

# Supported activation of the most disadvantaged NEETs as an opportunity for all

THE ROLE OF ACTIVE LABOUR MARKET POLICIES IN SLOVAKIA

*Slovak Business Agency*

**2023**

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

*Please cite as: SBA (2023) Supported activation of the most disadvantaged NEETs as an opportunity for all. The Role of Active Labour Market Policies in Slovakia. Slovak Business Agency. Lost Millennials – Transnational Research Network for the Evaluation of Initiatives Targeting 25+ NEETs. Available at <https://lostmillennials.eu>*

## Project summary:

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

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

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

## Implemented by:



## Table of Contents

---

<b>1.</b>	<b>Key Points .....</b>	<b>2</b>
<b>2.</b>	<b>Introduction .....</b>	<b>3</b>
<b>3.</b>	<b>A summary of the major challenges related to most disadvantaged 25 + NEETs in Slovakia ..</b>	<b>5</b>
<b>4.</b>	<b>Policy solutions and recommendations.....</b>	<b>10</b>
<b>5.</b>	<b>References .....</b>	<b>13</b>

## 1. Key Points

---

- For people who do not have sufficient human and/or social capital to successfully enter and stay in the labour market, active labour market policies have an important role to play. It is the main instrument for helping people outside the labour market to fully integrate into the labour market. In Slovakia, this is largely implemented through the Central Office of Labour, Social Affairs and Family and the network of local offices of labour, social affairs, and family.
- Despite repeated declarations to pay particular attention to long term unemployed jobseekers, they often do not reach quality measures for a variety of reasons and are placed on measures that are less successful and are characterised by the so-called 'parking effect'. One such measure is the activation programme through smaller municipal services.
- In the case of NEETs, i.e. jobseekers under the age of 29, who receive significant attention in active labour market policy, reinforced by a significant financial allocation, the situation is similar. Measures targeting the most disadvantaged groups of young people are often absent. One of the few measures available for young people with low levels of education, absenting work experience and social skills is the activation programme through smaller municipal services. This has recently undergone significant reform, which has resulted in a substantial reduction in the number of programme participants.
- Given the low impact of activation work on increasing the employment of programme participants, the reform can be seen as a step in the right direction. However, the question remains whether the low impact of activation work was due to the logic and objectives of the programme itself or to flaws in the implementation of the programme, the wrong motivation of stakeholders and the absence of other support services that should have accompanied the implementation of activation work, which would have achieved a higher impact on the employment of the participants, which in turn could have benefited a wide range of employers, with an emphasis on those in the category of small and medium-sized enterprises.

## 2. Introduction

---

The term 'NEET' is used to refer to young people who are neither in employment nor in education or training. In 2022, 14.2% of the European population aged 15-29 could be classified as NEET (Eurofound, 2023). The emphasis on the inclusion of NEETs is one of the main pillars of European social policy. The group of young people referred to as NEET is certainly not homogeneous. In a basic division, it is possible to distinguish at least three groups of NEETs (Filmer-Sankey and McCrone, 2012), each of which shows a different level of severity and chances for a successful return to education or for entering and staying in the labour market.

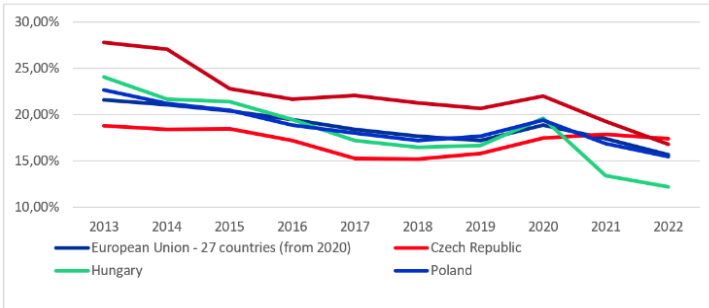
### The three main NEET groups

- 'Core' or 'sustaining' NEETs - these are young people who are not participating in education, training and the labour market for a long period of time. They are characterised by low expectations for their future as they face significant social and personal problems. This NEET group represents a major challenge for public policy.
- 'Floating' or 'at risk' NEETs - young people who are dissatisfied with the opportunities available to them, which makes them lose interest and motivation to work or learn. This is a group that is extremely vulnerable in times of economic crisis and unable to respond to the changing needs of the labour market.
- 'Transitional' or 'cyclical' NEETs - these are young people who are likely to re-enter education, training or the labour market in the short term, often young people who have taken a break before continuing their studies or career.

