

# Evaluating the Incorpora Programme in Hungary

EVALUATION REPORT

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**2023**

**IN THE FRAMEWORK OF THE PROJECT ‘LOST  
MILLENNIALS – TRANSNATIONAL RESEARCH  
NETWORK FOR THE EVALUATION OF INITIATIVES  
TARGETING 25+ NEETS’**

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## Project summary:

*The project 'Lost Millennials' focuses on a regularly neglected group of the generation of Millennials: young people aged 25-29 neither in employment or education and training (25+ NEETs). This generation started their working life shortly after the economic crisis of 2008, perceiving uncertainty and lack of security for work and well-being, they are more likely to be inactive or in precarious jobs. The main objective of the project is to contribute to the successful integration of 25+ NEETs to the labour market through increasing knowledge on the effects of employment initiatives on 25+ NEETs, building capacity of stakeholders to perform impact studies and thus improving the quality of labour market interventions. This objective will be achieved through the creation of the transnational research network which will share know-how and good practices, the evaluations of governmental and community-based initiatives targeting 25+ NEETs, as well as the engagement of stakeholders to increase the policy-relevance of project results.*

For more information, please visit our [website](#), contact us on [lm.leadpartner@hetfa.hu](mailto:lm.leadpartner@hetfa.hu) and follow our social media ([Facebook](#), [LinkedIn](#)).

*The Lost Millennials project is funded by Iceland, Liechtenstein and Norway through the EEA and Norway Grants Fund for Youth Employment.*

## Implemented by:



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## 1. Introduction and context

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The following report is an overview of the results of an evaluation HETFA has conducted regarding the Incorpora programme in Hungary, focusing on NEETs aged 25-29, which is the main target group of the Lost Millennials project.

NEET rates in Hungary are not outstandingly high: for 15-24-year-olds, NEET rates correspond to the EU-27 average<sup>1</sup>, and for the 25-29 cohort, it is even below the average of the Member States (13.4% for Hungary and 17.3% in the EU-27 for 2021) (Bördös – Szőnyi – Koltai, 2022). But, as the aforementioned report has stated, it can be seen that certain groups – especially women, those with a low level of educational attainment and those who belong to the Roma minority – are in a significantly worse position than other youth in Hungary: the gender gap concerning the 25+ NEET-rate was 17.9 percentage points in 2020, and the vast majority (84%) of NEET women were outside the labour force. Among those with the lowest levels of education, the 25+ NEET rate in 2020 (49%) was almost 3 times higher than among those with an upper secondary degree (17%) and almost 4.5 times higher than among those with tertiary education (11.1%). Also, Roma people have a higher risk of poverty and social exclusion, their employment rate is lower and they complete fewer grades of school on average compared with non-Roma Hungarian citizens.

Most initiatives targeting NEETs in Hungary are public, state- or EU-financed programmes, with few NGOs (Bördös, 2022a); in the last period, the biggest ones were financed via the Economic Development and Innovation Operational Programme (EDIOP). This OP includes programmes funded by the ESF and ERDF, and its main priorities are increasing the competitiveness and productivity of SMEs, promoting research technological development and innovation and also to enhance the employability of the labour force in Hungary. Active labour market programmes belong under priority axes 5 ('Employment') and 6 ('Competitive workforce'). NGOs are mostly carrying out smaller-scale, in many cases local programmes.

Given the scope and time constraints of the project, we have decided to evaluate one of these smaller-scale, NGO-led programmes. Another advantage of choosing a small-scale project is that there are few evaluations concerning smaller programmes, as usually, only large, national programmes can carry out one. Our chosen initiative – the Incorpora programme in Hungary – is targeting groups who are in a disadvantaged, vulnerable position in society and the labour market.

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<sup>1</sup> Based on Eurostat data (edat\_lfse\_20).

## 2. Description of methodology

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During the evaluation of the Incorpora programme in Hungary, we followed the ‘six evaluation criteria’ developed by the OECD (OECD, 2021). The key concept of this approach is to evaluate programmes based on the following dimensions:

1. **Relevance:** Do the programme goals respond to the beneficiaries’ needs? To what extent do these goals correspond with the local problems?
2. **Coherence:** How well does the programme fit? Is it compatible with other interventions aiming at similar results?
3. **Effectiveness:** Is the intervention achieving its objectives? Are the target indicators met successfully?
4. **Efficiency:** How well are resources being used? Is the cost-benefit ratio justified?
5. **Impact:** What difference does the intervention make? Have long-term social and economic effects occurred, or are they likely to occur in the long run?
6. **Sustainability:** Will the benefits and the programme last? Are the essential resources (including staff and financing) available in the long run?

To answer the questions above, we relied on the following methods:

- *Desk research:* we have explored the relevant literature on the (international) Incorpora programme, and summarised and synthesised their content (Chapter 2.1).
- *Data analysis:* descriptive analysis of individual-level data on programme participants between January 2020 and January 2023. The anonymised data was provided to us by Maltese Care, in compliance with the GDPR and national legislation on data protection. The source of the data was the DAMIL, the IT system used for tracking the participants of the programme. The analysis is provided in Chapter 4.
- *In-person interviews:* A total of 4 interviews were conducted during our research, with programme implementers/counsellors – representatives of the NGOs implementing the Incorpora in Hungary (excluding the Shelter Foundation as they had the fewest NEETs aged 25-29 within their clientele). The interview with Maltese Care was a group interview with 2 counsellors and the coordinator of the programme. In the other three organisations, the interviewees acted as both managers of the programme and mentors dealing with clients at the same time.

The research was conducted in the first half of 2023 (between January and June).

