

4 Activating young people in Slovenia

This chapter analyses how to improve support for young people who left the education system and became unemployed or inactive. It examines the services that registered unemployed youth in Slovenia receive from the public employment services and explores the impact of the COVID-19 crisis. Particular attention is devoted to three groups of young people with a high likelihood of becoming long-term NEET in Slovenia, i.e. young mothers, young people with a migrant background and Roma youth. The chapter also provides a detailed profile of young people who do not, or no longer, reach out to public employment services and discusses ways to improve outreach to these hidden NEETs.

4.1. Introduction

Successful engagement of young people in the labour market and society is crucial not only for their own personal economic prospects and well-being, but also for overall economic growth and social cohesion. Chapter 1 provided a good overview of the size and composition of the group of young people who are neither in employment nor in education or training (NEETs), as well as their risk factors and dynamics. Chapter 2 then discussed how the education sector can help to better prepare young people for the labour market by reducing early school leaving and skill mismatches, strengthening work-based learning and improving the transition to work. This third and final chapter analyses how to improve support for young people who left the education system and became unemployed or inactive.

The main government agency where NEETs in Slovenia can find support for their labour market integration is the Employment Service of Slovenia (ESS). The ESS is a public agency directly reporting to the Ministry of Labour, Family, Social Affairs and Equal Opportunities and is steered by a tripartite board that consists of 13 members, representing employers and trade unions (three members each), the government (six members) and the ESS workers' council. The ESS has 58 local offices and 12 Career Centres around the country and combines the functions of job-brokerage, employment counselling, referrals to active measures, administration of unemployment insurance benefits, provision of life-long career guidance, and issuance of work permits to foreign workers. Young people can go to a local office of their choice, for instance in the area where they live or where they intend to work. However, not all young NEETs contact a local ESS office, and a first step in improving support is to find out who registers with the ESS and who does not.

The first section of this report analyses in detail the group of NEETs who are not or no longer in contact with the ESS and provides examples of how the ESS can expand its reach. The second section describes the services that the ESS offices offer to young people who register with the ESS and explores the impact of the COVID-19 pandemic on the ESS services and the implications for the activation of NEETs. The third section devotes particular attention to three groups of young people with a high likelihood of becoming long-term NEET, i.e. young mothers, young people with a migrant background and Roma youth, and discusses how to improve activation support for these groups. Finally, the concluding section proposes a list of concrete actions that the Slovenian authorities can undertake to reduce the NEET rate in their country and improve the activation of young people.

4.2. Unregistered NEETs

Young people who are unemployed or inactive can contact the ESS on their own initiative, for instance, when they are looking for support in finding a job or when they want to claim their unemployment benefits. However, not all NEETs will reach out to the ESS, and that for a variety of reasons: they are not entitled to income support; they are not aware of the support they can receive; they lack trust in public authorities; or they are simply not looking for a job. To improve the activation of NEETs and reduce inactivity and unemployment among young people in Slovenia, it is important to better understand who does not reach out for support and why.

4.2.1. Identification of unregistered NEETs

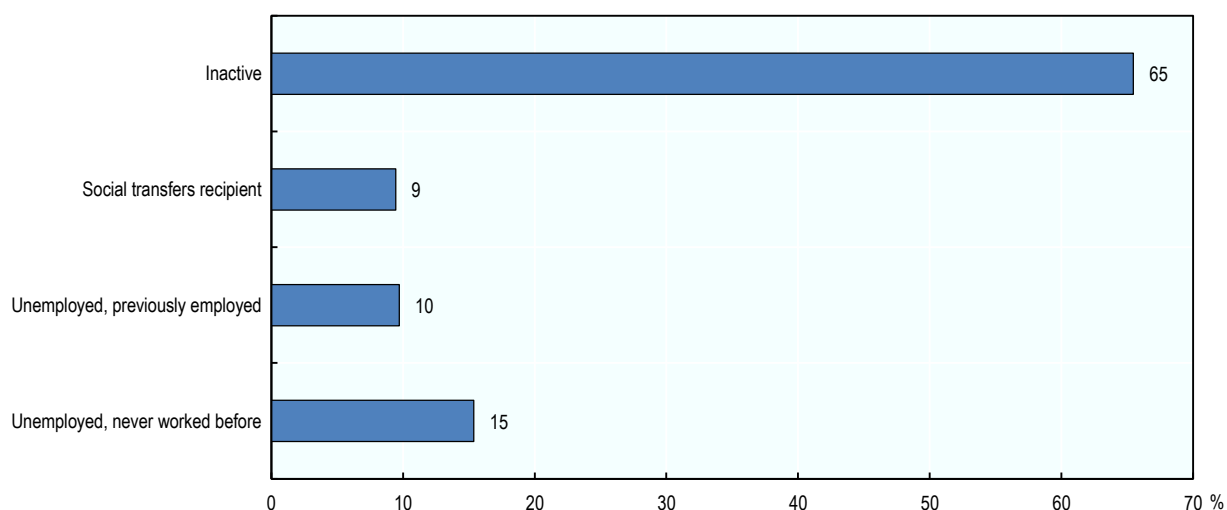
The identification of unregistered NEETs is not straightforward, since these young people do not appear in the registries of the Employment Service of Slovenia by definition. However, by combining selected parts of the population registry, the socio-economic characteristics, various educational databases, the income database and several ESS databases, it was possible to identify unregistered NEETs and study their profile. Box 1.1 in Chapter 1 gives more details about the merged administrative dataset that was kindly put at the disposal of the OECD team for this report by the Statistical Office of Slovenia.

Calculations based on this merged dataset show that less than half of all NEETs in Slovenia register with the ESS. Between 2011 and 2018, 53% of 15-29 year-olds who were classified as unemployed or inactive according to the once-yearly demographic database were not registered with the ESS at any point during the same year. That number is surprisingly high and reveals the importance of better understanding the composition of this group. Moreover, the share of unregistered NEETs remained more or less constant over the period 2011-18.

Further analysis illustrates that about one in four unregistered NEETs are unemployed and actively looking for work, with 15% having no work experience and 10% having worked before (Figure 4.1). Although they are looking for a job, they are not registered with the ESS and do not receive public support for their job search. Another 9% of the unregistered NEETs receive social assistance and are thus in contact with a Centre for Social Work, as these centres administer the financial social assistance benefits in Slovenia (see Box 4.1). Finally, about two-thirds (65%) of unregistered NEETs are inactive and not looking for work.

Figure 4.1. Two-thirds of unregistered NEETs are inactive

Unregistered NEETs aged 15-29 by activity status, average over the period 2011-18



Source: OECD calculations based on anonymised merged administrative data provided by the SURS and ESS (see Box 1.1 in Chapter 1 for more information).

Box 4.1. Centres for Social Work

The Centres for Social Work (CSW) provide material subsistence to families and children and administer a range of social assistance benefits, including financial social assistance. There are currently 61 Centres of Social Work covering the whole territory of Slovenia, represented by the Association of Centres of Social Work. The CSW are managed at the local level, but they report directly to the Ministry of Labour, Family, Social Affairs and Equal Opportunities. Individuals requiring assistance must apply to the CSW in the area where they live.

Family responsibility, illness and informal education are important motives for inactivity among unregistered NEETs (Table 4.1). About 44% of female unregistered NEETs say they are inactive because of caring responsibilities. This finding is important as our analysis later in this chapter shows that over-representation of young mothers among NEETs in Slovenia seems to be largely the result of the weak

financial incentives that parents of young children have to move into employment. Among men, illness and participation in informal education or training are the two main reasons for inactivity among unregistered NEETs.

Table 4.1. Family responsibility, illness and informal education are important motives for inactivity

Unregistered NEETs aged 15-29 by motive, 2018

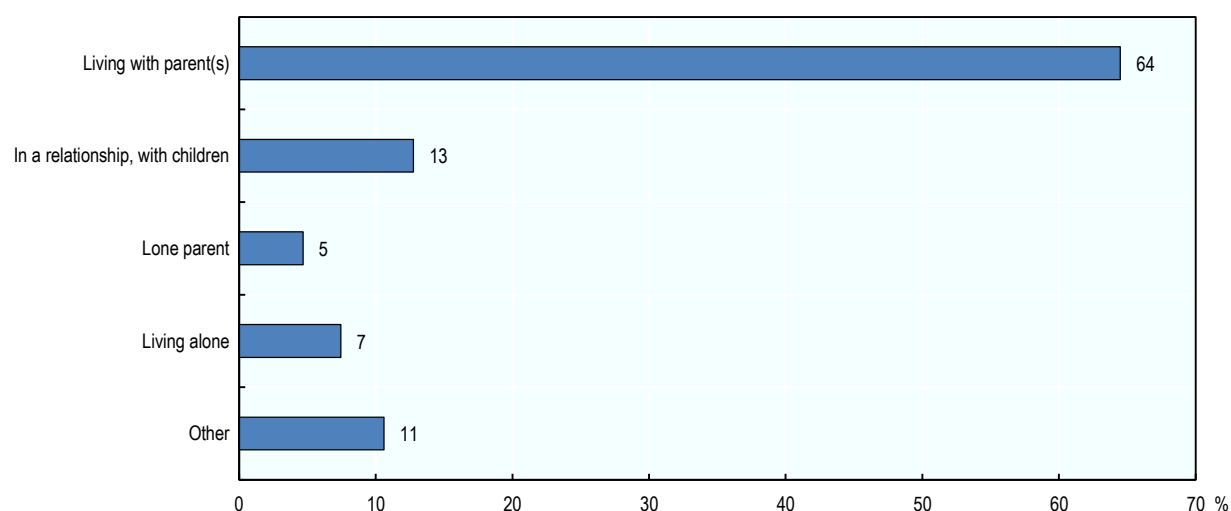
	All	Men	Women
Actively searching for work	24	28	21
Family responsibility	32	15	44
Ill or disabled	16	24	10
Education or training	16	21	12
Belief no work is available	1	0	1
Awaiting call to work	0	1	0
Other	9	9	9
Missing information	3	2	4

Source: Calculations based on labour force surveys.

Information on the household composition reveals furthermore that two-thirds (64%) of the unregistered NEETs live with their parent(s) (Figure 4.2). Much less important categories, though not negligible, are unregistered NEETs who live with their children and partner (marriage or consensual union, together accounting for 13%), live alone (7%), or are lone parents (5%). The household composition of unregistered NEETs is very similar to the household composition of registered NEETs, among whom 64% live with their parent(s), 11% live with their children and partner, 10% live alone and 6% are lone parents.

