

5.5 YOUTH IN PUBLIC EMPLOYMENT, WITH PARTICULAR EMPHASIS ON EARLY SECONDARY SCHOOL LEAVERS*

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Since the introduction of the Youth Guarantee scheme in 2015, youth registering as unemployed must be given, in principle, a substantial offer, which can be a training opportunity or an open labour market job (see subchapter 5.2). In previous years, especially since the school leaving age was lowered, there were no significant barriers to school-leaving youth gaining their first work experience in public employment. In this subchapter we examine the influence of the lowering of the school-leaving age¹ on the entry of youth between the ages of 16–19 into public employment, and how this changed upon the introduction of the Youth Guarantee scheme.

The data

The analysis is based on the so-called Admin3 administrative database of the Centre for Economic and Regional Studies, which contains the data of 50 percent of the Hungarian population of 2003 at an individual level up to 2017. Our data on public employment starts with 2011. Our analysis focuses on those who were registered as unemployed and taken into public employment before the age of 20, between 2011 and 2017. At the beginning of each public employment episode, the educational attainment of the individual at the date of the registration is recorded. Wherever there were gaps in the educational attainment data received from the Hungarian Educational Authority, we remedied those with data from the public employment database to the extent possible.

In the presentation of the results, for the sake of better clarity, we provided absolute figures multiplied by two, and we did not wish to burden the reader with elaborating on the minor statistical errors resulting from a sample of 50 percent.

Youth registered as unemployed or in public employment

While in 2011 and 2012 hardly any 16-year-olds and only a small number of 17-year-olds registered as unemployed, 2013 and 2014 saw a significant rise in these figures. The total number of registrants under the age of 20 rose dynamically both in 2012 and 2013, but it stagnated in 2014, while people registered at an increasingly young age – which is presumably in connection with the lowering of the school leaving age. The number of the youngest new entrants peaked in 2016 (*Table 5.5.1*).

The increase can be explained neither by the developments in unemployment (see *Table 5.7* of the chapter on Statistical data), nor demographic data.

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¹ As of 1 September 2012, the school-leaving age has been lowered from 18 to 16 years of age. The first group to whom this was relevant was those who had not yet commenced the 9th grade in the 2011/2012 school year.

These are relatively low figures: exactly 2 percent of 16-year-olds and 4 percent of 17-year-olds in 2016.

Table 5.5.1: The number of youth between the ages of 16–19 registering as unemployed for the first time, 2011–2017

Age at the time of first registration	2011	2012	2013	2014	2015	2016	2017
16	44	106	738	1,980	1,716	1,948	1,670
17	284	472	1,412	2,660	3,676	3,924	3,718
18	6,796	9,360	10,196	9,714	8,562	7,742	6,754
19	10,660	12,902	12,728	10,482	9,344	8,240	7,306
Total	17,784	22,840	25,074	24,836	23,298	21,854	19,448
The total number of the age group of 16–19	477,855	479,224	465,768	447,224	427,252	407,023	395,715

Note: The results obtained from the sample of 50 percent were multiplied by 2 in the table.

Source: Author's calculations, based on the Admin3 database; source of the demographic data: the demographic database of the *Hungarian Central Statistical Office*.

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In the case of 18- and 19-year-olds, a more marked rise can only be seen between 2011 and 2012, which continued slightly in 2013 as well, in the case of 18-year-olds. In this year, the share within the age group of 18-year-olds who registered as unemployed for the first time during that year was 8.6 percent, while that of 19-year-olds was 10.5 percent; and it continuously decreases from then on.

Table 5.5.2 shows the number of those entering public employment for the first time, broken down by age. In 2011 and 2012, there were essentially no 16- and 17-year-olds in public employment, and even the number of 18- and 19-year-olds was relatively low. The number of youth entering public employment suddenly increased in 2013, and peaked the next year at a figure of 8400. Even though the Youth Guarantee scheme was launched in 2015, eligible youth could still enter public employment if they initiated it themselves. Thus in the case of the two younger groups, the number of those entering public employment continued to grow after 2014, peaking in 2016. Their share also grew continuously within the group of those entering public employment for the first time, and reached 13.6 percent in 2016.