## 3. The design of the initiative

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### 3.1 The Incorpora in Spain and other countries – an overview

The Incorpora programme was originally launched in 2006 in Spain by the La Caixa Foundation to promote the employment of at-risk or marginalised people. As of 2023, the programme is still ongoing and targets both employers and jobseekers with disadvantaged backgrounds, including

- people with disabilities,
- people with mental disorders (Salud Mental subprogramme),
- young people affected by early school leaving,
- long-term unemployed,
- migrants,
- ex-offenders (ReIncorpora subprogramme), and
- women at risk of social exclusion.

For firms, the programme offers support in corporate social responsibility (CSR) cost-free by helping employers recruit vulnerable workers and also offers further services such as advice on employment regulations, guidance in the adaptation process, or sensitivity trainings. For professionals working in social enterprises, the La Caixa provides trainings for job development. For jobseekers with disadvantaged backgrounds, the most important service is job placement, but trainings, mentoring and counselling are also available. For wish-to-be entrepreneurs, tailor-made counselling, microloans and further assistance (e.g., help in the development of the business plan, quarterly visits and opportunities for consultancy) have been available through the AutoEmpleo subprogramme since 2016. The services are provided through a network of NGOs all around Spain. Based on the programme's webpages<sup>2</sup>, in 2021, a total of 41,482 job placements were accomplished, involving 14,532 firms; in the AutoEmpleo subprogramme, 1,586 new start-ups were created and 1,657 persons were supported in 2021. Since its launch, the Incorpora has extended to other countries: among others, it was introduced in Morocco, Tunisia, Portugal, Poland, Romania, and in 2016, in Hungary.

#### 3.1.1 Methodology and services available

Herrera et al. (2016) and Hilarión et al. (2016) provide a thorough description of the Incorpora's methodology. In the following section, we provide a summary of the Incorpora model based on their reports.

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<sup>2</sup> Webpages available at <https://fundacionlacaixa.org/en/social-programmes-employment-incorpora> (in English) and at <https://www.incorpora.org/> (in Spanish and in Catalan). Time of download: 9 January 2023.

The programme focuses on three actors: clients (a group of prospective employees), companies (prospective employers), and social organisations. Clients can be considered marginalised for various reasons, but their access to employment is usually hindered. To help clients successfully find a job, the Incorpora model supports them with specific methods.

The role of the social organisation's professionals becomes prominent in tracking the client. One of the main principles of the Incorpora programme is that **there is no exclusion and anyone can become a client**. The prospective client receives **a personalised form of support**: therefore, different support measures are provided – for example – for an addict or a person with a disability. What they have in common, however, is that during the integration of clients into the labour market, social workers do not provide one-off support but rather a **continuous presence**. In this sense, they put a lot of effort into getting to know the client, **using interviews or small group activities** to discover the client's preferences. This is because the Incorpora model focuses on **flexibility or positive reinforcement**, as opposed to the traditional development model which focuses on compensating for disadvantages. During the client's preparation, the client is allowed to participate in **training and practice** based on his or her **individual vision, commitments, and schedule**. With the help of a trained professional to assist the client, later drop-outs can be avoided, as the model follows the client throughout his or her employment. Data show that on average, a client is placed in 1.2 jobs in the first job placement. The key to a client's long-term job placement, therefore, is to keep **individual preferences** in mind and to establish a link between training and the potential employer. This is because Incorpora's methodology also applies to companies. The model considers it important **to build a bridge** between employer and employee. This means that both parties are kept informed and, with the right information, the client and the employer can make the right decisions about cooperation.

The implementation of the Incorpora model in Hungary yields positive benefits. On the one hand, the companies that employ the workers contribute to the main objective of Incorpora, i.e., to promote occupational integration, which helps to reduce social inequalities. The active involvement of social organisations helps to increase their network of contacts and knowledge sharing. Finally, Incorpora places a strong emphasis on reducing inequalities between regions and helping a region to become a region of opportunity. The domestic application of the model can therefore not only help to reduce social inequalities but also alleviate territorial disparities.

### 3.1.2 Monitoring and evaluation

The monitoring and evaluation process of the original programme is described in a manual written by Herrera (2016). For the Incorpora program to succeed, annual goals are established. It is recommended to evaluate the progress of these goals every quarter. These annual goals are comprehensive and apply

to all participants and regions of the program. The **29 indicators** that serve the success of the program can be divided into **four dimensions**, which are:

- Dimension 1: Care and support for the client;
- Dimension 2: Work with the company;
- Dimension 3: Networking and alliance management;
- Dimension 4: Organisation and improvement in quality.

**Literature** and involvement of **industry experts** assisted in the creation of the indicators. The current section illustrates the four main dimensions and does not describe all created indicators.

In the first place, the dimension of "**Care and support for the client**" is crucial for the **Assessment of Vulnerability**, which focuses on the risk and protective factors that help or hinder the client's placement. In practice, during the first 15 days after the client enters the program, an assessment is carried out to determine the severity of the risk of social exclusion. Subsequently, the document is updated whenever a significant change affects the individual (at least every six months). Additionally, the assessment of preferences, which covers factors related to the individual's work preferences such as geographic distance, transportation, or the type of workplace, is also included in the first dimension. Knowing the client's preferences contributes to ensuring they start working at a job they are satisfied with.

The second dimension, "**Work with the company**", focuses on the **analysis of the business environment** and studies/surveys related to current local employment opportunities. An analysis is considered current if it was conducted within the past two years and it is important to continuously monitor trends due to changes.

The third dimension, "**Networking, and Alliance Management**" focuses on **compliance with the platform offers**. This aims to improve coordination and efficiency within the program. Success requires the determination of job offers and tracking of shared job offers and clients. This is facilitated by an online platform that allows for sharing of the information listed.

