



## Evaluation of the implementation of the Hungarian National Social Inclusion Strategy (HNSIS)

### 1. The main objectives and characteristics of the evaluation

The aim of the evaluation was to explore **how and to what extent the developments supported by the Operational Programmes of the 2014-2020 period contributed to the implementation of the Hungarian National Social Inclusion Strategy** (hereafter HNSIS or Strategy), to the **improvement of living conditions and social positions of disadvantaged target groups**, and to a better access to quality services. The aim of the evaluation was to formulate further input and recommendations for the post-2020 period.

The adoption of the HNSIS took place in a deteriorating climate due to the 2008 financial and economic crisis and its social consequences, but its amendment and the beginning of the prevailing programme period coincided with an upturn in the main indicators of poverty and social exclusion. **The lead indicators of the Strategy** (income poverty, material deprivation and low work intensity) **have been improving continuously, despite that there was no marked change in the situation of people living in deep poverty**. There is serious doubt, however, as to the meeting of social inclusion goals, especially in some key areas such as education, housing, regional disparities or Roma integration.

The evaluation considered the successful implementation of the Strategy both in horizontal and sectoral areas. The horizontal topics were improvement in access to public services and the situation of Roma women, while the following **seven sectoral areas were examined: (i) child welfare and child protection services, (ii) educational performance, school segregation, (iii) employment, employability, (iv) health care, (v) housing, (vi) reducing regional disparities, and (vii) cultural dialogue, awareness-raising, antidiscrimination**.

We assessed altogether 104 calls of **five operational programmes – HROP (Human Resources Operational Programme), TSDOP (Territorial and Settlement Development Operational Programme), CCHOP (Competitive Central Hungary Operational Programme), EDIOP (Economic Development and Innovation Operational Programme), SSDPOP (Supporting Socially Disadvantaged Persons Operational Programme)** - in the scope of this evaluation, 25 of them in detail. On the end date of the period under scrutiny – 21 August 2019 – only a **fraction** of the (altogether 5,386) **projects** linked to the 104 calls **were**



**completed (14%) while 40% of them had not even started.** One of the most important limitations to complete an impact assessment was the small number of completed projects. Another obstacle to evaluation was the limited resources and time available for the work. It was also a major problem that this evaluation could not rely on previous impact assessments, not even for closed programmes.

**Based on our sample of 5,386 projects, financial progress was relatively slow-paced,** considering that we were coming close to the end of the programming period, although all in all this is not something that posed an obstacle to the implementation of winning projects, as projects usually received more than half of the contracted support in the form of an early payment (as of 21 August 2019). **In addition to European Union funds, policy changes and the favourable economic upturn of the past few years, as well as the increasing labour shortage, all had a significant impact on the implementation of the HNSIS and on the achieved results.**

## 2. Main findings

### 2.1. Child welfare and child protection

Calls funded by European Union funds in the area of child welfare are focused on the HNSIS goal of **reducing child poverty**. Some of the calls are targeting the disadvantaged population specifically, in other cases there is no explicit mention of the target group, but the services/care being developed are of key importance for the inclusion of disadvantaged people.

- **Settlements with the worst access to services received funding in average proportions,** both in terms of grants awarded and grants requested, **so it is not expected that developments will have any considerable impact on reducing geographical inequalities in service coverage.**
- In the case of several proposals, **the slow evaluation of applications caused problems,** which not only made institutions start operations later, but because of the rise in **prices** in the **construction sector**, plans had to be readjusted. Additional difficulties were experienced in areas where applications for infrastructural developments had to be made separately after winning related ESF financing projects.
- Another serious problem is that due to a **labour shortage and low wages offered, it was difficult to hire staff with the required qualifications.**
- It would be advisable to consider upon the evaluation of applications any other projects that may be already running or just about to start in a given municipality, as it happens in small settlements that projects with overlapping activities are running simultaneously. In order to make things more transparent **the operation of a project database** would be useful that gives an overview on the running and implemented

projects by each settlement. This kind of database could be a great support for decision making.

