



Partnership for a better future



# Joint Employment- Driven Initiative

Joint Employment Strategy

<b>Project title</b>	Joint Employment-Driven Initiative (JEDI)
<b>Publication title</b>	Joint Employment Strategy
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<b>Page number</b>	58
<b>Publishing date</b>	29 March 2019
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# 1 INTRODUCTION

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The Szeged Centre of Vocational Training with its partners, namely:

- the DKMT Danube-Kris-Mures-Tisa Euroregional Development Agency;
- the Roman Catholic Diocese of Szeged-Csanád;
- the Homokhát Euroinregration Regional Development Agency;
- the Timis County Council; and
- the Timis Chamber of Commerce, Industry and Agriculture

submitted a project proposal on 15 January 2018 for getting support from the European Regional Development Fund in the framework of the Interreg V-A Romania-Hungary Programme. The project **“Joint Employment-Driven Initiative”** (ROHU355 – JEDI) aims at the implementation of a flagship project under the Investment Priority 8/b *“Supporting employment-friendly growth through the development of endogenous potential as part of a territorial strategy for specific areas, including the conversion of declining industrial regions and enhancement of accessibility to, and development of, specific natural and cultural resources”*.

In the first phase, a Concept Note had to be elaborated until the given deadline. After the eligibility check and quality assessment, the project proposal was approved and selected for financing. The implementation of the Concept Note started on 1 October 2018. **The tasks of the Concept Note phase** have focused on activities related to the elaboration of the so-called **Full Application and the related supporting documentation**. The Full Application has to be submitted no later than one month after the end of the implementation period of the Concept Note – in this case, **31 July 2019**.

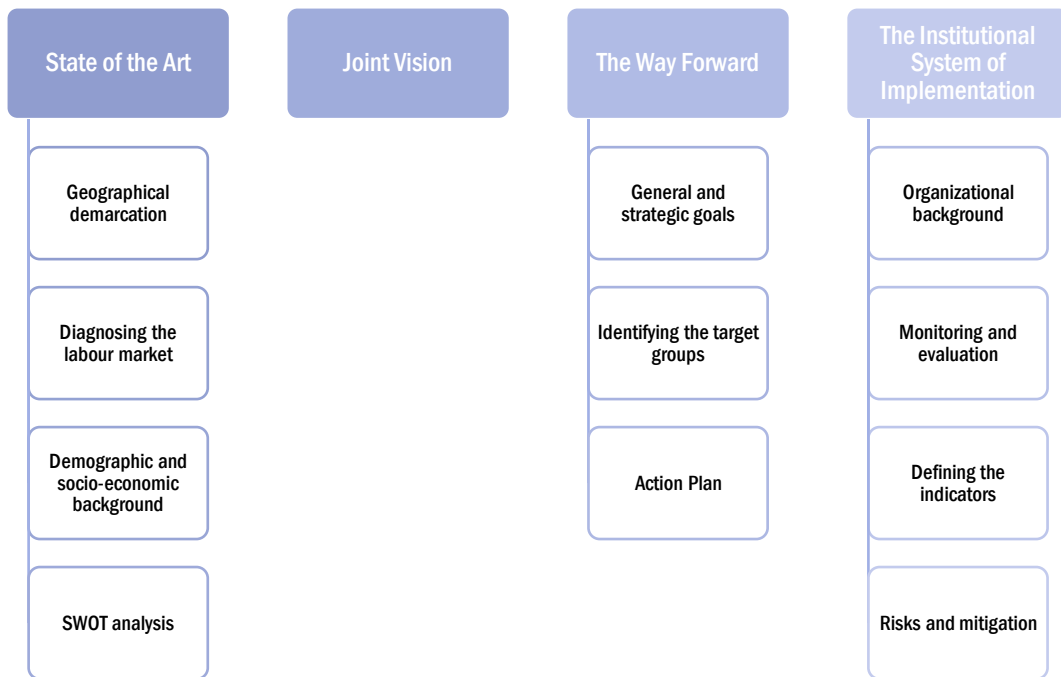
One other important task in the Concept Note phase is the elaboration of the **Joint Employment Strategy of Csongrád and Timis counties** with the aim of:

- providing a solid foundation for the common ‘soft’ activities; and
- clearly specifying the actions of the Full Application phase.

The Joint Employment Strategy consists of **four main chapters**. Chapter 2 gives a detailed description of the recent data and processes of the labour market in the given cross-border area. Chapter 3 formulates the desired situation that should be achieved commonly as a result of the project. Chapter 4 focuses on the steps necessary for achieving the joint vision: firstly, it will be translated into general and specific objectives; secondly, the target groups will be identified; and thirdly, the details of the interventions will be specified. Chapter 5 is about the practical issues of the implementation: the institutional framework, the monitoring and evaluation of the outputs and results as well as the risk analysis and management.



*1 Structure of the Joint Employment Strategy*

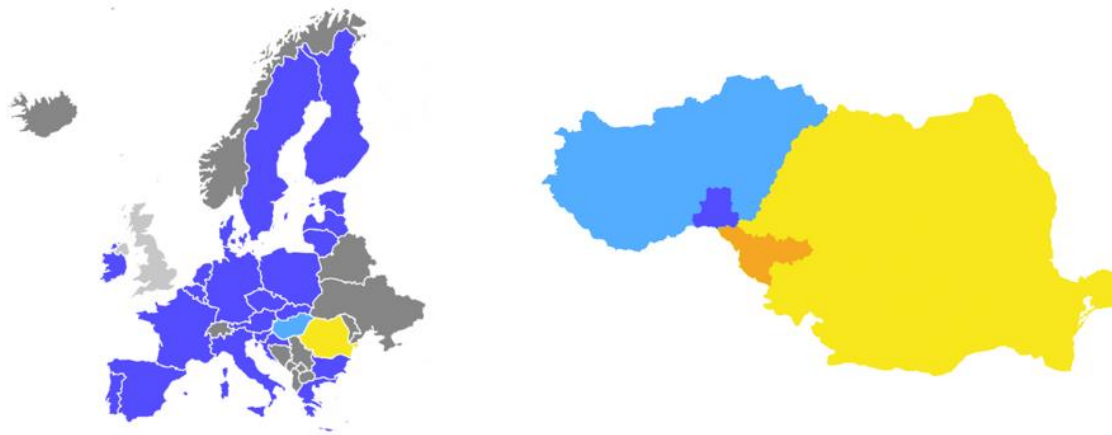


## 2 STATE OF THE ART

### 2.1 Geographical demarcation

Interreg A – Cross-Border cooperation supports cooperation between NUTS 3 level regions from at least two different Member States lying directly on the borders or adjacent to them. **The JEDI project targets the south part of the Romanian-Hungarian (ROHU) cross-border (CB) region which consists of Csongrád county in Hungary and Timiș county in Romania.** The region has a total area of 12,960 km<sup>2</sup>. Csongrád county is the 12th largest county in Hungary with an area of 4,263 km<sup>2</sup> (4.58% of Hungary). Timiș county is the largest county in Romania with an area of 8,697 km<sup>2</sup> (3.6% of Romania).

*2 Location of Hungary and Romania in the European Union and Csongrád and Timiș counties in Hungary and in Romania*



*Source: own editing (piktochart.com)*

The area is located in the south-eastern part of the Pannonian (Carpathian) basin. In the eastern extremity of Timiș county are the Poiana Rusca Mountains (part of the Western Carpathians). Elevations decrease from the east to the west, passing through the Lipova Hills to the Romanian part of the Pannonian Plain. The whole territory of Csongrád county belongs to the Great Hungarian Plain (Alföld) which is the largest part of the wider Pannonian Plain. The region is crossed by many rivers, the most important are the Tisza, the Maros/Mures, the Bega/Béga and the Timiș/Temes.

The neighbourhood counties and districts of Csongrád county are Jász-Nagykun-Szolnok county in the north, Békés county and Arad county (Romania) in the east, Timiș county (Romania), North Bačka District and North Banat District (Vojvodina Autonomous Province, Serbia) in the south and Bács-Kiskun county in the west.

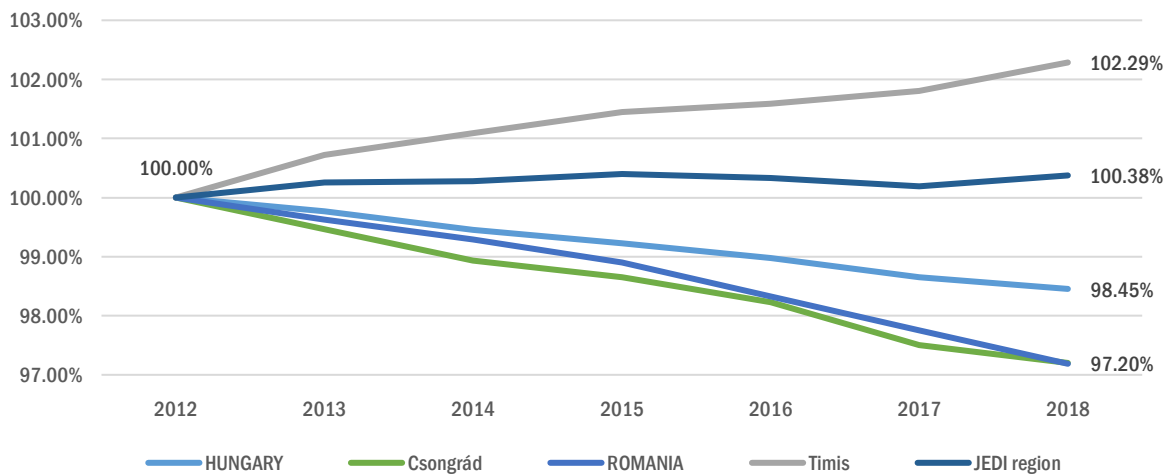
The neighbourhood counties and districts of Timiș county are Arad county to the north, Hunedoara county to the east, Caraș-Severin county to the south, North Banat District and Central Banat District (Vojvodina Autonomous Province, Serbia) to the southwest and Csongrád county (Hungary) to the northwest.

### 2.2 Demographic and socio-economic background

According to the 2018 national statistical data, Csongrád county has a resident population of 400,238 people (the 8<sup>th</sup> largest in Hungary) and Timiș county had a resident population of 701,499 people (the 6<sup>th</sup> largest in Romania). The total population of the region has slightly increased (by 0.38%) between 2012 and 2018 and it was around 1.1 million in 2018. However, while Csongrád county had a decreasing

population (by 2.8%), Timiș county was one of the six counties (Brasov, Cluj, Iasi, Ilfov, Sibiu and Timiș) in Romania which had an increasing population (by 2.29%) during the period under review.

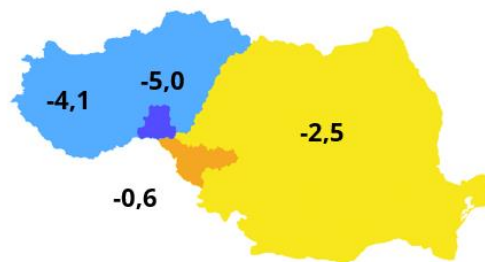
### 3 Change of resident population between 2012-2018



Source: Hungarian Central Statistical Office, Regional database (Hungary); National Institute of Statistics, TEMPO online (Romania)

The demographic trend of the region is characterised by a significant level of natural decrease and positive inland immigration. However, different territorial units show different situations. The rate of natural decrease in Csongrád county (-5.0) and also in Hungary (-4.1) is higher, while it is much lower in Timiș county (-0.6) and in Romania (-2.5). **The domestic migration indicator in Csongrád county was continuously negative, while Timiș county was one of the winners of domestic migration in Romania.** Due to this domestic migration, the population in Csongrád county has decreased by 2,000 persons, while the population has increased by 10,000 persons in Timiș county since 2012.

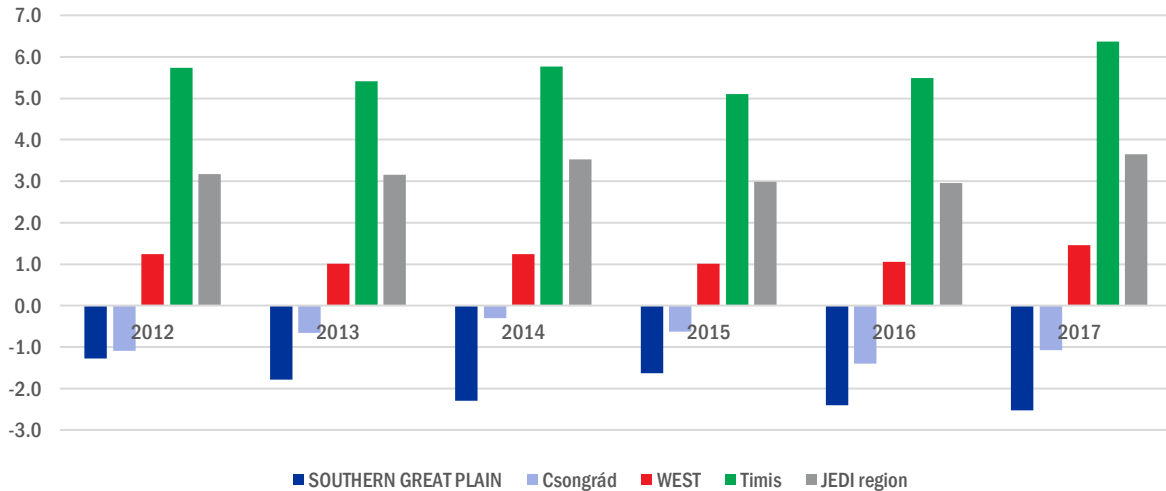
### 4 Rate of natural increase or decrease of the population per 1000 inhabitants, 2017



Source: Hungarian Central Statistical Office, Regional database (Hungary); National Institute of Statistics, TEMPO online (Romania)

### 5 Net settling of domicile per 1000 inhabitants (2012-2017)



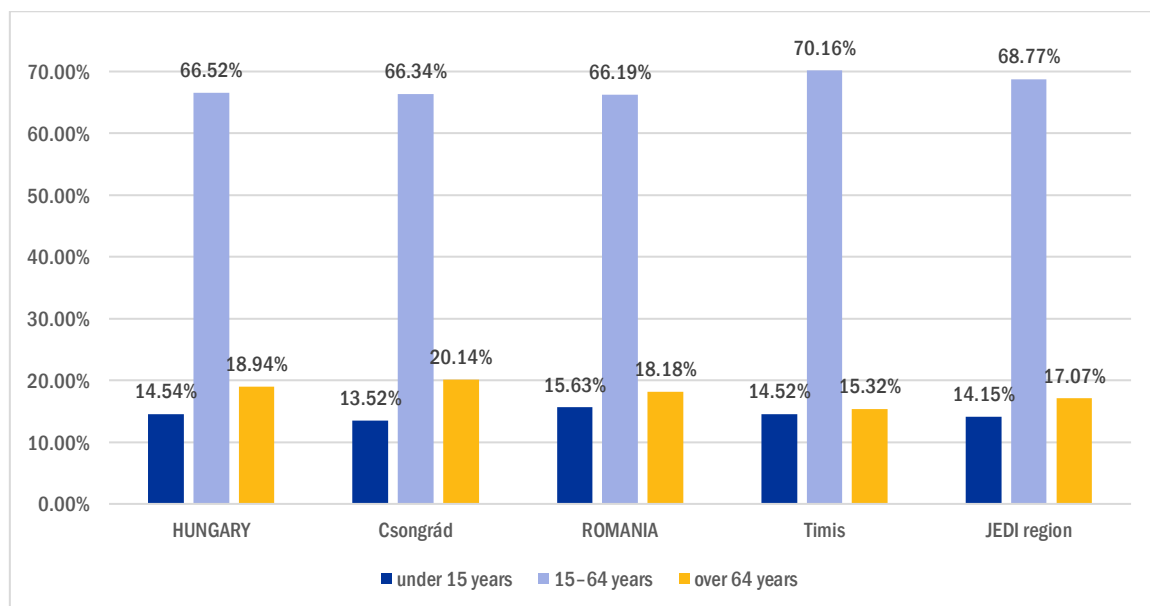


Source: Hungarian Central Statistical Office, Regional database (Hungary); National Institute of Statistics, TEMPO online (Romania)

In 2018, the number of people under age 15 was 155,935 (14.15% of the total population) in the project region; the working-age population, ages 15 to 64, was represented by 757,718 persons (68.77%); and finally, the 65 and over population was 188,084 persons (17.07%). The proportion of people under age 15 was 1 percentage point higher in Timiș county (14.52%) than in Csongr d county (13.52%). The proportion of the working-age population was significantly higher in Timiș County (70.16% in Timiș county, 66.34% in Csongr d county), while the proportion of the elderly population was much higher in Csongr d county (66.34% in Csongr d county, 70.16% in Timiș county).