Figure 4.2. Two-thirds of unregistered NEETs live with their parents

Unregistered NEETs aged 15-29 by household composition, average over the period 2011-18



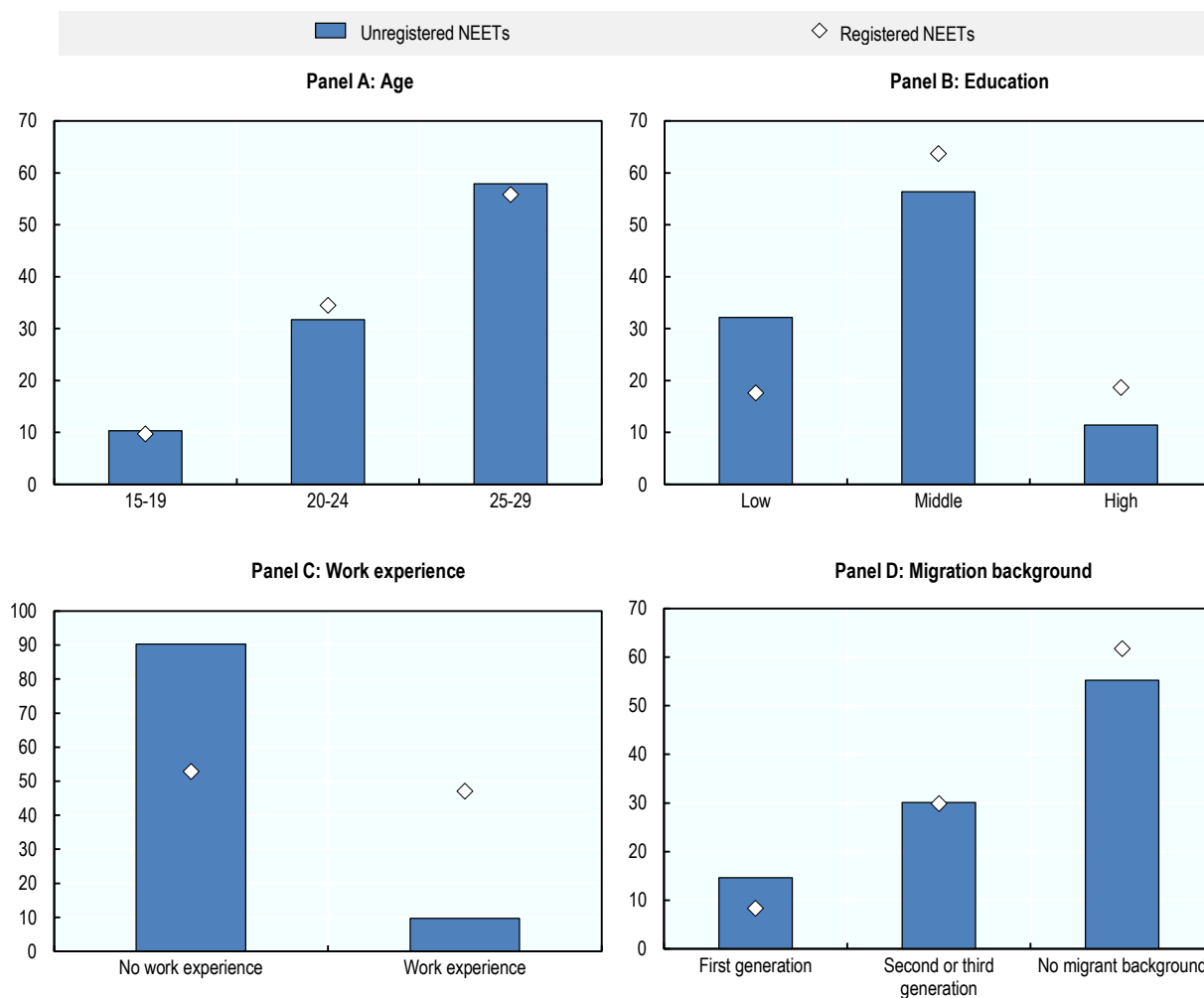
Source: OECD calculations based on anonymised merged administrative data provided by the SURS and ESS (see Box 1.1 in Chapter 1 for more information).

The gender distribution among unregistered NEETs is nearly equal, with 51% of women and 49% of men. The majority of unregistered NEETs are older youth (age group 25-29 years) and are medium educated,

accounting respectively for 58% and 56% of all unregistered NEETs (Figure 4.3). The age composition of unregistered NEETs is almost similar to that of registered NEETs, but unregistered NEETs are more frequently low educated than registered NEETs (32% versus 18%). There is also an important difference in work experience between both groups. About 90% of unregistered NEETs have never worked, compared with only 53% of those who are registered with the ESS. Figure 4.3 also shows that most unregistered NEETs do not have a migration background (55%), but first generation migrants account for a higher share of unregistered than of registered NEETs.

Figure 4.3. Most unregistered NEETs have no work experience, are older youth, and they are more frequently low educated than registered NEETs

Personal characteristics of registered and unregistered NEETs aged 15-29, as a percentage within each group, average over the period 2011-18



Source: OECD calculations based on anonymised merged administrative data provided by the SURS and ESS (see Box 1.1 in Chapter 1 for more information).

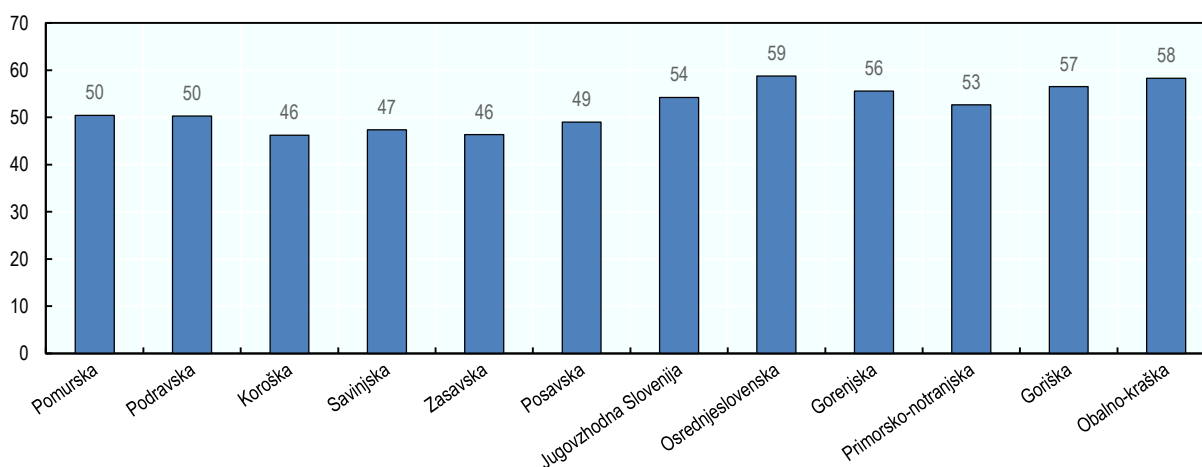
Differences in the prevalence of unregistered NEETs across regions are rather small. The regions with the highest share of unregistered NEETs among all NEETs are Littoral-Inner Carniola and Coastal-Karst with 58-59% of all NEETs unregistered (Figure 4.4). The lowest shares can be observed in Carinthia and

Central Sava where 46% of all NEETs are not registered with the ESS. Overall, the share is considerable in all regions and cannot be ignored anywhere.

Finally, nearly half (46%) of all unregistered NEETs have never been in contact with the ESS. This group tends to be long-term NEETs, with an average NEET spell of 2.4 year over the period 2011-18. However, the statistic also suggests that more than half of all unregistered NEETs have been in contact with the ESS at some point in their (relatively short) labour market career. More information about their experience in dealing with the ESS would be needed to better understand why they did not remain in contact with the ESS or why they did not return to the ESS for support when experiencing a new NEET spell.

Figure 4.4. The prevalence of unregistered NEETs does not vary much across regions

Share of NEETs aged 15-29 who are not registered with the Employment Service of Slovenia among all NEETs aged 15-29, by region, average over the period 2011-18



Source: OECD calculations based on anonymised merged administrative data provided by the SURS and ESS (see Box 1.1 in Chapter 1 for more information).

4.2.2. Outreach strategies for unregistered NEETs

Evidence from the global financial crisis shows that early intervention is crucial for a successful labour market integration of young people. Early action is also the basis of the European Union's Youth Guarantee, a commitment made by all EU Member States in 2013 and reinforced in 2020, including Slovenia, to ensure that all young people below 30 receive a good-quality employment or training offer within four months of leaving education or becoming unemployed. While the current crisis and the rising caseloads at public employment services may not leave much room for caseworkers to reach out to unregistered jobseekers, there are ways for employment services to collaborate with other organisations to reach young people and bring them in contact with the employment services. Basic support could be sufficient to put many of them on track to find a job, while for others, early identification of labour market barriers and the provision of adequate support could prevent long-term unemployment and inactivity. Outreach is particularly important as there has mainly been an increase in inactive NEETs in Slovenia during the COVID-19 crisis, and not in unemployed NEETs (OECD, 2021^[1]).

There is no single method that works best to reach out to young people (European Commission, 2018^[2]). Depending on the specific target group, different channels can be used, including focal points or one-stop-shops, information stands at events/open days, and the use of different types of (social) media. For the groups that are hardest to reach, effective approaches include mobile units, young 'ambassadors', social work, street work, as well as co-operation with youth clubs, NGOs and other stakeholders that are in

contact with (specific groups of) young people and ‘speak their language’. Experiences from other EU countries also show that outreach strategies generally consist of mechanisms to identify and contact inactive young people, in-depth assessments of individual needs, tailored services and individualised support. Finally, the guide for developing national outreach strategies for inactive young people put together by the International Labour Organization stresses the importance of strong partnerships between stakeholders as youth disengagement cannot be tackled through fragmented and isolated interventions or by government agencies alone (Corbanese and Rosas, 2017^[3]).

The following subsections present different approaches that are used in EU countries to reach out to young NEETs who are not registered with the public employment service, including peer-to-peer outreach, collaboration with associations and community-based organisations, national outreach strategies, institutional mandates, and monitoring frameworks. More specific outreach strategies that are targeted at sub-groups of NEETs (e.g. Roma youth and young mothers) are discussed in the section on Specific target groups below.