There are also significant differences in the characteristics and needs of different age categories of NEETs. While for NEETs in the younger age categories (15-18 years) the emphasis is on returning to education and completing education by formal certificate, for the older age categories (25-29 years) integration strategies are more oriented towards the labour market.

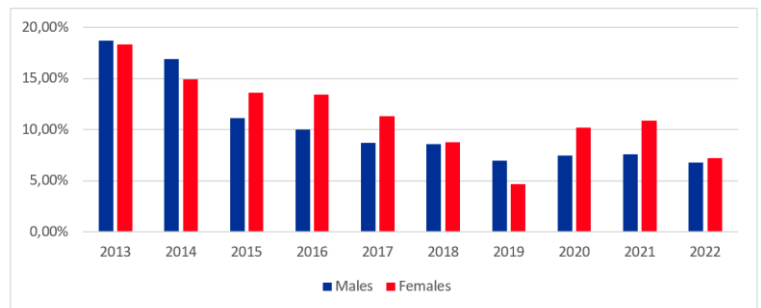
The size of the NEET group aged 25-29 is declining year-on-year both nationally and internationally (see chart 1 below). The gender distribution of NEETs aged 25-29 in Slovakia suggests a more frequent, but not clear-cut, dominance of women (see Chart 2 below).

Chart 1: Young people neither in employment nor in education and training, age 25-29



Source: Eurostat EDAT\_LFSE\_20\_custom\_6690448

Chart 2: Youth unemployment rate in Slovakia, age 25-29, by sex

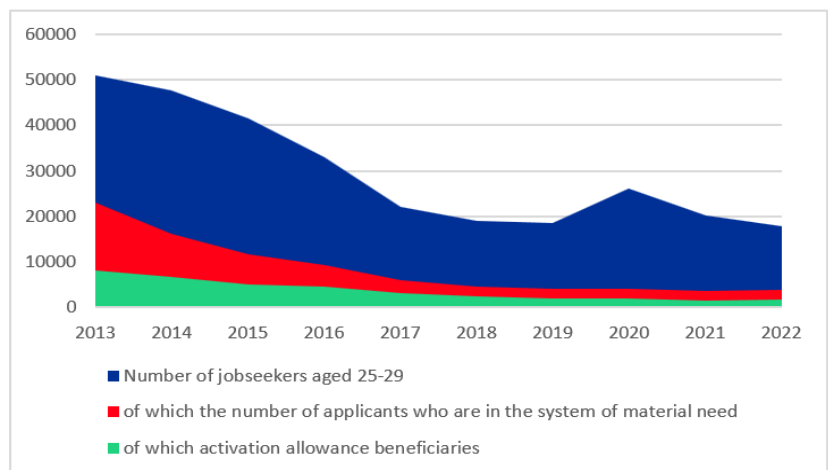


Source: Eurostat YTH\_EMPL\_110

According to the data of the Central office of Labour, Social Affairs and Family, as of 31 December 2022, 17 928 jobseekers aged 25-29 years were registered in the register of jobseekers in Slovakia, which represents about 10% of all registered jobseekers, while this group of jobseekers represented about 11% of all participants in active labour market policy measures.

Part of this group is made up of young people for whom registration in the jobseeker's register is an insignificant episode in the transition from one job to the next, and this group does not represent a significant problem for public policies. The reverse is true for young people who are unemployed for long term and face poverty, often generational. This group of young people is relatively easy to identify through the material need system, as they are among the recipients of material need benefits<sup>1</sup>.

Chart 3: Trends in registered unemployment of people aged 25-29 and the share of people in the system of material need.