Comparing the Hungarian and Romanian data, we can conclude that since 2012 the share of the 65 and over population has increased and the share of the working-age population has decreased at each territorial level. The share of people under age 15 has increased in Hungary, in Timiș county and in the project region on a small scale between 2012 and 2018, however, in the long term the share of the younger population decreased significantly.

6 Share of the population by age, 2018



Source: Hungarian Central Statistical Office, Regional database (Hungary); National Institute of Statistics, TEMPO online (Romania)

Between 2012 and 2018, the total number of young people, with the exception of Timiș county, decreased overall (by 3.64% in Csongrád county, by 1.28% in Hungary and by 4.14% in Romania). In Timiș county, the number of young people grew by 8.15%. During this time, the number of working-age population decreased even more (by 5.96% in Csongrád county and by 1.44% in Timiș county). Since 2012, the number of elderly people has increased significantly both on the Hungarian side (by 10.01% in Csongrád county and by 10.5% in Hungary) and on the Romanian side (by 16.46% in Timiș county and by 9.5% in Romania).

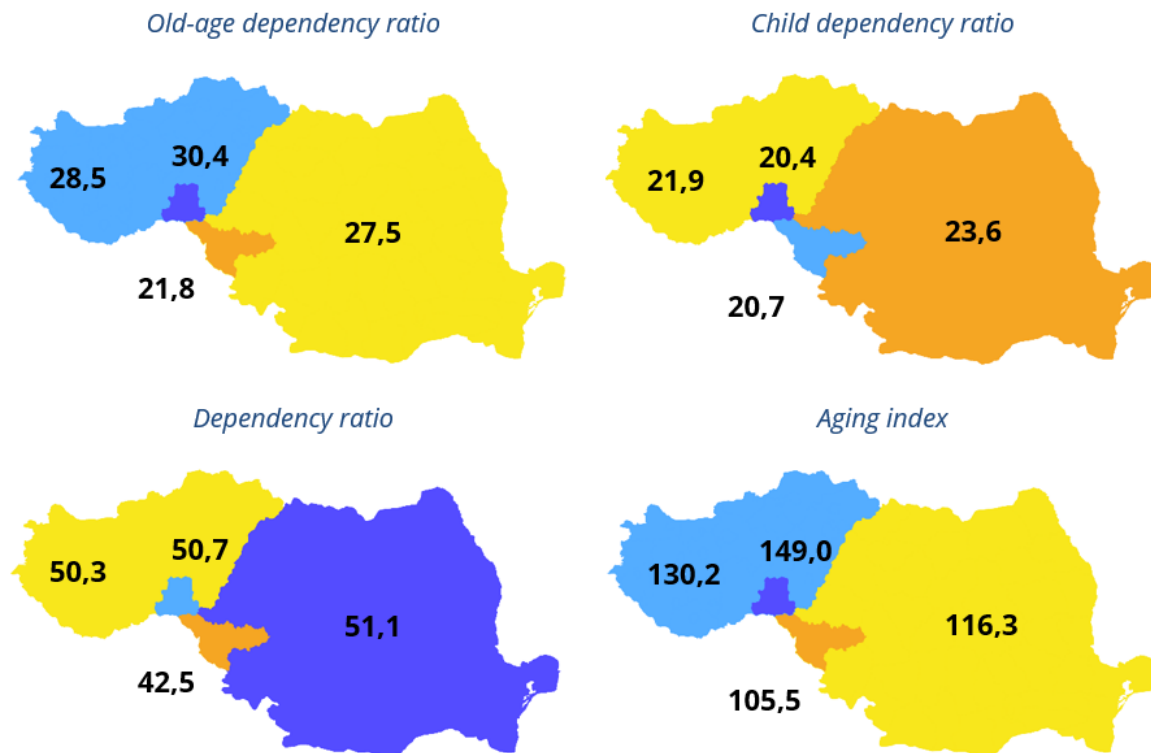
7 Change of the population by age between 2012 and 2018

	People under age 15	People age 15-64	People age 65 and over
<b>HUNGARY</b>	-1.28%	-4.57%	10.50%
<b>Csongrád</b>	-3.64%	-5.96%	10.01%
<b>ROMANIA</b>	-4.14%	-5.42%	9.50%
<b>Timiș</b>	8.15%	-1.44%	16.46%
<b>JEDI region</b>	3.75%	-3.07%	13.60%

Source: Hungarian Central Statistical Office, Regional database (Hungary); National Institute of Statistics, TEMPO online (Romania)

The age dependency ratio provides a very rough approximation of economic dependency in a population by dividing the dependents (people younger than 15 or older than 64) by the working-age (ages 15 to 64) population. Data are shown as the proportion of dependents per 100 working-age population. At regional level, the total age dependency ratio increased from 40.4 in 2012 to 45.4 in 2018, meaning that there were 5 more “dependent-age” people for every 100 working-age people in 2018.

8 Demography indicators, 2018



Source: Hungarian Central Statistical Office, Regional database (Hungary); National Institute of Statistics, TEMPO online (Romania)

However, the total age dependency ratio could mask the differing trends occurring in the younger and older population. The ratio can be separated into two parts: the old-age dependency ratio and the child dependency ratio. When evaluating the two dependency ratios separately, we get a more accurate picture of the economic dependence of the population, as **we can conclude that the child dependency ratio has increased much less (by 1.4) than the old age dependency ratio (by 3.6) during the period under review.** Dependency ratios also vary at different territorial levels: Figure 8 shows the dependency ratios of the relevant countries and counties.

One of the commonly used indicators of population aging is the aging index (number of people older than 64 as a share of people younger than 15), which also predicts future trends. The aging index of the project region increased from 110.2 in 2012 to 120.6 in 2018. This means that **the number of elderly people per 100 young people has increased by 10.4 in 7 years.** Figure 8 shows that **the examined territorial units in Hungary had much less favorable aging indexes than their Romanian counterparts** in 2018.

## 2.3 Diagnosing the labour market

### 2.3.1 Institutional/policy framework

In Hungary, the **Ministry of National Economy** is the key regulator of employment policy within the Government, but the Ministry of Human Resources also has significant responsibilities. The Minister for Economic Affairs is responsible for:

- facilitating the creation of conditions for the efficient management of human resources;
- reducing existing labour market tensions; and
- coordinating the dialogue between the government, the employers and the employees.

In addition, the Secretary of State for Education is responsible for the coordination of vocational training and other labour market trainings, and the State Secretary for Social Affairs is responsible for coordinating labour market rehabilitation, integration and social care. In Hungary, the central organization of the labour market is the National Employment Service. It is managed by the Minister of Economy. Parts of the National Employment Service are the Employment and Social Affairs Office, the Regional Employment Centres (7), the Labour Safety and Labour Inspectorates (20) and the Regional Retraining Centres (9). The legal conditions of the labour market are determined by Act IV of 1991. on Job Assistance and Unemployment Benefits, Act I of 2012 on Labour Code and other labour law legislations.

In Romania, the **Ministry of Labour and Social Justice** works in accordance with Decision No. 12/2017 on the organization and functioning of the Ministry of Labour and Social Justice. Among others, the relevant institutions under the authority of the ministry are the National Agency for Equal Opportunities for Women and Men, the National Agency for Payments and Social Inspection and the National Agency for Employment ([www.mmuncii.ro](http://www.mmuncii.ro)). The National Employment Agency applies policies and strategies on employment and vocational training for jobseekers elaborated by the Ministry of Labour and Social Justice and has the following main objectives:

- boosting employment and preventing unemployment;
- stimulating the participation of jobseekers in vocational training services;
- increasing employment opportunities and the social inclusion of certain categories of people who face employment difficulties; and
- facilitating the free movement of workers in the Member States of the European Union ([www.anofm.ro](http://www.anofm.ro)).

In Romania, the most important labour market laws are Law 53/2003 on Romanian Labour Code, Law 227/2015 regarding the Fiscal Code and Law 202/2002 on the equality of chances between women and men.

## 2.3.2 Market demand

### 2.3.2.1 Macroeconomic and investment policies

Due to national differences in statistical data, we want to describe the macroeconomic labour market analysis of the border region separately. In the subchapter, we present the labour market situation of Csongrád county (Hungary), then Timiș county (Romania), and then we summarize the main territorial differences. In order to properly interpret the different territorial statistics, first of all, we present the national (international) statistical definition of labour market concepts.

#### *9 Basic labour market definitions in statistics*

Concept	Definition
<b>Economically active population</b>	The economically active population comprises all the persons providing the available labour force for the production of goods and services in the reference period. The economically active population is the total number of employed and unemployed persons. (HU, RO)
<b>Economically inactive persons</b>	The economically inactive persons are those who cannot be classified either as employed or unemployed, among others: students, pensioners who do not work, housewives, persons supported by other persons or by the state or support themselves from other income (rents, interests, etc.), seasonal workers out of the season, in case they do not seek a job and recipients of child care benefits belong to this group. Within it, the passive unemployed are persons who would like to find a job, but as they deem their chances unfavorable, they do not seek one actively. (HU, RO)
<b>Activity rate</b>	The activity rate represents the rate of active persons in the given age group in the total population of the same age group. (HU, RO)
<b>Employed persons</b>	Employed persons are those who worked one hour or more for pay or profit during the reference week, or had a job from which they were temporarily absent (e.g. sick-leave, holiday, maternity leave, etc.). (HU)  Employment comprises all the persons aged 15 years and over who have carried out an economic activity producing goods or services of at least one hour in the reference period (one week), in order to get income as salary, payment in kind or other benefits. The number of employed is equal to the difference between the economically active population and the unemployed (ILO). (RO)
<b>Employment rate</b>	The employment rate is the ratio of employed persons to the population. (HU)  The employment rate represents the ratio of employed persons of the given age group in the total population of the same age group. (RO)
<b>ILO unemployed</b>	The ILO unemployed are persons aged 15-64 years old who fulfill the following conditions in the reference period: <ul style="list-style-type: none"> <li>- have no job and do not carry out an activity in order to get income;</li> <li>- were looking for a job in the last 4 weeks (including the reference week) using various active methods to find it: having been in contact with the public employment office or with a private agency to find work, applying to the employers directly, taking a recruitment test or examination, or being interviewed, taking steps to start an activity on their own account, placing or answering job advertisements, studying job advertisements, asking among friends, relatives, colleagues, trade unions to find work, and using other methods besides those mentioned above; or</li> <li>- are available to start work in the next two weeks (including the week when the interview is carried out), if they find a job at once. (HU, RO)</li> </ul>
<b>ILO unemployment rate</b>	The ILO unemployment rate represents the ratio of ILO unemployed of the given age group in the economically active population of the age group. (HU, RO)

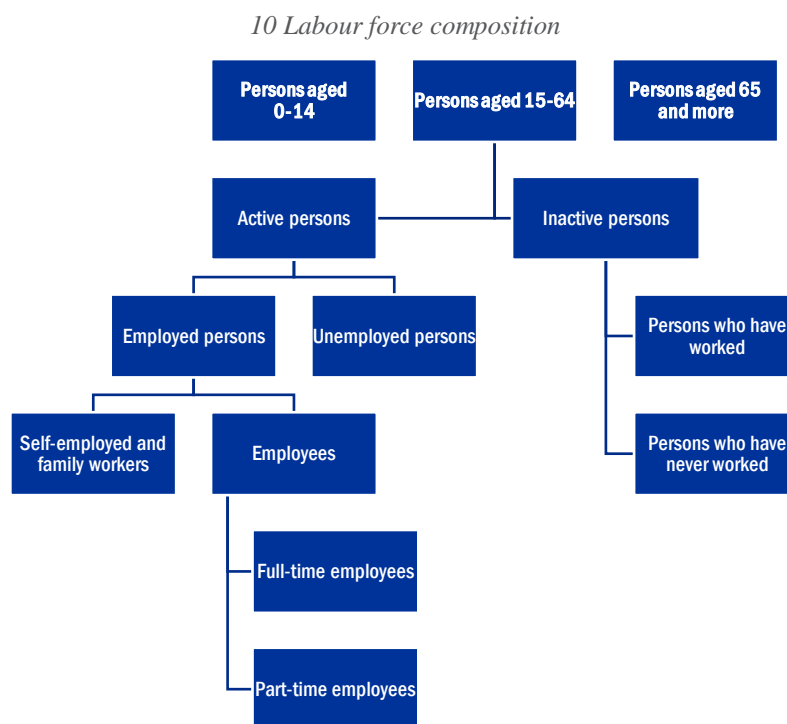
Concept	Definition
<b>Unemployed persons (Registered unemployed)</b>	The unemployed persons are those who neither worked, nor had a job from which they were temporarily absent, who were actively seeking work in the four weeks before the reference week, were available for work at the time of the survey, i.e. could start work within two weeks following the reference week if a proper job was found, or who found a job to start later, i.e. within 90 days. (HU)
	The registered unemployed are persons who stated that in the reference period they were registered at the agencies for employment, no matter if they received an unemployment benefit or not. (RO)
<b>Unemployment rate</b>	The unemployment rate is the ratio of unemployed persons in the economically active population. (HU)
	The registered unemployment rate represents the ratio between the number of unemployed (registered at the agencies for employment) and the civil economically active population (unemployed + civil employed, defined according to the methodology of labour force balance). (RO)
<b>Participation rate</b>	The participation rate is the ratio of economically active persons (employed and unemployed) in the population. (HU, RO)

*Source: Hungarian Central Statistical Office, 2016; National Institute of Statistics (Romania), 2018; TEMPO ONLINE statistical database*

*Csongrád county, Hungary*

In 2017, the Csongrád county population was composed of 260.3 thousand persons aged 15-64 years. The economically active population (labour force) was 181.9 thousand persons of this age, while the economically inactive population (in other words, they were neither employed nor unemployed) accounted for 78.4 thousand persons. The inactive population is largely composed of students, volunteers, pensioners and people caring for other family members or people unable to work because of a disability.

The labour force is made up of people in work (employed persons) and people who are not working, but actively seeking a job and available for work (unemployed persons). The number of employed persons was 175.4 thousand and the number of unemployed persons was 6.5 thousand in 2017 in the county. Figure 10 illustrates a simplified representation of the labour force composition.



*Source: own editing based on Kotzeva, 2018; Infographic 5.1*

When analysing a labour market in a territorial unit, it is important to examine labour market indicators, such as activity rates, employment and unemployment rates – these indicators make the differences between the territorial levels more visible. In 2017, the activity (69.9%), the participation (67.9%) and the employment rate (67.4%) of Csongrád county was lower than the national average (71.2%, 69.7% and 68.2%), while the unemployment rate (3.6%) was more favorable than in Hungary (4.2%).