Peer-to-peer outreach in Sweden and Bulgaria

In 2012, the Swedish public employment service set up a joint project with the youth centre Fryshuset, the National Police Board, municipalities, employers and the Swedish Association of Local Authorities and Regions, and recruited “young marketers” to reach unregistered NEETs (European Commission, 2016^[4]). The project targeted isolated teenagers and young adults between 16 and 24 years who were neither studying nor working, many of whom had developed a distrust of government agencies.

The young marketers had the same background as the target group and promoted the project at concerts, sport events, schools and other arenas where the target group would meet. In addition, social media and other communication tools were used for reaching NEETs, such as strategic positioning of flyers and posters in the underground and radio advertisements in selected programmes for young people, which proved effective and generated good results. The young marketers would encourage young NEETs to register with the public employment service, where they would meet with their designated caseworkers. After an assessment of the young persons’ competencies, needs and required support, multi-competent teams would help them to (re-)enter the labour market or education system.

With financial support from the European Social Fund, the project initially ran from June 2012 to May 2014 under the name “*Unga In*” and was then scaled up to 20 municipalities and renamed “*Ung Komp*”. Between 2015 and 2017, 8 584 young people were reached, of whom more than 60% pursued employment or training (for at least 6 months), 29% left the project for other known reasons (e.g. illness, relocation) and 8% left for unknown reasons (i.e. the participant inexplicably ceased contact with the team). The programme also improved co-operation and co-ordination between government agencies and generated higher trust in the PES among the participants (European Commission, 2017^[5]).

In Bulgaria, a similar programme, called “Youth Mediators”, was launched in 2015 with the aim of reaching out to young NEETs who are not registered with the PES. Approximately 100 youth mediators were hired by the public employment service to work in municipalities with high proportions of inactive young people. These mediators often experienced a spell of inactivity themselves and shared many characteristics with their clients. The primary objective of Youth Mediators is to identify young NEETs who are not registered with the Bulgarian PES, contact them, and inform them of careers’ services and opportunities for education, employment or training. By the end of 2017, 62% of the 16 846 young NEETs who were identified and received support from a youth mediator subsequently took steps towards activation (e.g. registering with relevant services, attending a job interview) (European Commission, 2017^[6]).

Collaboration with associations and community-based organisations in Belgium, Luxembourg and Lithuania

The public employment services of the Brussels-Capital Region (Actiris) and Flanders (VDAB) built partnerships with associations and community-based organisations to implement the FIND-MIND-BIND approach. The “FIND” phase consists of actively identifying and seeking young NEETs who are not registered with the public employment service by going out to meet them in the streets, sport clubs and music events. An outreach worker then spends time with the young person to build a trust relationship (“MIND”), so that the young individual becomes confident and willing to develop a career plan with the help of the outreach worker. During the “BIND” phase the young person receives guidance and monitoring, through both individual counselling and group counselling.

A similar collaboration with a youth association is followed in Luxembourg through the “Outreach Youth Work” (INFPC, 2018^[7]). With financial support from the European Social Fund, the Ministry of Education, Children and Youth and the Alliance of the Managers of Youth Houses developed a systematic procedure to identify young people who have not been in school or employment for several years, nor are they registered with the public employment service. In the first step, they launched a large campaign with a mass mailing in order to inform young people and parents of the service. The youth workers from the Alliance then got in touch with young people in their social environments (like youth houses or other places where they hang out). Through informal talks, the youth worker build up a relationship of trust and identify the young person’s current activities, their education, employment or training status. In addition to making contact in public spaces, educators go door-to-door or make telephone contact with young people who initiated a measure with the public employment service but did not finalise it.

In Lithuania, the municipal youth co-ordinators collect information on young people in families receiving social services. The co-ordinators of the Youth Guarantee Initiative also co-operate with various institutions operating in their municipality in order to find inactive young people (probation services, open youth centres, non-governmental organisations, social workers, etc.).

Development of national outreach strategies in Latvia and Portugal

As part of the Youth Guarantee, Latvia developed a national outreach strategy (KNOW and DO!) to support young NEETs who are not registered with the State Employment Agency in their progression towards the labour market (European Commission, 2018^[8]). The Agency for International Programmes for Youth, subordinated to the Ministry of Education and Science, developed a comprehensive set of guidelines for the delivery of outreach activities, in collaboration with strategic partners in NGOs, social services, youth centres, police, trade unions and social businesses. The development of a common methodology at the national level was important in ensuring a common and joint approach by partners. In addition, supervisions and facilitation of experience exchange between mentors and programme managers across municipalities enabled key personnel to learn from each other and provide better support. Finally, creating and strengthening local strategic partnerships was crucial to ensure that the strengths of local partners are utilised fully in reaching and supporting the target group.

Portugal also developed a “National Outreach Strategy for non-registered young unemployed and inactive young people in Portugal” (Corbanese and Rosas, 2017^[3]). The outreach strategy was launched in July 2017 and encompasses the expansion of partnerships at the local level, the adjustment of local partners’ services to offer a continuum of assistance, the delivery of individualised support to help disengaged young people to access the Youth Guarantee service delivery system, and the enhancement of integrated service delivery. The central office of the Institute for Employment and Vocational Training provides the overall co-ordination and monitoring of the implementation of the outreach strategy. At the local level, the organisational units of the Institute are responsible for managing local partnership networks, providing advice and guidance to local partner organisations, organizing and delivering capacity enhancement training and disseminating information and awareness raising materials. Partner

organisations (social centres, youth organisations, training providers) are responsible for implementing the services and measures set out in the strategy.

Institutional mandates for outreach in Denmark and Belgium

In about two-thirds of EU countries (21 out of 31), public employment services have the responsibility to reach out to NEETs; the Employment Service of Slovenia does not have such a mandate (European Commission, 2019^[9]). Nevertheless, the ESS is involved in NEET outreach through proactive work with schools, co-operation with NGOs and careers centres. An official mandate for the ESS to undertake outreach to NEET would allow them to develop a more elaborated outreach approach.

For instance, shortage on the labour market in Flanders, Belgium, between 2017 and 2019 prompted the public employment service VDAB to reach out to vulnerable groups, including young NEETs who were not registered. They set up partnerships with the National Institute for Health and Disability Insurance and the Association of Flemish Cities and Municipalities, and launched a Social Impact Bond to involve the social and commercial sector in the activation of vulnerable youth.¹

In Denmark, the 60 youth guidance centres covering the country have an established place in both the national policy and the regulatory framework to get in touch with all young people under the age of 25 who are not involved in education, training or employment, including those who do not register with public employment services. The centres use a variety of outreach methods, including contacting identified individuals and inviting them to take part in an informal meeting at the centre or in a community setting (European Commission, 2018^[2]).

Monitoring frameworks in Estonia and Portugal

In Estonia, the *Youth Guarantee Support System* is a tool for municipalities to reach out to NEETs and, if necessary, provide them with support to help them continue their education or integrate into the labour market. The tool was initiated in 2016, but it could only be implemented in 2018 as it uses personal data and its implementation required changes in legislation to comply with data protection regulations. The tool links data from nine registers to detect young people in need of support and provides results to the municipal case managers, allowing them to contact the youngsters and explore ways to support them.

Portugal works with a *Signaling and Registration Network* that is open to all stakeholders working with youth, including social charity institutions, NGOs, municipalities, youth associations, sport associations and other. Each of these organisations have access to the network and can register a young inactive or unemployed person and put them in contact with the public employment services or a training centre.

4.3. Activation support for registered NEETS

4.3.1. Declining number of registered young jobseekers

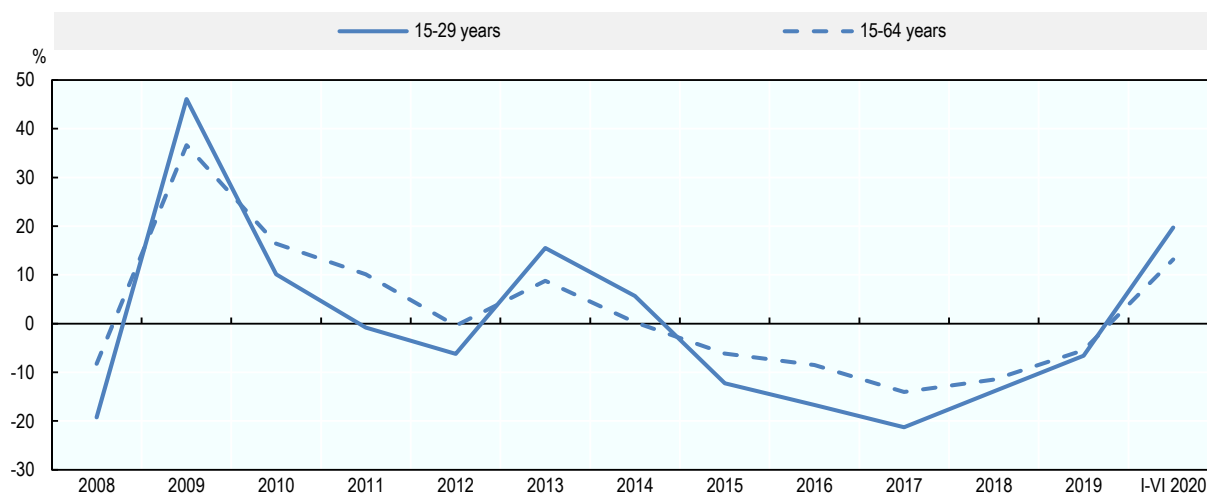
In the first half of 2020, about 17 000 young people between 15 and 29 years old were registered with the ESS, with an equal share of male and female. Close to 60% of the registered youth are older youth (aged 25-29), whereas the younger cohorts, aged 15-19 and 20-24, account for respectively 7% and 34%. The stock of registered NEETs attained a height of 30 500 in 2014, but has been gradually declining since then, reaching a low of 14 000 registered youth in 2019. The COVID-19 pandemic generated again an increase in the number of registered jobseekers in the first half of 2020.

The year-on-year changes in the stock of registered jobseekers in the age group 15-29 mirror the changes for the total population, though economic shocks tend to affect young people more than the total population (Figure 4.5). Stocks rose more for 15-29 year-olds than for 15-64 year-olds during the three economic

crises that affected Slovenia's labour market in the past 13 years, including the global financial crisis in 2009, the domestic banking crisis in 2013 and the COVID-19 crisis in 2020.

