telework, temporary agency work, regional employment agreements, job brokerage for odd jobs and fixed-term employment.)

#### ■ Raising the level of labour brokerage

- Complex professional, methodological and technical development of brokerage services will take place.
- The duration of employment relationships established as a result of successful brokerage is examined by following up the brokerage efforts and by interviewing the employers.
- In order to improve the success rate of brokerage, the following will be further developed:
  - the self-information system
  - the Internet brokerage system
  - the electronic CV database.
- To improve access to the labour market information, Employment Information Centres will be set up in addition to the Local Labour Offices in co-operation with civil organisations, local authorities, telehouses, shopping centres, etc.
- ÁFSZ develops its co-operation on an ongoing basis with private brokerage and temporary agencies.
- ÁFSZ ensures that Hungarian employees have access to the same labour market supply and demand information as the citizens of the other EU Member States and use efficiently the services of the EURES system.

**Significant achievements and expectations**

- In the framework of the PHARE project aimed at upgrading the ÁFSZ, a new service model has been elaborated and introduced at 21 pilot Labour Offices. This model is based on the presumption that the clients themselves are responsible also for strengthening their labour market positions, therefore they must make efforts themselves in order to return to the labour market as soon as possible.
- Providing information to the clients has been improved, and they show more interest in the self-service systems.
- Clients' waiting time has dropped and is expected to decrease further; the quality of services as well as client satisfaction has improved.
- Interest has grown substantially in the large number of group-specific complex labour market programmes based on individual requirements and needs, and as a result of the programmes, the labour market activity of participants and the chance of getting and keeping a job has improved.
- The number of registered jobs has grown.
- A significant number of passive clients became active.

**2. Improving the employment of job seekers and of those excluded from the labour market****■ Improving the employment of job seekers**

- ÁFSZ is setting up its local 'customer friendly' system for providing labour market information. In this framework, it makes efforts to apply information technology based services in as wide a range as possible (*telehouses, self-information centres, computer programmes assisting self-knowledge and career guidance, etc.*).
- The application of individual action plans is expanded by the organisation to an increasing number of persons who are ready and able to work.

**■ A more successful orientation of the school based training and adult training, in view of the changing labour market demands**

- To switch skills in school based vocational training, it is not sufficient to have information drawn from short-term forecasts, but in order to make well-founded decisions, longer term (5 to 10 years) forecasts and analyses are required. In order to improve the efficiency of adult training, special vocational training programmes based on hands-on experience come to the fore.
- By stacking different training programmes (*module type of training*) the labour market organisation ensures the combination of school type education, adult training and labour market training.

- Training opportunities are offered and provided to all job seekers unable to find a job due to lacking qualifications. For those in a disadvantageous situation (disabled people), the opportunities for catching up may be provided by supporting trainings.
- Labour market information is supplemented by ÁFSZ through providing information on the possibilities of life-long learning.

**■ Civil organisations are treated as strategic partners by the ÁFSZ, in the task of improving employment and reducing unemployment**

- ÁFSZ counts on the role of civil organisations to a larger extent and on a wider professional scale, primarily in identifying disadvantaged employees, and in rendering appropriate labour market services for them. ÁFSZ plays an increasing role in meaningful co-operation with civil organisations winning EU support and in managing their consortia.

**Significant achievements and expectations**

- An ÁFSZ Internet homepage has been set up where up-to-date information is available about vacancies, training opportunities, labour market services, supports and programmes facilitating placement.
- IT system and consultancy network has been introduced to support the vocational guidance and accession to labour market information of school leavers.
- In order to reduce administrative burdens of the EU funded Human Resources Development Operative Programme (HRD OP), a review of the internal regulations and the operating system has been started.
- In order to decrease the administrative burdens of employers a more simple, fast to fill in labour demand registration form has been introduced.
- The role of civil organisations is increasing in implementing complex labour market programmes, and in providing labour market and employment information.
- The regular and target-oriented PR of life-long learning encourages a larger number of unemployed clients to participate in training programmes.
- The development of a statistics-based forecast system has been started, by means of which, based on the particulars of new clients - gender, age, schooling, professional experience, etc. - it can be predicted whether the relevant person has a chance to become a long-term unemployed in the given labour market area. The introduction of the method will assist consultants in taking preventive measures in time in order to help clients threatened by long-term unemployment.