## 2.2 Education

In the field of education, EU funded educational development programmes follow HNSIS goals, that is, through working to prevent poverty and the reproduction of social exclusion by improving access to education for the **Roma and for children living in deep poverty as well as by reducing school dropout rates.**

- Raising the effectiveness of education and **reducing early school leaving are accepted social and governmental goals**, which are also easily comprehended and relevant for all actors in the education sector. At the same time, **segregation and their roles in its reduction are rated more ambivalently by educational players**, because they see it rooted outside the education system on the one hand, and, on the other, because early school leaving and the goal of desegregation are given very different weights in communication at the national, regional or local levels.
- In the area of segregation, the effectiveness of developments could be much improved if all **local stakeholders were included in the drafting of local desegregation and anti-segregation action plans**, and if there were more clarity and openness in communication at all levels.
- Education, training and employment, pay grades, the reorganisation of vocational training all work against the emergence of a student-centred, inclusive and integrative education system, although they are the declared goals of development programmes. To increase the efficiency of the programmes, **we recommend the improved harmonisation of development policy and education management goals**, also by a better cooperation between the different responsible departments of ministries.
- In the fight against early school leaving and segregation, institutions complain most of **a lack of specialist professionals**, (special education teachers, social pedagogues, teaching assistants and school psychologists), but in many places there is even a lack of teachers. **EU development projects focused on institutional development and training or mentoring, cannot handle this level of capacity shortage**. That's why we recommend for the next planning cycle to take into account more the needs and requests of the institutions to be supported. Further, **projects should be launched at much lower volume and with deeper content** (continuous mentoring, coaching, etc.)
- To consider regional and sectoral aspects together, **competences ensuring the management of complex systems** would be needed along with raising the autonomy of local actors and strengthening cooperation. The institutional network responsible for the planning and management of developments should be re-addressed, and with the help of structural reorganisation on the one hand, and **human resource capacity development** on the other (training to improve the management of complex systems, etc.), a balance between professional and project management considerations is desirable. **The monitoring and evaluation of programmes should receive much more publicity** even during the whole process.



### 2.3. Employment

The employment goals of the Strategy were formulated in 2014. Based on the indicators, it is apparent that **support could reach the target group in a wide circle, despite their diminishing numbers.**

- In the area of employment, support and cohesion funding calls had a history in the previous planning period. Successful programmes should be **continued in the future** with a view to the experiences of the present schemes and by making necessary adjustments in the next planning period.
- A large share of contracted funding in this area are covered by EDIOP and CCHOP schemes. These programmes are typically more or less connected to HNSIS goals, have large budgets and cover the whole programming period. Smaller projects aiming at the improvement of employment were implemented in the framework of HROP, but the share of this type of support is less than 4%. (EDIOP/CCHOP calls serve the government's objective of economic development by improving the labour force in line with demand, which explains their weight relative to the amount of funding.) Based on the data and information gained from interviews, it can be stated that it would be important and useful for meeting the HNSIS's objectives **to raise the share of calls aiming at the improvement of employability within projects funded by HROP funds as well as to pay more attention on a linkage of different calls** (like employment linked to training etc.)
- **The target group for the employment agreements linked to TSDOP calls is the same as the HNSIS target groups.** These development projects help activities outlined in employment cooperation schemes and partnerships forged at regional and local level, which are needed to boost local labour market, organise trainings and job placement for the target group, and strengthen cooperation between local and county-level actors. In this respect, it is important to avoid parallel financing.
- A successful project scheme and good practice for sharing is a training scheme embedded in employment in the form of HROP grants, which **first offer job placement then start a parallel training.**
- **The successful delivery of support for disadvantaged groups is often hindered by the regulation that bans former recipients of support from entering a new project for a certain period.** When programmes are built on one another, this rule can be disregarded, but when **training projects end, the most disadvantaged will not easily find employment on the open labour market without further support.**

### 2.4. Health care

In the area of health care, programme designers have realised that projects intended to alleviate health problems must build on each other in structures that are complementary.

- **It is the most difficult for health-care developments to reach places that are in need the most.** This is due to the fact that traditional application procedures are being

pushed, although these localities typically **lack sufficient capacities for preparing grant applications and managing projects.**

- Of all localities that have won funding, 61% have low Roma population rates, so the targeting was not successful in many cases.
- A positive connection between health screening capacities built created by funding support and adequate treatment for the patients screened, is not apparent. Thus, though projects are likely to be successful in the sense of realising their application objectives, overall, they will not mean a tangible improvement in the health status of members of the target group.

## 2.5. Reducing regional disparities, housing

**Projects aimed at reducing regional disparities were fragmented,** almost all localities received some kind of development funding. This resulted in **a great number of localities receiving smaller support each,** which again was not enough for solving problems.

- The implementation of projects was hindered by organisational restructuring, and a high fluctuation rate among state employees (who were responsible for administrative support).
- Solving housing problems (as a special area of territorial disadvantage) requires complex measures. Various **programmes targeting segregated living areas only provide short-term solutions,** while territorial differences remain. In order to reach **sustainable results for the long term more substantial resources should be allocated.**
- It would be important to make housing programmes and programmes aimed at reducing regional disparities build on each other more successfully than the current practice is.
- The settlement programmes targeting segregated population must consider that economic and social opportunities in the various regions of the country show a great variety, depending on the locality's geographical position.
- Housing problems were influenced by several factors over the years, such as price hikes in real estate and construction materials, as well as changes in social policy approach.