Figure 4.5. Economic shocks affect young people more than the total population

Year-on-year changes in the stock of registered unemployed people, by age group, January 2008 – June 2020



Source: Calculations based on data provided by the Employment Service of Slovenia.

To tackle high youth unemployment in the aftermath of the global financial crisis and the domestic banking crisis, Slovenia strengthened its support for young people in line with the Youth Guarantee of the European Commission. Under this initiative, EU countries commit to the goal of providing all young people a good quality offer for employment, training or education within four months of becoming unemployed. Slovenia's Youth Guarantee implementation plan for the period 2016-20 reinforced early activation measures, including the hiring of youth counsellors at the offices of the Employment Service of Slovenia (see Box 4.2), and strengthened active labour market programmes for long-term unemployed youth (see Table 4.2).

Box 4.2. Additional counsellors for young unemployed people

In 2016, the Employment Service of Slovenia hired and trained 45 counsellors to improve support for young jobseekers. Twenty counsellors focus on early activation and twenty-five counsellors concentrate on long-term unemployed youth. While the number of young unemployed people decreased slowly in the subsequent years, the remaining group of unemployed youth became more difficult to activate. As such, the counsellors are continuously trained in different counselling technics to boost the motivation of young unemployed, support them in overcoming multiple obstacles towards employment and guide them towards more suitable career goals. The counsellors also devote specific attention to the co-operation with NGOs and local youth organisations, which are important in the activation of young long-term unemployed people.

Source: Information provided by the Employment Service of Slovenia.

Table 4.2. Overview of active labour market programmes available to young people who are registered with the Employment Service of Slovenia

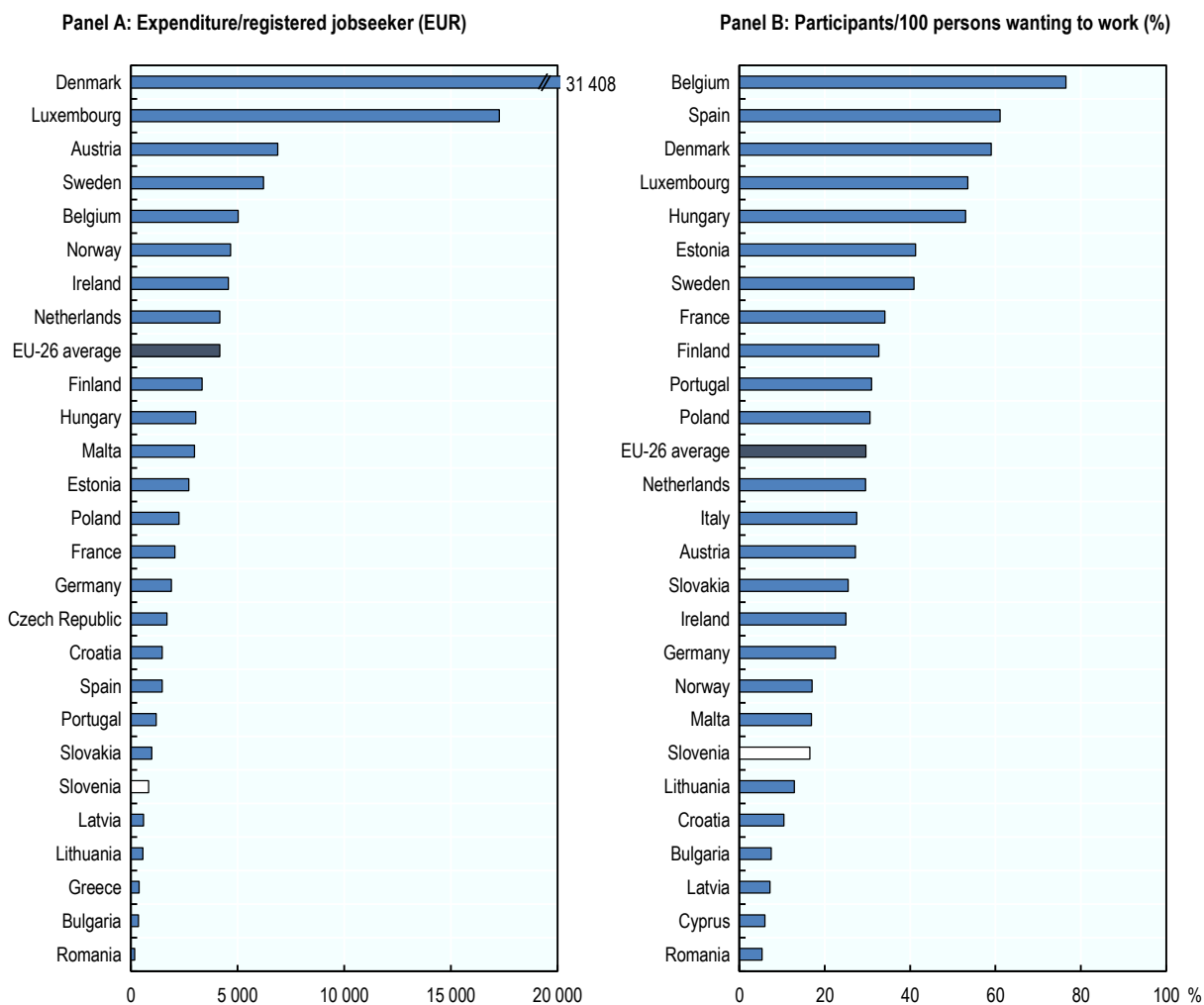
Employment measures	
Employment incentives for young unemployed	Employers receive a monthly subsidy of EUR 208 when hiring a young unemployed person under 30 years of age who is registered with the Employment Service of Slovenia for employment of 40 hours per week. The subsidy is paid for a maximum of 24 months. The employment contract must be for an indefinite period.
Public works	Youth who have been registered with the ESS for one year or more can join public works for one year (or two years if they are Roma or disabled youth).
Learning workshops	Registered unemployed youth can join a learning workshop for at least 6 months, with a possible extension to 12 months, to gain practical knowledge and work experience. They receive a regular wage and other benefits, while employers receive a subsidy of EUR 740 for each full-time contract.
Social contribution exemptions for new self-employed persons	People who register for the first time as self-employed are partially exempted from paying contributions for compulsory social insurance (50% in the first year and 30% in the second year).
Education measures	
Non-formal education and training programmes	The programmes are targeted at registered unemployed under age 30 and are offered nationally with funds from the European Social Fund. It includes tailor-made trainings, focused on local employer's needs financed by the national budget. Participant receive a transport compensation and activity allowance.
Project learning for young adults (PLYA)	PLYA is a social integration programme to help young people back into work or education. The programme is targeted at early school leavers aged 15-26 who are registered with the ESS and has a maximum duration of 10 months. Participant receive a transport compensation and activity allowance.
The inclusion of unemployed people in new and development programs	Payments to the participants differ depending on the programme. These programmes are financed and implemented by other providers, and PES supports the inclusion of unemployed in these programmes by covering some of costs for participation. For most of the programmes PES covers two cash benefits: travel compensation and activity allowance. In 2018, the measure included training for entrepreneurship for youth.
Traineeships	
Work trial	Registered unemployed can undertake a work trial with a registered employer, lasting from a minimum of 100 hours to maximum one month. Participant receive a transport compensation and activity allowance.
On-the-job training	The programme is targeted at registered unemployed under age 30 without work experience. Individual training lasts for three months and takes place under the expert guidance of a mentor provided by the employer. Participant receive a transport compensation and activity allowance.

Source: Information provided by the Employment Service of Slovenia.

However, Slovenia still devotes relatively few resources to labour market programmes compared with other EU countries. In 2018, Slovenia ranked sixth lowest among 26 EU countries for which data on programme expenditure is available – for the total population, not youth specific (Figure 4.6, Panel A). The EU-26 average expenditure on labour market programmes expressed per registered jobseeker was five times higher than the Slovenian ratio. The number of participants in labour market programmes per 100 persons wanting to work is also low in comparison with other EU countries, ranking seventh lowest and reaching about half of the EU26 average (Figure 4.6, Panel B). As pointed out in the OECD report on *Connecting People with Jobs: Slovenia* (OECD, 2016_[10]), funding for active labour market programmes is very volatile and the choice of which programme to offer to a jobseeker depends heavily on available funding.

Figure 4.6. Slovenia has relatively low expenditure and participation rates for labour market programmes

Expenditure on and participants in labour market programmes in EU countries, 2018



Note: Participant and expenditure figures refer to labour market programmes of categories 2 to 7, i.e. training, employment incentives, supported employment and rehabilitation, direct job creation and start-up incentives. Panel A shows total expenditure on labour market programmes divided by the total stock of registered jobseekers. Panel B shows the number of participants in labour market programmes per 100 persons wanting to work.

Source: Calculations based on data from the European Commission, Directorate-General for Employment, Social Affairs and Inclusion (DG EMPL), <https://ec.europa.eu/social/home.jsp>.

Even so, participation rates in labour market programmes and services among young jobseekers are considerably higher than among the population as a whole. In 2019, three-quarters of 15-19 year-old registered jobseekers participated in an active labour market programme, compared with 50% of 25-29 year-olds and 38% of the total population (Table 4.3). Training and education measure the highest participation rates, irrespective of the jobseeker's age, followed by employment incentives. Job creation (public works), promotion of self-employment and life-long career guidance are used less.