### 3. Mitigating the regional differences of the labour market

#### ■ Enforcing regional and local interests in implementing the labour market programmes

- ÁFSZ supports the economic policy efforts aimed at balancing and mitigating the regional differences in economic development, primarily by providing human resources necessary for infrastructural developments.
- In the smaller regions economically lagging behind, the regional units of ÁFSZ launch target oriented labour market programmes, cooperating with the multi-actor institutions of regional development, the enterprises and the local authorities.
- The system of labour institutions facilitate the mitigation of regional and area differences in employment also by supporting in a more encouraging and more efficient way the atypical forms of employment (part-time job, telework, odd jobs).

#### ■ Developing cooperation with the organisations involved in regional area development, with special regard to the development of human resources

- ÁFSZ encourages medium term and annual operative co-operation agreements with the regional development agencies and regional development councils.
- The training capacity of the regions will be reviewed. In making better use of the opportunities offered by the Adult Training Act, and in launching human resources, development and training programmes adjusted to the specific needs of the regions, the service co-operates with institutes and business development foundations, industrial parks, chambers, interest representation and civil organisations.

#### ■ Information provided for regional development (planning, implementation, evaluation)

- The Labour Centres have significant information on regional labour market and economic issues. ÁFSZ initiates to supplement this information, creating a unified system with the Central Statistical Office figures, thereby making them available to the actors of regional development.
- The ÁFSZ network supports business investments with available databases and versatile information.

#### Significant achievements and expectations

- The system of labour institutions actively participates in the gradual catching up of small areas lagging behind by providing labour market information, taking into account free human resources, contributing to training, taking part in regional marketing activities, and financially supporting the promotion of employment.
- By initiating, planning and coordinating small area and group specific labour market programmes and by calling the employers' attention to various EU competition funds, the Labour Centres play an important role in increasing employment.
- The number of people employed on the basis of a temporary employment registration form is increasing continuously, with the additional result that unregistered employment is decreasing.
- The increasing number of telework programmes, and the gradual spreading of this type of employment have a favourable impact on employment, and play also an important role in the expansion of modern information technology.
- By continuously reviewing and analysing the employers' short term labour management data, the Public Employment Service can be better prepared for the changes in the labour market, and could make a positive influence thereon through its service and support system.

### 4. Making ÁFSZ suitable for the national implementation of the European Employment Strategy

#### ■ Development of more ESF-compatible labour market programmes and measures

- ÁFSZ – making use of the good practice concerning measures and programmes applied in the EU Member States - offers a wide range of active labour market measures with ESF support, by means of the programmes to be implemented in the framework of Measure 1.1 of the HRD OP.
- For the ÁFSZ, the medium term development strategy specifies the following priority areas of the Human Resources Development Operative Programme:
  - supporting the active labour market policies;
  - fight against social exclusion;
  - ensuring the training and catching up of disadvantaged young people having learning difficulties in the school system, requiring special training;
  - strengthening the community development, civil initiatives and local partnership, and supporting areal strategic planning;
  - supporting training and education as part of the life-long learning policy;
  - developing adaptability and entrepreneurial capacities;
  - improving the labour market situation of women.

### ■ Making programme development and evaluation procedures regular and applying their results

- ÁFSZ develops in the following strategic directions the practice of development and the application of measures, on the basis of experience of follow-up tests and considering methods applied in other states:
  - **ex ante analyses:** prior to the introduction of new programmes, it is reasonable to carry out thorough preliminary analyses;
  - **ex post analyses:** the efficiency and cost efficiency of each measure, and their gross or net impacts is evaluated.
  - **'real time' experiments and tests:** this is a method not yet applied in Hungary. In this case the manager of the programme by involving one or more appropriately selected 'experimental' groups prior to start the programmes tries to survey the expected effect of the envisaged programme.
  - Extending and applying the monitoring and evaluation methods of labour market programmes also for the regional or local development programmes supported by EU funds, on the basis of EU requirements.

### ■ Participation of ÁFSZ in the utilisation of the European Social Fund and in implementing the HRD OP

- Implementing successfully Measure 1.1 of the HRD OP, through Labour Centres.
- In the framework of Measure 1.2 of the HRD OP, successfully implementing the organisational modernisation of ÁFSZ.

