

What the activation programme brings to the most disadvantaged young people?

EVALUATION OF AN 'ACTIVATION WORK PROGRAMME THROUGH SMALL SCALE MUNICIPAL SERVICES' IN THE NEET 25-29 CONTEXT

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Project summary:

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

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

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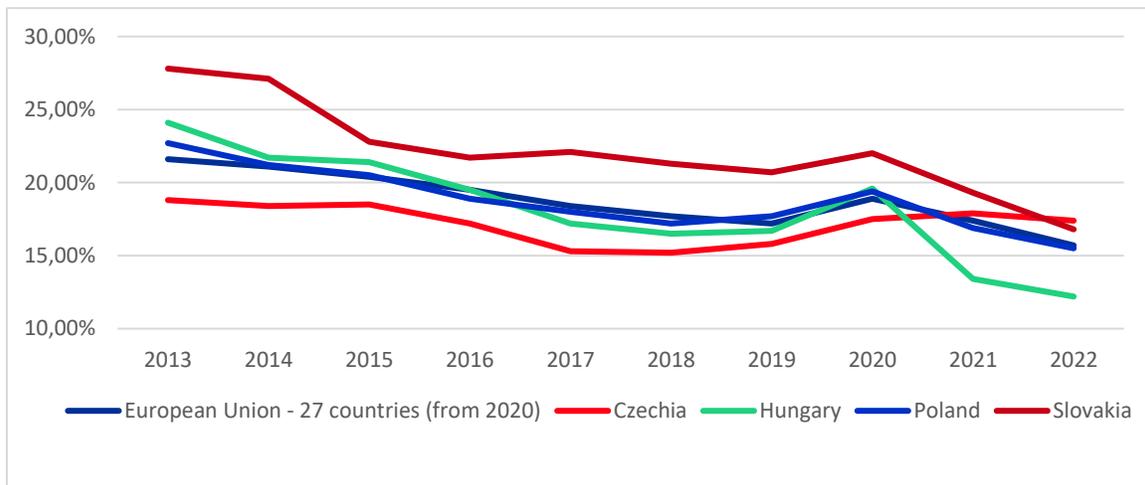
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1. Introduction and context

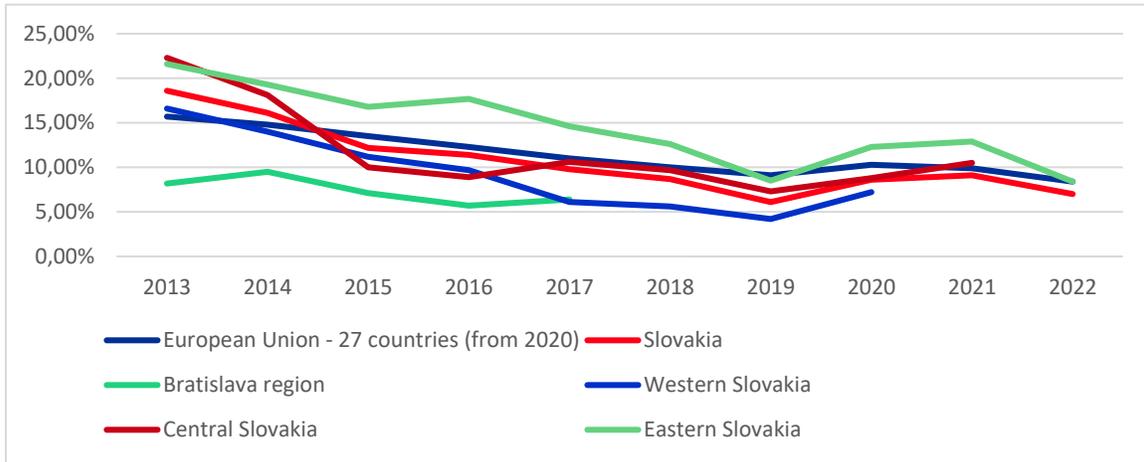
Even though the unemployment rate of young people aged 25-29 and the total number of young people in the category of “not in employment, education or training” (hereinafter as NEETs), is decreasing year-on-year in Slovakia, the decline is not being achieved in relation to several groups of young people. The distribution of young people who are unemployed or categorised as NEET in Slovakia is strongly regionally, socially and ethnically conditioned.

Figure 1. Young people neither in employment nor in education and training, age 25-29



Source: Eurostat EDAT_LFSE_20__custom_6690448

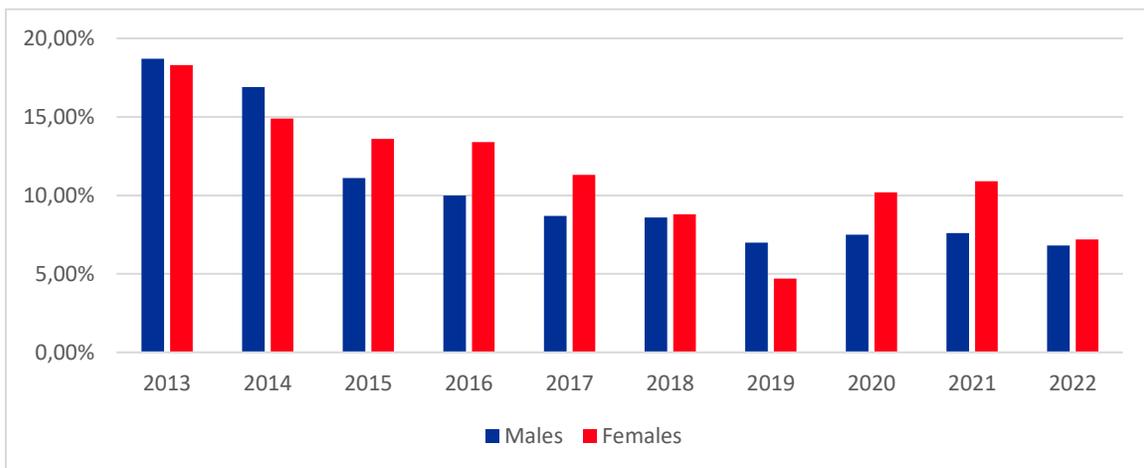
Figure 2. Youth unemployment rate, NUTS2 division, 15-29 age



Source: Eurostat YTH_EMPL_110 (note: data for later periods are missing in some regions)

Based on Eurostat data, it can also be argued that women are more represented in the NEET group aged 25-29, and that the representation of women in the unemployed group is also more pronounced in the recent period.

Figure 3. Youth unemployment rate in Slovakia, age 25-29, by sex



Source: Eurostat YTH_EMPL_110

Based on field research, it is evident that the likelihood of becoming NEET is significantly determined by a young person's social background and, as with the education system, which "reproduces patterns of socio-economic advantage rather than contributing to a more equal distribution of learning

opportunities and outcomes" (OECD, 2014), the social system does not effectively assist in overcoming the social challenges faced by the most disadvantaged.

Young people from disadvantaged backgrounds face a significantly higher risk of being NEET and remaining in the NEET-group in the long term. This statement is confirmed by the level of social mobility in Slovakia, which is limited compared to other countries (Džambazovič, 2018).

In terms of exclusion from the standard education system and consequently the labour market, young people from marginalised Roma communities and young people with severe health disabilities can be considered the most vulnerable groups.

However, society's expectations of these two groups of young people can be assessed as very different. While in the case of young people from an ethnic minority background (especially those with the Roma origin), participation in the labour market is expected and demanded by general population, and inactivity is judged as a failure; young people with health disabilities are often pushed into the opposite situation and are often seen as incapable of any kind of participation whatsoever. In both cases, the attitudes are very paternalistic and disrespectful of the personal capacities and real possibilities of the individual.

According to the results of the Atlas of Roma Communities 2019 (MV SR, 2019) it can be stated that there are 818 local municipalities in Slovakia, which together 1,043 settlements that the majority considers to be a "Roma settlement". According to the data collection methodology for the Atlas of Roma Communities, the term "settlement" can refer to a cluster of at least 5 houses or 30 adults (MV SR, 2019).

The number of people in the marginalized Roma communities (hereinafter as MRC) is estimated at 288,000 people living in 68,000 households (Markovič and Plachá, 2021).

In terms of regional distribution, a significant majority (88%) of people from the MRC live in 3 regions – Prešov (39%), Košice (36%) and Banská Bystrica (13%). 42% of the total population of the Slovak Republic live in these regions; and given the nature of the Slovak economy and the higher concentration of economic activity in the western part of Slovakia, these are generally the poorest regions of the country. Compared to other regions, these 3 regions have the lowest GDP per capita (Markovič and Plachá, 2021) and have the highest registered unemployment rate in the long term.

Given the low number of vacancies and the hypothetical availability of labour force in these regions, the demands on jobseekers tend to increase, thus reducing the level of competitiveness of people from the MRC background in the labour market. In the case of people from MRC, these are often people with low levels of educational attainment and work habits, with limited opportunities for labour mobility, who face high levels of statistical discrimination and a range of structural barriers to labour market entry.