Table 4.3. Young people participate more frequently in labour market programmes than the overall population

Participants in labour market programmes as a percentage of the stock of registered jobseekers, by age and by type of programme, 2019

	15-64 years	15-19 years	20-24 years	25-29 years
Training and education	18.2	61.0	34.9	30.3
Employment incentives	13.7	12.5	16.5	13.4
Job creation	4.6	0.9	1.5	4.1
Promotion self-employment	0.4	0.1	1.0	1.7
Life-long career guidance	0.5	0.2	0.6	0.7
All measures	37.5	74.6	54.6	50.2

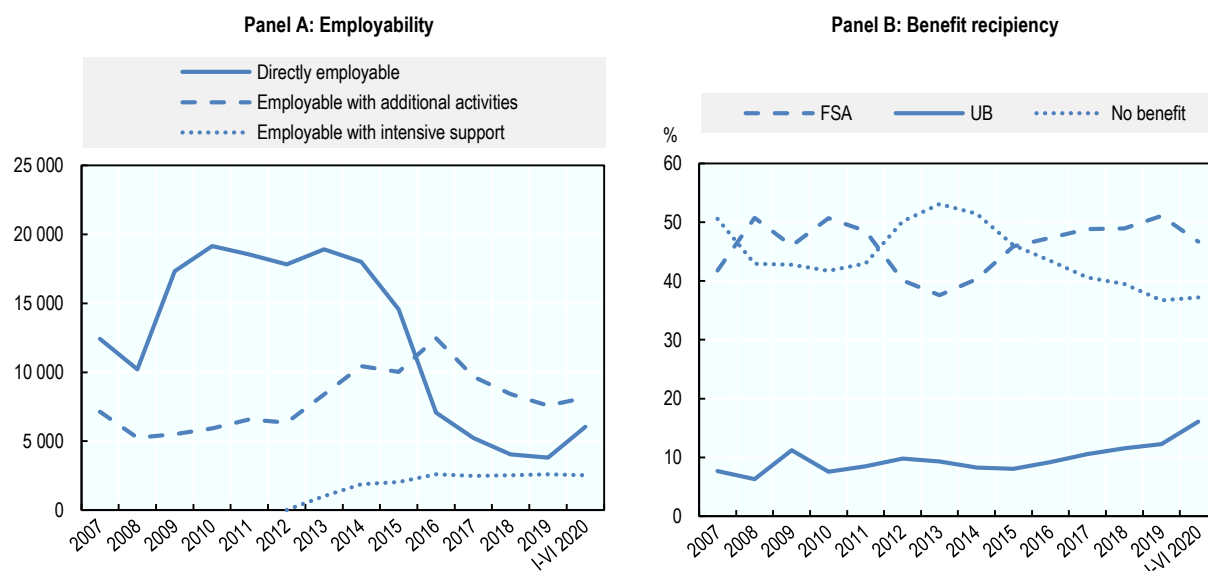
Note: People may participate in several programmes.

Source: Calculations based on data provided by the Employment Service of Slovenia.

The improved economic climate and the increased efforts of the Employment Service of Slovenia to support young jobseekers resulted in a decline in the stock of registered unemployed youth and a change in the composition of jobseekers. Prior to 2016, directly employable jobseekers accounted for the bulk of registered youth, whereas those who are employable with additional activities (such as training or support measures) became the largest group from then onwards (Figure 4.7, Panel A). The latter group also started shrinking in 2017, whereas the group of jobseekers who are only employable with intensive support (such as public works) remained stable between 2016 and 2020.

Figure 4.7. Employability of registered NEETs and benefit reciprocity

Annual averages of the stock of youth aged 15-29 who are registered with the Employment Service of Slovenia, by employability and benefit reciprocity, for the period January 2007 – June 2020



Source: Calculations based on data provided by the Employment Service of Slovenia.

As the maximum duration of unemployment benefits in Slovenia is rather short for people with a short work history (two months for those aged under 30 with a contribution history of six to nine months and

three months for those with a contribution history of one to five years), very few registered NEETs receive unemployment insurance. The share has been gradually increasing from 8% of all registered NEETs in 2015 to 16% in the first quarter of 2020 (Figure 4.7, Panel B).² Much larger is the group that relies on financial social assistance (47%) and the ones who do not receive any income replacement benefit (37%). A recent evaluation shows that employment incentive measures have been successful in bringing young unemployed into employment: 80% of the 21-29 year-old participants in the “*First Challenge 2015*” programme between 2015 and 2018 were employed at the end of the 15-months programme and 76% of the participants were still employed six months after the end of the programme. The employment rate was nearly twice as high as for the control group (Deloitte, 2018^[11]). To further improve the programme, the report recommends a stronger focus on youth who are more vulnerable; faster responsiveness to labour market changes; improved monitoring of the quality of the proposed jobs; and stronger requirements for on-the-job training.

To some extent, the quality of the jobs that are offered are already monitored by the Labour Market Regulation Act. Employers that do not observe the legislation and do not pay the social security benefits or wages are automatically and placed on a list of employers with negative references. The list of employers with positive references, in turn, provides a signal to job seekers that these employers nurture career development and are reliable employers. Job vacancies also include any certificates or awards that specific employer may have. In addition, employers that have unresolved issues from previous participation in active labour market measures are not eligible for father participation. Finally, employers are required to employ at least 50% of the previous participants before they can participate again.

Other active labour market programmes also have been evaluated positively, but the studies refer to earlier periods. For instance, Burger et al. (2017^[12]) evaluated programmes that were in place during the period 2009-14 and found particularly positive effects for employment subsidies, credited training programmes and on-the-job training programmes, though the effects were less strong for young people than for older generations. MK Projekt (2017^[13]) considered the programme to promote self-employment as successful (evaluated over the period 2007-13), but the evaluation was not youth-specific.

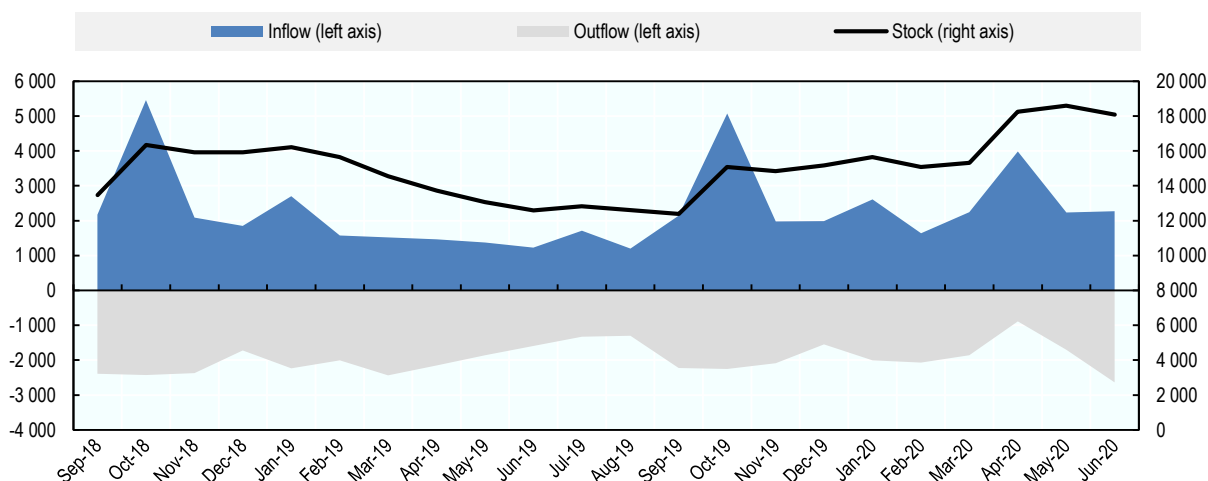
As evaluations are crucial to ensure effective and efficient spending of (limited) public resources, investment in regular monitoring exercises is recommended. The ESS already collects very rich data and systematically tracks post-participation outcomes. Rigorous monitoring and evaluation would allow the authorities to gain better insight into the effects of the different programmes and policies, and adjust them where needed.

4.3.2. The impact of the COVID-19 pandemic

The economic crisis as a result of the COVID-19 pandemic generated an increase in the number of jobseekers aged 15-29 who registered with the ESS by respectively 37% and 77% in March and April 2020 (Figure 4.8). While the impact was substantial, inflows did not rise as much as they usually do in September and October when many young people register with the ESS. The main difference in spring 2020 was the drop in outflows from the unemployment registry caused by the lockdown imposed by the Slovenian Government to slow down the spread of the virus and the temporary freezing in hirings by companies. As a result, the stock of registered unemployed youth rose by 21% in two months' time. In the following months, May and June 2020, outflows picked up again and the stock of registered youth started to decline slowly. However, the improvements were of short duration as COVID-19 infections accelerated again in fall 2020 and the Slovenian Government re-imposed a series of restrictions. In addition, whereas the unemployment rate for the total population quickly returned to its pre-crisis rate in a few months' time, the unemployment rate of 15-29 year-olds was 38% higher in the last quarter of 2020 than the same period a year earlier (at respectively 10.4% and 7.5%).

Figure 4.8. Registered unemployment among youth rose due to the COVID-19 crisis

Inflows, outflows and stock of registered unemployed young people aged 15-29, September 2018 to June 2020

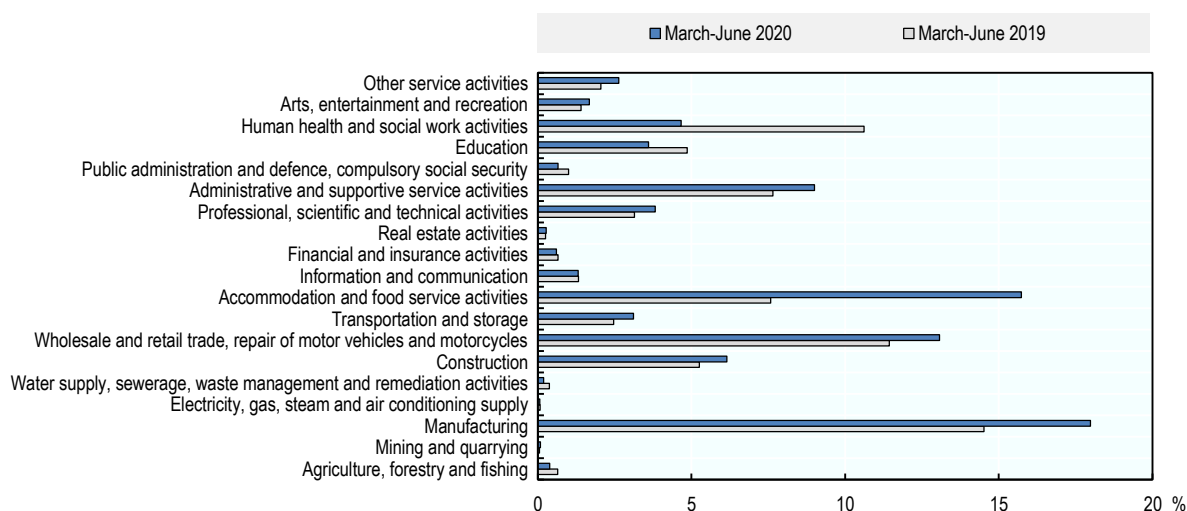


Source: Calculations based on data provided by the Employment Service of Slovenia.