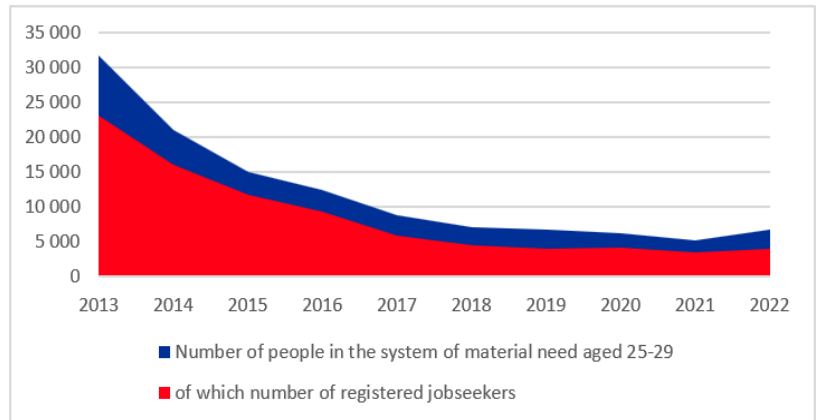


Source: Central Office of Labour, Social Affairs and Family statistics

<sup>1</sup> Material need benefit is regulated by Act No. 417/2013 Coll. on Aid in Material Need. According to the legislation, material need is a condition where the income of household members does not reach the minimum subsistence level and the household members are unable or incapable of securing or increasing their income by their own work / by exercising the right of ownership or other right to property / by the exercise of entitlements. Material need is established by assessing the income, assets, and entitlements of the household members.

Due to legislative changes as well as changes in the labour market, the absolute number of recipients of benefits in material need is decreasing year on year. The same trend can also be observed in relation to the group of young people aged 25-29. As of 31.12.2022, there were 6 668 persons aged 25-29 in Slovakia who were in receipt of a benefit in material need, which is about 10% of all recipients of the benefit in material need in Slovakia as of that date. 3 917 of them were registered in the register of job seekers, which is almost 22% of all registered job seekers aged 25-29 (Statistics of CoLSAF).

Chart 4: Number of people aged 25-29 in the system of material need



Source: Central Office of Labour, Social Affairs and Family statistics

From a public policy perspective, the greatest risk is posed by young people who are registered with the system of material need (they are themselves in receipt of material need benefit or live in a shared household with a recipient of material need benefit) and are not registered in the register of jobseekers. These are young people who are unable to remain on the jobseekers register. This is often due to an extremely low level of social skills, but also to frequent participation in the informal labour market and the resulting inability to comply with the basic principles of cooperation with the labour office.

### 3. A summary of the major challenges related to most disadvantaged 25 + NEETs in Slovakia

Despite the significant emphasis of active labour market policy on NEETs, no measure specifically targeting the NEET group aged 25-29 has been identified in Slovakia. This is not necessarily a problem, especially if broader targeted active labour market policy measures are also easily accessible to NEETs aged 25-29. The research carried out suggests that for the NEET group in the category of 'transitional' and 'floating' NEETs (see text box above), the range of measures on offer is relatively broad and effective. The different situation can be observed in the case of the so-called "persistent" NEETs, for whom active labour market policy measures often fail.

The significant group of 'persistent' NEETs in Slovakia is represented by the young people with disabilities and young people of the Roma ethnicity, with an emphasis on Roma living in marginalised Roma

communities. 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, participation in the labour market is, so to speak, expected and demanded by society, with non-participation seen as a personal failure, young people with disabilities are often pushed into the opposite situation, and are often seen as incapable of any kind of participation.

The field research suggests that for NEETs from marginalised Roma communities, the most accessible active labour market policy measure is an activation programme through smaller municipal services for the municipality or self-governing region (hereafter referred to as activation through SMS) and NEETs from marginalized Roma communities only rarely reach measures that are considered to be of higher quality and with a higher impact on labour market entry.

The activation through the SMS is carried out by the long-term unemployed jobseekers continuously for a maximum of six months, with the possibility of repeated implementation for a maximum of another six months, in the scope of 20 hours per week. For the performance of activities, the participant receives the so-called activation allowance, the monthly amount of which from 1.1.2023 amounts to EUR 75,70.

## Participants in the activation through the SMS programme

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 between participants who were enrolled versus participants who meet the eligibility criteria and could have been enrolled (see Table 1).

**Table 1: Characteristics of enrolled and non-enrolled participants in the SMS activation programme**

Characteristics	Included participants	Unaligned but eligible participants
Previous employment	1.83%	7.39%
Duration of unemployment	1018.18 days	686.32 days
Children in the household	26.2%	14.95%
Basic education	44.51%	19.93%
Driving licence	11.85%	44.1%

Source: Dulíková et al, 2022



Ethnicity is also a significant factor increasing the likelihood of participation in the SMS activation programme. Roma ethnicity increases the likelihood of engaging in activation work by up to seven times compared to a non-Roma with the same characteristics (Kurekova et al,2013). The activation program in the form of SMS is strongly stigmatized towards ethnic homogeneity.