In terms of labour market trends, it is also favorable that **since 2010 both the county and the national labour market indicators have improved not only in absolute but also in relative terms**. The number of economically active population is increased by 6% and the number of employed persons is increased by 12.2% in Csongrád county between 2010 and 2017. It is important to mention, that during this time the rate of growth was more favorable for the economically active population (9.5%) as well as for the employed (18.2%) on country level.

The absolute growth of the active and the employed population resulted in an increase of 8.3 percentage points (9.2 percentage points on national level) in the activity rate and an increase of 11.3 percentage points (13.2 percentage points on national level) in the employment rate in relative terms. Due to the decline in the total population and the growth of the economically active population, the participation rate has also increased by 7.7 percentage points (7.2 percentage points on national level) since 2012.



Meanwhile, the number of unemployed dropped dramatically at both county (by 57.7%) and country level (by 59.2%). In relative terms, the decline of the number of unemployed resulted in a 5.4 percentage point drop in the unemployment rate in Csongrád county (a 7.1 percentage point drop on national level).

#### *Timiș county, Romania*

The labour resources meant 478.7 thousand persons in Timiș county in 2017. The county's labour force accounted for 349.8 thousand persons, while there were 128.9 thousand who were economically inactive. The number of employed persons was 346.1 thousand and the number of unemployed persons was 3.7 thousand. The employed and unemployed population together form the economically active population of the county.

#### **In 2017, the value of all labour market indicators examined was more favorable than in Romania.**

The activity rate (73.1%) was 3 percentage points, the participation rate (70.8%) was 1.2 percentage points and the employment rate (72.3%) was 5 percentage points higher than in the country. At the same time, the unemployment rate was 1.1% in Timiș county which was significantly lower than in Romania (4%).

**Since 2010, all labour market indicators have improved in absolute and relative terms in Timiș county**, while in Romania the number of economically active and employed people has declined. The number of economically active population is increased by 5.7% in the county, while in Romania it is decreased by 3.1%. This resulted in a 1.1 percentage point increase in the county's activity rate and a 6 percentage point increase in the national activity rate.

Similarly to the number of the active population, the number of employed persons has also increased (by 8.6%) in the county, while it has decreased (by 0.1%) nationally. The absolute growth of the employed population resulted in a 3 percentage point increase in the employment rate in Timiș county and a 7.7 percentage point increase in the national employment rate.

Despite the decrease in the number of economically active and employed population, the activity and the employment rate has increased nationally, because the labour force has decreased more than the number of economically active and employed population since 2010.

Due to the significant decrease in the total population, the participation rate has increased slightly at both county (by 2.6 percentage points) and national level (by 0.3 percentage point) since 2012.

The number of unemployed dropped dramatically at both county (by 69.9%) and country level (by 44%). In relative terms, the decline of the number of unemployed resulted in a 2.7 percentage point drop in the unemployment rate in Timiș county (a 2.9 percentage point drop on national level).

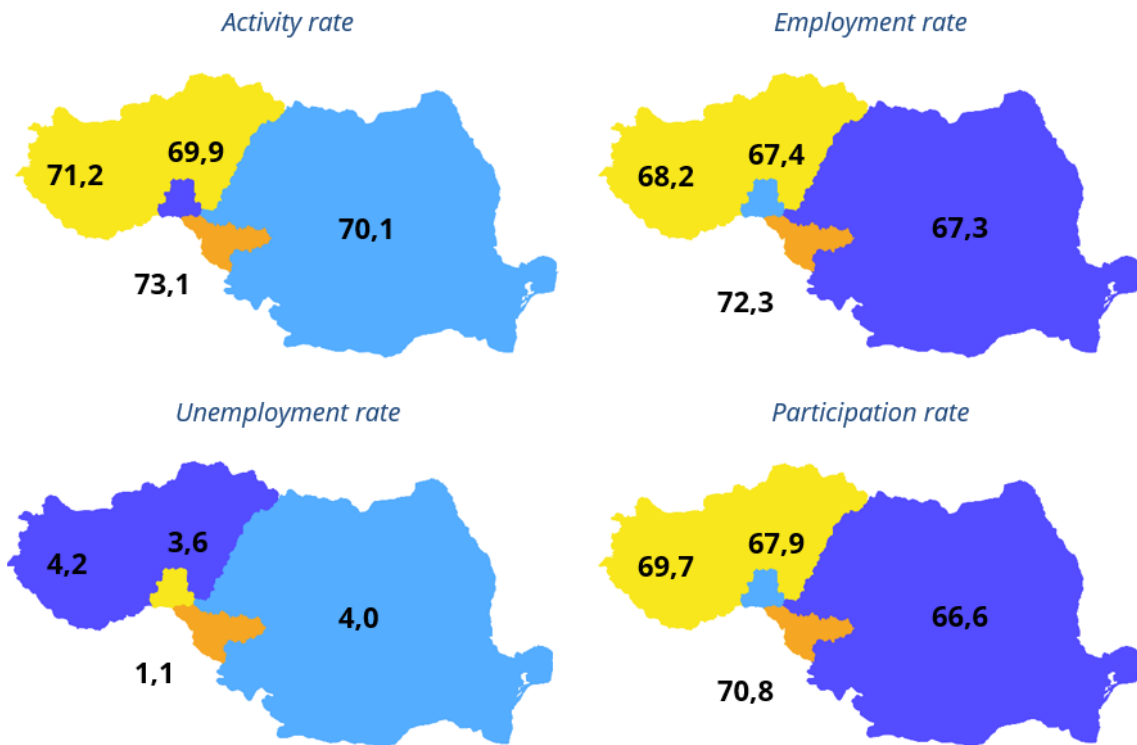
#### *Main findings*

In comparing the labour market indicators of Hungary and Romania, we can make the following main findings:

- **the activity, employment and participation rate are more favorable in Timiș county than in Csongrád county;**
- at the same time, the activity, employment and participation rate increased more in the Hungarian side recently;
- the unemployment rate in Timiș county is 2.5 percentage points lower than in Csongrád county; and
- the decline in the unemployment rate in Csongrád county was 4.4 percentage points higher than in Timiș county.



11 Employment indicators of the working age population, 2017



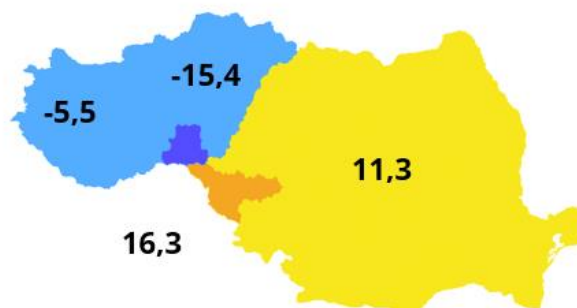
Source: Hungarian Central Statistical Office, Regional database (Hungary); National Institute of Statistics, TEMPO online (Romania)

2.3.2.2 A sectoral map of the economy

Number of employees

In 2017, there were approximately 101.8 thousand employees in Csongrád county and about 234.6 thousand employees in Timiș county. The number of employees per 1,000 inhabitants was 253.5 in Csongrád county (308.9 in Hungary) and 336 in Timiș county (251.8 in Romania). Since 2012, the number of employees has decreased by 18.5 thousand in Csongrád county and it has increased by 32.8 thousand in Timiș county. Figure 12 shows the percentage change in the number of employees in a given territorial unit between 2012 and 2017.

12 Percentage change in the number of employees between 2012 and 2017



Source: Hungarian Central Statistical Office, Regional database (Hungary); National Institute of Statistics, TEMPO online (Romania)

Sectoral distribution of employees

A territorial unit's economy can be divided into various sectors to define the proportion of the population engaged in different activities. The 'three-sector model' (developed by Allan Fisher, Colin Clark and Jean Fourastié) in economics divides economies into three sectors (primary, secondary, tertiary) of activity. (Some studies talk about quaternary and quinary sectors as a further development of the 'three-sector model'.) This categorization represents a continuum of distance from the natural environment.

The primary sector of the economy is the economic sectors dealing with the extraction of primary raw materials of nature. Activities associated with primary economics include agriculture, forestry, hunting, fishing, mining and quarrying (NACE Rev.2 Code: A; B).

The secondary sector of the economy produces finished goods from the raw materials extracted by the primary economy. All manufacturing, processing and construction jobs lie within this sector. Activities associated with the secondary sector include manufacturing, finished goods production, construction, energy utilities and other utility services (NACE Rev.2 Code: C; D; E; F).

The tertiary sector of the economy includes services in the broad sense (also known as the service industry). This sector sells the goods produced by the secondary sector and provides commercial services to both the general population and to businesses in the economic sectors. Activities associated with this sector include wholesale and retail trade; transportation and storage; financial and insurance activities; administrative and support services; state and policing; information and communication; professional, scientific and technical activities; education; health and social care; tourism and cultural activities (NACE Rev.2 Code: G; H; I; J; K; L; M; N; O; P; Q; R; S).

#### *Primary sector*

**A decreasing proportion of workers is involved in the primary sector** – for each of the examined territorial units, less than 5 percent of the employees worked there in 2017. The highest proportion (4.8%) was in Csongrád county, which is traditionally an agricultural region, while in the neighbouring Timiș county only 2.9% of the employees worked in the primary sector. Comparing to the regional and national level, the proportion of employees in the primary sector was lower in Hungary (2.7%) and higher in Romania (3.5%). Within the sector, 100% of the employees worked in **agriculture, forestry and fishing** economic activities in Csongrád county, while in Timiș county, 14% of the employees worked in **mining and quarrying**.

#### *Secondary sector*

In 2017, 29.3% of the employees worked in the secondary sector in Csongrád county (28.8% in Hungary) and 41.6% in Timiș county (34.8% in Romania). Between 2012 and 2017, the secondary sector was characterised by a decreasing number (by 2,005 employees) but a growing proportion (by 2.9 percentage points) of employees in Csongrád county (also in Hungary), while the situation in Timiș county (also in Romania) was reversed: the number of employees increased (by 11,030 employees) and their proportion decreased (by 2.9 percentage points) in the sector.

**The processing industry employed the most people in the secondary sector and also in the whole economy:** it means that around 23.6 thousand people work in Csongrád county (23.2% of all employed) and around 78.6 thousand people work in Timiș county (33.5% of all employed) in manufacturing. Besides the processing industry, **a significant number of employees work in the construction industry**, especially in Timiș county, where 5.7% of all employees work there (4.4% in Csongrád county).

#### *Tertiary sector*

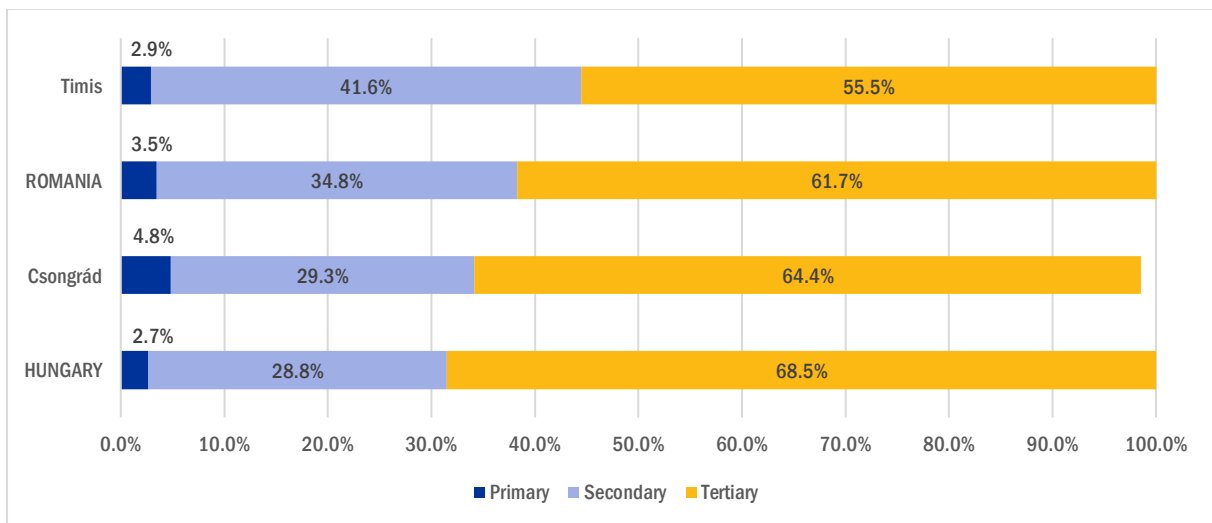
**The tertiary sector is the largest employer in all the examined territorial units.** Approximately 65.5 thousand people worked in Csongrád county and around 130.3 thousand people worked in Timiș county in the sector in 2017. Since 2012, the number of tertiary workers has decreased by 16.6 thousand

employees in Csongrád county (from 68.2% to 64.4% of all employed) while it has increased by 21.7 thousand employees in Timiș county (from 53.8% to 55.5% of all employed).

**Education employed the most people (17.1%) within the tertiary sector in Csongrád county.** Wholesale and retail trade was second with 11.3% and the proportion of employees working in human health and social work activities (10.3%) and in public administration and defence (8.5%) was also relatively high in the county.

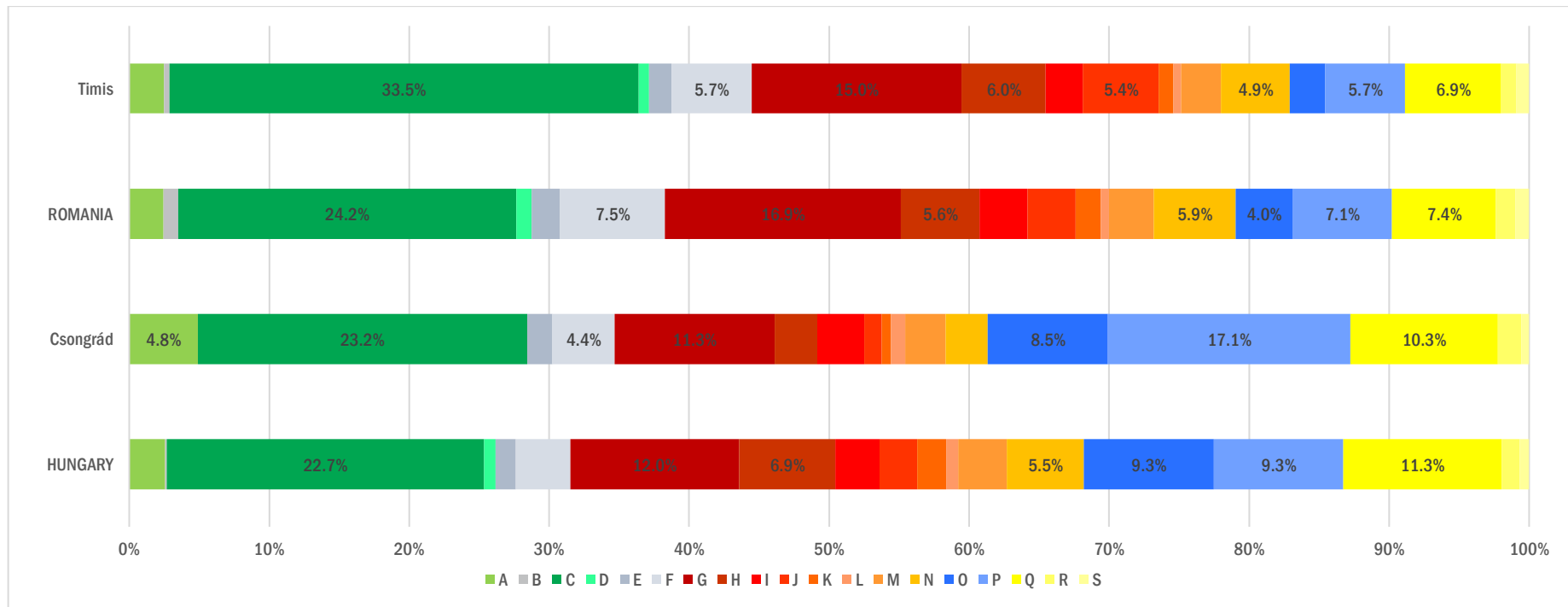
**In Timiș county, most of the employed worked in wholesale and retail trade (15%) within the tertiary sector.** This was followed by a similar proportion of human health and social work activities (6.9%), transportation and storage (6%), education (5.7%) and information and communication (5.4%).