Finally, within the dimension of "**Organizing and Improving Service Quality**", the goal of the **initiatives to improve quality** is to provide high-quality service to both customers and companies. In this sense, it is important to optimize resource utilization. A quality improvement plan is necessary for continuous improvement and improvement of quality. The plan covers the regular presentation of the results table of the service indicators. Based on the existing data, there is an opportunity for continuous improvement. This dimension, among other things, pays attention to the assistance environment to achieve its goals.



## 3.2 The Incorpora in Hungary

In Hungary, the Incorpora programme was launched in 2016, and as of early 2023, it is still ongoing. The programme follows a methodology similar to the original Spanish one and is partially funded by the La Caixa Foundation; the other donor is the ERSTE Foundation. Currently<sup>3</sup>, the programme is run by five NGOs:

- The lead partner of the consortium is the **Maltese Care** Nonprofit Ltd. (Máltai Gondoskodás Nonprofit Kft.), a charity organisation founded by the Hungarian Charity Service of the Order of Malta. They are responsible for the management of the consortium as well as for recruiting and supporting clients. Their clientele includes all kinds of disadvantaged jobseekers, including disabled people and refugees coming from Africa, Asia or Ukraine.
- The **Diversity Foundation** (Diverzitás Alapítvány) is a non-profit organisation located in Gödöllő (about 30 kilometres from Budapest). The Foundation operates several programmes targeting vulnerable people living in the area. Within the Incorpora, they have a diverse clientele including career starters, those with low levels of education, those aged above fifty years, disabled people, women, and people living in poverty.
- The **Centre for Single Parents** (Egyszülős Központ) is operated by a private foundation aiming at supporting single-parent families. Within the Incorpora, they are responsible for recruiting single parents (mostly women) into the programme.
- The **Shelter Foundation** (Menhely Alapítvány) is dedicated to helping homeless people. They are the largest secular non-profit organisation in Hungary targeting homeless people, offering a wide range of services including overnight shelters and permanent homes. They joined the Incorpora to recruit homeless jobseekers into the programme.
- The **Impact Hub Budapest** is part of an international network that offers a co-working space and various services for innovative entrepreneurs who 'wish to make an impact'. In the Incorpora programme, they offer group trainings (online and offline), counselling and mentorship for wish-to-be entrepreneurs. Many of their clients are migrants who are third-country nationals.

There are no strict eligibility criteria for participation: the programme generally targets people who are out of jobs and can be considered as disadvantaged in the labour market. The webpage of the

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<sup>3</sup> Three further organisations were part of the consortium between the start of the programme in 2016 and 2022. By the time we started the evaluation, they were no longer recruiting or supporting clients within the Incorpora or had anything to do with the programme any longer.

programme<sup>4</sup> lists new entrants to the labour market (without an age limit), disabled jobseekers, those living in extreme poverty, those discriminated against based on age, and women as the main target groups. As it was pointed out in the first paragraph, these are groups which are in a worse situation among NEETs in Hungary – thus this group is very much among the target population. Given the specific profiles of some of the partner organisations, homeless people and single parents are also primary target groups in the programme. People with a migrant background are also considerable in number. The territorial scope is Budapest, Gödöllő and the surrounding areas (mostly the agglomeration of the capital).

Similarly, to the original Spanish programme, the services available are job placement, job search assistance, counselling, coaching, mentoring, and – for wish-to-be entrepreneurs – online and offline group trainings and further assistance in setting up a new business.

## 4. Descriptive statistics

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### 4.1 Data

Microdata on participants was provided to us by the Maltese Care Foundation. The dataset included data on some basic characteristics of all participants aged 25-29 who entered into the programme between 1 January 2020 and 26 January 2023; since the IT system currently in use was installed in 2020, no data before that point was accessible. The number of observations was 498; according to the staff of Maltese Care, these individuals constituted about 10 per cent of the total participants. The dataset included the following variables:

- sex;
- age;
- place of birth;
- level of educational attainment;
- type of barrier to the labour market (nature of vulnerability);
- sector of employer (after placement within the programme);
- mentor and organisation IDs.

### 4.2 Analysis

As described earlier, our sample consisted exclusively of 25-29-year-olds. *Table 1* presents some of the descriptive statistics of participants.

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<sup>4</sup> <https://incorpora.hu/> (in Hungarian). Time of download: 9 January 2023.