The entry of youth into public employment received substantial media coverage; numerous news articles reported on cases where children of poor families left school due to the lure of public workers' wages (see *Fülöp*, 2016).

In response to the phenomenon, the regulation was amended: Government Decree 1139/2017 (20th March) provided that those under the age of 25 "may

enter public employment schemes only if the Youth Guarantee labour market scheme does not offer them any other realistic opportunities". This resulted in a significant drop in the numbers of all age groups in 2017, and the share of those under the age of 20 within the number of new entrants also decreased somewhat (to 10.3 percent). In the course of the seven years reviewed, a total of nearly 40 thousand youth entered the public employment system.

Table 5.5.2: The number of youth between the ages of 16–19 entering public employment for the first time, and their share within the group of all first entrants, 2011–2017

Age at the time of first entry into public employment	2011	2012	2013	2014	2015	2016	2017	Total
16	2	6	190	630	500	744	352	2,424
17	8	60	398	1016	1132	1434	692	4,740
18	372	1,180	2,390	3,148	2,366	2,430	1,052	12,938
19	1,850	2,266	3,928	3,610	2,400	2,372	1,044	17,470
Total	2,232	3,512	6,906	8,404	6,398	6,980	3,140	37,572
Share (percentage)	1.0	3.6	6.1	10.0	10.8	13.6	10.3	5.7

Note: The public employment of a small section of those entering for the first time in 2011 already commenced in 2010. The results obtained from the sample of 50 percent were multiplied by 2 in the table.

Source: Author's calculations, based on the Admin3 database.

Nearly 30 percent of newly registered 16-year-olds became a public employee within 90 days (*Table 5.5.3*). The highest figure can be seen in 2016. The younger someone was, the more likely it was that they would become a public worker within 90 days. In 2013, the proportion of youth becoming public workers within three months rose significantly, and this trend kept growing in 2014, when it peaked at 21 percent. It may be an effect of the Youth Guarantee scheme that in 2015 the rate of those starting public work early decreased somewhat among the age group of 17–19-year-olds, but it stagnated among 16-year-olds, and then kept growing steadily in 2016. A marked decrease only occurred in 2017.

Table 5.5.3: The share of those among the 16–19-year-olds registering as unemployed for the first time who entered public employment within 90 days, 2011–2017 (percent)

Age at the time of first registration	2011	2012	2013	2014	2015	2016	2017	Average
16	5	6	28	28	28	36	19	28
17	1	11	24	27	20	24	11	20
18	3	9	18	23	17	17	8	14
19	2	6	11	15	12	13	6	9
Total	2	8	15	21	16	19	9	13

Source: Author's calculations, based on the Admin3 database.

A similar trend emerges when we examine entering public works within 30 or 180 days. In 2016, 26 percent of those registering at the age of 16 became public workers within only 30 days, while 42 percent within 180 days.

It is worth reviewing this inversely as well – how much time youth entering public works spent in the registry before they become public workers. According to the figures, on average, nearly 60 percent of those becoming public workers at the age of 16 spent 30 days or less in the registry before entering the scheme: thus, presumably, they registered with the explicit aim of becoming public workers (*Table 5.5.4*). A similar situation is found in the case of 44 percent of 17-year-olds. With the increase of age, this value keeps decreasing somewhat. As we progress in time, a significant increase in the number of those becoming public workers within a very short period of time occurs in 2014, and their share essentially stagnates after that.

Table 5.5.4: The share of those among youth entering public employment for the first time who, before doing so, spent not more than 30 days in the unemployment registry, 2012–2017 (percentage)

Age at the time of first entry into public employment	2012	2013	2014	2015	2016	2017	Average
16	67	63	53	56	63	59	58
17	40	46	41	45	45	43	44
18	41	35	44	41	37	37	39
19	20	18	28	33	34	31	26
Total	27	27	38	40	40	39	35

Note: In the case of those already in public employment on 1 January 2011, start date is known only for those who had previously done public works managed by the Public Employment System, thus we omitted that year.

Source: Author's calculations, based on the Admin3 database.