According to the EU-SILC MRC results (Markovič and Plachá,2021), in the one year prior to the survey, 23% of Roma men and 19% of Roma women experienced discrimination on the grounds of ethnic origin, with the most frequent experience being when looking for a job (33%), with men having a worse experience compared to women – 37% vs. 28%.

Despite the unflattering results of the EU-SILC MRC survey, based on the findings from the field, it can be argued that the employment situation of Roma people is improving compared to the past. The reasons for the positive changes are purely pragmatic. Due to demographic trends, the labour market in Slovakia has started to suffer from a significant shortage of available labour. Although more and more employers admit the possibility of a more intensive orientation towards the employment of Roma, people from the MRC background are still among the least attractive groups of potential employees. Opportunities for people from the MRC to improve their income through employment income are still limited and people remain in a state of intergenerational poverty where their only income is benefits paid under the law on material need.

Material deprivation under Slovak legislation is a situation where the income of household members does not reach the minimum subsistence level¹ and household members are unable or incapable of securing or increasing their income through work, the exercise of ownership or other rights to property and the exercise of entitlements.

In the Slovak Republic, the material need benefit is paid at the household level, with the amount of the benefit being determined by the number of so-called jointly assessed persons. Jointly assessed persons are persons who live in the same household as the recipient of the benefit in material need.

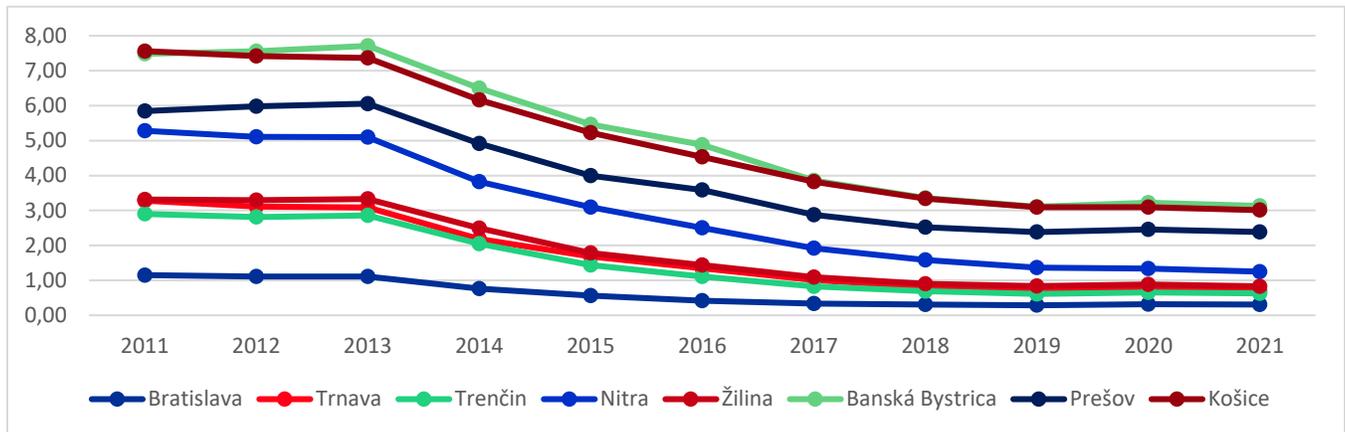
The material need benefit in the case of a one-person household is paid from 01. 01. 2023 in the amount of EUR 74 per month. In the case of a larger household, the amount varies according to the number of household members².

¹ In 2023, the amount of the subsistence minimum is set at EUR 268.88 per month in the case of one adult person, EUR 187.57 per month in the case of another jointly assessed adult person, EUR 122.77 per month in the case of a dependent minor child or a dependent child.

² The amount of the allowance is determined as follows

- EUR 74.00 per month if it is an individual,
- EUR 140.70 per month if an individual with a child or up to four children,
- EUR 128.60 per month for a couple without children,
- EUR 192.40 per month if a couple with a child or up to four children,

Figure 4. Share of recipients of material need benefits in the population aged 15-64 (NUTS3 division)



Source: authors' calculations based on data from the Labour, Social Affairs and Family Office of the Slovak Republic

One of the few alternatives to officially increase the income of a household whose members are in receipt of material need benefits is through the so-called activation allowance.

The activation allowance is a supplementary allowance; its income can be combined with the receipt of the material need allowance.

The activation allowance is intended to support “the acquisition, retention, deepening or increase of knowledge, professional skills, practical experience, work habits for the purpose of increasing labour market employability” (see Act on Material Need). The amount of the activation allowance since 01. 01. 2023 is EUR 75.³ per month for each household member who is registered as a jobseeker at the local labour office, and

- participates in formal education for lower secondary education, or
- has not accomplished his/her second level university education and is a student of a secondary school in an external form of study or a student of a university in an external form of study, or
- participates in reskilling/upskilling active labour policy measures in scope of at least 32 hours over 30 days, or
- carries out activation activities in the form of small municipal services for the municipality, or

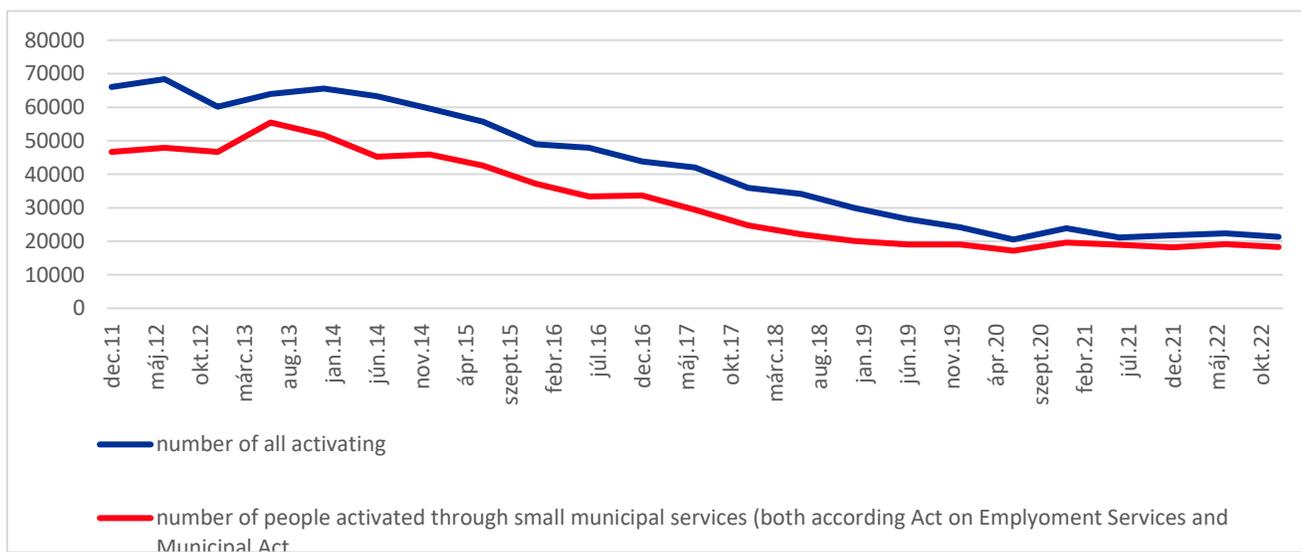
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- EUR 205.50 per month if a single person with more than four children,
 - EUR 259.40 per month if a couple with more than four children.

³ Before 2023 it was EUR 63.07/month

- is undergoing voluntary military training in accordance with the Voluntary Military Training Act.

In December 2022, 21,244 persons benefited from the activation allowance, the majority of whom (18,308) were involved in the performance of small municipal services (e.g., municipal support services such as street sweeping, landscaping, preparatory construction works etc.). For only a small proportion of the beneficiaries of the activation allowance, activation took the form of participation in training or educational programmes (557 persons).

Figure 5. The number of activated in relation to the number of activated via smaller municipal services (irrespective of legislation framework)



Source: authors' calculations based on data from the Labour, Social Affairs and Family Office of the Slovak Republic

As the charts above demonstrate, the number of recipients of material need benefit as recipients of activation allowance is decreasing year-on-year. The decline is due to legislative changes, changes in the labour market, the rise in the minimum wage as well as the low rate of valorisation of the minimum subsistence level, thanks to which fewer and fewer households are able to access the benefit in material need.

2. The design of the initiative

Activation work was introduced in Slovakia in 2004 as part of the reform of the welfare system, replacing the previous measure called “public utility work”. Within the framework of the social system reform, the

activation under performance of activation work through small municipal services was intended as an intermediate step between the status of a passive recipient of a benefit in material need and a full-fledged participant in the labour market.

As one of the authors of the legislative norm treating activation through small municipal services remarked during the interviews conducted, "activation work was seen as a specific measure to fill the gap between the social system and the labour market, and the aim of the measure was to create an instrument through which individuals who are long-term unemployed, who are not of interest to mainstream employers and who are without work habits could acquire these habits and move further into the labour market".

The legislators sought to create a measure that, without any commitment from employers, would create a low-threshold environment for people far from the labour market within which they could acquire work habits and strengthen their basic skills.