Inflows in registered unemployment among youth rose most for the sectors manufacturing and accommodation and food services, accounting for 18% and 16% respectively of all inflows during the period March-June 2020, and wholesale and retail trade, accounting for 13% (Figure 4.9). The impact was particularly noticeable in accommodation and food services, which doubled its share in inflows compared with the same period a year earlier. The results for young people mirror the results for the total population.

Figure 4.9. Young people in accommodation and food services, and to a lesser extent in manufacturing, experienced the largest inflows into unemployment

Inflows into registered unemployment for young people aged 15-29, by sector, for the period March-June 2019 and March-June 2020

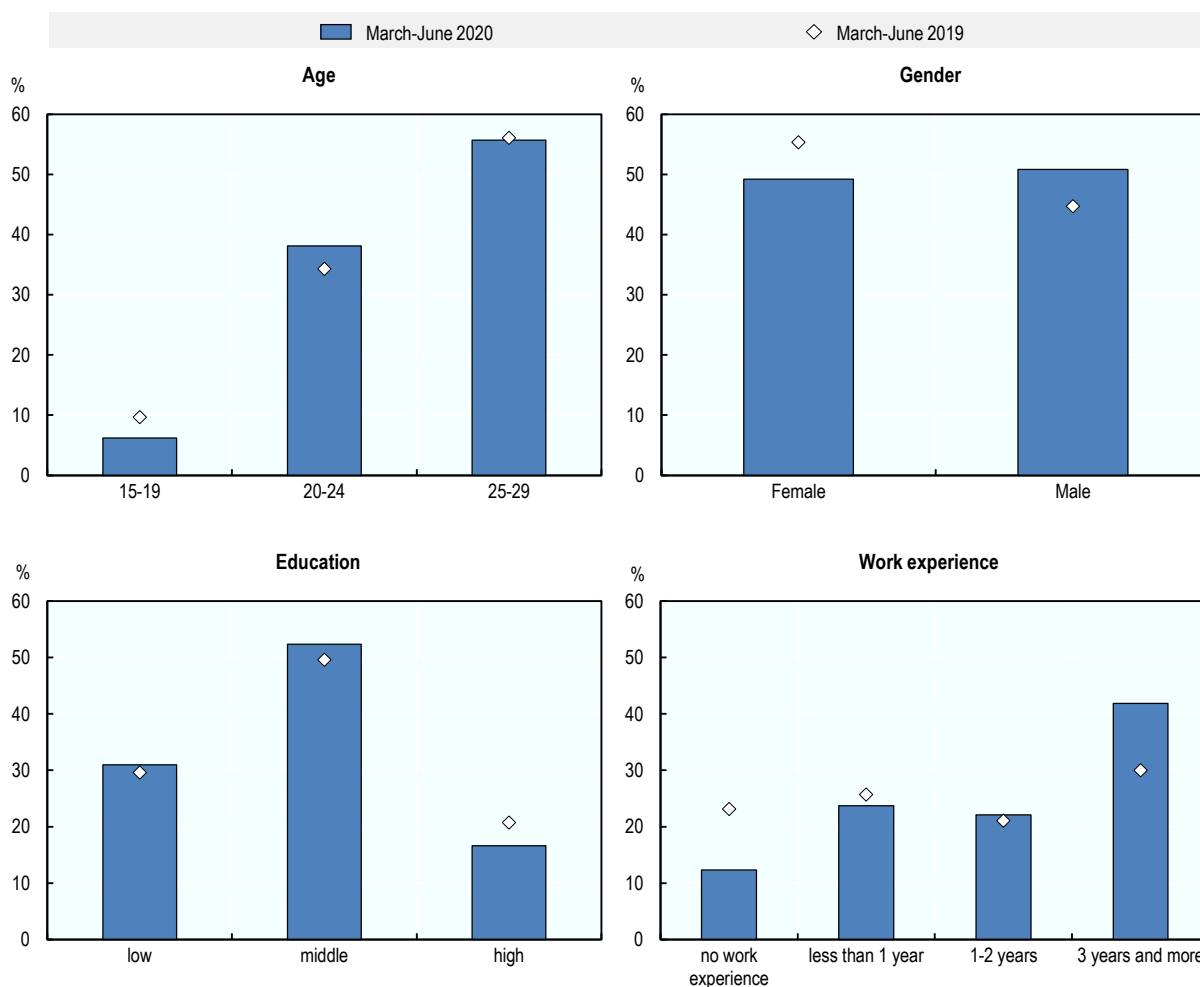


Source: Calculations based on data provided by the Employment Service of Slovenia.

The COVID-19 crisis slightly changed the composition of registered jobseekers. Comparing inflows for the age group 15-29 during the period March-June 2019 with the inflows during the period March-June 2020, jobseekers are more frequently in the age group 20-24 in the second period and less frequently from the youngest cohort – though the largest group in inflows remains the age group 25-29 (Figure 4.10). Most inflows concern young people with middle education, representing 52% of all inflows, and the share of highly educated youth in total inflows further dropped during the crisis. Finally, the crisis significantly affected young people with work experience: those with three years and more of work experience accounted for 42% of all inflows, a considerable increase compared with the same period a year earlier.

Figure 4.10. The composition of newly registered unemployed youth changed slightly during the COVID-19 crisis

Inflows into registered unemployment for young people aged 15-29, by personal characteristics, for the period March-June 2019 and March-June 2020



Source: Calculations based on data provided by the Employment Service of Slovenia.

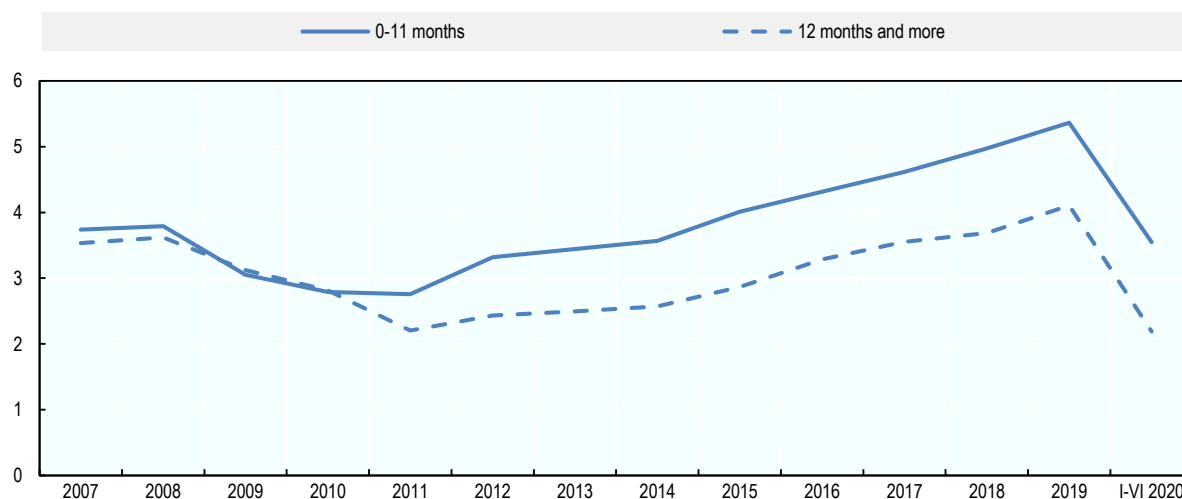
In response to the economic crisis, the Slovenian Government took unprecedented social and employment measures, including full coverage of income support for sick workers and their families; income support for quarantined workers who cannot work from home; paid leave for parents who needed to take care of their children; income support for workers who lost their jobs or self-employment income during the crisis;

support for firms to adjust working time and preserve jobs; financial support for firms affected by a drop in demand; and solidarity allowances for vulnerable groups. Box 4.3 provides more details about each of these measures. As discussed in the 2020 OECD Economic Survey of Slovenia, the measures to support jobs and incomes limited the rise in unemployment during the first wave of the pandemic, saving jobs and protecting the survival of many companies (OECD, 2020^[14]). For young people, no specific measures have been introduced, as the existing measures described in Table 4.2 were deemed sufficient.

Nevertheless, participation in each of the active labour market measures dropped in the first half of 2020. Between January and June 2020, barely 17% of young registered jobseekers aged 15-29 participated in a measure, as opposed to 54% in 2019. As the country moved into a lockdown of economic activity between mid-March and mid-April, ESS caseworkers focussed on securing the timely pay-out of income support benefits and a rapid processing of the job retention scheme (funding employees who were not working due to lack of business, funding part time jobs and funding quarantine absence). From May onwards, regular employment services were offered again, initially via telephone and from June onwards in the public employment offices. Yet, with the increase in caseload from 270 to 370 jobseekers per youth counsellor, service provision remains challenging. Whereas ESS services delivered to young people were on an increasing trend prior to the crisis, service provision quickly dropped in the first six months of 2020 (Figure 4.11).

Figure 4.11. Service delivery of the Employment Service of Slovenia was strongly affected by the COVID-19 pandemic

Number of services per registered jobseeker aged 15-29, by unemployment duration, January 2007 – June 2020



Note: The ratio for 2020 is adjusted for the fact that the period only covers the first six months of the year.

Source: Calculations based on data provided by the Employment Service of Slovenia.

Box 4.3. Policy responses in Slovenia during the initial stages of the COVID-19 crisis

Helping firms to adjust working time and preserve jobs.

The government fully reimbursed employers for paid workers' compensation (since 13.3.2020) who had been ordered to temporarily wait for work for business reasons resulting from the coronavirus pandemic. It also reimbursed paid wages for workers who were forced to stay at home due to force majeure (because of closure of kindergartens and schools, inability to come to work due to the shutdown of public transport or the closure of borders with neighbouring countries). The amount of the compensation equalled the average salary for 2019, which amounted to EUR 1 754 gross. (Not eligible were employers whose share of revenues in 2019 of direct or indirect funds from state exceeded 70% and employers in ISIC class K Financial and insurance activities.)

Income support to persons losing their jobs or self-employment income.