Early school leaving

Approximately one tenth of the under 20 age group entering public employment have not even completed elementary education. Their share among 16-year-olds is more than 20 percent. The share of those entering public employment having completed vocational school or secondary school is also approximately 10–10 percent (*Table 5.5.5*).

Nearly 60 percent of those who had not completed elementary school at the time of entry into public employment did not complete the eighth grade of elementary school at a later time either, and whether they have completed it or not is unknown for a further 20 percent.

At least 80 percent of those under the age of 20 who entered public employment having completed the eighth grade of elementary school had also attended some type of secondary school (it is unclear for some of them). Progressing in time, the proportion of those who attended secondary school continuously increases (*Table 5.5.6*). Thus the proportion of those who become

public employees after leaving secondary school increases. A sharp increase occurred between 2013 and 2014, among 16-year-olds. While in 2013 “only” 52 percent of those entering public employment with the eighth grade of elementary school completed left secondary school, in 2014 this figure was 78 percent. Therefore the increase in numbers showed in *Table 5.5.2* was to a great extent due to those leaving secondary school.

Table 5.5.5: The total distribution of educational attainment at the time of entry into public employment in the period between 2011 and 2016 (percentage)

Age at the time of first entry into public employment	Educational attainment					total
	lower than the eighth grade of elementary school	the eighth grade of elementary school	vocational school	secondary school		
16	23	77	0	0		100
17	18	78	4	0		100
18	11	70	11	8		100
19	6	60	15	18		100
Total	11	67	11	11		100

Source: Author’s calculations, based on the Admin3 database.

Table 5.5.6: The share of those among youth entering public employment with an educational attainment of the eighth grade of elementary school who also attended secondary school, broken down by the year of entry, 2011–2017

	2011	2012	2013	2014	2015	2016	2017	Total
Total no. of group	766	1,834	3,626	4,482	3,638	4,128	1,780	20,254
Share (percentage)	49	71	75	84	89	90	91	81

Note: The number of the total group obtained from the sample of 50 percent was multiplied by 2.

Source: Author’s calculations, based on the Admin3 database.

In 2011, 11 percent of those entering public employment with an educational attainment of the eighth grade of elementary school and having attempted attending secondary school became public employees within three months of leaving school. This rate rose to approximately 30 percent from 2012. These are those who became public employees essentially immediately after leaving school, or following a short “technical break”.

Among those who entered public employment before 2016 having an educational attainment of the eighth grade of elementary school and having attended secondary school, the share of those who obtained secondary level qualification two years later² is only 3 percent (*Table 5.5.7*). Only 10 percent of this 3 percent obtained a secondary school diploma, while the rest attended vocational training. In 2011, the proportion of those completing secondary school within two years was somewhat higher than in the other years, and

² The two years were calculated as calendar years, since the exact time of the completion of school is not known.

this proportion does rise to a minimal extent broken down by age at entry into public employment, but these differences are statistically not significant.

Table 5.5.7: The share of those among youth entering public employment with an educational attainment of the eighth grade of elementary school and having started secondary school who obtained secondary-level qualification within two years, 2011–2015 (percentage)

Age at the time of first entry	2011	2012	2013	2014	2015	Average
16	0	0	0	0	2	1
17	0	0	2	1	3	2
18	4	2	2	3	3	2
19	7	4	3	4	5	4
Total	6	3	3	3	4	3

Note: The data regarding educational attainment levels two years after entry into public employment are only known from the data of the Hungarian Educational Authority, thus the number of cases in this table is only 14,346.

Source: Author's calculations, based on the Admin3 database.

Main conclusions

Overall, it can be concluded that the number of 16- and 17-year-olds entering public employment rose significantly after the lowering of the school leaving age: in the period under review, a total of approximately 7 thousand people under the age of 18, and 38 thousand people under the age of 20 became public employees. The rate of new labour market entrants entering public works did not decrease upon the launch of the Youth Guarantee scheme, only after the relevant government decree was issued in 2017. The educational attainment of nearly 80 percent of youth entering public works was not higher than the eighth grade of elementary school, and having entered public employment, their chance of completing secondary school within a few years is insignificant, even if they had started it before their entry into public employment.

References

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