One of the problems of activation work through small municipal services for the community is its two-track nature, which was extended to three-track by the further reform of the legislation on material need adopted in 2013.

Since 2004, activation through the performance of small municipal services has been possible under two legislative arrangements – through the Act 5/2004 Coll. on Employment Services (hereinafter as Employment Services Act) and through the Act 369/1990 Coll. on Municipal Government (hereinafter as Municipal Act). In the case of activation carried out under the Employment Services Act, the participant signs the performance agreement with the local labour, social and family office; in the case of activation carried out under the Municipal Act, the participant signs the performance agreement with the municipality. In both cases, only the recipient of the benefit in material need is an eligible participant, and the performance of activation work through the performance of small municipal services is in each case linked to the Act 599/2003 Coll. on material need.

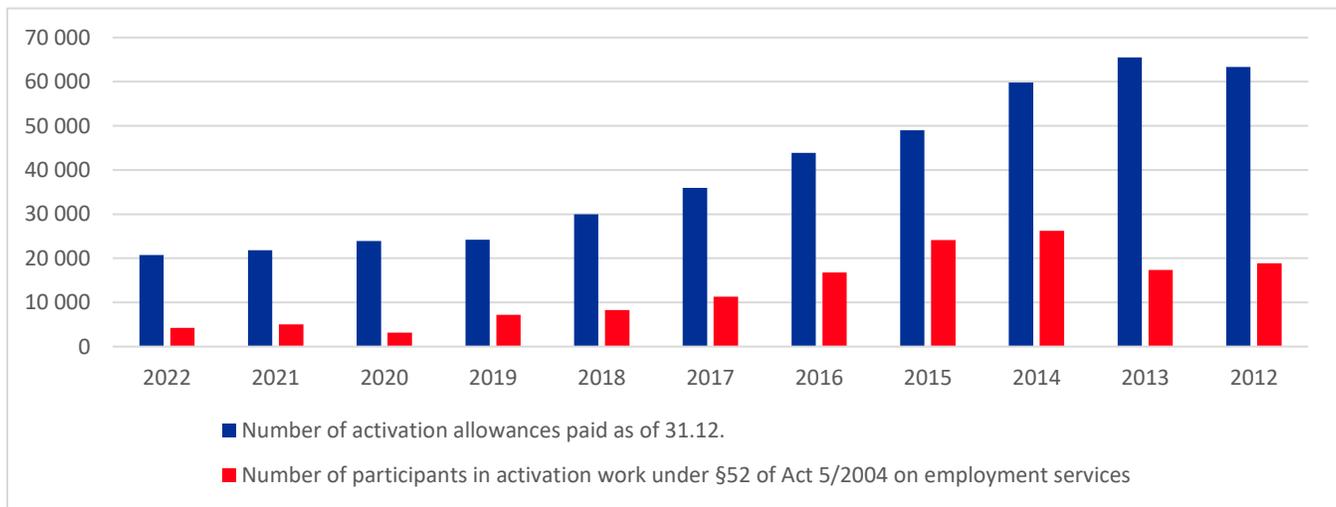
In both cases, the participant is included in the activation programme voluntarily and regardless of the type of participation, the amount of the financial remuneration is identical⁴.

⁴ At the time of the creation of the measure it was 1,500 CSK/month (approx. 50 EUR/month), subsequently it was 63.07 EUR/month and from 01. 01. 2023 it is 75.7 EUR/month.

However, conditions for participation in activation work carried out under the Municipal Act are subtly simpler⁵ and the performance of activation in the form of small-scale municipal services carried out under the Municipal Act is subject to almost no control or coordination by superior authorities.

The number of participants in activation work in the form of small-scale municipal services classified under the Municipal Act is therefore substantially higher than the number of participants classified under the Employment Services Act.

Figure 6. Number of all recipients of the activation allowance in relation to recipients on the basis of activation under §52 of the Employment Services Act



Source: authors' calculations based on data from the Labour, Social Affairs and Family Office of the Slovak Republic

The reform of the legislation in the field of material need from 2013 introduced a third track to the activation work system, which with effect from 1st July 2014 introduced for recipients of benefits in material need who are not included in any of the activation programmes, the obligation to work the basic benefit in material need in the amount of 32 hours per month in the form of small services for the municipality or so-called voluntary activities. The conditions for compulsory work of the benefit are to be provided by the local self-government; in the case that the local self-government does not create the

⁵ E.g., in the context of enforcement under the Municipal Act, a participant does not have to be registered as long-term unemployed in the register of jobseekers, it is sufficient if s/he is unemployed and in receipt of a benefit in material need. In the context of performance under the Municipal Act, the scope of working time can be set at 10-20 hours per week, whereas under the Employment Services Act it is strictly 20 hours per week. The duration of performance under the Municipal Act is set at 18 months, whereas under the Employment Services Act the basic period is set at 6 months, although this can be extended to 18 months.

conditions for work of the benefit, the recipient does not lose the benefit. However, if the municipality creates the conditions and the recipient does not work 32 hours per month, he or she loses the benefit. This legislation has been significantly criticized by human rights organizations because, among others, it has created a situation where two people involved in the performance of small municipal services work under different conditions – one voluntarily, with financial motivation to receive an activation allowance, the other compulsorily, under the threat of losing the basic benefit (Lajčáková et al., 2017).

The subject of this evaluation is the performance of activation work in the form of small municipal services implemented in the meaning of §52 of Act No. 5/2004 on Employment Services, entitled "Allowance for activation work in the form of smaller municipal services for a municipality or in the form of smaller services for a self-governing region" (hereafter referred to as "activation in the form of SMS").

As mentioned above, activation through SMS is carried out on the basis of a contract between a registered jobseeker (hereinafter as jobseeker) and the local labour office within the framework of active labour market measures (hereinafter referred to as ALMM), The measure is intended for jobseekers who is long-term unemployed, i.e. a citizen who has been registered in the jobseekers registry maintained by the Labour office for at least 12 months, and who is a member of a household that is a recipient of a benefit in material need.

The activation through the MSM is carried out continuously by the long-term unemployed jobseeker for a maximum of six months, with the possibility of repeated activation for a maximum of another six months, in the scope of 20 hours per week.

The Labour Office provides the municipality with a financial contribution that can be used to cover part of the costs associated with the implementation of activation work (costs of health and safety equipment, accident insurance for programme participants and reimbursement of part of other costs related to the implementation of activation through MSM) and associated with the salary of the employee who organizes the participants of activation through MSM. The implementation of activation through MSM is also supported by the so-called Activation Centres, which are part of the local labour, social and family offices. However, the role of the latter is marginal in the implementation of activation in the form of SMS.

The main objective of activation in the form of SMS is to support the maintenance of work habits of a long-term unemployed citizen who is a recipient of a benefit in material need.

In the wording of §52 of Act 5/2004 Coll. on Employment Services, small municipal services are "a form of activation activity of a long-term unemployed citizen in material need by carrying out works that are intended for the creation, protection, maintenance and improvement of the environment in the municipality, the improvement of economic conditions, social conditions and cultural conditions of the

inhabitants of the municipality, care for the protection and preservation of the cultural heritage, the promotion of education, the development and provision of social services and other activities in the social field, the development and protection of spiritual and cultural values, supplementary education of children and youth and the development and promotion of community activities".

In practice, however, supply is usually limited to unskilled activities such as cleaning and landscaping (sweeping, watering, snow clearing, etc.), low-skilled works in the maintenance of buildings and grounds (e.g., small construction works, cleaning, etc.), or waste treatment and disposal.

Any long-term unemployed jobseeker, i.e. anyone who has been registered in the register of jobseekers for more than 12 months and is also a member of a household in receipt of a material need benefit, can participate in the SMS activation programme.

Activation in the form of SMS is implemented across the country; however, due to the unbalanced representation of long-term unemployment among the regions of Slovakia, activation in the form of SMS is implemented mainly in the districts of the Prešov, Košice and Banská Bystrica regions.

Participants in SMS activation are listed as available labour force in the register of jobseekers even during the activation. Thus, the activation does not offer the benefits of employment (e.g., the performance of activation work through the SMS does not count as the time spent in the employment) and participants are still listed as jobseekers.

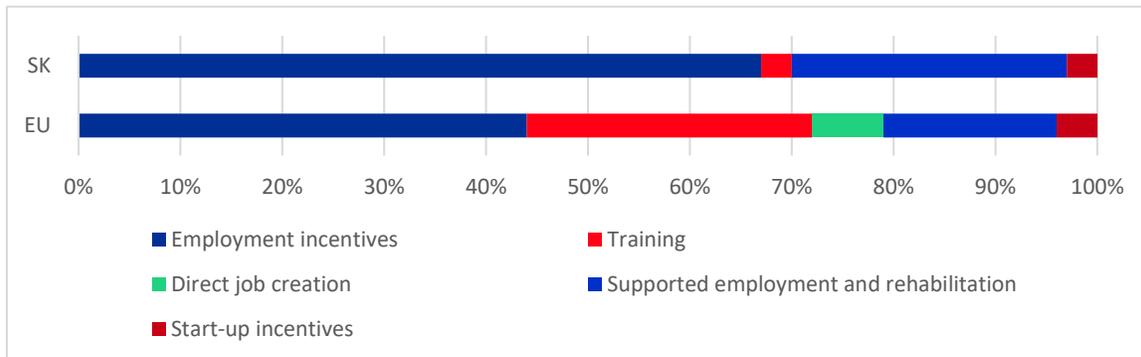
3. Descriptive statistics

Activation in the form of SMS, unlike several other active labour market policy measures (ALMPMs), is not a measure that is specifically targeted at young people. However, it is one of the few measures that reach the most disadvantaged groups of young people.