## 2.6. Awareness raising, discrimination

Inclusion, awareness raising and discrimination are typically "soft" intervention areas, whose efficacy and efficiency is **difficult to measure** due to the nature of the topics covered and the impact of the complex social-economic institutional environment and social attitudes which are difficult to see separately. Segregated or disadvantaged municipalities have very limited human capital supply to start with, which makes these human capital-related developments difficult to manage. For NGO activities, especially for establishing and operating registered civil organisations, additional (modest) financial and human resource supplements would be

necessary – on top of incubation services ensured by the project – already in the course of implementation of the project and for a few years after.

## 2.7. Survey on beneficiaries

Within the frame of the evaluation project, an online survey was carried out among beneficiaries, as well as a large number of personal interviews were completed. The results of the report are based on data supplied by 1,915 beneficiaries. Based on their responses, we can state that **the majority of applicants could not have carried out their planned development project without EU support**. Most of them already had prior grant experience and even in the period examined they were managing multiple projects. The **lack of local human resources** or inadequate access to or substandard capacities was a serious problem felt both during planning and implementation of projects. In many cases the long-term sustainability of developments carries risk: the main limitation here, too, is lack of resources; without further support most of the respondents see sustainability uncertain. It is a general observation that **developmental support is deemed as very useful by respondents, but the size of funding available is usually insufficient for solving problems**. The respondents are missing a better inter-connection between calls or opportunities to continue successful projects with the chance to reapply for grants.

## 3. Key recommendations

- **The concentration of resources and their better coordinated utilization should receive more attention in future.** This on the one hand would be helped by **a more focused set of objectives** outlined in the Strategy. On the other hand, it seems as if the idea of "a little support for everybody" was working in **developmental policy planning**, in which, it seems, the pressure exerted on various actors during the planning of the Operational Programmes plays a large role. As a result, the considerations of **comprehensive, complex planning and the concentration of resources fall by the wayside**. In turn, there are too many types of projects running in too many places – often in opposition to the original planning design – cancelling each other out (e.g. mutually poaching experts from projects). We recommend **the identification of more poignant medium and long-term social inclusion goals**.
- As a precursor to meeting social inclusion goals more effectively, sectoral policies of social policy in a broad sense, the area where catching up is targeted and the intervention areas of the Strategy should mutually strengthen each other.
- In the Hungarian institutional environment, in most cases flagship projects and the application structures linked to them have proven successful in reaching the target group, and in implementing and managing projects. However, there are exceptions to this, for example, more room for applying individually at local level educational institutions could increase the motivation to participate and raise efficiency.
- It would help if programmes could be designed linking several priority axes of one OP or different priorities of several OPs in one call. This would help a more complex approach,



reduce administration, and contribute to a better coordination and cooperation between different management institutions which are not communicating with each other.

- Experimental structures could prove to be unsuccessful without the adequate economic environment. With the prevailing result-oriented and performance-pressured environments it is not advisable to use EU funds for experimental projects which are not tested beforehand.
- **A larger emphasis should be given to ensuring human resources**, almost in all areas. This is **especially** true for **education**: schools with disadvantaged children are lacking important expert staff. **For this reason, EU funds should be allowed to be used to cover wage costs and related allowances.** The budget for project management should be raised from its current level of 2.5%.
- Institutional development and infrastructural development programmes should be integrated.
- **Calls where training is linked to (state) employment could be good practice**, as after the training project is finished, the most disadvantaged will not easily find employment on the competitive labour market without further support. However, in some cases **regulations set a rigid obstacle to re-entering support programmes, which should be changed.**
- Projects dedicated to helping the Roma could toughen the target group's chances at social integration through segregation and stigmatisation. For this reason, **support calls for mixed target groups could be more beneficial, where a Roma background could be set as an advantage in participating in the programme.**
- The **monitoring system** of the social processes linked to the **Strategy** should be **reviewed**, with the purpose of increasing the weight of outcome indicators.
- We recommend that the Hungarian Government proposes to the European Commission and to Member States with significant Roma populations the **international adoption of the methodology** practiced by the Hungarian Central Statistical Office (**HCSO**) for **keeping abreast of the situation of the Roma.**
- **Output indicators linked to EU programmes are not suitable for revealing real results** and this poses a clear obstacle to providing adequate feedback for social policy decision making. This in turn may lead to an inefficient and ineffective use of resources. That's why it is necessary to **clearly match the majority of programmes to evaluation and impact assessment tracks with adequate resources**, and impact assessment – after careful preparation – should be completed in every case. A decision on the continuation of a programme should be made after becoming familiar with a completed assessment of its results.