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 by the income from the activation allowance. However, a large proportion of participants aged 25-29 also 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 neighbourhood, without the need to commute.

## Impacts of the activation through SMS programme

Act 5/2004 Coll. on employment services (§52) activation activity defines as "support for the maintenance of work habits and the development of skills of a long-term unemployed in material need'. The law does not explicitly mention the objectives aimed at increasing employment in the context of the activation programme in the form of SMS, but it can be argued that it implicitly expects it. This is evidenced by the list of evaluations carried out in the past, which considers the programme mainly through the prism of increasing employment and the entry of programme participants into the labour market.

Previous evaluations of the SMS activation programme have found a low (even negative in evaluations carried out using data from an earlier period) impact on increasing participants' employment (Havran, 2011; Kureková et al. 2013, Štefánik et al., 2014; Hidas et al, 2016; Karasová et al. 2019, Petráš, 2020; Štefánik et al., 2022; Dulíková et al.,2022).

However, when considering these results, it is important to look at the wider context and understand that the gap between social benefit income and wage income, which in the case of people involved in the activation work has usually not exceeded the minimum wage, has not been large in the past.<sup>2</sup> Given the low quality of work and low salary to which activation work participants can reach and the low level

---

<sup>2</sup> In 2013 the minimum monthly wage was set at 338 Euros, in the case of a household with two adults and 1-4 children in which both adults were involved in activation, the income from material need benefit reached 283.74 Euros. In a household with more than 4 children it was even 338.14 Euros.

of awareness regarding the benefits of the official labour market participation (especially in relation to social security and entitlement to old-age or disability pensions), remaining in the position of an activation work participant seemed to be an appropriate and rational solution for number of the participants.

In the evaluations that were carried out later and were carried out on samples from a later period, an impact, albeit very small, is beginning to emerge. The results of a counterfactual analysis conducted by the Social Policy Institute (Petráš, 2020) suggest that participation in an activation programme through 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 results of the same analysis also find that participants in the SMS activation program remain in the welfare system at a higher rate than paired non-participants. The difference in the rate of staying in the material need system 12 to 18 months after the follow-up period is 3 percentage points.

## Main challenges of the activation through SMS programme

In effect from 1.4. 2023 in the field of activation work, a major legislative change has been adopted through which participation in the activation programme should be fundamentally limited. Also considering the results of the evaluations carried out of the programme, the efforts to reform the activation programme can be seen as a step in the right direction.

However, the evaluations carried out have devoted little space to identifying the reasons why the activation programme is not achieving the desired results and participants often remain in the activation programme before moving to the labour market.

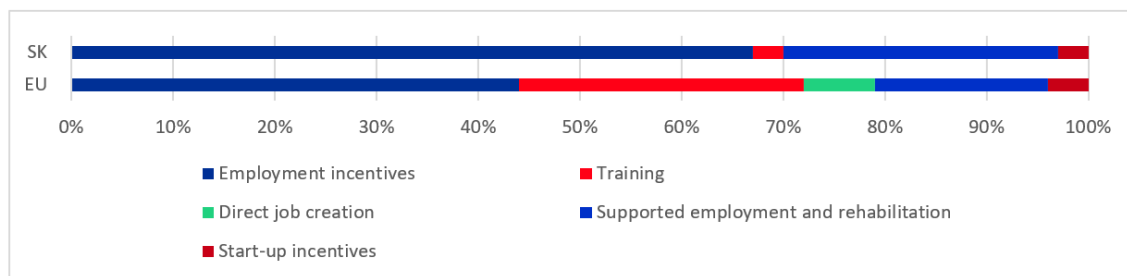
The results of qualitative research (Polačkova and Blizman-Servilova, 2023) suggest that the problem is not so much the setting of the programme as its implementation, its anchoring in the broader context of active labour market policy, its link with other active labour market policy measures and the sparse network of social services aimed at removing barriers that prevent individuals from entering and staying in the labour market.

There is a 'parking effect' for the SMS activation programme, where the jobseeker is placed in a readily available arrangement in which they remain for the longest possible time without any further support. An obstacle to the provision of additional support is the very set-up of the active labour market policy, which significantly limits the possibilities of combining individual active labour market policy measures. The sequencing element in which the participant in activation in the form of SMS can gradually and at

his/her own pace get to the level of a full-fledged labour market participant is significantly absent. As one respondent to the field research noted, ‘you either take part in activation work, which is done in such a way that you don't learn many things, or you are an employee where you are supposed to know everything already. There is nothing in between.’