For several measures specifically targeting young people, different demands are placed on the applicant, which automatically disqualifies the most disadvantaged applicants. In the case of other measures specifically targeted at young people, field research suggests that the most disadvantaged groups of young people are often squeezed out due to the creaming effect. This means that young people who are best prepared and would often be able to get into the labour market without external help are included in the measures, leaving no room for the participants who need the most help.

The structure of the ALMPM in Slovakia also disproportionately focuses on the implementation of activities aimed at promoting employment through wage subsidies (employment incentives), while measures aimed at promoting employability (as e.g., trainings) targeting young people who do not have sufficient skills to be sufficiently attractive to employers, are usually absent from the offer.

Figure 7. Comparison of the breakdown of active labour market policy expenditure

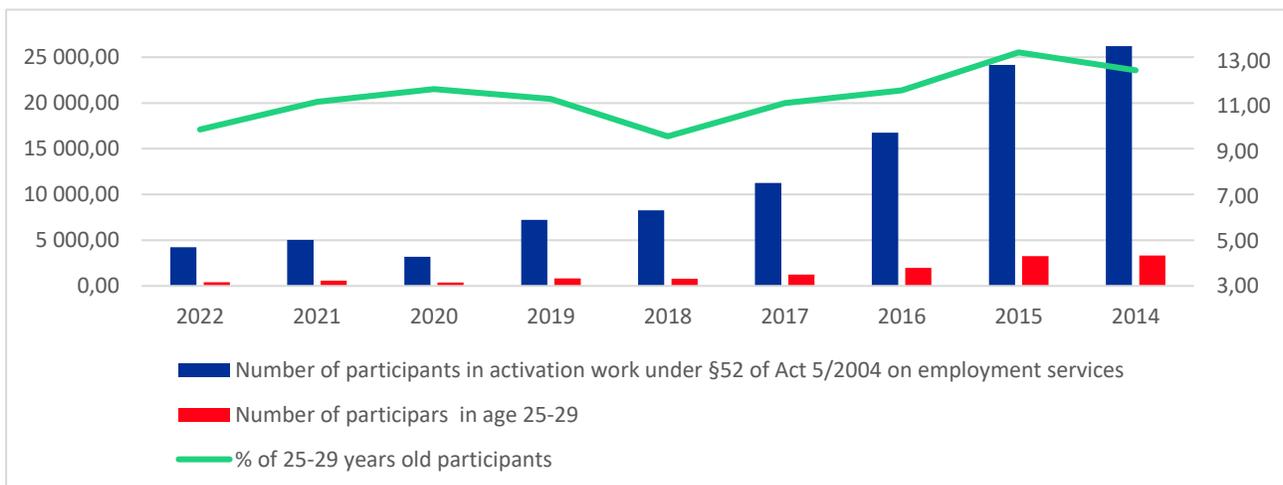


Source: Labour Market Policy Database

The SMS activation programme in 2022 involved 4,221 participants, of which 2,405 were women and almost 10%, or 420 participants, were young people aged 25-29.

Due to the decreasing number of recipients of the material need benefit (see Figure 4), the number of participants in the SMS activation programme is also decreasing. The share of SMS participants aged 25-29 in the total number of participants in the programme has fluctuated between 9-13% over the last ten years (see Figure 8).

Figure 8. Proportion of participants aged 25-29 years



Source: authors' calculations based on data from the Labour, Social Affairs and Family Office of the Slovak Republic

In terms of the main characteristics of programme participants, it can be argued that participants with lower educational attainment (ISCED level 2 and below), participants with lower levels of previous work

experience, longer duration of registration and a higher likelihood of having children in the household are more likely to be included in the SMS activation programme compared to other measures.

There are even differences in the comparison between participants who have been enrolled versus participants who meet the eligibility criteria and could have been enrolled in the programme. The comparison in the table below is made on the group of 1,038 participants who participated in the program in 2018 versus the 56,253 registered job seekers who met the eligibility criteria for inclusion in the program.

<i>Characteristics</i>	Enrolled Participants	Eligible Participants
<i>Previous employment</i>	1.83%	7.39%
<i>Length of unemployment</i>	1018.18 days	686.32 days
<i>Children in the household</i>	26.2%	14.95%
<i>Primary education</i>	44.51%	19.93%
<i>Driving licence</i>	11.85%	44.1%

Source: Dulíková et al, 2022

Based on statistical data, it can be concluded that an individual with lower education, with a longer period of registration in the register of job seekers and living in one of the districts of the Prešov, Košice or Banská Bystrica region has a significantly higher chance of being included in the activation through the SMS than an individual with higher education, with a shorter history of registration and residing in other parts of Slovakia.

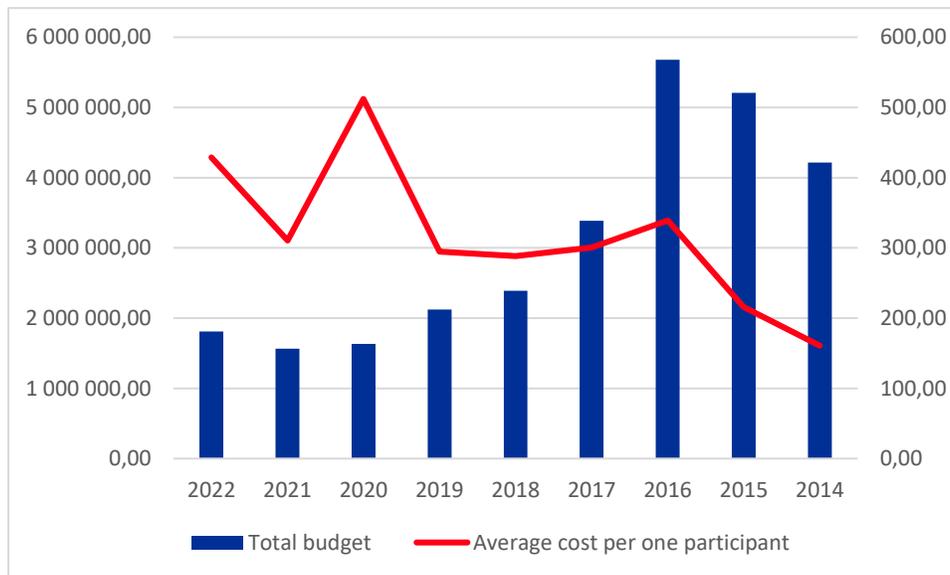
Ethnicity is also a significant factor. Roma ethnicity increases the likelihood of engaging in activation work by up to seven times compared to a non-Roma with the same characteristics (education, age, marital status, labour market status, etc.) (Kurekova et al,2013).

The costs associated with the implementation of the program in 2022 amounted to EUR 1,809,179, which is about EUR 430 per participant. Even though to this amount should be added to the costs associated with the monthly payment of activation allowance, in terms of financial costs, activation in the form of SMS in terms of comparing the number of participants against the realized expenditure, still belongs to the cheapest measures of active labour market policy. In 2022, the share of participants in the activation programme accounted for about 5.1% of all participants in active labour market measures

(excluding information activities), while the cost of implementing the measure accounted for about 1.2% of all costs spent in favour of ALMPM in Slovakia (COLSAF, 2023).

In proportion to the decrease in the number of programme participants, the scale of financial costs also decreases, but this does not necessarily imply a decrease in the average cost per participant. The amount of the cost per participant is mainly influenced by the duration of the participation period in the SMS activation programme, as the amount of the contribution to the costs related to the coordination of participants decreases with the duration of the participation period. Thus, based on the cost statistics, it can be assumed that in 2014 and 2015 participants stayed longer in the activation programme than in the recent past and that the extension of the basic participation period, which is set at 6 months, has been extended more frequently in the past (in the past, there was the possibility to extend the activation period by 12 months).

Figure 9. SMS Activation Programme implementation costs



Source: authors' calculations based on data from the Labour, Social Affairs and Family Office of the Slovak Republic

The assessment of the impact and effectiveness of an activation programme in the form of an SMS has been addressed by several studies in the past. Most of them considered the SMS activation programme as one of the active labour market policy measures (Havran, 2011; Štefánik et al., 2014; Hidas et al, 2016; Karasová et al. 2019, Petráš, 2020; Štefánik et al., 2022; Dulíková et al.,2022), some of them dealt exclusively with the topic of activation work (Kureková et al. 2013; Ravász, 2019; Petráš, 2020).