### ■ Further development of the information system

- A priority position of the strategic development of institutional and information system is the European Employment Information Advisory (EUROFIT) Programme. The EURES system plays special importance in receiving information on the labour market situation of the European Economic Area (EEA) countries, on vacancies and on the living and working conditions. Therefore, ÁFSZ treats on a primary basis the development of the consultant network of this system, and the up-to-date nature of vacancies appearing on its Internet homepage.
- The National Career Information Centre contributes to disseminating information about the EU Member States and the accessing countries. As one of the means of life- long learning, it provides information on the available courses and trainings in the field of adult training. It is necessary to supplement, develop and continuously maintain each database.

### Significant achievements and expectations

- In the framework of Measure 1.1 of the HRD OP, several tens of thousands of people may take part in labour market programmes, and thereby their motivation, qualifications, and the chances of getting and keeping a job may improve.
- By applying the control and efficiency testing methods applied in the EEA countries, and through the introduction of new methods elaborated in view of the local characteristics, the efficiency of using EU and Hungarian sources could be improved.
- The Hungarian network of the EURES system greatly contributes to providing information to the citizens and various organisations in Hungary and in the EEA states, and to facilitating employment abroad.

## 5. Increasing the organisational efficiency of ÁFSZ

### ■ Developing the human resources management system of ÁFSZ

- It shall ensure the implementation of ÁFSZ tasks, especially service development, and shall reduce the differences within the institutional system.
- ÁFSZ makes efforts to ensure personal conditions and professional composition of county-based labour centres and their departments proportionate to the tasks.
- ÁFSZ runs a complex internal training system, which satisfies its training requirements. Within the organisation to be set up, the distance learning will play an important role in the professional preparation of the staff working for the service.

### ■ Setting up an efficient system for using the resources

- ÁFSZ gives priority to the EU compatible functioning of, the financial planning, support and information system of the Labour Market Fund.
- The mainly regional and project type planning allocation, information and control mechanism of national and EU sources is set up in a way that the current county structure and the financial support system of each region are matched in a harmonised way.
- In using the fund parts managed by ÁFSZ, co-operation with the social partners and the communication with the public is ensured.

### ■ Simplifying the administration

- In organising administration and handling documents, ÁFSZ examines possibilities for simplification also supported by the information technology system, in addition to seeking opportunities for eliminating parallel records and identifying the 'shortest route' of the document.
- Until meeting the national conditions for accepting electronic signatures, the service identifies the transactions and ranges of matters in which an office system characterised by as few hard copies as possible can be run with a high security. In horizontal and vertical work relations, electronic mails among the institutions of the service are increasingly encouraged.

### ■ Developing the ÁFSZ information technology

- The main purpose of information technology development is to make sure that it is subordinated to and coordinated with the ÁFSZ mission, to provide a service
  - running reliably,
  - providing facilities at the appropriate level to the staff,
  - corresponding to the technical and technological standard of the age.
- Turning the organisation fully into a service oriented organisation necessitates meeting the most important public information and statistical data supply requirements by appearing also at the Internet.
- During its developments in progress, ÁFSZ creates uniform nation-wide data files, continuously updating the data covering the employers, job seekers and the unemployed.
- The softwares resulting from information technology developments, the 'manuals' describing the operation thereof, and the instructions as well as methodological and practical guidelines regulating each activity could jointly ensure a high quality and high standard professional work carried out on the basis of the same principles and methods in the ÁFSZ organisations.
- As an integral part of the ÁFSZ strategy, the Employment Office ensured the elaboration of the information technology development strategy. Currently the transformation of the whole information technology system of ÁFSZ is in progress, and is planned to be completed by the end of 2006.

Published on the occasion of Employment Week 2005

National Employment Office of Hungary  
1089 Budapest, Kálvária tér 7., Hungary  
E-mail: fh@lab.hu  
Internet: www.afsz.hu

Ministry of Employment and Labour of Hungary  
1054 Budapest, Alkotmány u. 3., Hungary  
E-mail: info@fmm.gov.hu  
Internet: www.fmm.gov.hu

Budapest, April 2005  
Designed and Printed in Hungary