Workers who lost their job during the pandemic and did not fulfil conditions for statutory unemployment benefits were entitled to temporary unemployment benefits at EUR 513 per month between March and May 2020. Self-employed people who declared themselves affected by the crisis using a special electronic application received EUR 350 for March if they proved that their income declined by at least 25% compared to February 2020, and received EUR 700 for April and May 2020 if they proved that their income declined by at least 50% compared to February 2020. At the same time, the state also covered all related social security contributions.

Income support for sick workers and their families

Sick and confirmed infected with COVID-19 employees were entitled to sick pay covering 90% of pay for the first 90 days and 100% thereafter. Sick pay started from the first day of absence from work. The government assumed the entire cost of all sick pay from 11 April until 31 May 2020 – in regular circumstances employers are required to cover the cost for the first 30 days.

Income support for quarantined workers who cannot work from home.

Workers in mandated quarantine who could not work from home were paid 80% of their average full-time gross monthly wage from the last three months before the start of the absence. The amount of the wage compensation was not limited by the minimum wage; firms were fully reimbursed by the government.

Solidarity payments for vulnerable groups.

The government introduced a series of one-time solidarity payments to vulnerable groups, usually tied to the receipt of existing benefits, and which were not counted as income for social security/tax purposes. For instance, beneficiaries of financial social assistance or care allowance received a one-off solidarity allowance of EUR 150 for April 2020. Recipients of unemployment benefits and disability insurance benefits and pensioners who receive less than EUR 700 in benefits per month received a one-off payment of EUR 130, 230 or 300 (depending on their benefit levels). Recipients of child benefit on low- and medium incomes received a EUR 30 per child means-tested payment and recipients of the parental or childcare allowances received EUR 150 per family. The large family allowance also increased by EUR 100 for families with three children and by EUR 200 for families with four or more children. All entitlements from public funds (social security benefits, child benefits, etc.) that expired on 31 March 2020 were automatically extended by one month.

Financial support to firms affected by a drop in demand.

Stimulus package included short- and long-term measures such as tax deferrals, state guarantees and credit lines. On 18 March 2020, the tax burden on business was eased with a 12-month deferral of credit payments.

The ESS is organising counselling services via video calls and increasing the number of young people they can reach per day. However, additional structural changes may be needed to streamline and digitalise service delivery. The forthcoming OECD note on *Active labour market policies to mitigate the rise in (long-term) unemployment in Slovenia* lists a number of ideas, lessons and policy approaches that are highly relevant for the service delivery to young jobseekers in Slovenia (Box 4.4). Implementing these reforms could also improve support for young people, increase their chances of a successful labour market integration and reduce the long-term impact on their careers. Early intervention is particularly important for young people as the global financial crisis showed how damaging an economic crisis can be for young people. Indeed, high and persistent youth unemployment in the aftermath of the global financial crisis showed that once young people have lost touch with the labour market, re-connecting them can be very hard.

Modernising and streamlining practices at the ESS towards a digital service delivery is particularly important in the current pandemic and the need for social distancing. It would also allow the ESS to increase the counselling frequency and support for young people. Currently, the counselling frequency for many ESS clients is too low to support an effective reintegration into employment (OECD, 2021^[15]).

Box 4.4. Ideas, lessons and policy approaches to mitigate the rise in unemployment

The note prepared by the OECD on *Active labour market policies to mitigate the rise in (long-term) unemployment in Slovenia* discusses different ways for Slovenia to improve its active labour market policies and address the labour market challenges related to the COVID-19 pandemic. The note focusses on three areas in particular: (1) encouraging and supporting a quick reintegration of jobseekers into the labour market, (2) addressing limits on expanding PES resources through contracting out, and (3) adjustments to active labour market programmes.

Across these three areas, a non-exhaustive list of ideas, lessons and policy approaches that Slovenia could consider adopting include:

- Modernising and streamlining practices at the Employment Service of Slovenia (ESS) towards a digital, lean service delivery.
- Increasing the counselling frequency, especially for jobseekers with additional labour market barriers to support an effective reintegration into employment.
- Prioritising the introduction of a statistical profiling tool at the ESS to target and tailor employment services and programmes more efficiently.
- Further developing and expanding the mental health competencies and support at the ESS and to the ESS.
- Considering the introduction of contracted-out employment services, which offers the possibility of scaling-up employment services capacity without long-term cost commitments.
- Delivering more training programmes for jobseekers (partly or fully) online.
- Increasing investments in adult training to facilitate the reallocation of workers across industries and occupations.

- Streamlining the various skill assessment and anticipation exercises conducted in Slovenia to guide workers to the most efficient job transition.
- Scaling up well-targeted employment subsidies of limited duration to support job creation and strengthen employability of workers.

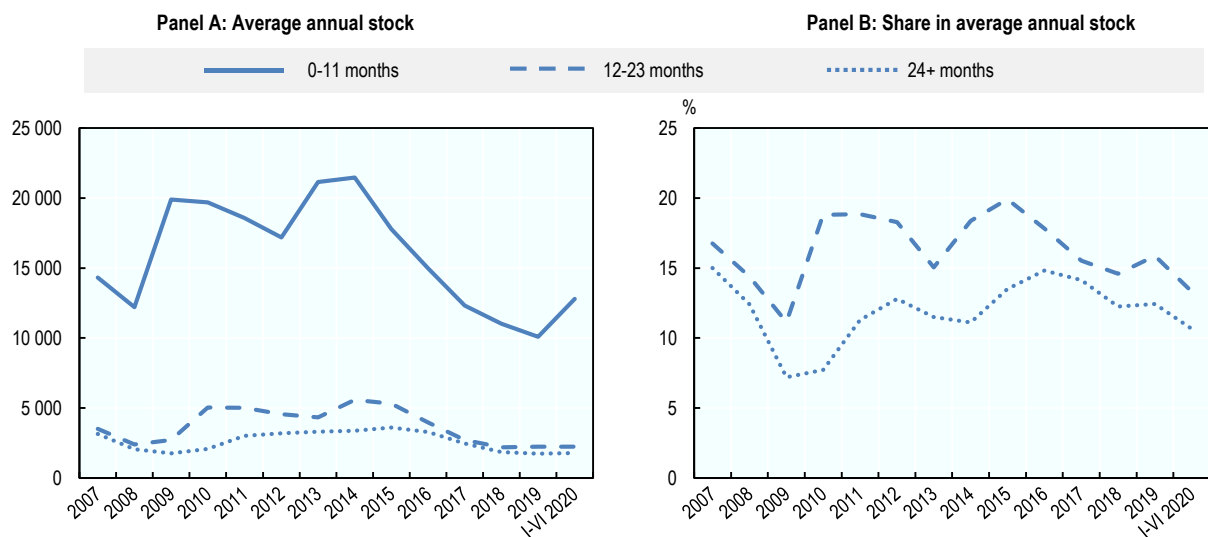
Source: OECD (2021^[15]), Active labour market policies to mitigate the rise in (long-term) unemployment in Slovenia, *forthcoming*, OECD Publishing, Paris.

4.3.3. Long-term NEETs

Short periods of inactivity or unemployment do not necessarily have negative repercussions on future employment opportunities and income, but Chapter 1 illustrated that more than half (53%) of all Slovenian NEETs remain in that status for a year or more. Among those NEETs who are registered with the ESS, the share with a long-term NEET spell is considerably smaller than among unregistered NEETs (see the section on Unregistered NEETs above) and it has been declining since 2015. The share of jobseekers who have been registered with the ESS for one to two years declined from 20% in 2015 to 13% in the first half of 2020, whereas the share of those who have been registered for longer than two years declined from 15% in 2016 to 11% in the first half of 2020 (Figure 4.12). In total, one in four registered jobseekers were long-term NEETs in the first semester of 2020.

Figure 4.12. Long-term unemployment among registered unemployed youth has been declining

Stock of young people aged 15-29 registered with the Employment Service of Slovenia, by duration of unemployment, over the period January 2007 – June 2020



Source: Calculations based on data provided by the Employment Service of Slovenia.

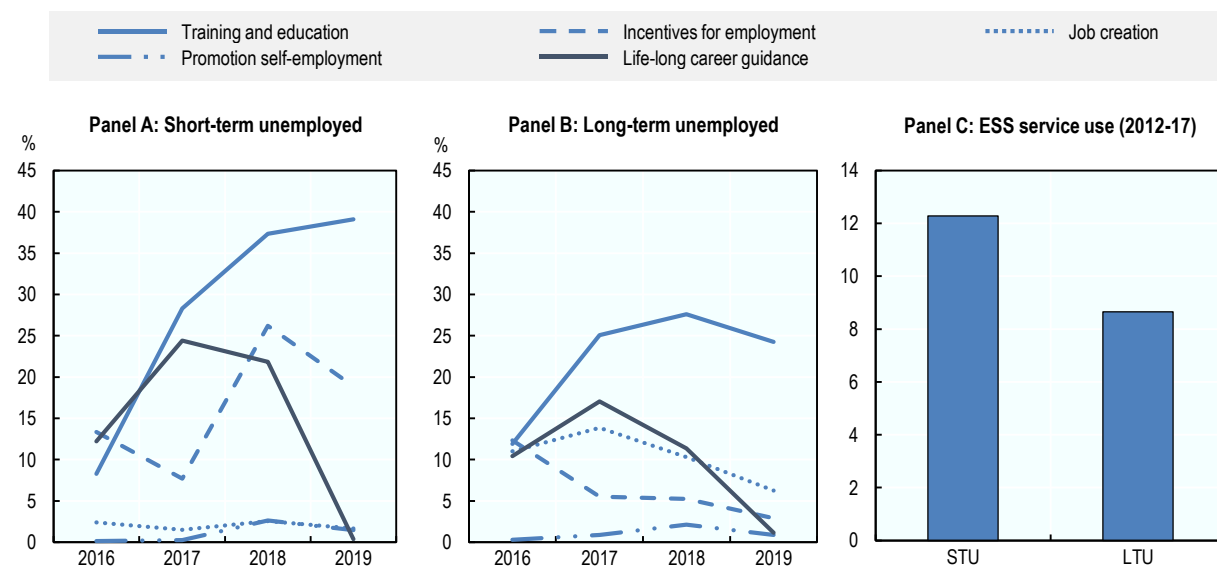
ESS counsellors have a range of active labour market measures at their disposal for registered long-term NEETs (see Table 4.2). However, long-term unemployed youth participate much less in these measures than short-term unemployed youth. In 2019, barely one in three young jobseekers who were registered with the ESS for more than one year participated in one of the active labour market measures, compared with nearly two in three short-term unemployed jobseekers (Figure 4.13, Panel A and B).