Only two studies undertook the assessment based on qualitative methods (Kureková et al. 2013; Ravász, 2019), the other identified works assessed the impacts of activation through quantitative, mainly

counterfactual methods of impact evaluation, in which the impact of the programme was measured by comparing the intervention and control groups.

The subject of comparison in all cases was the success of SMS activation programme participants in entering open labour market, which was measured mainly through a proxy indicator, which was the retention and return of the activation participant to the jobseekers' register after completing participation in the activation programme.

None of the identified studies focused on a specific group of participants in the SMS activation programme; all studies also took into account the activation programme implemented under the Municipal Act (see previous chapter for more info on the programme), nor did any of the studies measure impacts in relation to other aims such as labour market participation.

Several works based on the samples from older period, have identified zero, even negative, impact of activation through SMS on employment (Havran, 2011; Štefánik et al, 2014; Hidas et al, 2016; Karasová et al. 2019). However, when considering these results, it is necessary to see the broader context and understand that the difference between social benefit income and wage income, which in the case of people doing activation work usually did not exceed the minimum wage, has not been large in the past⁶. Given the low quality of work that SMS activation programme participants have a realistic chance to achieve, and the low level of awareness of the importance of participation in the labour market from a social insurance perspective (especially in relation to entitlement to old-age or disability pensions), remaining in the position of an activation participant seemed to be an appropriate and rational solution for the participants.

In the evaluations that were carried out later and were carried out on samples from a later period, the impact, although very low, is beginning to emerge (Petráš, 2020; Štefánik et al., 2022; Dulíková et al., 2022). Positive impacts are particularly relevant for the group of participants who participated in the SMS activation for a shorter period of time and for participants who also perform more skilled activities compared to others (e.g., operate a machine, such as a lawn mower, etc.). As in the past, the improved outcomes need to be seen in the broader context of the rise in the minimum wage as well as changes in the labour market, which has begun to suffer from a significant shortage of available labour force and employers have become more open to employing groups that they did not accept just a short time ago.

⁶ E.g., in 2013 the minimum monthly wage was set at EUR 338, in the case of a household with two adults and 1-4 children in which both of adults were involved in the activation, the income from material need benefit in combination with activation allowance reached 283.74, in a household with more than 4 children it was even more, EUR 338.14.

A study assessing the impact of activation through SMS from the perspective of potential employers could not be identified in Slovakia. However, a study from the Czech Republic (Vyhlídal, 2022) certainly provides valuable insights for further research, finding that from the perspective of employers, participation in community service (the Czech equivalent of activation through SMS) has a statistically significant impact in the case of filling low-skilled worker positions, especially for men. The impact decreases proportionally with the level of qualification required, so for skilled blue-collar jobs, the impact is significantly smaller, if still visible.

4. Description of methodology

The evaluation methodology is based on a combination of qualitative and quantitative evaluation methods.

The quantitative methods used a descriptive analysis of the programme and programme participants in a year-on-year comparison, which drew on data collected by the Centre for Social Affairs and Family Work within the Employment Services Information System (COLSAF, 2014 - COLSAF, 2022).

Qualitative methods included a series of semi-structured interviews with several types of stakeholders. These were representatives of local governments implementing the SMS activation programme, representatives of NGOs active in the communities where the SMS activation programme is implemented, representatives of local labour offices and policy makers. Interviews were also conducted with the participants of the SMS activation themselves.

The interviews were carried out in a total of six locations (two locations in the district of Kežmarok, one location in the district of Revúca, one location in the district of Lučenec, one location in the district of Rimavská Sobota and one location in the district of Spišská Nová Ves). A total of 14 interviews were conducted with representatives of organisations (local government, NGOs, labour offices), 2 with other stakeholders and 19 interviews with the SMS activation programme participants themselves. The interviews with the SMS activation programme participants usually lasted no longer than 30 minutes and were informal, unstructured interviews, through which the experience of involvement in the activation programme as well as personal motivations and ambitions were discussed. 17 out of the total of 19 interviewees were aged 25-29 years and 12 out of the total number were women.

The field research was conducted during the months of February and March 2023.

An important source of information was also an extensive desk-research of previous research on the topic of active labour market policy, previous evaluations of activation programmes in Slovakia and social policy in Slovakia.

5. Evaluation questions

5.1 Relevance

Activation programmes are a standard part of active labour market policies and through their implementation the participant can often gain certain benefits or by refusing to participate the participant is penalised in a particular way.

Although activation in the form of SMS is part of active labour market policy and is implemented in the context of employment services, its implementation is intertwined with legislation on material need. Thus, only long-term registered jobseekers who are also recipients of material need benefits (living in a household receiving material need benefits) can participate in activation programmes in Slovakia.

Individuals who are long-term out of the labour market or education, but who do not live in a household whose members are in receipt of material need benefit, are excluded from the participation on the activation programmes. This practice creates unequal access to activation of the long-term unemployed and reinforces the importance of the element of the opportunity to earn additional income (through the activation allowance) in the implementation of the activation programme, instead of the element of strengthening work skills and chances to enter the labour market. However, the fact that the programme is only eligible for people who are registered as long-term jobseekers and must also be in receipt of a material need benefit may also be interpreted as evidence of the stigmatisation of poverty, which is not exceptional in Slovakia, or as a lack of interest of active labour market policy in dealing with jobseekers who, although registered for a long time, do not immediately represent a significant financial burden for the public finance.

One of the main characteristics of activation through SMS is significant ethnic homogeneity. This is not confirmed statistically, as the Labour, Social Affairs and Family Offices do not collect data of an ethnic nature, but it is evident from the field research as well as the interviews carried out, and people from marginalised Roma communities are most often included in the performance of activation in the form of SMS.

This observation was also confirmed by interviews with representatives of local labour offices, where the workers themselves stated that one of the few measures they offer to young people from the MRC is participation in activation in the form of SMS. This practice is not necessarily conditioned by the racist attitudes of a particular labour office employee or a programmatic lack of interest in the integration of young people from the MRC. However, the absence of other appropriate measures that reflect the capacities, needs and specific situation of young people from the MRC plays an important role.

Slovakia has long been one of the EU countries with the highest share of long-term unemployed compared to the total number of unemployed. By the end of 2022, this share reached 44% (statistics of COLSAF). Due to this situation, public employment services pay quite a lot of attention to the issues of long-term unemployed job seekers, which is also an international debate on the development priorities of Slovakia (COM, 2018). Several so-called “national” ESF-funded projects are addressed in particular jobseekers who are on the register for a long time or are disadvantaged on the labour market. This trend is also supported by DG Employment, as demonstrated for example by the adoption of the so-called “Action plan to strengthen the integration of the long-term unemployed into the labour market in the Slovak Republic” (Štefánik et al, 2022). This was adopted back in 2016 at the level of the Human Resource Operational Programme Monitoring Committee and described specific measures to be implemented by the Ministry of Labour, Social Affairs and Family in cooperation with relevant actors within two years from the adoption of the document in order to reduce the rate of long-term unemployment – i.e., among other things, to reduce the number of potential participants in activation programmes.

One of the achievements is, that since this time the position of guidance and training programmes in the structure of active labour market policy has been significantly strengthened. However, despite the significant strengthening, their scope is still only marginal (in 2021 they represented 3% of the total budget allocated to ALMPs, while the average in EU countries was 28%) and the main role is still played by programmes aimed at subsidising the wages of a worker with a specific employer (in 2021 the costs of these measures represented 67% of the total budget allocated to ALMPs, while the average in EU countries was 44%) (see figure 6).

Programmes aimed at supporting the employment of the long-term unemployed through subsidising the labour cost of a disadvantaged employee play key roles in the active labour market policy system in Slovakia. However, the frequent problem of ALMP measures regarding SMS activation programme participants is their poor responsiveness related to SMS activation programme participants and the frequent mismatch between supply and demand. In addition to subsidising the total labour cost of a disadvantaged employee, employers also expect the candidate to be ready for work. Employers typically lack the capacity to address the wide range of issues that prevent SMS activation programme participants from entering and succeeding in the labour market. Therefore, even given the high level of statistical discrimination, employers active on the open labour market are still quite cautious about employing SMS activation programme participants. On the other hand, according to several respondents, employers are open to hiring these people mainly in cases of personal reference from the management of the municipality where the activation is carried out or from an NGO that provides additional support. This again highlights the importance of social capital and personal references when

entering the labour market, thus the capital that people from an MRC and SMS activation programme participants do not usually possess.

Several ESF-funded national programmes aimed at supporting the employment of long-term unemployed jobseekers (i.e. also participants in activation through the SMS) also partly contributed to the salary of a mentor who accompanied the disadvantaged participant (including former SMS activation programme participants) during the on-the-job transition phase and helped him/her to cope with the work tasks and new situation relation to status of being employed. There is no relevant research on the application of this instrument, but based on anecdotal evidence, it can be argued that the support was exclusively related to the work environment and that the mentors involved, who were colleagues of the disadvantaged employee, who only sporadically and often only intuitively provided the support, while the disadvantaged employee was expected to perform fully from the start of the onboarding process.