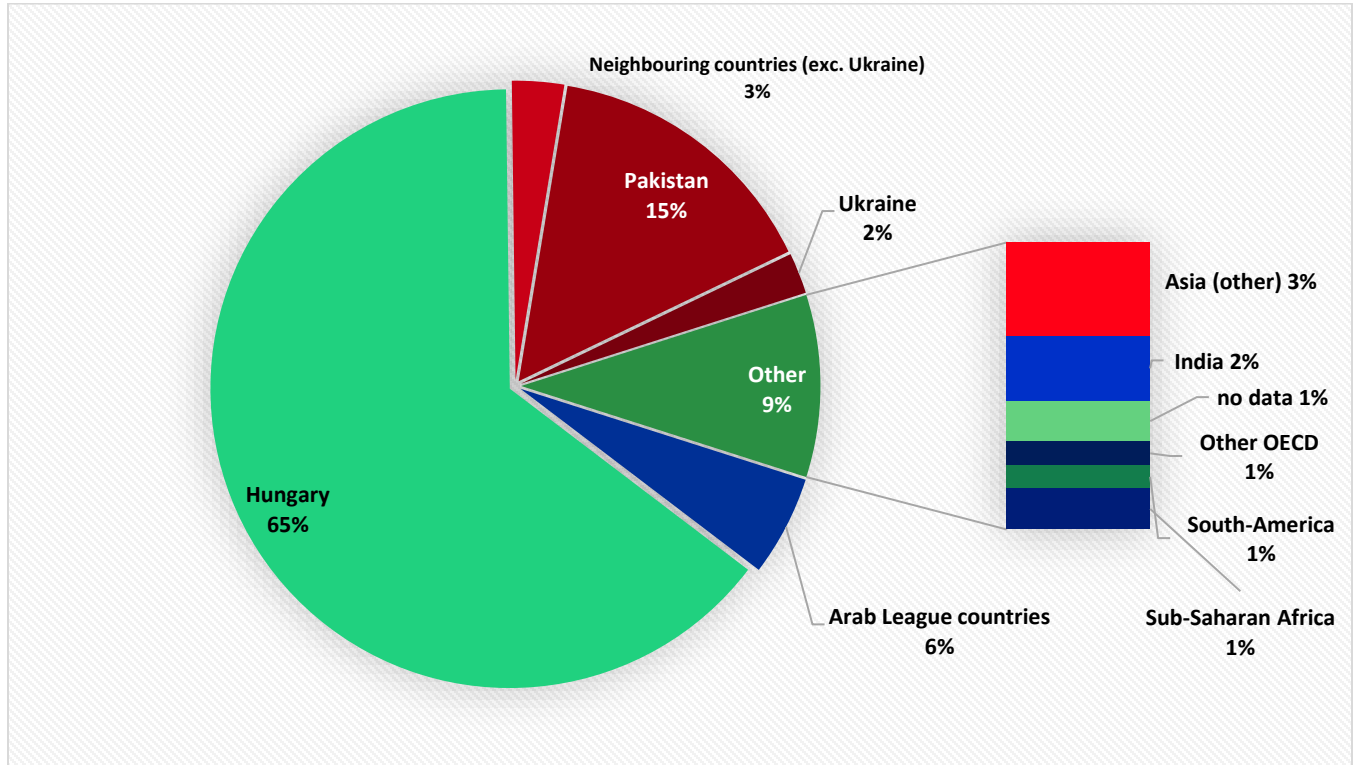
Table 1. Descriptive statistics of Incorpora participants (25-29-year-olds), 2020-2022

	Mean/Percentage	Standard deviation	Non-missing values
<b>Age</b>	26.88	1.37	498
<b>Sex:</b>			
<b>Male</b>	58.23%	0.49	498
<b>Female</b>	41.77%	0.49	498
<b>Place of birth:</b>			
Outside Hungary	34.54%	0.48	491
Hungary:	65.46%	0.48	491
<i>Budapest</i>	49.53%		321
<i>Outside the capital</i>	50.47%		321
<b>Total number of observations</b>		498	

Source: authors, based on programme data.

Although migrants have never been an explicit target group within the programme, a notable share of participants were not born in Hungary: while about two-thirds (65%) of the participants were born in Hungary, foreign-born participants amounted to 35% of all participants. Among the latter category, Pakistanis were the most populous group (*Figure 1*): 15% of all participants (45% of all foreign-born persons) arrived from Pakistan, mostly from the Punjab province. People born in Arab League countries – Egypt, Jordan, Tunisia, Algeria and some further states in Western Asia and Northern Africa – constituted 6% of participants. 5.1% came from neighbouring countries – the majority of them (2.84% of all participants) from Ukraine, the rest from Romania, Slovakia, Serbia or Croatia. Although we do not have data on ethnicity, it can be assumed that many of these participants born in neighbouring countries are ethnic Hungarians with no language barriers. The rest of the foreign-born participants – those born in South America, Sub-Saharan Africa, Asia (excluding Pakistan and Western Asia) and other countries – added up to 9%.

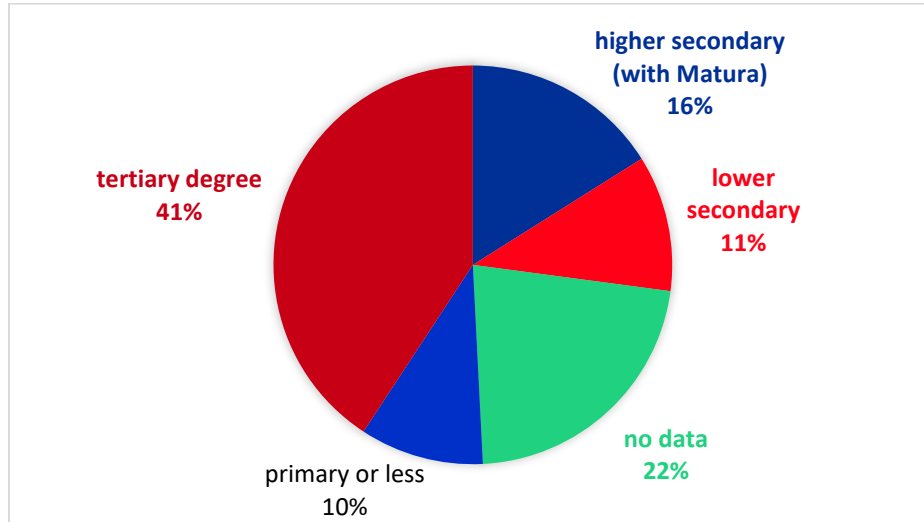
Figure 1. Distribution of participants by birth country



Source: authors, based on programme data.

Regarding the level of educational attainment (*Figure 2*), the bulk of the participants (41%) have completed university or college with a degree, and a further 16% have finished their higher-secondary studies with a degree (Matura exam). 11% have attained lower-secondary schools or left secondary school without a Matura, while 10% have at most primary level of educational attainment. For more than a fifth of the participants, no data were available.