13 The distribution of employees in the three main economic sectors in 2017



Source: Hungarian Central Statistical Office, Regional database (Hungary); National Institute of Statistics, TEMPO online (Romania)

14 The distribution of employees in the NACE Rev.2 economic activities in 2017



Source: Hungarian Central Statistical Office, Regional database (Hungary); National Institute of Statistics, TEMPO online (Romania)

Primary Sector: **A** Agriculture, Forestry and Fishing; **B** Mining and Quarrying

Secondary Sector: **C** Manufacturing; **D** Electricity, Gas, Steam and Air Conditioning Supply; **E** Water Supply, Sewerage, Waste Management and Remediation Activities; **F** Construction

Tertiary Sector: **G** Wholesale and Retail Trade, Repair of Motor Vehicles and Motorcycles; **H** Transportation and Storage; **I** Accommodation and Food Service Activities; **J** Information and Communication; **K** Financial and Insurance Activities; **L** Real Estate Activities; **M** Professional, Scientific and Technical Activities; **N** Administrative and Support Service Activities; **O** Public Administration and Defence, Compulsory Social Security; **P** Education; **Q** Human Health and Social Work Activities; **R** Arts, Entertainment and Recreation; **S** Other Service Activities

### 2.3.2.3 Relevant actors of the labour market

In 2016, there were 26.7 thousand active enterprises in Csongrád county and 23.2 thousand in Timiș county. Compared to the number of residents, there were twice as many active businesses per capita in Csongrád county as in Timiș county: there were 66 per 1000 inhabitants in Csongrád county, while in Timiș county only 33.3. At the same time, the number of active enterprises in Csongrád county has decreased by 3.7% since 2012 (by 1.5% in Hungary), and it has increased by 18.8% in Timiș county (by 16.8% in Romania).

In 2016, 169 and 456 active companies employed more than 50 employees in Csongrád county and in Timiș county. This was only 0.6% of the active businesses in Csongrád county and 2% in Timiș county. The number of enterprises employing more than 250 people were 30 in Csongrád county and 80 in Timiș county.

The counties' economy has dynamically grown in recent years, due mainly to major investments made by a number of multinational companies mostly in the county seats:

- Based on sales revenue, the largest enterprises are in the **wholesale and retail trade; repair of motor vehicles and motorcycles; manufacturing and electricity, the gas, steam and air conditioning supply industries; construction; and agriculture and forestry in Csongrád county** ([www.investincsongradcounty.hu](http://www.investincsongradcounty.hu)).
- The significant business sectors **in Timis county** are **IT & communications; building machinery and equipment; chemical products and plastics; drugs and pharmacies; the food industry; agriculture and animal breeding; constructions and building materials; the textile and leather industry; the shoe industry; the wood and furniture industry; commerce; and productive and consumer oriented services.**

The tourism industry is a small but increasing segment of the local economy both in Csongrád county and in Timiș county. Szeged, the National Heritage Park in Ópusztaszer and several cultural and youth festivals in Csongrád county, and Timișoara and Lugoj, the Buzias resort, several castles and the natural environment in Timiș county attract a growing number of visitors – primarily from inland and from the neighbouring countries.

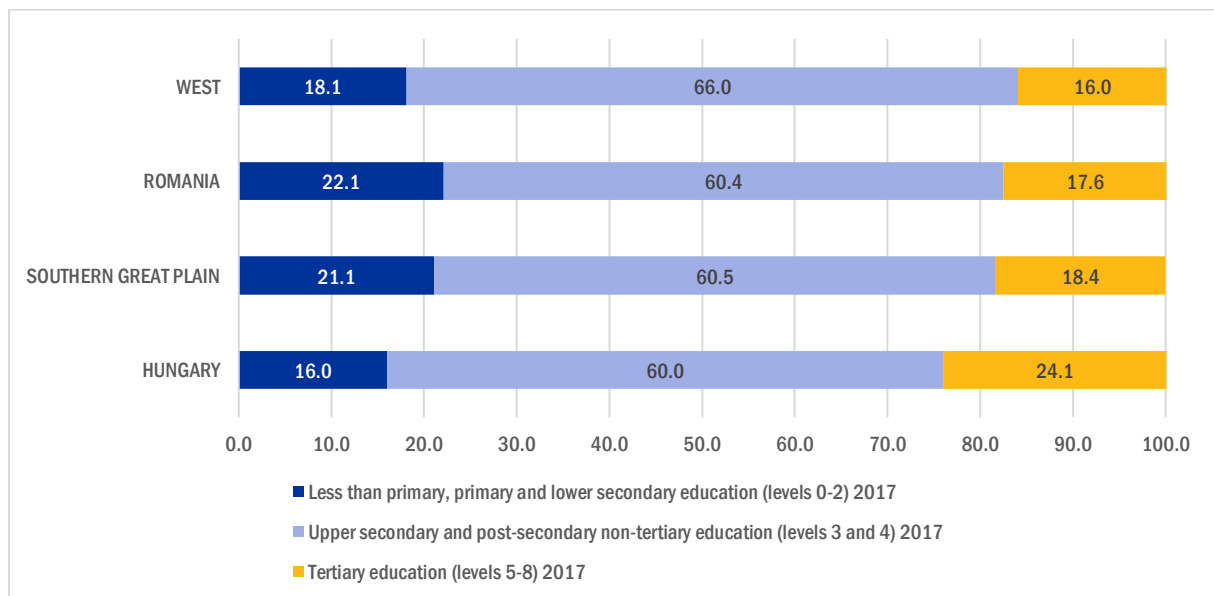
## 2.3.3 Market supply

### 2.3.3.1 Educational output

Educational systems vary across countries, so in this study the statistical data of the joint UNESCO-OECD-Eurostat data collection will be used to compare educational attainment in Hungary and Romania (at NUTS 2 level). The data collection used the International Standard Classification of Education (ISCED) classification<sup>1</sup> which provides internationally agreed definitions for the classification of education programmes. In general, the analysis of statistical data shows that:

- Overall, **the indicators of educational attainment have improved everywhere since 2010.**
- The proportion of those with less than primary, primary and lower secondary education has decreased: it decreased the most in the West region in Romania (by 5 percentage points).
- The proportion of the population with a higher education degree has increased everywhere, to the greatest extent – by 4.1 percentage points – in Hungary.
- However, the proportion of people with tertiary education is still well below the EU average (31.5%).

*15 Population (aged 25 to 64 years) by educational attainment level (%)*



*Source: ec.europa.eu/eurostat*

<sup>1</sup> The educational levels according to the International Classification of Educational Standards (ISCED 2011) are: nurseries, kindergartens, primary and secondary schools, primary and secondary special schools, high schools, school groups (including several levels of education), vocational and foremen schools, post-high schools and tertiary institutions.

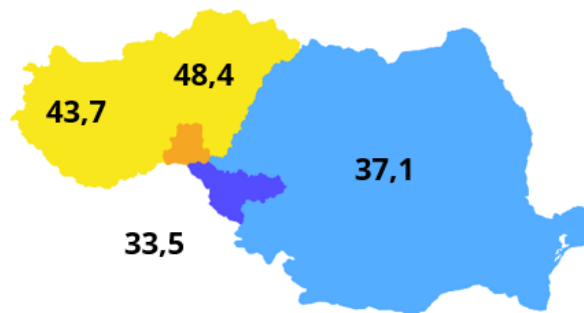
### Secondary education

Upper secondary (ISCED level 3) education in Hungary typically begins after 8 years of primary education (primary and lower secondary level, ISCED 1 and 2), starting at grade 9. It usually lasts for 4 years, although it can last for 5 or 3 and less frequently for 2 years. The three main programmes of upper secondary education are high school, vocational high school (until 2016 their name was vocational secondary school) and vocational secondary school (until 2016 their name was vocational school).

ISCED level 3 (upper secondary) education begins after 4 years of lower secondary education (ISCED 2) in Romania. Upper secondary education may be high-school education, with the following specializations: theoretical, aptitude-based and technological – this covers the high-school grades 9 to 12/13 or it can be vocational education, including dual vocational education, with the duration of at least 3 years.

In 2017, the number of students in upper secondary education was around 19.5 thousand in Csongrád county and 23.4 thousand in Timiș county. In terms of population, this means that there are currently 48.4 students in upper secondary education per 1000 inhabitants in Csongrád county, which is significantly higher than in Timiș county (33.5).

16 Number of students in upper-secondary and vocational education per 1000 inhabitants



Source: Hungarian Central Statistical Office, Regional database (Hungary); National Institute of Statistics, TEMPO online (Romania)

**Since 2012, the number of participants in upper secondary education has declined in all territorial units.** The rate of decline was higher on the Hungarian side (18.9% in Csongrád county, 20.8% in Hungary) than on the Romanian side (15.8% in Timiș county, 14.5% in Romania). While the number of students in high schools and vocational education and training (VET) decreased on the Hungarian side, only the number of students in high schools decreased **on the Romanian side**, while **the number of VET students increased dramatically**:

- the number of students in high schools decreased by 14.7% and the number of VET students decreased by 34.6% in Csongrád county;
- the number of students in high schools decreased by 23.3% and the number of VET students increased by 731.4% in Timiș county.

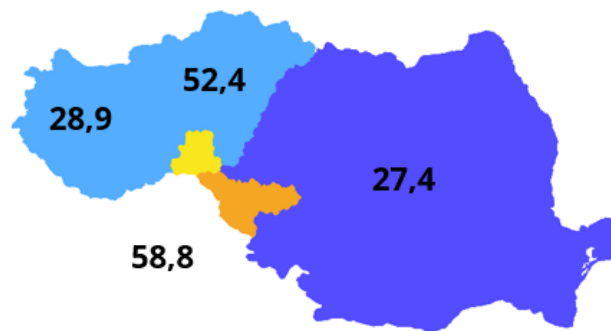


### Higher education

Szeged (the county seat of Csongrád county) and Timișoara (the capital city of Timiș county) are some of the main educational and academic centres in Hungary and in Romania. Csongrád county (Szeged) has two higher education institutions: the University of Szeged and Gál Ferenc College. In 2017, the number of students of higher education institutions was around 21 thousand. In terms of population, this means that there were 52.4 students in tertiary education per 1000 inhabitants in Csongrád county, which is significantly higher than the national average (28.9). Despite having one of the most distinguished universities (the University of Szeged) **in Hungary, the number of students participating in higher education is continually decreasing**: it fell by 21.9% – from 26,950 to 21,048 – between 2010 and 2017. The rate of decline in the number of students was almost the same (21.6%) on national level.

Timiș county (Timișoara) has four public – West University, Polytechnic University of Timișoara, ‘Victor Babeș’ University of Medicine and Pharmacy, Banat University of Agricultural Sciences and Veterinary Medicine – universities and three private universities. The number of students of higher education institutions reached 41 thousand in 2017. This means that the number of students in tertiary education in Timiș county was 58.8 per 1000 inhabitants, which is more than double of the national average (27.4). **Since 2014<sup>2</sup>, the number of students participating in higher education has increased by 2.7% in Timiș county**, while it has decreased slightly (by 0.5%) in Romania.

17 Number of students in tertiary education per 1000 inhabitants



Source: Hungarian Central Statistical Office, Regional database (Hungary); National Institute of Statistics, TEMPO online (Romania)

<sup>2</sup> NUTS 3 level statistics have been available since 2014.



### 2.3.3.2 Technical and vocational training

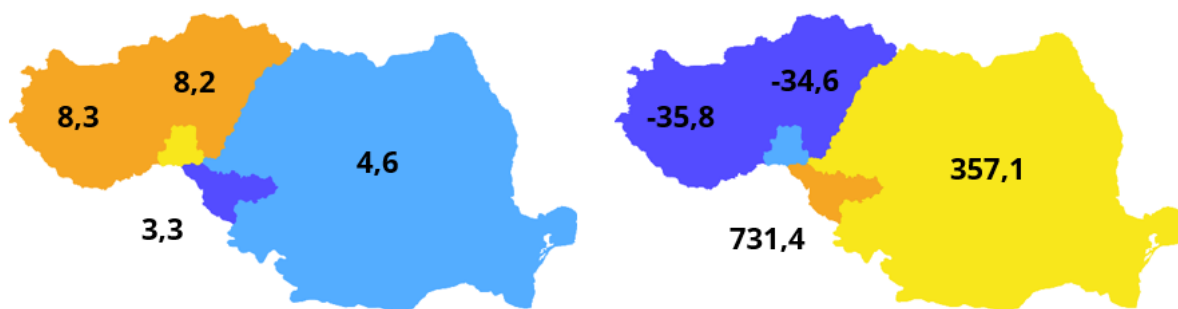
Vocational education and training (VET) is a key element of the lifelong learning system, providing the necessary knowledge, skills and competencies for each profession or the wider labour market. VET responds to the needs of the economy but also contributes to the personal development of students. It has a central role in employment and social policy.

VET systems can rely on a well-developed network of VET providers in Europe. They are based on governance structures with the involvement of social partners (employers, trade unions) in different bodies (chambers, committees, councils, etc.). VET systems consist of initial and continuing VET:

- Initial vocational education and training are usually carried out at the upper secondary level before young people entering working life. Trainings take place either in a school-based environment (the majority of learning takes place in a classroom) or in a work-based environment that is as close as possible to the real life experience (in schools, training centres or companies, with apprenticeship/internship programmes).
- Continuing vocational education and training takes place after the initial education and training, or after entering working life. It aims to improve or develop knowledge and/or abilities, teach new skills, retrain for a career move, or to continue personal and professional development. It is largely work-based with the majority of learning taking place in a workplace (ec.europa.eu/education/policies/eu-policy-in-the-field-of-vocational-education-and-training-vet\_en).

On average, 50% of young Europeans aged 15-19 participate in initial vocational education and training (at the upper secondary level). However, the EU average masks significant geographical differences. For example, **while in Csongrád county 16.9% (19% in Hungary) of the students in upper secondary education was participating in vocational education and training, this rate was only 9.9% in Timiș county (12.4% in Romania).** In terms of the whole population, we also get a similar picture: in Csongrád county, there were 8.3 students attending vocational training per 1000 inhabitants, which indicator was only 3.3 in Timiș county. At the same time, it is important to highlight that since 2012, the number of participants in vocational education and training in Hungary has decreased, while in Romania it has increased significantly (see Chapter 2.3.3.1 Educational output – Secondary education).

*18 Number of students in vocational education per 1000 inhabitants and change in the number of VET students between 2012 and 2017*



*Source: Hungarian Central Statistical Office, Regional database (Hungary); National Institute of Statistics, TEMPO online (Romania)*

The 3-year vocational education is completed with the issuance of a state-recognized certificate of professional qualification which is in the National Qualifications Register in Hungary. High-school education – the aptitude-based and the technological routes – and vocational education are organised for specialisations and qualifications according to the National Register of Qualifications in Romania.

### 2.3.3.3 Labour migration

When analysing labour migration, it is necessary to distinguish between movers and cross border commuters/workers:

- EU-28 or EFTA movers are EU-28 or EFTA citizens who reside in an EU-28 or EFTA country other than their country of citizenship;
- a cross border commuter is a person who works as an employee or self-employed person in one EU Member State but is recognised as residing in another (neighbouring) EU Member State (Fries-Tersch et al., 2018).