According to several interviewees, the public employment services system lacks an element of a kind of sequence in which the participant in SMS activation can gradually and at his or her own pace rise to the level of a full participant in the labour market. As one respondent commented, "you either participate in activation work, which is done in such a way that you don't learn a lot of things, or you are an employee where you are supposed to know everything already. There is nothing in between."

However, the problem is not only the absence of active labour market policy measures that address the needs and capacities of low-skilled and long-term unemployed jobseekers, who often live in locations with poor public transport and a lack of job vacancies. The sparse network of support organisations and services capable of removing barriers to entry SMS activation participants into the open labour market in a high-quality and systematic way is also a significant problem.

Given the structure of active labour market policy and the availability of quality social services, SMS activation programme therefore emerges as the only available active labour market policy measure that programme participants, including young people, can realistically reach and that is realistically offered to them. It should also be understood that the activation programme is more often implemented in regions with a shortage of available jobs, so activation programme participants often have no other option to increase their income than through the activation programme.

The SMS activation programme is therefore certainly relevant and has its place in the employment service system. However, the quality of the performance of the measure with regard to capacity building of the participants and the linking of the measure with other support services and programmes remains an issue

5.2 Coherence

A significant challenge for any social inclusion programmes in Slovakia is the low capacity of service integration and implementation of client case-management approach.

The problem exists not only in relation to the integration of services of different focus (e.g. employment services, social and housing support services, etc.) but also services focused on one area of intervention.

The aim of activation in the form of SMS is to "support the maintenance of work habits and the development of skills of a long-term unemployed citizen in material need" (see §52 of Act 5/2004 Coll. on Employment Services). Due to its target group and its setting, the SMS activation programme is consensually considered to be the lowest level of preparation of a jobseeker for the labour market. In the context of activation through the SMS, it is not possible to speak of labour market participation, as the participants in the programme are not in the position of employees and do not receive a wage for their work, but only a supplementary payment in the form of an activation allowance.

Although the Employment Services Act, which regulates the implementation of active labour market policies, in its original and later versions lists the measures, the gradual implementation of which could successfully lead the participant of activation through the SMS to the labour market, this sequence is almost never implemented in practice.

According to research interviewees, the reasons for this can be found in the limited capacity of labour offices, the uncertain commitment of local governments as well as limited motivation on the part of the participants.

For various, and often highly objective reasons, local labour offices do not have the real capacity to provide or ensure long-term accompaniment of the client, through which they would be able to take him/her through the process from participation in the activation programme to successful placement on the labour market.

In relation to long-term registered job-seekers, the local labour offices are even obliged to create individual development plans, based on which to implement case-management and to provide support in the long term. However, according to several respondents, individual development plans are often implemented formally and without real client participation.

One of the reasons for this is limited human capacities and frequent undersupply of professional capacities in many labour offices, the second reason is the administrative set-up of individual ALMPMs. Most of the active labour market measures are currently financed by the ESF and are of an optional nature, so there is no legal entitlement to the measure. The high level of dependence of active labour market policy on external ESF resources has also caused high volatility in the availability of individual

measures, as they are mainly financed through projects and their duration and availability are conditioned by the existence and duration of a specific project. It is therefore uncertain whether, by the time a participant in SMS activation is ready for a higher level of training/participation in the labour market, an appropriate measure (e.g. a measure administered under Section 50 of Act No. 5/2004 on Employment Services, under which a local authority can create a temporary job for a person who has been registered for a long time in the register of jobseekers) will be available and financed.

Another problem, which stems mainly from concerns about overlapping expenditure, is also the impossibility of combining the different measures. Thus, if a participant in activation through the SMS reaches, for example, a subsidised job created by the local government and during participation in this programme a job becomes available on the open labour market for which he/she needs to complete, for example, a retraining course, he/she is no longer eligible for this, due to participation in another ALMP measure. To be eligible, he/she would have to become a registered jobseeker again.

Another limiting factor for better linking the activation programme with other services, whether in employment services or services in other areas, is also the attitudes and capacities of local governments. Although they do not have activities aimed at promoting employment or employability in their portfolio of core or delegated competences, they are responsible for the implementation of social crisis intervention services under the legislation in force and play an important role in efforts aimed at social inclusion of local citizens. In the context of both areas, promoting employment and employability plays a key role. Therefore, many municipalities are also trying to create even a limited number of jobs with the help of active labour market policies and to offer a job to selected participants of the activation programme. Working for the municipality seems ideal from the point of view of the activation programme participants, as they remain in an environment they are familiar with and feel safe in. In many cases, the type of work activities does not differ significantly either. However, the problem with such jobs is their poor sustainability, which rarely goes beyond the mandatory period. Another problem is the frequent absence of support in finding another, entry-level job that the programme participant could take up once the subsidised job has ended. The local government usually does not have the capacity to provide this type of assistance and the labour offices, once a registered jobseeker is placed on the labour market (even if it is a subsidised job), stop working with former jobseekers, do not provide any additional support and he/she is rarely able to find a next job without external assistance. Therefore, once the subsidised job has ended, these people usually return to the register of jobseekers, where they stay and wait for the opportunity to join other programmes.

Unfortunately, in Slovakia there is no established network of non-public employment service providers or a model of supported employment, under which support could be provided on a continuous basis in

order to achieve the entry and retention of a disadvantaged jobseeker, i.e. a former participant of activation in the form of SMS, in the labour market.

However, the possibility of implementing gradual steps leading from participation in an activation programme to stable participation in the open labour market is often also limited by the capacity of the participants themselves. They are often fixated on participation in activation in the form of SMS implemented in their own community and refuse any change. The willingness of participants to commute even a few kilometres for work is often at a very low level, which makes them able to refuse a real job offer and prefer to stay in the activation programmes and remain in a situation of material need assistance beneficiary. The reasons for such decisions can be interpreted mainly as fear of the new situation, poor interaction with the environment outside their own community/ village as well as mistrust of the possibility to succeed. As one respondent commented, "I was offered a job in the district town, I wanted it too, but I didn't know if they would pay and if it would be good, and if it wasn't good I would lose my benefit, so I decided to stay. Although I would like to have a job and more money, but I'd rather be here."

In the environment in which SMS activation programme participants operate, negative experiences of the working environment are relatively common, so the decision to prioritise staying on an activation programme at the expense of progression opportunities into the labour market can often be driven by very rational thinking.

Despite the challenges outlined above, it is still possible to find several positive examples in the field where an activation programme fits well into long-term work with the client. For example, the practice of the organisation named "People and Perspective" from the town of Krompachy, which is located in one of the poorest regions of Slovakia and the rate of social exclusion of people from the MRC, who are the most frequent participants in activation programmes through SMS, is high. The People and Perspective organisation has been present in the locality for a long time and focuses on increasing Roma employment, with a particular emphasis on young people. In the words of the organisation's representative, up to 50% of the organisation's clients succeed and remain in the labour market in the long term. This can be considered a very high figure compared to other organisations' achievements. A condition for success, in the words of the founder of the organisation, is that they start working with the clients during their inclusion in the activation programme, ideally if the activation programme can be carried out by the clients in their organisation (in the past it was possible to carry out the activation programme through the SMS in the NGO environment). Subsequently, the activation participant moves to a social enterprise run by the organisation, and while working in the social enterprise the organisation tries to help the client to position themselves in the open labour market. In the words of the representative of People and Perspective organisation, the adoption of the Law on Social Economy and

Social Enterprises from 2018 has made the situation a little easier for those organisations that run a social enterprise of labour integration. He sees the activation programme through the SMS as a great opportunity to identify potential employees for the social enterprise and linking these programmes is key.

A similar practice is also implemented by several municipalities, which select the most competent job candidates from among the participants of the activation programme through the SMS and offer them a job, which is created either thanks to a subsidy from the active labour market policy or thanks to the municipality's internal resources.

Based on the above, it can be argued that the SMS activation programme was designed to offer an easily accessible programme of preparation for entry into the labour market, after which the participant would more easily reach programmes leading to entry into the labour market, which creates opportunities for an excellent complementarity of the activation programme with other active labour market policy programmes. In practice, however, the linking of activation programmes in the form of SMS with other support programmes is achieved only rarely and only under the condition of a strong personal commitment of the organisation implementing the support.

Although the current legislative framework does not exclude linkages with other support programmes, whether in the area of employment services or other topics, it does not explicitly support them in any way

5.3 Effectiveness

The literature is rather hesitant in evaluating the effectiveness of the SMS activation programme and tends to lean towards rather negative statements. However, it should be noted that the outcome of the effectiveness evaluation is also significantly conditioned by the formulation of the specific evaluation question.

If the effectiveness of the programme is evaluated through the net impact on the increase in employment of the activation programme participants, the programme cannot be considered effective, as several studies found only a minimal effect (Petráš 2020), others zero effect (Dulíková et al.,2022), some studies even found a negative effect (Havran, 2014, Hidas et al. 2016).