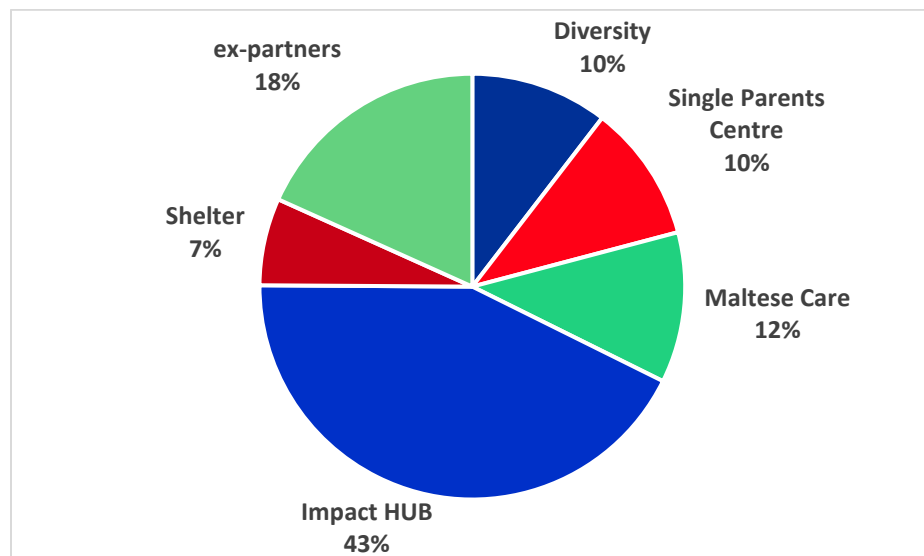
Figure 2. Distribution of participants by level of educational attainment.



Source: authors, based on programme data

Finally, Figure 3 shows the distribution of participants by implementing organisation. Most of the 25-29-year-old participants (43%) were involved by the Impact HUB Budapest (the organisation responsible for the entrepreneurship support subprogramme). The Maltese Care supported about 12% of participants, the Single Parents Centre and the Diversity Foundation 10-10% each. 18% of the young participants were supported by the 3 ex-partner organisations who had left the consortium by the beginning of 2022.

Figure 3. Participants by implementing organisation



Source: authors, based on programme data

## 5. Evaluation questions

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Evaluation of the Incorpora was based on the OECD criteria (OECD, 2021), which was developed by the organisation's Development Assistance Committee (DAC). This evaluation criteria serves as a guideline for evaluators and provides five dimensions for assessment: relevance, coherence, effectiveness, efficiency, impact and sustainability.

### 5.1 Relevance: do the programme goals respond to the beneficiaries' needs?

The Incorpora programme's most important goal – as declared by, among others, the programme's webpage – is *'to promote employment and social inclusion among disadvantaged jobseekers through the joint work of our mentors, the NGOs and the employers in our network'*. There is no explicit definition given for 'disadvantaged jobseekers', although the webpage lists new entrants to the labour market (without an age limit), disabled jobseekers, those living in extreme poverty, those discriminated against on the basis of age, and women as the main target groups. Given the specific profiles of some of the partner organisations, homeless people and single parents are also primary target groups in the programme. People with a migrant background are also considerable in number.

Based on statistics and previous literature on Hungary's labour market and employment policy (for example Strategopolis, 2018; Svraka, 2020; Krekó, 2021), **the target groups described by the programme truly qualify as 'disadvantaged jobseekers'**. According to our research conducted in Work Package 4 of this project (*Internal report on the situation of 25+ NEETs in Hungary*), the main barriers to employment in Hungary are having a low level of educational attainment, living in remote rural areas, having care obligations (i.e., being a mother with young children or caring for elderly or sick relatives), being a Roma (as they often meet serious labour market discrimination) or having a long-standing illness or disability. Youth aged below 25 and those aged above 50 also have lower employment rates relative to the prime-aged population. Out of these disadvantaged groups, the Incorpora explicitly targets most. **The only group that cannot be represented by the programme are those living in peripheral, rural regions, as the Incorpora only operates within Budapest and its surrounding areas** (mostly in Gödöllő), which are considered to be one of the most economically developed areas in Hungary. During our interviews, the programme implementers stated that there are no current plans to extend the programme to other regions of the country (although some interviewees thought that this would not be a bad idea in the long run, however, this scenario is implausible).

Although the Incorpora generally targets jobseekers who face barriers and often discrimination in the labour market, according to our interviewees, **the programme cannot help those who are the most vulnerable**. The Incorpora mainly focuses on job placement, therefore it can only help jobseekers who

are more or less job-ready, and only need a little help in finding employment (for example, by learning how to write a better CV) or need to be linked with an employer who does not discriminate. Those who need a more complex approach – for example, those with substance addiction, those lacking the most basic skills or those having multiple barriers to employment – cannot be assisted by the Incorpora. These people need more extensive help, tailored to their needs: a combination of social and labour market services, often lasting for several months or even longer. Based on our interviews with the implementers, there is only a handful of clients who participate for extended periods in the Incorpora (usually, mentoring lasts for 3 months after placement). As one of the counsellor-interviewees put it, *‘If we tinker around with someone for a year, I always think about how many other clients we could have helped instead in the meantime’*. There is also a disincentive to involve the most disadvantaged in the programme: the pressure on the implementers to meet the targets set for the indicator ‘number of successful placements’. *‘We can meet this target, but we have to work for it. This means we cannot linger too long with the most problematic clients. We still try to help them, though. But there are other programmes better suited for them’*, said one of the interviewees.

## 5.2 Coherence: compatibility with other interventions

In Hungary, the majority of active labour market policies (ALMPs) are implemented by public bodies – mostly the Public Employment Service (PES) – and are financed through EU funds (see Bördős, 2022a). These are usually large-scale programmes targeting disadvantaged jobseekers as defined by law: youth under 25 years of age (in the Youth Guarantee Programme), new entrants to the labour market aged between 25-30, elder jobseekers above 50, mothers with young children returning from parental leave, the lowly educated, ex-offenders, and long-term unemployed. Based on a report on existing evaluations in Hungary (Bördős, 2022b), most of these EU programmes suffer from the following weaknesses: cream-skimming of jobseekers, extremely high caseloads of caseworkers, insufficient level of labour market services, lack of coordination with social services, and not being tailor-made enough to the client’s needs.