Active labour market policy in Slovakia is predominantly focused on employment support through subsidising the wage of a disadvantaged employee. In 2021, the cost of these measures accounted for 67% of the total budget allocated for the implementation of active labour market policies, while the average in EU countries was 44%. A frequent problem of this type of support in the context of the long-term unemployed, i.e. also participants in SMS activation, is the poor responsiveness of the target group and the frequent mismatch between supply and demand side of the labour market. In addition to the subsidy for the total labour cost of a disadvantaged employee, employers also expect the candidate to be ready for work; therefore, the most disadvantaged jobseekers often do not qualify for this type of support.

Chart 5: Comparison of the breakdown of active labour market policy expenditure (year 2021)



Source: EU Labour Market Policy Database

The Employment Services Act, which regulates the implementation of active labour market policies, in its original as well as in later versions does list measures, the gradual implementation of which could successfully lead a participant to the labour market through SMS, but this sequence is almost never implemented in practice. Research suggests that the reasons for this can be found in the low capacity of labour offices, the weak commitment of local governments as well as weak motivation on the part of the participants.

## 4. Policy solutions and recommendations

---

In spite of the considerable reservation about the impact of the SMS activation programme on increasing the employment of the programme participants, it should be noted that activation programmes are a standard and important part of active labour market policy as such. It would therefore be inappropriate to terminate the implementation of the programme without adequate alternatives being created.

Given the structure of active labour market policy and the limited availability of quality social services, activation in the form of SMS currently represents almost the only active labour market policy measure that programme participants can realistically reach and that is actually offered to them.

It should also be understood that the activation programme is more often implemented in regions with a lack of available jobs, so activation programme participants often do not have any other possibility to participate at least symbolically in the labour market and increase their income than through the activation programme.

The activation through SMS programme is therefore certainly relevant and has its place in the employment services system in Slovakia. However, the quality of the performance of the measure regarding capacity building of the participants and the linking of the measure with other support services and programmes remains a question.

Research suggests that better outcomes are achieved for participants who have participated in SMS activation for shorter periods 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.) (Štefánik et al., 2022). Participation in SMS activation programmes is also positively perceived by employers and has a statistically significant impact in filling low-skilled blue-collar positions, especially for men. The impact declines proportionally with the level of qualification required, so in the case of skilled blue-collar positions, the impact is lower, but still noticeable (Vyhlídal, 2022).

The results of field research (Polačková and Blizman-Servilová, 2023) also point out that the presence of individual support and the support implemented by the social services network also have a positive impact.

Based on the results of the undertaken research to increase the impact of participation in the SMS activation programme, it is advisable to do the following:

- Due to the close link between the 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 the material need benefit. Activation programmes are therefore not open to long-term unemployed who are not in a situation of material need. In order to establish activation as a fully-fledged and legitimate part of active labour market policy, it would be appropriate to reconsider the strict focus on beneficiaries of material need benefits only.

- According to the current legislation in force, activation programmes in the form of SMS can only be implemented by local or regional governments or by organisations established and controlled by the local government. However, past experience suggests that it is often NGOs that have achieved better results in terms of gradual transition to the labour market, as they have been able to work individually with participants and have been able to engage participants in more sophisticated activities, thereby increasing their chances on the 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.
- One of the main reasons for the public's expectations of activation programmes not being met in terms of increasing employment is the weak link between the activation programme and other support services, whether in the area 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 reconsidered and efforts should be made both to strengthen 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 to make support more individualised.
- The SMS activation programme is often implemented in locations 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 need 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 and to resign from the ambition of transition of these people to the standard, not-subsidized, labour market. The alternative is also a massive subsidy of public works, but the implementation of support programmes is very expensive.
- The Act 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 Employment Services Act, which defines the

focus of activities that can be implemented within the activation. It would be appropriate if these activities were combined in training programmes and an integral part of the SMS activation programme would be training and support of 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.

- To better interlink between the activation in the form of SMS and the work integration social enterprises, whose main aim is to prepare people distanced from the labour market for successful entry and retention in the labour market and thus to provide a ready workforce, which employers currently lack.