However, based on the conducted field research, it can be stated that the problem of the effectiveness of the program is not so much its setting as its implementation, which lacks the ambition to support either basic or work skills of the programme participants.

The 'parking effect' is significantly present in the performance of activation through SMS, whereby the participant is 'parked' in some easily accessible measure without the ambition and drive to move the

participant into more ambitious and challenging measures (Greer et al, 2018). Participants stay in activation programmes for a long period of time, move to a parallel track of the activation programme (implemented under the Municipal Government Act, see above for more info) after the maximum duration of the programme is completed, and then return to the activation programme through the SMS.

Statements by representants of the municipalities and other programme actors suggest that the transition from the activation programme to participation in other labour market measures or directly into the labour market is proportional to the duration of participation in the activation programme. The shorter the duration, the higher the chances of a successful transition, especially for younger participants. However, it is also a frequent problem that many of the younger participants, especially men, move from participation in the SMS activation programme into the informal labour market and work without employment contracts, very often in precarious working conditions.

However, the success and likelihood of movement toward the labour market is significantly determined by the context of the specific location, the availability of job opportunities, public transport services, as well as the nature of the work that is done during the activation programme.

The findings of the field research highlight that in cases where programme participants are doing more skilled work, or work that has the potential to strengthen the capacity of the participant (e.g. several municipalities are implementing activation in the form of SMS in kindergartens, where young mothers assist in the teaching process, which also strengthens their capacities and improves their basic skills), the chances of an individual participant to participate in other, more demanding ALMPM programmes increases.

However, considering the extent of missed opportunities offered by the programme and the absence of a range of support services that should accompany successful implementation of an SMS activation programme, the effectiveness of the programme in terms of promoting employment can be questioned.

5.4 Efficiency

In terms of the financial costs incurred in relation to the number of participants, the activation programme in the form of SMS can be considered one of the cheapest active labour market measures implemented in Slovakia. In 2022, the share of participants in the activation programme represented about 5.1% of all participants in active labour market measures, while the cost of implementing the measure represented about 1.2% of all costs spent in favour of ALMPM in Slovakia. In absolute terms, this is 4,221 people, while the total cost of the programme implementation in 2022 was EUR 1,809,179 (see Figure 9 above), which is about EUR 430 per participant.

In terms of financial inputs, the activation programme through the SMS cannot be considered demanding in the context of the active labour market policy implemented in Slovakia.

However, the implementation burden of the programme is shifted to the shoulders of the municipalities, which often do not find the implementation of the programme easy.

The activation programme through the SMS has long been criticized for, among other reasons, the possible substitution of paid work by the work of activation programme participants (Mýtna et al, 2013; COM, 2014). Programme participants are often involved in activities such as cleaning of the municipality/city, landscaping of public greenery and public spaces, various low-skilled works or minor construction works, which are normally the subject of paid work supplied by external companies. SMS activation programmes are also often implemented in the municipality only in situations where the municipality needs to provide activities that would otherwise have to be delivered by a contractor for a proper financial remuneration, thus reducing the municipality's expenditure (e.g. the municipality is implementing the construction of a sewerage system, while less demanding works such as excavation are provided by the municipality through the SMS activation programme participants). The effort to save the municipality's funds can certainly be evaluated positively, but it cannot be implemented at the expense of the activation programme participants, who do not receive a salary for their work, but an activation allowance, the amount of which in 2022 was about 20% of the gross minimum wage (in 2023 it is about 22%).

However, based on the conducted research, it can be concluded that the challenges related to the implementation of the programme on the part of the local government are often conditioned by a mismatch between the expectations of the local government and the real capacities of the participants. The local government often expects that programme participants are ready and able to join the work process smoothly and perform fully, but the activation programme participants are not able to meet these expectations, which creates a conflict at the local level. To meet the expectations, the local government often must allocate sufficient and additional staff capacity to coordinate the activation work in the municipality. It is not rare to catch statements from the municipality saying "it cost us more to do it than we would have paid for it" or "it is so difficult to organise activation work that we are considering the possibility of stopping it. Even at the risk that people will lose their income from the activation allowance and the situation in the settlement will get worse".

Despite the intense presence of complaints at the side of the municipalities, it should be noted that many municipalities benefit from the performance of the activation programme and also abuse the programme to maintain a dominant relationship over the programme participants (see more info in the section on impacts).

The evaluation of the efficiency of a programme is largely determined by the aspect from which the efficiency is evaluated. In terms of the ratio of the number of SMS activation programme participants to programme costs, the SMS activation programme can be considered highly efficient. If the question is rephrased to take into account the ratio of participants successfully placed on the labour market relative to the programme costs, the answer will be different.

The efficiency of the programme can also be evaluated from the perspective of the municipalities involved, which, thanks to the programme, gain a powerful tool to enforce their interests in relation to people in material need and thanks to the programme to provide a specific range of services in the municipality, which allows the municipality to save financial resources. Thus, from the municipality's perspective, the programme can also be considered efficient in many aspects, but the efficiency is realised at the expense of the participants in the SMS activation programme.

5.5 Sustainability

Examples of good practice identified in the field, where participation in an SMS activation programme meant that the participant entered the labour market, demonstrate the potential of the programme, which remains untapped in most municipalities and towns.

The problem with SMS activation is the high level of stigmatisation, with the programme being, also according to the respondents' statements, considered as "Roma" or "for people from the MRC background". Due to the high level of stigmatisation of the programme, public authorities (whether municipalities or labour offices) have resigned themselves to the ambitions and expectations of the programme, and participants are often considered "incapable of doing any other work" or "incapable to participate on any other ALMPM".

On the other hand, there is still a high interest among members of the target group to participate in the SMS activation programme, as for the recipients of the material need allowance, participation in the programme represents the only possibility to legally increase their income.

Also, given the often-low level of labour mobility and the often-low level of public transport accessibility in the localities where SMS activation programme participants live, from the perspective of participants, the participation in the programme represents a suitable alternative for additional income. For many, as confirmed in particular by mothers of young children, participation in the programme represents a suitable solution to reconcile the tasks of childcare and household tasks with the acquisition of additional income.

One of the biggest problems with the SMS activation programme is the lack of quality follow-up. After completing participation in the SMS activation programme, participants most often remain in the

activation programme under the Municipal Act, the setting of which is comparable, but the impact of the programme on the employment of participants is even lower compared to the evaluated programme (Petráš, 2020). On the basis of the conducted field research but also on the basis of the analysis of the databases of the Employment Services Information System, it can be argued that participation in the activation programme in the form of SMS does not affect later participation in other active labour market policy measures.

5.6 Impact

The results of a counterfactual analysis conducted by the Institute of Social Policy (Petráš, 2020) suggest that participation in an activation programme through the SMS increases the labour market participation rate of participants by 1 to 2 percentage points compared to non-participants. 12 to 18 months after participation, the labour market participation rate of participants is around 10%, while the labour market participation rate of non-participants is around 8.5%; the average net effect is 1.3%. The results of the same analysis also find that participants in the activation programme through SMS remain in the system of material need assistance to a greater extent than paired non-participants. The difference in the rate of staying in the system of material need assistance 12 to 18 months after the follow-up period amounts to 3% (Petráš, 2020).

Thus, in terms of long-term impacts, it can be concluded that participation in SMS activation programme has a moderately positive impact on increasing employment, but at the same time increases dependency on the system of material need and does not effectively motivate participants to overcome structural barriers to entering the labour market.

Apart from above mentioned, long-term staying in the programme has a negative impact on the social security of the programme participants, as the years spent participating in the activation programme are not counted towards the number of years worked, which negatively affects the entitlement to an old-age or disability pension, which is only triggered by a certain number of years spent in the labour market and contributing to the social insurance system. However, this dimension is not clear to all participants and in situations with no realistic prospect of successful labour market placement, where participation in SMS activation is the only realistic alternative for a legal increase in income, the consideration of the long-term perspective is not relevant.

Among the impacts that an activation programme through SMS brings, the impact on local community relations should certainly be considered. Given the dominant position of the local government in the implementation of the programme as well as in the selection of programme participants, it is not uncommon to identify practices in the field where the local government through the SMS activation programme manipulates the fulfilment of the obligations of citizens in material need towards the

municipality. These are situations where a person is included in the SMS activation programme only if s/he has paid all the debts to the municipality (waste fee, dog fee, etc.) or behaves properly or is loyal to the municipality's management. Several testimonies from programme participants suggested that selection is also conditional on personal relationships, i.e. if the mayor has a negative relationship with a particular household, then its members are highly likely to be non-included, which has a direct impact on the household budget. These situations were not identified to the extent of standard behaviour; rather, this was anecdotal information, yet similar situations need to be addressed.

However, from the perspective of many participants, participation in the SMS activation programme is seen as a viable alternative to increase income without the need to travel for work or to seek childcare and household solutions. Several of the research respondents are mothers of young children, participation in SMS activation that is implemented in the place of residence is from their point of view a good solution to reconcile childcare and household responsibilities with public expectations regarding labour market participation.