As described in the previous section, the Incorpora targets disadvantaged jobseekers. Among disadvantaged jobseekers, the Incorpora explicitly targets single parents, homeless people, disabled jobseekers and migrants; these groups are usually not considered priority target groups by the PES, and they often face serious discrimination and are often targets of hate speech in public discourse (especially homeless people and migrants). Also, disabled jobseekers (those who are officially assessed as disabled and receive disability benefits) cannot be registered as jobseekers, as they are obliged to cooperate with the rehabilitation services instead of the PES.

Based on our interviews, many of the Incorpora’s participants are also registered as jobseekers at the local PES job centre. Most of them do not participate, however, in the EU programmes operated by the PES: the reason for this is that most of the EU funds for ALMPs are concentrated in the poorer regions

outside Central Hungary, and there are fewer opportunities for programme participation in the capital area. Also, those who are registered at the PES often complain about caseworkers being ‘too busy with the administration and paperwork’, and not being attentive enough to their needs. In the Incorpora, caseloads are much lower compared with that of most PES staff, and their administration needs are also lighter; because of this, **counsellors and mentors at the Incorpora have more time to get to know their clients and can assist them in a more tailor-made manner.** *‘80 per cent of our clients who are not disabled are registered at the local PES office. But nothing happens to them there. They receive the jobseekers’ benefits for three months, but there are no trainings, no services, not anything. They are sometimes eligible for wage subsidies, but that’s all of it’,* said one of our interviewees.

**Relationship with local PES offices or with social services varies by district.** Some of the implementers interviewed said they had no contact with the local job centre, while others said they had a very fruitful relationship: *‘the local PES office has no capacities, so they often send their clients to us. And we sometimes forward our clients to the job centre so they can take up the benefit, or get involved in training or wage subsidy programmes.’* Concerning social services, Incorpora staff said they usually have more contact with them. One of the partners said they have a **‘very smooth work relationship’ with the family care and child welfare services**, and also with homeless shelters and support centres for substance abusers: they regularly exchange information concerning programmes, services or other opportunities, and refer their clients back and forth between each other.

According to respondents, the PES offices usually are rather understaffed, with little time available for each client. There is not enough information on the real needs and experiences of clients. In contrast, one of the main advantages of the Incorpora programme is the intensity of the contact, which allows getting to know the individual's expectations and skills. This not only assists them in securing employment but also in maintaining it. Finally, the PES fails to verify if the jobseekers have indeed commenced their employment. In contrast, for Incorpora, follow-up is an important pillar. The Maltese Charity Service has a similar view; in their opinion, continuous contact (intensive at first, then gradually decreasing) is the biggest help in the effectiveness of the programme in placing clients. There are some areas where placing a client proves challenging, and the respondent believes that the PES would also struggle in these situations.

According to our findings, **the Incorpora programme is compatible with other interventions in the sense that it aims to address their shortcomings.** At the same time, one of the difficulties of the programme is recruiting employers: it is difficult to attract new places; they usually build on existing contacts. This is a challenge which is a common critique against PES offices, and this programme also has room for improvement in this field.



### 5.3 Effectiveness: achieving results

The effectiveness of the programme is measured via three indicators: the number of (successful) job placements, the number of new participants, and number of new organisations in the employer network. In addition, partners usually collect additional data (e.g., share of disabled participants, number of interactions between counsellor and client, type of employment etc.) optionally to monitor their progress and resources.

Based on the interviews with the implementing partners, **output indicators are usually met every year by every partner**, but there were years when they had to ‘struggle’ to achieve the expected targets. The interviewee from Impact Hub said that it used to be harder to meet their indicator ‘number of new start-ups’, but due to the COVID-19 crisis, in the past 1-2 years more and more people are willing to become entrepreneurs. On the other hand, other partners have more difficulties achieving results because of the crisis, but overall, they all have been succeeding.

One of the main additional output indicators measured by partners is the **time needed to place a client into employment** which, according to the interviews, varies greatly. It depends both on the client’s characteristics (as mentioned before, helping clients with multiple barriers to employment takes much longer) and on the type of job the client seeks (for example, labour demand for physical work is currently higher than for administrative jobs; also, larger multinational firms seek more people than SMEs). When everything is ‘right’ and the client only needs a little ‘push’ (e.g., refreshing their CV), placement can be done within two weeks, and 3-5 counselling sessions or 1-3 months prove to be enough for most clients. Based on data from the Hungarian Central Statistical Office<sup>5</sup>, the average length of unemployment among 15-64-year-olds in Central Hungary was about 6.8-11.2 months between 2019-2022 (the lowest occurring in 2020 and the highest in 2018), although this comparison is a bit biased, as the latter includes jobseekers who are extremely ‘hard to place’ or who are not motivated to work as well.

Some of the clients who had been successfully placed into employment returned later to the programme after losing their jobs. One of the implementers said that recently (late 2022-early 2023), it has become more frequent, although the worst period was during the COVID-19 pandemic in 2020 when almost all of their former clients returned due to job loss: *‘The effects of all the crises show.’* Also, sometimes clients come back while still working to request placement into a second job. This might indicate that despite their successful job placement, some clients are not able to appropriately support themselves and their families. Overall, the return rate and job loss were said to be ‘not very high’, although our interviewees could not provide us with exact statistics on the matter.