## 5. References

---

Act 5/2004 Coll. on employment services, available [HERE](#)

Act 417/2013 Coll. on aid in material need, available [HERE](#)

COLSaF (2023), Evaluation of the application of active labour market measures for 2023, Central Office of Labour, Social Affairs and Family, Bratislava, available [HERE](#)

COLSaF (2022), Evaluation of the application of active labour market measures for 2021, Central Office of Labour, Social Affairs and Family, Bratislava, available [HERE](#)

COLSaF (2021), Evaluation of the application of active labour market measures for 2020, Central Office of Labour, Social Affairs and Family, Bratislava, available [HERE](#)

COLSaF (2020), Evaluation of the application of active labour market measures for 2019, Central Office of Labour, Social Affairs and Family, Bratislava, available [HERE](#)

COLSaF (2019), Evaluation of the application of active labour market measures for 2018, Central Office of Labour, Social Affairs and Family, Bratislava, available [HERE](#)

COLSaF (2018), Evaluation of the application of active labour market measures for 2017, Central Office of Labour, Social Affairs and Family, Bratislava, available [HERE](#)

COLSaF (2017), Evaluation of the application of active labour market measures for 2016, Central Office of Labour, Social Affairs and Family, Bratislava, available [HERE](#)

Dulíková, S., Lafférs, L. and Štefánik, M. (2022). Vyhodnotenie účinnosti nástrojov slovenskej aktívnej politiky trhu práce, Automatizované štúdie o účinnosti nástrojov APTP, Institute of Economy, SAS. Bratislava, available [HERE](#)

Filmer-Sankey, C. and McCrone, T. (2012). Developing Indicators for Early Identification of Young People at Risk of Temporary Disconnection from Learning (LGA Research Report). Slough: NFER, available [HERE](#)

Harvan, P (2011). Hodnotenie efektívnosti a účinnosti výdavkov na aktívne politiky trhu práce na Slovensku, Inštitút finančnej politiky, MF SR, Bratislava, available [HERE](#)

Hidas, S., Valčková, K., & Harvan, P. (2016). Veľa práce na úradoch práce: Efektivita a účinnosť služieb zamestnanosti. Inštitút finančnej politiky MF SR, Bratislava, available [HERE](#)

Karasová, K., Baláž, V., Polačková, Z. (2019). Efficiency of the Active Labour Market Policies: Evidence from the Slovak Republic. *Ekonomický časopis/Journal of Economics*, 67(1), 3-32. ISSN 0013-3035.

Mýtna Kureková, L., Salner, A. & Farenzenová, M. (2013). Implementation of Activation Works in Slovakia: Evaluation and Recommendations for Policy Change. Final Report. SGI, Bratislava, available [HERE](#)

Petráš, J (2020). Aktivačné práce neaktívnych neaktivujú, Analýza čistej účinnosti menších obecných služieb (MOS), Inštitút sociálnej politiky, Ministerstvo práce, sociálnych vecí a rodiny SR, Bratislava, available [HERE](#)

Polačkova, Z. and Blizman-Servilova, V. (2023). *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*. Slovak Business Agency. Lost Millennials – Transnational Research Network for the Evaluation of Initiatives Targeting 25+ NEETs. Available at <https://lostmillennials.eu>

Ravasz, Á. a kolektív autorov ÚSVRK. (2019). Dobrá prax aktivačnej práce. Úrad splnomocnenca vlády SR pre rómske komunity, Ministerstvo vnútra SR, available [HERE](#)

Štefánik, M., Lubyová, M., Dováľová, G., Karasová, K. (2014). Analýza účinkov nástrojov aktívnej politiky trhu práce. Centrum vzdelávania, Ministerstvo práce, sociálnych vecí a rodiny SR, available [HERE](#)

Štefánik, M., Hašková, M., Lafférs, L, Mudroňová, M. and Polačková, Z. (2021): Implementation of employment policies from the point of view of the social partners, introduction of a system for evaluating the quality of public employment services, evaluation of the impact of active market measures, IA MPSVR SR, Bratislava, available [HERE](#)

ÚHP, IVP, ISP. (2020). Groups at Risk of Poverty or Social Exclusion Spending Review: Final report. Útvar hodnoty za peniaze MF SR, Inštitút vzdelávacej politiky MŠVVaŠ SR, Inštitút sociálnej politiky MPSVR SR, available [HERE](#)

Vyhlídal, J. (2021). Strategie zaměstnavatelů v období pandemie. Výzkumný ústav práce a sociálních věcí, v. v. i., Praha, available [HERE](#)