

Agency Theory and its Application to Analyse Contracting-out counselling for third-country national's Transition to Work

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1. Background

Economic crisis has spillover hardship, and PES is contracting-out for welfare service delivery to private agencies.

- BUT agency is rational and pursues self-interest.
- Principal face uncertainty to monitor agency's action

Key features are information asymmetry, separation of ownership and control that is negotiated with rewards and punishment

3. Results

- **Similarity:** PES delegate authority to target agency's information & allocate values/resources
- **Dissimilarities:** CR contract-out counselling governance focus on legal advices/information and beneficiaries' assessment counseling. Austria focuses to assist sustainable labour market inclusion. FI get on multilingualism counselling

2. Gap and Questions

Studies comparing CEE and other EU member states are rare. This study fills in the gap.

- What is the role of PES and PrES in contracting-out counselling under principal-agency relation to enable young third-country immigrants' transition to work in A, FI, and CR? How do they contrast and what is the consequence to immigrants?

4. Conclusion

- Agencies' roles reinforce individual autonomy in corporate governance that steer young 3CIs TTW in Austria, Finland and Czech Republic
- The outcome pointed to accounting monitoring and performance management
- This is relevant in scarce resources redistribution, but can raise eligibility thresholds to targeting those in need, penalise social cohesion, economy, and society.



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