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<sup>5</sup> [https://www.ksh.hu/stadat\\_files/mun/hu/mun0036.html](https://www.ksh.hu/stadat_files/mun/hu/mun0036.html)

All respondents noted that **meeting the programme's targets posed a challenge at the outset**. Yet, as their popularity grew, they no longer faced this problem. Achieving indicators related to the duration of placement now occurs without issue. Still, one respondent mentioned that some clients intermittently return to the programme. A staff member noted that it's quite rare for a client to remain in the programme for up to a year – a situation which is not viewed in a positive light: *'When we spend a year with someone, it leads me to ponder over the many other individuals we could have assisted.'* In addition, it is also exceedingly rare for organisations to remove a participant from a project while they're still jobless. If someone leaves the programme, it's usually of their own accord.

One respondent regards the programme's indicators favourably, particularly those capturing the number of interactions, not merely the number of placements and the contract type (permanent or temporary). Another respondent points out a positive element: the project doesn't require excessive documentation, thereby affording the mentor a considerable amount of autonomy.

In conclusion, the Incorpora programme is effective in terms of achieving its target output indicators, despite some challenges due to, for example, the Covid-19 crisis. At the same time, it is important to note that the need to reach the target numbers can in some cases hinder achieving the overall objectives of the programme and supporting those who are most vulnerable and require long-term support.

## 5.4 Efficiency: managing resources

According to one of our interviewees, the success of Incorpora is not only due to its methodology but also its effective networking. During the interviews, it was evident that all the organizations were already familiar with each other, fostering a high level of communication and knowledge sharing that primarily facilitated the establishment of contacts with workplaces. There were also instances where organizations referred clients to each other. This points to the conclusion that the expertise and the connectedness of the staff are adequate for the aims of the project. The administration is “easier” than in other projects, and there is a certain level of flexibility, which means that the implementers have the opportunity to react to changes.

## 5.5 Impact: the (potential) long-term social and economic effects

To assess the long-term impacts of the programme on the participants' life quality and (local) employment rates, it would be convenient to conduct a counterfactual impact evaluation. Since it was not a randomised-controlled trial (RCT), we would have to rely on methods based on a quasi-experimental design. For example, applying propensity score matching (PSM), we would compare the post-programme outcomes of the participants (say, labour market status one year after exiting the programme) with that of a control group, the latter consisting of nonparticipants with similar pre-programme characteristics (similar age, education level, employment history, health and family status,

city of residence etc.). Unfortunately, we have data neither on a potential control group nor on the long-term outcomes of participants, thus we are unable to do a counterfactual impact evaluation. We can only make presumptions on the impact mechanism of the programme based on a theory of change approach.

Based on the main activities of the Incorpora (job search assistance, counselling, entrepreneurship support, job placement and mentoring), the following results are to be expected (intermediate or long-term outcomes):

- improvement of job search or entrepreneurial skills,
- gaining employment and labour market experience (especially important for new entrants to the labour market and for the long-term unemployed),
- decrease in time spent in unemployment,
- increase in motivation and self-confidence.

The intermediate or long-term impacts would be better (re)integration in the labour market: by gaining labour market experience, discrimination by employers lessens, and by the improvement of job search or entrepreneurial skills, ex-participants become self-sufficient in finding employment in the long run. Finding employment quicker also means that the chance of poverty decreases. Also, the programme can potentially affect the future wages of ex-participants by gaining self-confidence or by enabling better matches between labour supply and demand.

Since we were unable to reach the former participants of the programme, we cannot say much about the actual impacts. However, staff reported that discussions during the coaching sessions helped individuals to be more successful in the labour market. In addition to CV writing, the programme also allowed for dressing suggestions. In addition, the communication exercises helped clients to do better in future oral interviews. According to the mentors, this was important because typically there was no problem with the competencies or skills of the clients, but they rather needed to develop soft skills, which could be improved with a few hours of training.

The Impact Hub, for example, focused on the skills which lead to success for an entrepreneur. This includes planning and fostering attitudes that increase resilience through courses, business plan development, and individual counselling. In their view, success equates to the sustainability of the businesses they help establish. For instance, 10 per cent of the sole proprietorships and 100 percent of the limited companies started at the Impact Hub were still in operation one year after their formation.

Similar to the Impact Hub, other organisations have also reported successes. Labour intermediation can be considered highly effective. The sustained contact and understanding of the prospective employee's skills, acquired through the programme, contribute significantly to successful job placements. According

to a respondent from the Diversity Foundation, 55 out of 73 placements were successful last year. The Centre for Single Parents reported 184 successful placements in the same period. They acknowledge that there are individuals who face difficulties with job placements, but they believe that these difficulties do not stem from specific target group issues. Rather, according to them, if a person is difficult to place, it is typically due to attitudes and personal factors.

In conclusion, the specific impacts of the programme could not be measured during this evaluation, at the same time, despite the lack of direct contact with beneficiaries, we were able to collect information from the interviewees which indicates that the programme can contribute to the labour market integration of clients, as well as to their overall well-being. Nevertheless, it is important to note that the perspective of the implementers may be biased and therefore should be interpreted accordingly.

## 5.6 Sustainability: will the programme and its benefits last?

Based on their experience, respondents expressed a desire to continue with the programme, viewing it as a successful initiative. One mentor, with previous experience in HR, perceives Incorpora's approach and methodology as filling a unique niche in this field.

Looking ahead, respondents suggest it could be beneficial to expand the network of partner jobs. The geographical scope encompassing Budapest and its surrounding region should be broadened to ensure that participants can access job opportunities in a wider area. They proposed the organization of a conference as a venue for associations and employers to meet.

Greater emphasis on networking, knowledge sharing, and cooperation was seen as critical in this area. One respondent expressed the wish to see organizations that had initially departed return to the fold.