### Movers

In 2016 in the European Union about 11.8 million citizens in total were residing in an EU-28 or EFTA country but not in their country of nationality. Based on the countries of origin, about half of the EU-28 movers across the EU-28 Member States were citizens of Romania, Poland, Italy and Portugal.

In 2015, Romania, Poland and the United Kingdom had the highest outflow of nationals (between 100 and 160 thousand each). The numbers of nationals leaving the country decreased compared to 2009 for both Poland and Romania, although Romania's outflows have been rising again since 2012.

Most of the new Member States (EU-13) still have emigration rates above the EU average. **The highest emigration rates are in Lithuania, Latvia and Romania** (two to three times as high as the cross-country average) and **since 2009 Estonia, Croatia, Hungary and Slovenia have been facing a rising emigration trend, too.**

The negative net intra-EU mobility<sup>3</sup> of EU citizens (including nationals) was the largest in Romania, Poland and Spain. **Romanians and Polish are by far the largest national groups among movers from the past ten years** (Fries-Tersch et al., 2018).

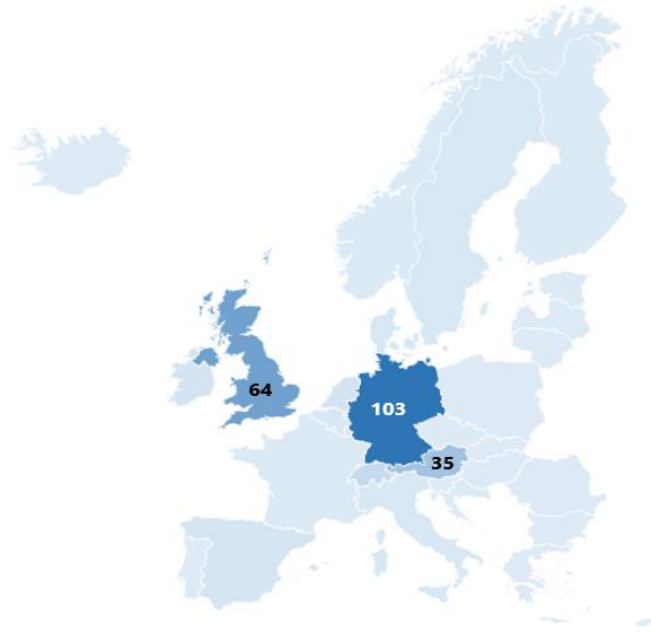
*19 Recent Hungarian and Romanian movers (thousand) of working age (20-64), by country of residence (columns), 2016*

	Austria	Belgium	Switzerland	Cyprus	Czech Republic	Germany	Denmark	Greece	Spain	Finland	France	Hungary	Ireland	Italy	Luxembourg	Netherlands	Norway	Sweden	United Kingdom
HU	35	3	14	0	0	103	3	0	5	1	1	0	6	3	1	6	1	3	64
RO	38	43	9	11	1	241	16	6	175	0	49	6	16	391	2	3	6	9	236

*Source: Fries-Tersch et al., 2018; Table 39*

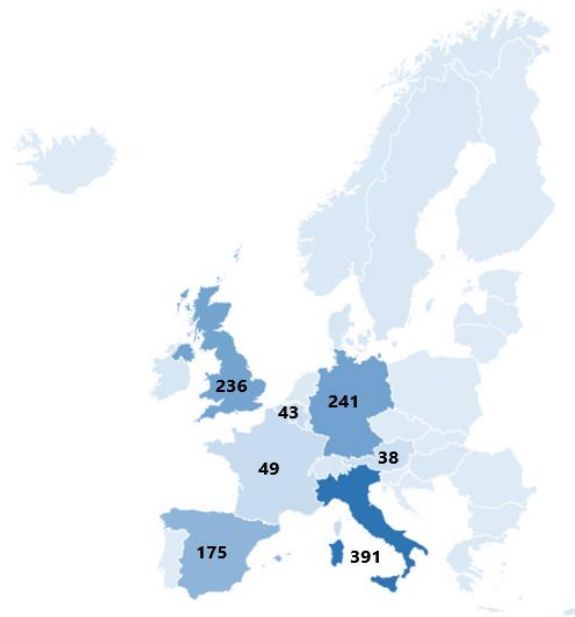
<sup>3</sup> Net intra-EU mobility is calculated as the sum of inflows and outflows of nationals, EU-28 and EFTA movers from/into a certain EU Member State.

20 Hungarian movers (age 20-64) by country of residence, thousand persons



Source: own editing based on Fries-Tersch et al., 2018; Table 39

21 Romanian movers (age 20-64) by country of residence, thousand persons



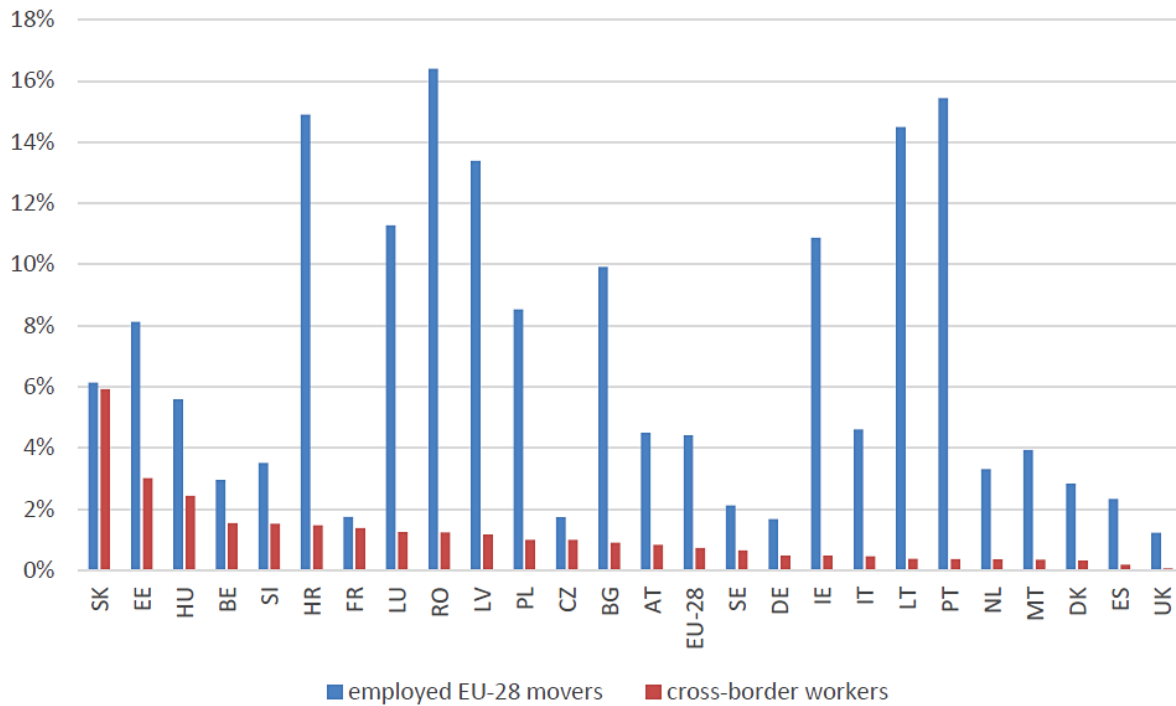
Source: own editing based on Fries-Tersch et al., 2018; Table 39

### Cross-border commuters

In 2016, the total number of EU-28 cross-border workers was around 1.4 million. Compared to 2015, their number increased by 8%. 94% of the cross-border workers worked in an EU-15 Member State and the remaining 6% worked in an EU-13 Member State. At the same time, cross-border workers were living equally in EU-15 and EU-13 Member States. This shows that while cross-border workers nearly all work in an EU-15 Member State, they live roughly equally in the EU-15 and EU-13 Member States (Fries-Tersch et al., 2018). Figure 22 shows the share of employed nationals who live and work in another EU-28 or EFTA country (employed EU-28 movers) and the share of nationals working in another EU-28 or EFTA country (cross-border workers) from all employed nationals of the country of origin.



22 Share of employed EU-28 movers and cross-border workers from all employed nationals by country of origin, working-age 20-64, 2016



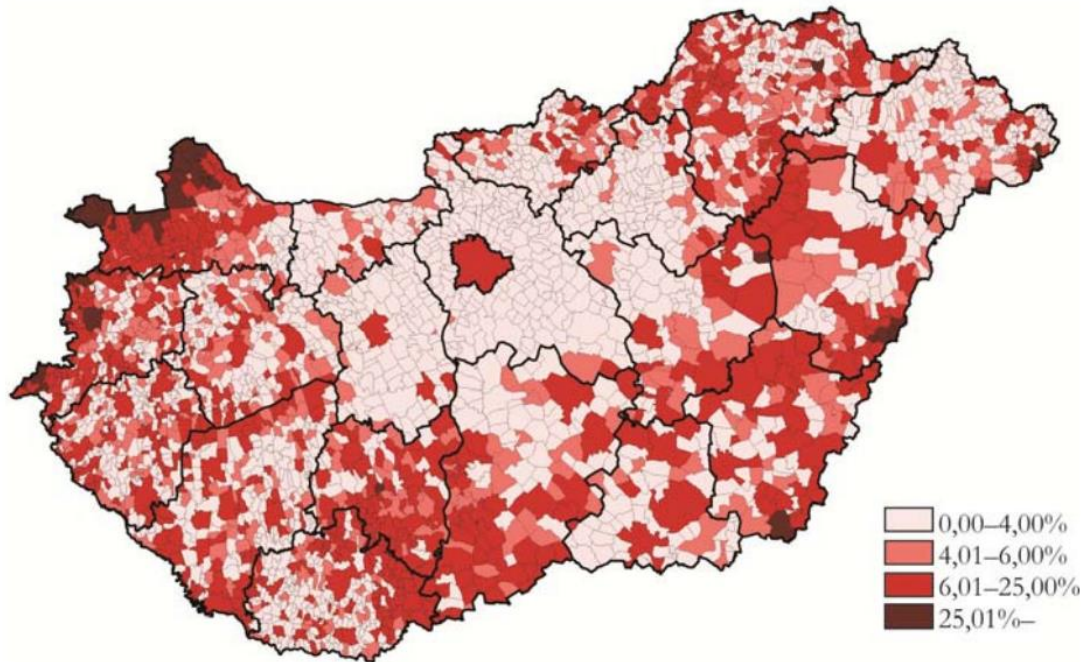
Source: Fries-Tersch et al., 2018; Figure 37

Among EU Member States, the proportion of cross-border commuters is particularly high in Slovakia (5.9%), Estonia (3.0%) and Hungary (2.4%). These are interesting examples, as cross-border work in these countries plays a very important role and it is more often an alternative to long-term mobility than in other countries.

In Hungary, the importance of cross-border commuting has increased rapidly as a result of joining the European Union and the Schengen area. Romania's accession to the Schengen area could also lead to an increase in cross-border commuting. In 2011, at the time of the last census, 83% of the cross-border commuters (22.5 thousand people) worked in Austria – the other neighbouring countries were much less attractive to Hungarian workers (Egedy, 2017).

**In 2011, at the time of the last census in Hungary, 5.6% (1523 employees) of cross-border commuters were employed in Romania.** In the case of Romania, the close relations with the Transylvanian Hungarian minority raise the number of cross-border commuters. Most of the commuters live directly in the areas adjacent to the border: nearly two-thirds of them are residents of Békés, Hajdú-Bihar or Szabolcs-Szatmár-Bereg counties (Egedy, 2017). The number of commuters from Csongrád county is not significant. **Relevant commuting statistics from the Romanian side were not available.**

23 Share of cross-border commuters in Hungary by settlements, 2011



Source: Egedy, 2017; Figure 2

## 2.4 SWOT analysis

### STRENGTHS – CHARACTERISTICS OF THE LABOUR MARKET THAT APPEAR AS ADVANTAGES

Favorable geopolitical position of the region

Positive inland immigration (in Timis county)

#### Improving employment indicators

Low unemployment rate

#### Advanced employment and education organization system

Relatively high proportion of the education and its sectors in the number of employees within the service sector

#### Improving educational attainment indicators

Key positions of county seats in education and training and in higher education

### WEAKNESSES – CHARACTERISTICS OF THE LABOUR MARKET THAT PLACE THE LABOUR MARKET AT A DISADVANTAGE

A significant level of natural decrease

Decreasing proportion of young population, ageing society

Relatively low level of employment

Decreasing number of students in higher education (in Csongrád county)

The proportion of people with tertiary education is still well below the EU average

**Outmigration of better educated, more talented people**

**OPPORTUNITIES – ELEMENTS IN THE LABOUR MARKET ENVIRONMENT THAT THE REGION COULD EXPLOIT TO ITS ADVANTAGE**

**Increase in the number of participants in vocational training**

**Coordinating the vocational training environment**

Romania's accession to the Schengen area

**Increase in the number of cross-border workers**

**THREATS – ELEMENTS IN THE LABOUR MARKET ENVIRONMENT THAT COULD CAUSE TROUBLE FOR THE REGION**

**The harmonization of the output requirements of VET systems is lagging behind**

The importance of European cooperation is diminishing

**Decreasing importance of cross-border employment due to ethnic tensions**



### 3 JOINT VISION

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Csongrád county in Hungary and Timiș county in Romania create a **joint cross-border labour market**. The **outstanding conditions of vocational trainings** make available an **attractive and diversified offer** at both country- and EU-level. Potential and new employees have **competitive knowledge, skills and competences**. These abilities make them perfectly suitable to apply for and get a job within the entire region which ensures a high income level as well as professional advancement and development. Businesses and other employers search for and find the ideal employees from both sides of the border; **the extent of labour shortage decreases to a minimum. Structural and long-term unemployment becomes a rare phenomenon** in the target area. **The labour market actors from both sides of the border cooperate with each other**, establishing an extensive network to handle the existing imbalances and to foster cross-border employment initiatives.

Altogether, **the supply and demand side of the labour market achieve a balance** as the joint efforts enhance the mobility of the workforce.

As a result of all these tendencies:

- the economy of the border region prospers sustainably;
- the competitiveness of both the whole region and the businesses operating here continuously grows;
- the population retention force of the target counties greatly improves; and
- population decline and the selective migration of the well-qualified workforce stops.