Many of the respondents to the research, and it can be assumed that many of the participants in the SMS activation programme, do not distinguish in detail between participation in activation work and regular employment; they are not aware of the non-financial benefits in the form of social security that employment offers; they see the main difference between participation in activation work and employment in the amount of income. Most of the participants interviewed do not rule out their interest in regular paid employment (the question "if you were offered a regular job at a regular wage, would you take it?", the answer "yes and yes, but for more money"), but for many the condition is that the job should be directly in their home municipality. Given the absence of available and suitable jobs in many municipalities, increasing the income through the activation programme is considered an appropriate solution, the negative externality of which is the negative impact on the participants' motivation to be employed in cases where the job is not directly in the municipality.

6. Conclusion

6.1 Main findings

The activation programme in the form of SMS has been implemented in Slovakia since 2004 and is intended for long-term unemployed participants living in a household whose members are also recipients of benefits in material need. The focus of the programme is the link between employment services and the system of material need, which excludes from the activation programme long-term unemployed jobseekers who are not in a situation of material deprivation.

According to §52 of the Act 5/2004 Coll. on employment services, activation activity is defined as "support for the maintenance of work habits and development of skills of a long-term unemployed citizen in material need"; the objectives of increasing employment are not explicitly mentioned by the law in relation to SMS activation programme – however, given that the activation programme is part of the Employment Services Act, the impact on increasing employment is implicitly expected.

Through the impact on employment, the SMS activation programme is also evaluated; several studies have been carried out in the past which have highlighted the low, even negative, impact of the activation programme on employment growth.

However, the studies carried out have devoted little space to identifying the reasons why the activation programme does not achieve the desired results, and programme participants often remain in the activation programme instead of moving to the open market.

The activation programme is heavily stigmatised towards ethnic homogeneity, with Roma being approximately seven times more likely to be included in the activation programme compared to non-Roma in the same situation.

The activation programme is generally considered to be the lowest and least quality form of participation in active labour market policy. In particular, the individuals are included in the programme for whom the relevant institutions have resigned themselves to any ambitions towards quality labour integration.

The low level of impact in terms of increasing employment can be found, among other things, in the poor degree of continuity and linkages between the various active labour market policy measures, with participants in the activation programme rarely benefiting from quality, individually provided support to guide them in the process of transition from an activation participant to a fully-fledged labour market participant. However, the few examples of good practice identified, whether in the NGO or municipal settings, show that linking an activation programme with long-term and individual support can be very effective in terms of placing and retaining a participant in the labour market.

Labour market success is also significantly influenced by the nature of the work that activation programme participants do. By the difficulty of the work performed in the activation programme, the likelihood of further labour market success increases. Routine activities such as street sweeping, litter picking, excavation, etc., without being accompanied by other supportive activities, do not, on the basis of several lines of evidence, affect labour market entry success. An obstacle to the provision of additional support is the active labour market policy set-up, which significantly limits the possibilities of combining individual labour market measures, as well as the insufficient capacity of labour offices for counselling and support activities and the absence of a network of non-public employment service providers or supported employment agencies whose main task is to provide this type of support.

Within the activation programme in the form of SMS, it is possible to observe a high rate of 'parking', i.e., a situation where a participant is placed in a specific, usually low-intensity active labour market policy measure (in this case an activation programme) and stays in this measure for a long period of time. Individuals who have been in an activation programme for less than 6 months move the fastest from the SMS towards the labour market. However, the problem is that many move towards the informal labour market and work in precarious working conditions without an employment contract. This practice is particularly common among young participants, men, aged 25-29 years. The reason for this is both the desire to earn as much cash as possible (without paying compulsory social and health contributions) and the high level of debt, which results in a deduction from their wages in the case of official income.

Young people aged 25-29 make up approximately 10% of all programme participants. The motivation of this group to participate in the programme does not differ in principle from that of other age groups and relates mainly to the desire to increase household income. On the other hand, a large proportion of participants aged 25-29 see participation in activation work as a suitable solution to increase their income in combination with child and family care responsibilities. This type of motivation is particularly relevant for women, mothers of young children, who strongly prefer to work in their own municipality, without the need to commute to work.

When evaluating the SMS activation programme, it is also necessary to take into account the attitudes and experiences of the local authorities, which shoulder the implementation burden of the programme and significantly influence the selection of programme participants. The position of the local government is dominant in the implementation and unbalanced in relation to the position of the participants. The unbalanced positions of the local municipalities offer opportunities for using the activation program through the SMS to pursue their own interests and manipulate potential participants. In several municipalities, there is a practice whereby a candidate is only included in the activation programme through the SMS if they have fulfilled all their obligations to the municipality (e.g. paid the garbage collection fee or the dog fee) and their behaviour has been at a desirable level.

In addition to the opportunity for strengthening the municipality's position vis-à-vis potential programme participants, the implementation of an activation programme through the SMS also offers the municipality the opportunity to provide a range of activities for which it would otherwise have to pay. In particular, activities such as cleaning and maintenance of public spaces, maintenance of green areas, provision of preparatory construction work and other low-skilled work. In addition to the positive impact of such a practice on the municipality's budget, it is also necessary to take into account the negative impacts on the availability of low-skilled jobs, which are often displaced and replaced by the performance of activation work at the municipal level.

In the overall evaluation of the activation programme through the SMS, it is necessary to note the low impact of the programme on increasing the employment of the programme participants. At the same time, however, it should be noted that the existence of the activation programme is fully legitimate in the active labour market policy system and the implementation of the programme offers a number of opportunities, which, however, are not used in the current implementation.

6.2 Recommendations

During the implementation of this evaluation, the law on material need was amended with effect from 1 April 2023, which resulted in a restriction of activation activities carried out on the basis of an agreement with the municipality, which also has a significant impact on the participants of the activation programme in the form of SMS.

The amendment of the Act significantly reduced the long-term stay of participants in activation programmes, which can be clearly assessed as a step in the right direction.

However, the preparation and approval of the amendment in question was not accompanied by any public discussion, which makes it unclear to the experts as well as to the representatives of municipalities what alternative solutions will be offered to the participants of activation work in the form of SMS after the end of their participation in the programme. In the expert community and among the municipalities, there are rather concerns about further socio-economic decline of people, especially from marginalised Roma communities, who are the most frequent participants of activation work in the form of SMS and therefore also beneficiaries of the activation allowance.

In view of past practice, it can be assumed that programmes aimed at supporting jobs for low-skilled jobseekers through subsidising the cost of labour cost will be strengthened, and expectations will be high, especially for work integration social enterprises. However, this is not clear at the time of preparing this report and it is unnecessary to speculate on possible solutions.

In light of the field research conducted and the legislative change made, the following recommendations can be made:

- Given the close link between activation programmes and the law on material need, participation in activation programmes is only possible for long-term registered jobseekers who are also recipients of material need benefits. Activation programmes are therefore not open to the long-term unemployed who are not in a situation of material need. To establish activation as a fully-fledged and legitimate part of active labour market policy, it would be appropriate to reconsider the strict orientation towards recipients of material need benefits only.

- Under the current legislation, activation programmes in the form of SMS can only be implemented by local or regional municipalities or by organisations established and controlled by local or regional municipalities. However, experience suggests that it was often NGOs that achieved better results in terms of gradual transition to the labour market, as they were able to work individually with participants and were able to engage participants in more sophisticated activities, thus increasing their chances on the open labour market. The participation of NGOs has been allowed in the past, it would be advisable to reconsider the exclusion of the NGO sector from the implementation of activation programmes and to allow them to participate again.
- Based on the results of the field research, one of the main reasons for not meeting public expectations of activation programmes in terms of increasing employment is the weak link between the activation programme and other support services, whether in the topic of employment services or other topics that directly affect success in entering and staying in the labour market. Participants in activation programmes most often do not receive any additional support to improve their situation. This practice needs to be reviewed and efforts made to strengthen both the density of the network of social and other services and to create opportunities for better linking of individual active labour market policy measures and more individualised support.
- Activation programmes in the form of SMS are often implemented in localities where vacancies and quality jobs do not exist in sufficient numbers. Given the low labour mobility, which is not specific to people living in situations of material deprivation but can be considered as one of the characteristics of the labour market in Slovakia, it cannot be expected that people will move for work. Therefore, it would be advisable to implement a differentiated approach and to consider activation in the form of SMS in the context of selected localities as the only realistic option for labour activity among the most disadvantaged young people and to resign from the ambition of the quick and easy transition of these people to the open labour market. The alternative is also a massive subsidy of public works, but the implementation of this kind of support programmes is very expensive.
- The legislation on material need defines several forms of activation, activation in the form of SMS is only one of the options and this is regulated by the Act on Employment Services, which defines the main focus of the activities that can be carried out within the framework of activation. It would be appropriate if these activities were combined with training and capacity building programmes and an integral part of the SMS activation programme would be training and support for the personal capacities of the participant. This is particularly important in the case of young people who have achieved only a low level of formal education.

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