Lastly, it was deemed crucial to augment the programme components that concentrate on soft skills, as these are foundational to the programme's success. Feedback from employers highlighted the importance of continuous funding. This continuity is critical as news about the Incorpora usually disseminates through its clients. Interruption in funding, leading to the programme's unavailability would make re-launching it a significant challenge.

## 5.7 The aspect of gender in the programme

The aspect of gender provides an additional dimension for the evaluation – one which is considered in all the evaluations carried out in the Lost Millennials project. The key question we aim to answer is to what extent it is important for the implementers when carrying out the activities of the programme.

As shown in Table 1, the proportion of women among the 25-29-year-old participants is around 42% – so almost half of the clients in this age group. According to the interviews, implementers do not differentiate based on gender (and the aforementioned data can reinforce this claim). One of the

implementers can be seen as an exception: as it was mentioned before, the Centre for Single Parents mostly recruits women. This might be because, in Hungary, 85% of single-parent families were mothers in 2011.<sup>6</sup> The Centre also told us that in the last three years, 75% of their placements were women. However, recent trends and policy changes have a vast impact on this data (see in the next section).

## 6. Difficulties during the evaluation

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During our evaluation, we met some obstacles that hindered our work. In this chapter, we provide an overview of these obstacles.

### 6.1 Reaching out to former participants of the Incorpora during the evaluation

At the beginning of the evaluation, we were planning to conduct a focus group interview with some of the current or former participants of the programme: it would have been useful to listen to their opinions about the programme, their motivation to participate and their later career paths. However, we were unsuccessful in reaching out to them: even though the implementing partners forwarded a request for cooperation to their former clients via e-mail, none of them responded. Naturally, it was impossible to oblige former (or even current) participants to cooperate with us, the implementing partners had no staff capacities and resources to convince them, and we could not reach out to them directly without their prior consent due to data protection issues.

### 6.2 NEETs and the target group of the Incorpora

As described earlier, NEETs (or particularly 25+ NEETs) are not an explicit target group of the programme. On the basis of age, a sizable share (about 10%) of participants would qualify as 25-29-year-old NEETs; however, if we consider the other criteria 'not in employment, education or training' of being a NEET, we find out that most of these young participants would not officially qualify as NEETs, as many of them count as employed or in education from the statistics' point of view. For example, most young clients of the Impact Hub Budapest are migrants who are enrolled in a university, although they often switch between having an active and a passive semester, or take only one or two courses a semester when active; for their case, being a university student is often required for their immigrant visa, but in reality, they are actively searching for a job as they do not have sufficient financial background. Another example would be the young clients of the Centre for Single Parents, many of whom are on parental leave: since 2021, those who worked before the parental leave, receive job-related income and are guaranteed by law to return to their previous jobs are also considered employed due to the new EU regulation

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<sup>6</sup> Based on CSO (KSH) data (16\_01\_03\_02.xls).

(Hungarian Central Statistical Office, 2021). This resulted in a sharp and sudden increase in the statistics concerning the number of employed young women from 2021 in Hungary (and, at the same time, a steep decline in the female NEET rates), as parental leave can last for up to three years in Hungary (or much longer in case of multiple consequent births), and many young mothers do not work at all during this time. Even though the return to their previous workplace is 'guaranteed' by law in theory, these parents are often unable or unwilling to enter reemployment there and are essentially jobseekers.

## 7. Summary and conclusions

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This report has summarised the findings of an evaluation regarding the Incorpora programme in Hungary, focusing on the 25+ NEETs target group. Although NEET rates in Hungary are not outstandingly high in the EU, certain groups are in a worse position than others. In this situation a programme like Incorpora might be in high demand in Hungary: besides the fact that there are very few programmes that are implemented by NGOs in Hungary, the Incorpora is also unique because of its relatively low caseworker-client ratio. Comparing the Incorpora with the Hungarian ALMPs implemented by the PES, the caseworkers have considerably more time to assess their clients' needs, strengths and weaknesses, and to offer them tailor-made services. The PES in Hungary is seriously understaffed concerning counsellors, and in many regions, service provision is insufficient. The Incorpora has the potential to fill this void, especially in Central Hungary, where the level of funding is lower compared with other Hungarian regions.

The Incorpora targets disadvantaged jobseekers, especially new entrants to the labour market, disabled jobseekers, those living in extreme poverty, women, homeless people and single parents. Their services include job placement, job search assistance, counselling, coaching, mentoring, and trainings for potential entrepreneurs. NEETs (or particularly 25+ NEETs) are not an explicit target group of the programme. On the basis of age, a sizable share (about 10%) of participants would qualify as 25-29-year-old NEETs; however, if we consider a narrow definition of being a NEET, we find out that most of these young participants would not officially qualify as NEETs from the statistics' point of view.

Although the Incorpora generally targets jobseekers who face barriers and often discrimination in the labour market, the programme cannot help those who are the most vulnerable, since it mainly focuses on job placement; therefore, it can only help jobseekers who are more or less job-ready. Hungarian PES offices usually are rather understaffed, with little time available for each client – one of the main advantages of the Incorpora programme is the intensity of the contact, which gives the opportunity to get to know the individual's expectations and skills.

The intended impacts of the programme are the following: better (re)integration in the labour market: by gaining labour market experience, discrimination by employers lessens, and by the improvement of job search or entrepreneurial skills, ex-participants become self-sufficient in finding employment in the long run. Finding employment quicker also means that the chance of poverty decreases. Also, the programme can potentially affect the future wages of ex-participants by gaining self-confidence or by enabling better matches between labour supply and demand.

There are aspects where the programme could be improved. One of the difficulties is recruiting employers; they usually build on existing contacts. Also, the programme only operates within Budapest and its surrounding areas, which are considered to be one of the most economically developed areas in Hungary – thus those who are living in the less developed areas of the country cannot be reached by it.

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