## 4 THE WAY FORWARD

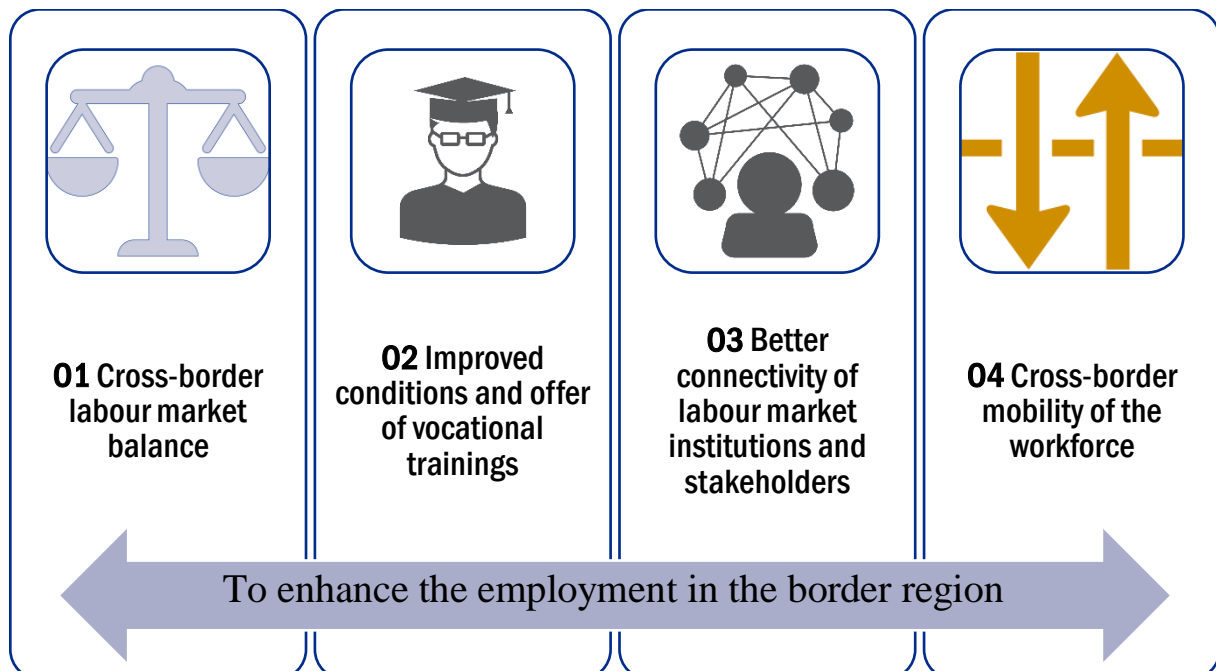
### 4.1 General and strategic goals

The strategy's – and the JEDI project's – general objective is to **enhance the employment in the Romanian-Hungarian cross-border region by creating favourable conditions for a balanced labour market on the long term**. Several factors contribute to achieving this goal within the targeted area:

- the conditions and offer of vocational trainings;
- the number, skills and experiences of employees;
- the number and quality of jobs; and
- a willingness to and opportunities for mobility across the border.

These sub-areas lead to the specific objectives of the common economic and employment development.

*24 Objectives of the Joint Employment Strategy*



**01 CROSS-BORDER LABOUR MARKET BALANCE** – Fostering the balance of supply and demand on the Romanian-Hungarian cross-border labour market

This objective (and its fulfilment) has a serious effect on enhancing the employment and establishing a joint cross-border labour market, because – based on the detailed examination of the needs of employers – it will create the conditions for meeting their demands on mid- and long term, and it will contribute also to the better utilization of the workforce and the active population that is available in the region despite the shrinking total population.

**02 IMPROVED CONDITIONS AND OFFER OF VOCATIONAL TRAININGS** – Improving the conditions and offer of vocational trainings in the Romanian-Hungarian cross-border region

This objective aims to enhance the attractiveness and efficiency of the trainings by developing trainings sites and optimizing their offer which will be based on the exact needs of the cross-border labour market.

**03 BETTER CONNECTIVITY OF LABOUR MARKET INSTITUTIONS AND STAKEHOLDERS** – Increasing the connectivity of institutions and stakeholders influencing employment in the Romanian-Hungarian cross-border region

The objective aims to span the institutional gaps that currently hinder the cooperation of the Romanian and Hungarian labour market actors.

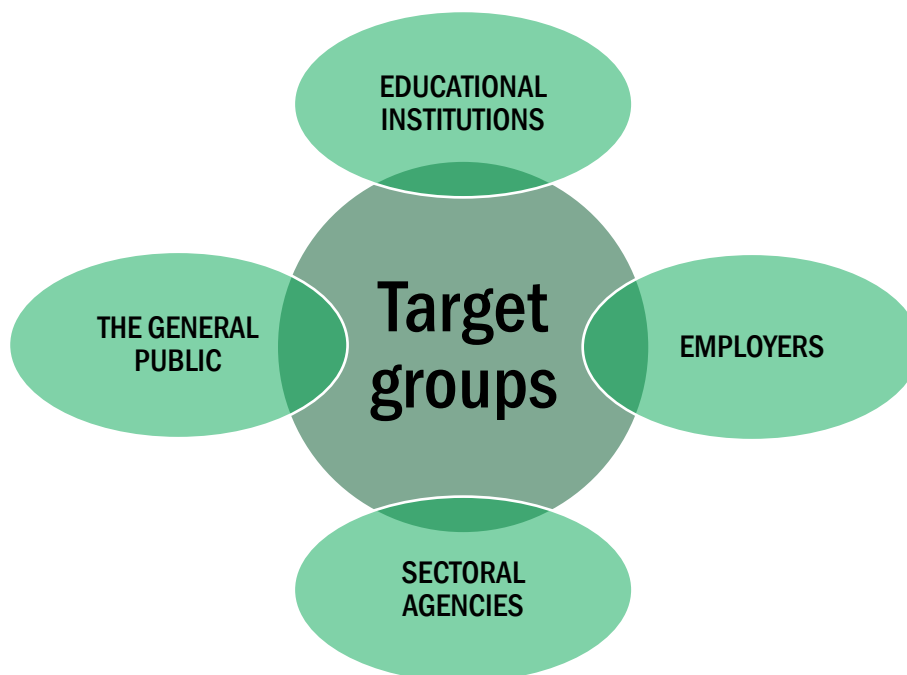
**O4 CROSS-BORDER MOBILITY OF THE WORKFORCE** – Boosting and multiplying the mobility of the workforce between the Romanian and Hungarian side of the border

The mobility is a key factor to create the cross-border labour market region. To this end, several obstacles have to be removed such as language or mental barriers, administrative or traffic difficulties.

## 4.2 Identifying the target groups

The stakeholders have to gain direct or indirect benefits from the achievement of the objectives – influenced by the complex mechanisms of the results and impacts. The Joint Employment Strategy concentrates on different people and organizations divided into four main categories.

*25 Target groups of the Joint Employment Strategy*



**Educational institutions** offering vocational trainings are one of the most important target groups, as key actors that can ease and manage the lack of skilled workforce which was identified as one of the reasons of the local labour market problems. Based on the different benefits, two subgroups should be distinguished:

- **Students** of vocational training institutions or schools providing secondary education (including adult students who attend trainings) will directly benefit from the activities when choosing a profession and/or a job and also through the improved training conditions.
- **Managers and professionals** of vocational training institutions will benefit mainly from the networking and capacity building activities.

According to the plans, at least **10 vocational training institutions** will be involved from the cross-border region.

**Employers** will gain advantages indirectly from the activities: a bigger supply of skilled workforce meets their demand thus reduces vacancy periods, allowing them a more efficient organization of work and being more productive and competitive. Both SMEs and bigger companies will be able to enhance their productivity and competitiveness by handling labour shortages due to the demand-driven trainings.

From a sectoral perspective, **the activities will mainly focus on the construction industry** (as an already important area) **and tourism** (which is on the rise).

- In case of SMEs (approx. 60,000), the share of construction industry in the region's GDP is 6% and the touristic sector's share is 18% - the estimation is that the activities will reach **20% of the thematically relevant SMEs** (approx. 2,800).
- Considering that the share of companies bigger than SMEs is extremely low in all EU countries (approx. 0.1%), the maximal potential number of this subgroup is **60 larger companies**.

As an important result, the activities will bring together all the **relevant institutions in the field of employment and training** of the cross-border area to establish a **common sustainable institutional network**. The professional capacity of tax offices, social service offices, business support organizations, economic development agencies, chambers of commerces, etc. will increase, and they can handle common challenges more effectively. At least **20 organizations** (represented by 2-2 people) will be involved from each side of the border.

As the interventions contribute to the economic growth of the region, they will be beneficial for almost the entire population as the **general public** of the targeted area. The **employability** and the **quality of life** of the local inhabitants will increase; they can buy more products and use more services offered by local enterprises in a more efficient way. The combined population of Csongrád and Timis counties was 1,101,737 persons in 2018. Potentially, they might all benefit from the results depending on their personal – especially their current and future employment – status, but also by the improved economic situation of their families in case the project affects one of their family members. It is realistic to estimate that the activities will reach at least **10% of the population** of the counties, i.e. **110,000 inhabitants**.

### 4.3 Action Plan

The JEDI project has **three main implementation work packages** (WPs). Every one of them is **connected indirectly to O1 CROSS-BORDER LABOUR MARKET BALANCE** (the most general specific objective), but otherwise, all three is a direct contribution to one of the other three specific objectives described previously.

**O2 IMPROVED CONDITIONS AND OFFER OF VOCATIONAL TRAININGS** concerns the attractiveness and efficiency of vocational trainings and in this project, this manifests mainly through large **infrastructure investments** (developing trainings sites). Since the Strategy aims to offer widely applicable, adaptable and repeatable low-cost solutions to the problems addressed here, we will not detail the exact nature of the construction activities – the individual feasibility studies will contain every necessary information about them. However, it is important to note that vocational training infrastructure is a crucial element of the core problem and has to be taken into account at some point, despite the available 'soft' activities. **Identifying the problematic areas/vocations and trying to make them more desirable by offering high-quality training institutions must be done in order to achieve the joint vision** – every cross-border area has to keep this in mind when reading this Strategy and using it as a guide. In the case of this project, the affected vocations are mostly connected to the **catering industry** – the construction and equipment of **kitchen, catering and food processing training sites**.

**O3 BETTER CONNECTIVITY OF LABOUR MARKET INSTITUTIONS AND STAKEHOLDERS** is focusing on spanning the institutional gaps that currently hinder cooperation by increasing the connectivity of institutions and stakeholders influencing employment in the region – *Intervention 2 (WP T3): Joint institutional cooperation in the field of employment and training* deals with this specific objective, while *Intervention 1 (WP T2): Mapping, networking and joint development of the labour market of the target area* correlates with **O4 CROSS-BORDER MOBILITY OF THE WORKFORCE**. These two WPs make up the **two main intervention areas of the Strategy**, detailed in the following subchapters.



#### 4.3.1 Intervention 1 – Mapping, networking and joint development of the labour market of the target area

As already stated previously, the **lack of skilled labour** is a serious problem on both sides of the border. While cross-border workforce mobility could partly solve this, there are no existing mechanisms for it – but there are several obstacles in its way (language barrier, inadequate transport connections, lack of information and networking, administrative differences, etc.). The fact that vocational training lost its attractiveness for the younger generations due to its low prestige is only exacerbates the issue. To address this complex challenge, two approaches can be taken:

- On an **individual level**, people – jobseekers, but also students – must connect with companies (SMEs, for example) that can hire them and vocational schools that can provide training for them from both sides of the border (raising the attractiveness of these training sites is the goal of WP T1).
- On an **institutional level**, relevant actors of the field should work together in harmony to create a unified cross-border labour market fabric that can be easily navigated by them – and the students/jobseekers.

These methods can only be realized through ‘soft’ activities – events and programmes that target these groups and try to bring them together. This intervention deals with the first approach: **encouraging and supporting direct contact between the demand and supply side of the cross-border labour market on the lowest level** (the individual). Its activities can be structured into two categories:

1. Acquiring a deeper understanding about the needs of the target groups through thorough research – the **theoretical phase**;
2. Providing information and professional support for the individuals about the scope of their possibilities – the **practical phase**.

The second category can be divided in two based on its main audience: **jobseekers/potential employees** and **students**.

This intervention area is mainly **the responsibility of PP2** (DKMT) but every partner will participate in its activities and provide inputs.

##### 4.3.1.1 Development of the cross-border labour market

Ensuring that the planned ‘soft’ activities are truly connected to the issue at hand and will deliver the required results, this activity is based on theoretic work: the **creation of a professional background** to the later events and programmes based on current labour market data (gathered first-hand) – the scope of this research phase is much wider than the work surrounding this Joint Employment Strategy developed during the CN phase: it will be based on an **empirical approach** and significantly more time to elaborate it.

It involves the following individual elements:

- **case studies** about best practices in similar cross-border areas of Europe, including recommendations for Romania/Hungary;
- a **study tour** – for a deeper look and understanding – on the site of one of the best practices identified in the case studies;
- a **survey** about the exact needs of companies in the Romanian-Hungarian cross-border area (i.e. in at least Csongrád and Timis counties, but possibly more);
- a **situation analysis** (inventory of needs) about the supply and demand side of the labour market;
- a **cross-border regional strategy** focusing on the lack of skilled labourers; and
- an **information event** to promote the results and conclusions of the strategy.

#### *Case studies*

PP2 (DKMT) – with the help of experienced external experts – will identify **5 best practices in similar cross-border areas of Europe** and prepare case studies (summary reports) about them. The goal of the documents is to provide an overview of the different methods other countries implement to deal with the following problems:

- the ‘infamous’ nature of vocational training and its low prestige;
- the lack of skilled labourers in selected fields of the economy;
- the underdeveloped nature of cross-border workforce mobility; and
- the insufficient connections and networking between important stakeholders on both sides of the border.

The reports – based on the elaborated methods – will also contain **recommendations for the partners and other relevant actors of the Romanian-Hungarian border region** (most importantly Csongrád and Timis counties) on what steps they should take in the future: this part will ensure that the best practices will not only be examined but adapted and even used in the local context. The documents will be written in English.

#### *Study tour*

After concluding the case studies, PP2 (DKMT) should select **one of the five good practice locations** based on the local needs of the Romanian-Hungarian border area (the one that fits the situation the most); a study tour will be organized, helping the partners to understand the chosen practice more and in its context. Two people will participate in the tour from every partner – since the destination will only be decided on later in the project, PP2 foresees a 4-day event: the costs should cover accommodations for 12 people for three nights, transportation and meals.

### *Company survey*

To have a clear, accurate and – more importantly – current view of the needs of companies in the region, a **detailed questionnaire survey** can be prepared: based on the partners' jurisdiction, it would be a smart idea to include an additional county (Arad) in the sample. The goal is to reach 50 companies per county, therefore, altogether 150 companies from the Romanian-Hungarian cross-border area. The survey should gather data about the following questions (among others):

- What is the companies' (average) **annual rate of staff turn-over**?
- What type of **positions** do they generally have to fill in? What are the usual **requirements**?
- Is there any reason they would not access **government services** for hiring?
- What kind of **other services** have they used, and would they be interested in (job fairs, orientation events, etc.)?

The survey will be organized by PP2 (DKMT) in the native languages of the chosen companies (Hungarian or Romanian).

### *Inventory of needs*

Based on the company survey, a **situation analysis** will be elaborated about the **supply of employees** and the **demand of employers** of the region. The document will be written in English and in the joint cooperation of PP2 (DKMT) and PP6 (CCIAT) – the latter partner will employ an **internal expert for the duration of the activity** to make its implementation smoother.

### *Cross-border regional strategy*

Since the **construction, catering and food processing industries** have already been identified as preliminary priority sectors that suffer the most from the lack of skilled labour in the region, the strategy – also taking into account the previous activities' results – will concentrate on these areas. This document will have a more direct and specific approach to the problem at hand than this Joint Employment Strategy – to make it more accessible to stakeholders in the region, it will be elaborated in Hungarian and Romanian (with a short executive summary in English) by PP2 (DKMT), utilizing the help of the Romanian partners with its translation.

### *Information event*

PP5 (CJT) has the responsibility to promote the final strategy during an information event with at least **40 participants**. Since the document will be available in three different languages, its promotion should be an easy task with the right amount of preparation.



#### 4.3.1.2 Professional support of potential employees/jobseekers

Creating a **sound strategy tailor-made to the Romanian-Hungarian border area** is only the first step to address the challenge detailed in this document. The written word must be matched with **corresponding actions/interventions** that contribute to surmounting the obstacles in the way of development. In this activity area, the emphasis is on the individuals: **jobseekers**, people who need information about the current job – and even vocational training – opportunities in the border region; and **students** in their last years of study who will join the labour market soon enough. The events foreseen will **encourage and support direct contact between the demand** (i.e. companies) **and supply** (i.e. people) **side of the cross-border labour market**, divided into two different groups based on the main audiences mentioned above: jobseekers/potential employees and students. **These target groups must be aware of their possibilities not just in their local area but on the other side of the border, too**, according to the results of the cross-border labour market study. This activity group contains the following elements:

- printing information **leaflets** containing the necessary legislative knowledge for jobseekers in the Romanian-Hungarian border area;
- creating an **Info Point** in Hungary;
- organizing regular **information events** for potential employees;
- holding cross-border **employment fairs** as a meeting ground for companies and jobseekers; and
- facilitating joint **workshops** to improve labour matching.

The activity group's responsible partner is **PP2 (DKMT)**.

##### *Leaflets*

The project partners believe that it is best to limit the elaboration of printed materials for environmental reasons but for some target groups it can be useful to have some kind of document to distribute face-to-face. Therefore, **3000 professional content-providing leaflets** will be made **in two languages** (Hungarian and Romanian), containing the most relevant **Hungarian and Romanian labour laws/regulations/legislation** for jobseekers in the region. This task will be elaborated by PP4 (HE). The design of the leaflet must follow the **AIDA formula**, coined by Elias St. Elmo Lewis. It must grab people's **Attention** with an eye-catching style, it needs to keep their **Interest** by delivering the promised service, it has to make them **Desire** the offered solution and encourage them into taking the appropriate **Actions**.

##### *Info Point*

PP2 (DKMT) proposed the creation of an **Info Point** in Szeged, on their premises, where the **staff member** responsible for the new institution can **collect information, publish it** on a website and **provide answers for the questions of interested parties** (mostly jobseekers) during the project (and possibly after it). The Info Point will also have a major part in organizing the informational events described in the following paragraph.



### *Informational events*

The informational programmes will serve as one of **the largest events that can draw the majority of the targeted participants** – there will be **24** of them overall: 8 in every affected county (Csongrád, Timis and Arad) during the implementation. These events are for the jobseekers, informing them about their **working and training possibilities and the respective legislation on the other side of the border**.

### *Employment fairs*

The most recognized event that provides a meeting platform to employers, recruiters and jobseekers is the **job fair**. Potential employees attend it to orientate themselves in the current labour market offers and make a good impression on potential employers: they can fill out a résumé and ask questions (and vice versa). This Strategy suggests the organization of **2-2 employment fairs on both sides of the border**: the responsible partners should be PP4 (HE) and PP6 (CCIAT) – each event should take only a day. At the employment fairs organized in **Romania**, CCIAT will ensure the participation of **20 SMEs, multinational companies, stakeholders and other institutions** specialized in the labour market, while in **Hungary**, at least **15 companies** will participate.

### *Joint workshops*

PP6 (CCIAT) will organize **two workshops in Romania** in order to:

- enhance the cooperation of local labour market actors;
- improve labour matching and the employment situation of the eligible territory; and
- support climate change mitigation through the development of green skills and green employment opportunities in sectors based on the local potential.

These events are a bit different from the previous ones in terms of the target group, but their results will hopefully manifest themselves during the employment fairs on the Romanian side: the discussions could open the possibilities for new kinds of job offers and joint activity areas.

#### 4.3.1.3 Professional support of students

As mentioned in Chapter 4.3.1.2., events focusing on students in their last years of study who will join the labour market soon deserve a separate category. This activity group contains the following elements:

- organizing **orientation events** covering the pre-defined professions and focusing on the construction industry;
- facilitating **consultations** for students who are finishing their studies, introducing them their work opportunities/conditions and the companies' expectations; and
- implementing a **student exchange programme** – camps in Hungary for Romanian students to get acquainted with the opportunities offered by practical trainings in some professions.

The responsible partner here is the **LP (SZSZC)**.

### *Orientation events*

**Besides the informational events and the employment fairs, these orientation events are the biggest draw for the general public to participate in the project.** The partnership plans to organize **3** such events, **focusing on the pre-defined professions, and especially the construction industry**. Based on a preliminary planning assessment, we can count on **200 participants in every separate event** which – in the case of success – would mean 600 new additions to one of the indicator's target value.

### *Consultations*

The **three consultations/workshops** are planned for students who are finishing their studies to introduce them to their **work opportunities and conditions** (legal issues, taxation, etc.) – the innovative nature

of these events is that they will give the opportunity for **Romanian companies to introduce their expectations to a Hungarian audience, too.**

#### *Student exchange camps*

As a sort of counterpart to the above-detailed activity, by organizing **two camps in Hungary for Romanian students**, they can try and **get acquainted with the opportunities offered by practical training and the labour market in some professions in Hungary**. The consultations and the student exchange camps will ensure and support that cross-border mobility increases from both sides of the border.

### 4.3.2 Intervention 2 – Joint institutional cooperation in the field of employment and training

As already stated in the summary of Intervention 1, the **lack of skilled labour** is a serious problem on both sides of the border – to address this complex challenge, two approaches can be taken:

- On an **individual level**, people – jobseekers, but also students – must connect with companies (SMEs, for example) that can hire them and vocational schools that can provide training for them from both sides of the border.
- On an **institutional level**, relevant actors of the field should work together in harmony to create a unified cross-border labour market fabric that can be easily navigated by them – and the students/jobseekers.

These methods can only be realized through ‘soft’ activities – events and programmes that target these groups and try to bring them together. Intervention 2 deals with the second approach: **encouraging and supporting professional cooperation between the interested stakeholders of the cross-border labour market** (employment centres, tax offices, social aid organizations, vocational training schools, etc.) **on the highest level** (the institutions).

Its activities can be structured into two categories:

1. Creating an institutional network through **professional – albeit traditional – events** (seminars, conferences, etc.);
2. Developing a closer relationship between the labour market actors through organizing – **practical and more personal – study tours**.

These will:

- connect the different institutions from the Romanian and Hungarian side of the border;
- facilitate the sharing of knowledge/transfer of experiences; and
- provide them with the necessary information and capacity to:
  - o assist the actual jobseekers; and
  - o guide the younger generations towards the professions that are the most needed locally.

#### 4.3.2.1 Creation of a cross-border institutional partnership network

Developing a cross-border institutional partnership can easily become a paper-based endeavour, only focusing on the creation of an official channel with the necessary signed and stamped agreements/paperwork but lacking real purpose and cooperation. The JEDI project partners would like to avoid the establishment of a formal but ineffective network: **the goal is to create a live and vivid cross-border labour market fabric that can be easily navigated – and operated**. Achieving this requires two different approaches:

- Every cooperation has a **formal aspect**: the stakeholders meet in a professional setting (during a conference or a seminar) and form lasting partnerships based on the mutual problems they face and the needs they have.
- For a truly fruitful partnership, it is important to learn from each other – this can only be realized if there is a more **practical aspect** of the network: real opportunities to study the other members' operation and best practices in a less formal setting, forming more personal connections.

Therefore – as already stated in the summary of Intervention 2 –, the activities of this intervention can be structured into two categories:

1. Creating an institutional network through **professional – albeit traditional – events** (seminars, conferences, etc.);
2. Developing a closer relationship between the labour market actors through organizing – **practical and more personal – study tours**.

This activity group focuses on the first category and contains the following two elements:

- facilitating **seminars** for the affected institutions in order to inform them about the novelties, trends and new legislations on the other side of the border; and
- organizing **conferences** to support the establishment of professional connections between the different actors.

#### *Seminars*

Under the aegis of **PP2 (DKMT)**, **8 seminars** will be carried out:

- **4 seminars for labour-, tax- and social aid offices** with the participation of at least 10 people per county and 10 people from the partnership – this adds up to **40 people per seminar**; and
- **4 seminars for employment offices** (with the same specifications) in order to inform each other about the novelties, trends and new legislations on the other side of the border.

The partners will use these events to **develop proper communication channels** among the participating institutions.

#### *Professional conferences*

**PP4** (HE) will organize **two professional conferences** in the topics addressed by this strategy and the JEDI project. The **2-day events** will serve as **best practice presentation opportunities**, beside promoting the project and the Interreg ROHU programme's goals.

#### 4.3.2.2 Organisation of study tours

As already stated in the summary of Intervention 2 –, the activities of this intervention can be structured into two categories:

1. Creating an institutional network through **professional – albeit traditional – events** (seminars, conferences, etc.);
2. Developing a closer relationship between the labour market actors through organizing – **practical and more personal – study tours**.

This activity group focuses on the second category and contains the organization of **study tours to both Hungary and Romania** – the goal for the participants is to **get familiar with the local vocational training system and the newly developed practical training sites** that can serve as good practice examples.

#### *Study tours in Hungary*

**PP3** (SZCSE) will organize **two study tours in Hungary**, mainly for the representatives/employees of **CCIAT** and the representatives/teachers of **training centres and schools** of Timis and Arad counties. During the events, they can **get acquainted with the Hungarian vocational training system** and **visit the (newly developed) practical training sites** as good practices.

#### *Study tours in Romania*

**PP6** (CCIAT) will organize **two study tours in Romania**. Each partner will select the representatives who will take part in this **experience exchange** – overall, **10 representatives from the Romanian and Hungarian partners**. The goal is similar to the study tours' in Hungary, only vice versa, and with a smaller number of participants, **focusing only on the project partners**.

26 Roadmap and responsible partners of the planned interventions

	2019			2020									2021								
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<b>Intervention 1</b>	Case studies (DKMT) Company survey (DKMT) Inventory of needs (DKMT)			Study tour (DKMT) Inventory of needs (DKMT) Cross-border regional strategy (DKMT) Information event (CJT)			Leaflets (HE) Info Point (DKMT) Orientation event (SZSZC)			Info Point operation (DKMT) Informational events (DKMT) Joint workshop (CCIAT) Student exchange camp (SZSZC)			Info Point operation (DKMT) Informational events (DKMT) Employment fairs (HE, CCIAT) Consultation (SZSZC)			Info Point operation (DKMT) Informational events (DKMT) Joint workshop (CCIAT)			Info Point operation (DKMT) Informational events (DKMT) Orientation event (SZSZC)		
<b>Intervention 2</b>							Seminar (DKMT)			Seminar (DKMT) Professional conference (HE)			Seminar (DKMT)			Seminar (DKMT) Study tour in Hungary (SZCSE)			Seminar (DKMT) Study tour in Romania (CCIAT)		

	2021						2022					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<b>Intervention 1</b>	Info Point operation (DKMT) Informational events (DKMT) Employment fairs (HE, CCIAT) Student exchange camp (SZSZC)			Info Point operation (DKMT) Informational events (DKMT) Consultation (SZSZC)			Info Point operation (DKMT) Informational events (DKMT) Orientation event (SZSZC)			Info Point operation (DKMT) Informational events (DKMT) Consultation (SZSZC)		
<b>Intervention 2</b>	Seminar (DKMT)			Seminar (DKMT) Professional conference (HE)			Seminar (DKMT) Study tour in Hungary (SZCSE)			Study tour in Romania (CCIAT)		

## 5 THE INSTITUTIONAL SYSTEM OF IMPLEMENTATION

### 5.1 Organizational background

The proper and successful implementation of the Joint Employment Strategy is strongly influenced by the organizations responsible for it, and they are the same that the ones in the JEDI project. The following principles have to be considered in the establishment and operation of the joint management team:

- detailed planning of the management tasks;
- ensuring daily contact among the management team and the partners;
- compliance with the strict administrative requirements of EU-granted projects;
- maximum utilization of experiences;
- transparency, traceability, controllability, excluding conflicts of interest;
- adequate financial and accounting system; and
- clear responsibility with relevant knowledge and experience in the implementation of cross-border interventions.

Because of the volume and complexity of the planned interventions, the partners will establish and operate a **joint implementation team** consisting of staff members from the partners covering the necessary power and professional competences, as well as a **joint Steering Committee**. The internal processes of the implementation will be regulated by the **internal rules of procedure**.

#### 5.1.1 Organizational structure

##### 5.1.1.1 Joint implementation team

The internal staff of the implementation is provided jointly by the cooperating partners.

*27 Joint implementation team*

Job title	Description	Relevant partner
<b>Management team</b>		
<b>Lead project coordinator</b>	<ul style="list-style-type: none"> <li>- Coordinating, harmonizing and supervising all activities of the partners</li> <li>- Convening and leading partner meetings</li> <li>- Representing the partnership externally</li> </ul>	Szegec Centre of Vocational Training
<b>Lead project manager</b>	<ul style="list-style-type: none"> <li>- Organising and optimising the resources necessary for the productive and effective implementation of the activities</li> <li>- Coordinating internal management and controlling the implementation processes</li> <li>- Continuous communication with the joint implementation team</li> </ul>	
<b>Lead financial coordinator</b>	<ul style="list-style-type: none"> <li>- Overall financial coordination of the activities</li> <li>- Summarizing inputs to progress reports and applications for reimbursement of costs</li> <li>- Continuous communication with the joint implementation team</li> </ul>	



<b>Financial assistant</b>	<ul style="list-style-type: none"> <li>- Financial administration on behalf of the partner and for its activities</li> <li>- Providing input to progress reports and applications for reimbursement of costs</li> <li>- Realises the payments and the proper registration of the expenses in the institution accounting</li> <li>- Continuous communication with the joint implementation team</li> </ul>	
<b>Project assistant</b>	<ul style="list-style-type: none"> <li>- Executing administrative and operative tasks at partner level</li> <li>- Providing input to progress reports</li> <li>- Continuous communication with the joint implementation team</li> </ul>	
<b>Project manager</b>	<ul style="list-style-type: none"> <li>- Organising and optimising the resources necessary for the productive and effective implementation of the activities at partner level</li> <li>- Providing input to progress reports</li> <li>- Continuous communication with the joint implementation team</li> </ul>	DKMT Danube-Kris-Mures-Tisa Euroregional Development Agency
<b>Project assistant</b>	<ul style="list-style-type: none"> <li>- Executing administrative and operative tasks at partner level</li> <li>- Providing input to progress reports</li> <li>- Continuous communication with the joint implementation team</li> </ul>	
<b>Project manager</b>	<ul style="list-style-type: none"> <li>- Organising and optimising the resources necessary for the productive and effective implementation of the activities at partner level</li> <li>- Providing input to progress reports</li> <li>- Continuous communication with the joint implementation team</li> </ul>	Roman Catholic Diocese of Szeged-Csanád
<b>Financial manager</b>	<ul style="list-style-type: none"> <li>- Financial administration on behalf of the partner and for its activities</li> <li>- Providing input to progress reports and applications for reimbursement of costs</li> <li>- Realises the payments and the proper registration of the expenses in the institution accounting</li> <li>- Continuous communication with the joint implementation team</li> </ul>	
<b>Project manager</b>	<ul style="list-style-type: none"> <li>- Organising and optimising the resources necessary for the productive and effective implementation of the activities at partner level</li> <li>- Providing input to progress reports</li> <li>- Continuous communication with the joint implementation team</li> </ul>	Homokhát Euroinregration Regional Development Agency
<b>Financial manager</b>	<ul style="list-style-type: none"> <li>- Financial administration on behalf of the partner and for its activities</li> <li>- Providing input to progress reports and applications for reimbursement of costs</li> <li>- Realises the payments and the proper registration of the expenses in the institution accounting</li> <li>- Continuous communication with the joint implementation team</li> </ul>	
<b>Project assistant</b>	<ul style="list-style-type: none"> <li>- Executing administrative and operative tasks at partner level</li> <li>- Providing input to progress reports</li> <li>- Continuous communication with the joint implementation team</li> </ul>	Timis County Council
<b>Project assistant</b>	<ul style="list-style-type: none"> <li>- Executing administrative and operative tasks at partner level</li> <li>- Providing input to progress reports</li> <li>- Continuous communication with the joint implementation team</li> </ul>	
<b>Project assistant</b>	<ul style="list-style-type: none"> <li>- Executing administrative and operative tasks at partner level</li> <li>- Providing input to progress reports</li> <li>- Continuous communication with the joint implementation team</li> </ul>	Timis Chamber of Commerce, Industry and Agriculture
<b>Financial assistant</b>	<ul style="list-style-type: none"> <li>- Financial administration on behalf of the partner and for its activities</li> <li>- Providing input to progress reports and applications for reimbursement of costs</li> <li>- Realises the payments and the proper registration of the expenses in the institution accounting</li> <li>- Continuous communication with the joint implementation team</li> </ul>	

<b>Acquisition expert</b>	<ul style="list-style-type: none"> <li>- Implementing (public) procurement procedures in compliance with the law</li> <li>- Continuous communication with the joint implementation team</li> </ul>	
<b>Professional team</b>		
<b>Coordinator of WP T2</b>	<ul style="list-style-type: none"> <li>- Coordinating the implementation of WP T2</li> <li>- Continuous communication with the joint implementation team</li> </ul>	DKMT Danube-Kris-Mures-Tisa Euroregional Development Agency
<b>Info Point leader</b>	<ul style="list-style-type: none"> <li>- Daily operation of the Info Point</li> <li>- Administrative and operative tasks</li> <li>- Providing labour market information by phone, e-mail or in person</li> <li>- Continuous communication with the joint implementation team</li> </ul>	
<b>Professional coordinator</b>	<ul style="list-style-type: none"> <li>- Professionally coordinating and supervising the implementation of activities at partner level</li> <li>- Continuous communication with the joint implementation team</li> </ul>	Roman Catholic Diocese of Szeged-Csanád
<b>Coordinator of specific parts of the interventions</b>	<ul style="list-style-type: none"> <li>- Coordinating the implementation of specific parts of the interventions (see Chapter 4.3)</li> <li>- Continuous communication with the joint implementation team</li> </ul>	Homokhát Euroinregration Regional Development Agency
<b>Inventory needs expert</b>	<ul style="list-style-type: none"> <li>- Participating in the development of methodology regarding the inventory of needs</li> <li>- Conducting the process of the inventory of needs in Romania</li> <li>- Analysing and summarizing the Romanian results</li> <li>- Continuous communication with the joint implementation team</li> </ul>	Timis Chamber of Commerce, Industry and Agriculture
<b>Event organizer</b>	<ul style="list-style-type: none"> <li>- Organizing job fairs in Romania</li> <li>- Continuous communication with the joint implementation team</li> </ul>	

The joint implementation team will have at least **2 meetings per year**. In addition to the internal staff, external experts and service providers will contribute to the successful implementation of the activities.

#### 5.1.1.2 Joint Steering Committee

Because of the widespread interventions derived from the Joint Employment Strategy, it is rational to set up a **Steering Committee** to which **all partners delegate one or more representatives** to ensure the proportionate participation in the decision making. The Steering Committee has the following tasks:

- supporting the successful implementation of the project;
- monitoring and evaluating the project's progress;
- decision-making about changes influencing the project's progress;
- approval of project progress reports.

The joint Steering Committee will have at least **2 meetings per year**.

#### 5.1.1.3 Internal rules of procedure

The joint implementation team will compose the internal rules of procedure with the following aims:

- identifying the details of the management procedures to ensure a clear, transparent, efficient and effective task sharing and transferring expertise;
- agreeing on the internal communication rules (e.g. protocol of meetings, preferring online communication, written decision-making process, etc.);
- setting the dates for regular meetings;
- monitoring and evaluating the implementation (quality management); and
- demonstrating proper risk assessment and risk management.

Appropriate internal communication methods and tools will be planned that guarantee regular and clear communication as well as transparent and obvious task sharing between the implementation team members. Some ground rules should be kept in mind concerning the complex multinational environment:

- using **simple, clear language** that is easy to understand;
- being as concrete as possible by avoiding vague messages and misinterpretation;
- **using expressions consistently** in terms of activities and deliverables to avoid misunderstandings;
- **updating the contact list regularly**; and
- **coherent and standard names of the files** produced by the partners.

## 5.2 Monitoring and evaluation

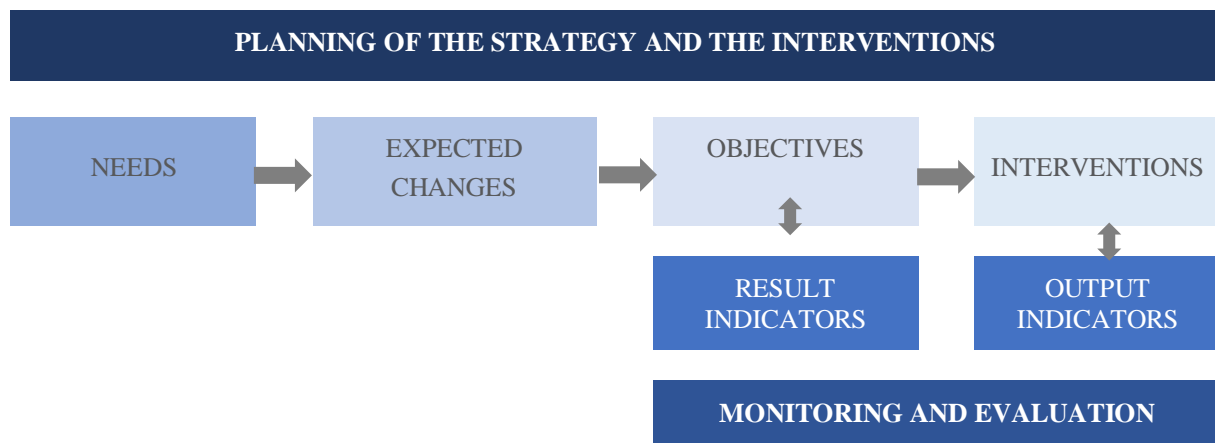
### 5.2.1 Difference between monitoring and evaluation

Monitoring and evaluation provide information about the interventions towards the objectives of the strategy and their impacts. The main questions before planning actions and activities are as follows:

- What are the key challenges to be addressed?
- By what means can be they handled?
- What outputs and results can be expected?

Before answering these questions, the **clear intervention logic**, indicators as well as monitoring and evaluation methods have to be defined.

28 Relationship between the planning and the monitoring and evaluation system



It provides a clear and real picture about the results and impacts only if the current state is analysed before, during and after the implementation of the planned activities. This contributes to the effective and efficient execution of the activities, the optimal allocation of the resources and the sustainability of the results.

The monitoring studies the progression of the implementation, the execution of the deliverables and the compliance with the schedule. As a result, the potential risks jeopardizing the realisation of the objectives can be detected, handled and/or mitigated in time. In contrast, the evaluation answers the question whether the expected results and the intended socio-economic effects are achieved or not.

29 Main differences between monitoring and evaluation

	Monitoring	Evaluation
Description	Analysis of reaching target values of the indicators	Analysis of impacts, effectiveness and efficiency
Target	Follow-up of implementation	Feedback and risk management during and after the implementation

<b>Organization responsible for the task</b>	Implementers of the interventions	External evaluators
<b>Scheduling</b>	Continuously during the implementation and the maintenance period	Ex ante, mid-term and ex-post analysis
<b>Relevant documents</b>	Indicator tables, execution reports	Evaluation reports

### 5.3 Defining the indicators

Indicators measure the progress towards the objectives. They have to fulfil certain criteria, namely, they have to be **specific, measurable, achievable, realistic and time-related** (SMART criteria). The process of identifying indicators consists of the following elements:

- **Definition:** the clear and exact description of the indicators (in this case, the official document titled “*Fact Sheet Priority axis PA3 Improve employment and promote cross-border labour mobility*” [hereinafter referred to as Fact Sheet] has to be taken into account);
- **Baseline value:** change can be measured only if we know the state before the intervention – the baseline value is generally 0 in case of the output indicators;
- **Target value:** a defined value has to be reached at the end of the implementation – the achievement of the interventions is measurable with this numeric value;
- **Method of measurement:** it has to be proved that the actual value of the indicators can be derived from a credible source or it can be measured with a well-defined methodology.

In our case, the Fact Sheet exactly and clearly define the programme output and result indicators and their methodology. As the Joint Employment Strategy is closely related to the JEDI project, the interventions of the Strategy have to obviously contribute to the programme output and result indicators – namely, the **number of participants in joint local employment initiatives and joint trainings** as well as the **employment rate in the eligible area as a percentage of the working age population**.

According to the Fact Sheet, the output indicator “*measures the number of individuals who take part in sustainable joint employment initiatives and/or joint training programmes aimed at employment, according to the legislation in force: interventions that make a contribution to increased employment, addressing the demand side of the labour market by contributing to job creation by employers (through improving the environment – infrastructure and services – for businesses/other employers, conducive to increased employment); by addressing the supply side of the labour market (through improving the marketable knowledge and skills of the labour force) and by better matching labour market supply and demand through the cooperation of employment services, the setting-up and operation of cross-border employment forums involving public sector organizations and businesses and the delivery of regular job fairs. The number of participants includes the number of people participating in training courses, job fairs, work experience initiatives, or workforce hired as a result of the interventions.*”

The interventions foreseen will foster directly or indirectly the achievement of the programme output indicator because they form **a complex matrix of activities and events which involve participants from both inside and outside the partners organizations**. The type of events will be various: job fairs, workshops, surveys, study tours, study visits, seminars, conferences, consultations, orientation events, etc. According to the planned activities, the target value of **2,685 participants** in joint employment initiatives and joint trainings will be fulfilled.

The Strategy will also contribute to the fulfilment of the result indicator because its objectives and planned results are designed to focus on the enhancement of employment in the target area. Some results will have a more direct influence to the result indicator (e.g. job fairs, direct assistance for jobseekers, students’ orientation consultations) while other activities will have a long term positive effect on raising the employment rate (e.g. by improving the conditions for trainings in the much-needed skills and

professions). However, it has to be taken into consideration that **the employment rate has changed very advantageously in the last years as a self-evident result of the naturally occurring recovery after the financial and economic crisis.**

In addition to these programme-level indicators, we define another output indicator derived from the Action Plan: **the number of events** that make a contribution to the increased employment. All events are quantified in the Action Plan, therefore, it is easy to measure the target value of this indicator.

Indicator	Definition	Baseline value	Year	Target value	Year	Source/method
<b>Number of participants in joint local employment initiatives and joint trainings (programme output indicator)</b>	Number of individuals who take part in sustainable joint employment initiatives and/or joint training programmes aimed at employment (participants)	0	2019	2,685	2022	Attendance sheets of relevant events of the JEDI project
<b>Employment rate (programme result indicator)</b>	Employment rate in Csongr�ad county as a percentage of the working age population (%)	67.4	2017	67.4	2021	Data of KSH <sup>4</sup>
				67.5	2022	
				67.6	2023	
<b>Employment rate (programme result indicator)</b>	Employment rate in Timis county as a percentage of the working age population (%)	72.3	2017	72.3	2021	Data of INSSE <sup>5</sup>
				72.4	2022	
				72.5	2023	
<b>Number of events that make a contribution to the increased employment (output indicator)</b>	Number of events implemented in accordance with the Action Plan (piece)	0	2019	54	2022	Administrative documents of the events (invitation, attendance sheet, photos)

<sup>4</sup> KSH: Hungarian Central Statistical Office

<sup>5</sup> INSSE: National Institute of Statistics of Romania

## 5.4 Risks and mitigation

Risk management is a complex process to avoid potential factors jeopardizing the successful execution of the interventions as well as to mitigate their possible negative impacts if they happen. Legal, policy, social, economic, financial, organizational and other risks can occur during both the implementation and the maintenance period. They can be categorized as internal and external factors depending on the fact if they can or cannot be influenced by the partners.

In this chapter, we:

- identify the **potential risks**;
- estimate the **probability** of their occurrence and the extent of the presumed **impact** (low/medium/high); and
- propose **tools** for risk management and risk mitigation.



30 Risks of the Joint Employment Strategy

Risk	Description	Likelihood	Extent of the impact	Risk management measures
<b>Financial and economic risks</b>				
<b>Changes in the budget of the interventions</b>	Despite the thoughtful preparation, the amount of some interventions can differ from the planned ones as a result of (public) procurement	medium	medium	Precise budget planning Indicating available amount in the requests for proposal Sufficient flexibility of the partners and the MA and JS linked to the redistribution of the budget and the generated savings
<b>Delays in financial schedule</b>	Delay of interventions can cause that the predefined financial schedule is not fulfilled	medium	low	Continuous monitoring of the implementation and the indicators Modifications of the schedule if necessary and possible
<b>Disadvantageous macroeconomy tendencies</b>	Although the partners fulfil all interventions, some adverse macroeconomic changes can hinder reaching the positive impacts at local, regional and cross-border level	medium	high	Continuous monitoring of the macroeconomic processes, making worst-case scenarios Sufficient flexibility in terms of interventions (modifications if necessary and possible) Creating an extensive professional network with the involvement of all relevant stakeholders during the implementation that makes the sustainability of positive impacts on the labour market possible in the long run

Legal and policy risks				
<b>Disadvantageous changes of the legal environment</b>	The national laws regarding employment, education and vocational trainings often change – in extreme cases, these amendments can jeopardize the implementation of the planned interventions	low	medium	Continuous monitoring of legislative changes Sufficient flexibility in terms of organizational structure and interventions Proactive participation in the codification
<b>Disadvantageous changes of the policies</b>	Although the objectives of education and employment policies are relatively constant, their methods and tools often change both at EU level and in the Member States	low	medium	Continuous monitoring of policy changes Proactive participation in policy dialogues
Organizational risks				
<b>Conflicts within the partnership</b>	The professional or even personal conflicts can influence the successful implementation	low	high	Balanced partnership Common elaboration and approval of internal rules of procedures Proper task sharing and communication methods
<b>Changes in the joint implementation team or the joint Steering Committee</b>	Although the Joint Employment Strategy is considered rather a short-term document, staff changes are not unfeasible – these can result in changing approaches and interpretation of tasks as well as erode the commitment of the staff members	medium	medium	Minimalizing the staff changes Thorough preparation of new team members in case of staff changes Elaborating and using internal rules of procedure
<b>Lack of appropriate professionals</b>	The joint implementation team consists of many professionals with different skills, competences and experience – not finding them can cause differences and/or overload within the organizations	low	medium	Conducting a thorough selection process at the right time Offering competitive wages

Social risks				
<b>Undermotivated target groups</b>	Although both the employees and other labour market stakeholders can derive benefits from the interventions, it is possible that addressing, involving and activating them will be difficult	low	low	<ul style="list-style-type: none"> <li>Elaborating and using a detailed communication plan</li> <li>Pre-analysing needs and expectations</li> <li>Presenting benefits and opportunities</li> <li>Strengthening the commitment of the partners and all relevant players</li> </ul>
Implementation risks				
<b>Delays in public procurement</b>	A lot of external service providers, constructors and other experts has to be contracted – if tender procedures take more time than planned, deadlines may not be met	medium	medium	<ul style="list-style-type: none"> <li>Preparing (public) procurements thoroughly</li> <li>Contracting external expert(s) in public procurement if necessary</li> </ul>
<b>Delays in implementation of the activities</b>	As some of the activities build on each other, if any of them cannot be executed in time, this can jeopardize the successful implementation of the whole Strategy	low	medium	<ul style="list-style-type: none"> <li>Compiling a feasible schedule</li> <li>Sufficient flexibility in terms of schedule (modifications if necessary and possible)</li> </ul>
<b>Excessive focus on the performance of indicators</b>	No doubt that reaching the indicators' target values is crucial; however, if partners will focus only on them, they can use such methods during the implementation that offer an easier way for performing the indicators but with limited impacts (in terms of territory or the real needs of the target groups)	medium	medium	<ul style="list-style-type: none"> <li>Using an appropriate monitoring and evaluation system</li> <li>Keeping in mind the objectives and sustainability during the preparation and implementation of the activities</li> <li>Ensuring the balance between the performance of the indicators and the achievement of the objectives</li> </ul>

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