For both groups, training and education is the most used measure, which is provided to 39% of short-term unemployed youth in 2019 and to 24% of long-term unemployed youth. Employment incentives are only used by 3% of all long-term unemployed youth in 2019, compared with 24% of all short-term unemployed youth. Participation in active labour market measures is very volatile, reflecting to a large extent the availability of funding.

Participation of long-term unemployed youth declined for each category of measures in recent years. For some of the measures and services (like employment incentives and life-long career guidance), this decline in participation rates is observed among both short-term and long-term unemployed youth, but not for all. To improve labour market integration of long-term unemployed, the active measures that the ESS has at its disposal would need to be scaled up significantly.

Figure 4.13. Participation of long-term NEETs in active labour market programme declined in recent years

Average annual participation in active labour market programmes as a share of the total stock of registered unemployed youth, by measure and duration of unemployment, 2016-19 (Panel A and B), and the average number of services received during the first four months of registration with the Employment Service of Slovenia, by duration of unemployment, 2012-17 (Panel C)



Note: The figures focus on young people age 15-29. The ESS services use refers to the number of services short-term unemployed youth (STU) and long-term unemployed youth (LTU) receive during their first four months of registration with the Employment Service of Slovenia. Source: Calculations based on data provided by the Employment Service of Slovenia.

In addition, long-term unemployed systematically receive less employment services during their first four months of unemployment than short-term unemployed youth (Figure 4.13, Panel C). Data on the number of services provided by the Employment Service of Slovenia shows that short-term jobseekers receive, on average, 12 different services during their first four months of unemployment, including an individual action plan, short workshops, referrals to vacancies, etc. In contrast, long-term unemployed youth receive only eight services on average. The gap in service use has been fairly constant over the past decade.

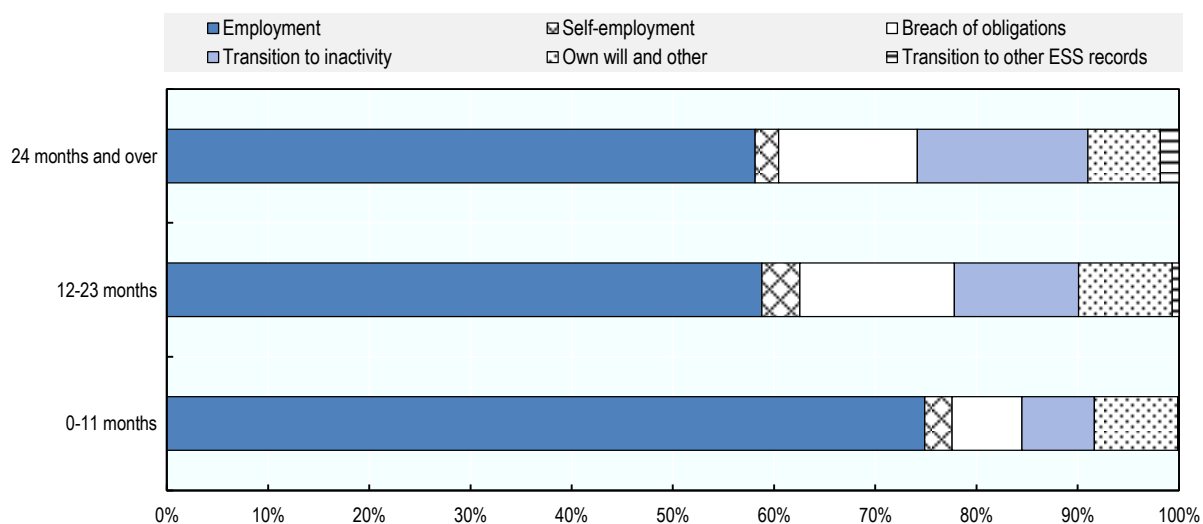
Investigating the reasons behind the gap in service use would help the Employment Service of Slovenia understand how to improve service delivery for young people with a risk of long-term unemployment. For instance, do these youngsters participate less in the offered services, or are they offered less services? It

could be that their personalised situation prevents them from actively participating in programmes (e.g. difficult situation at home, or hidden psychological issues), which suggests that more personalised services would benefit them. Conversely, if they are offered less services because the caseworker believes the young jobseeker is not ready, then alternative services would need to be developed adapted to their needs.

Given their lower participation rates in active labour market programmes and employment services, it is not surprising that long-term NEETs in Slovenia are less likely to leave the unemployment records for employment than short-term NEETs (though the direction of causality would have to be investigated). Nearly four out of five jobseekers who were registered with the ESS for less than one year find employment or self-employment (Figure 4.14). Among those who remain registered with the ESS for 12-23 months or longer than 24 months, (self-)employment accounts for respectively 63% and 60% of all outflows.

Figure 4.14. Long-term NEETs are less likely to leave unemployment records for employment

Outflows by reason of deregistration and duration of unemployment, youth aged 15-29, 2017-19



Source: Calculations based on data provided by the Employment Service of Slovenia.

A regression analysis helps to understand the relationship between the personal characteristics of NEETs and their participation in an active labour market programme. This analysis leads to several interesting results (Table 4.4):

- The more educated, the more likely NEETs are to participate in active labour market programmes. Compared with low-educated NEETs, the odds of participating in an active labour market programme are nearly two times higher for middle educated and three times higher for high-educated NEETs.
- Immigrants have a much lower likelihood of participating in active labour market programmes than native borns. NEETs born in Balkan countries and EU15 countries are respectively five and 12 times less likely to participate in a programme than NEETs born in Slovenia. In addition, the odds are lower for immigrants arriving after age 10 compared with those arriving before they turn 10.
- Young NEETs with work experience are 1.8 times more likely to participate in an active programme than their peers without work experience.
- The likelihood of participating in an active labour market programme decreases with age, as well as when they have a child.

Table 4.4. Migrants and low-educated NEETs are less likely to participate in active programmes

Odds ratios indicating the likelihood of participating in an active labour market programme, for young people aged 15-29 over the period 2011-18

	Odds ratios
Gender (1=M, 2=F)	1.05
Has a child (Y/N)	0.76
Work experience (Y/N)	1.75
Compared with 15-19 year-olds	
Age 20-24	0.77
Age 25-29	0.63
Compared with low educated NEETs	
ISCED 3-5	1.84
ISCED 6-8	2.94
Compared with youth born in Slovenia	
EU15	0.08
Balkan	0.20
Rest	0.21
Compared with immigration at age 0-10	
Immigration at age 11-18	0.83
Immigration at age 19-29	0.85

Note: Logistic regression of participation in active labour market programmes on main characteristics for 15-29 year-old NEETs in Slovenia. Outputs are presented as odds ratios. Regional and year dummies as well as parent characteristics (education and employment status) are included as control variables. All odds ratios presented in the table are statistically significant at the 0.01 level.

Source: Estimations based on anonymised merged administrative data provided by the SURS and ESS (see Box 1.1 in Chapter 1 for more information).

4.4. Specific target groups

This section zooms in on three groups that face particular challenges in the labour market: young mothers, young people with a migrant background and Roma youth. Indeed, analysis in Chapter 1 illustrated that children for women is one of the strongest determinants of long-term NEET spells, in particular for single women. The NEET rate among foreign-born youth is nearly three times as high as among native born. For Roma youth, there is no reliable data on their labour market outcomes in Slovenia, but scarce information shows that they are very weak. The following sections discuss the existing policy framework and make proposals to improve support for each of these groups.

4.4.1. Young mothers

The analysis in Chapter 1 illustrated that 60% of female NEETs in Slovenia are inactive because of caring or family responsibilities. This share is higher than in other OECD countries where on average 53% of female NEETs are at home for care responsibilities. The analysis also showed that the presence of a child in the household is the strongest determinant for the NEET duration of young women in Slovenia.

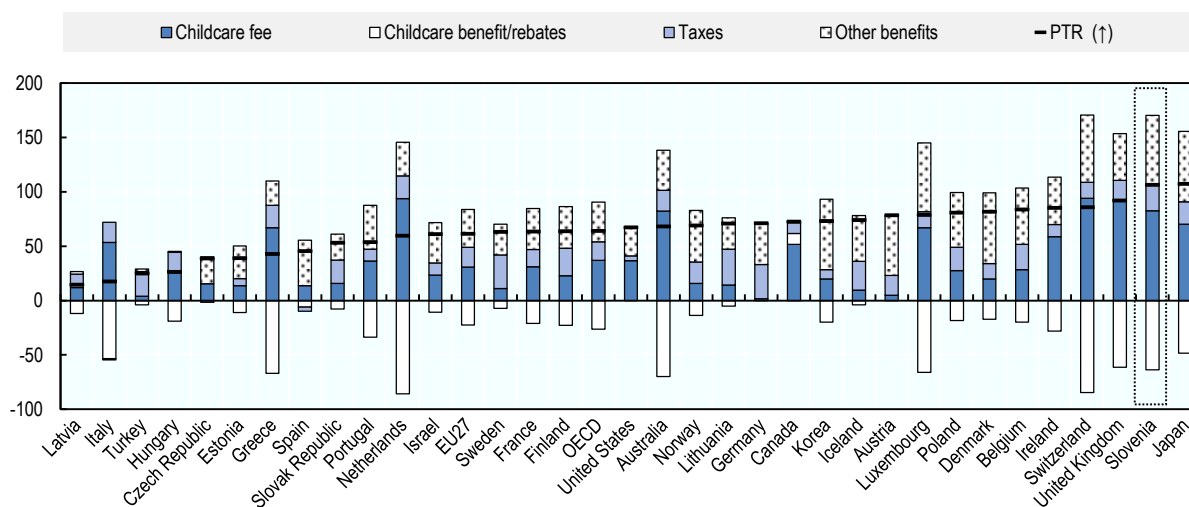
Work does not necessarily pay for young parents

The over-representation of young mothers among NEETs in Slovenia seems to be largely the result of the weak financial incentives that persuade parents of young children to move into employment. Whether or not it pays to work is determined by a complex combination of benefit entitlements, the tax treatment of earned income and the cost of childcare for young children. To illustrate the financial impact of moving from inactivity to employment, Figure 4.15 shows the effective tax rates – also called participation tax rates

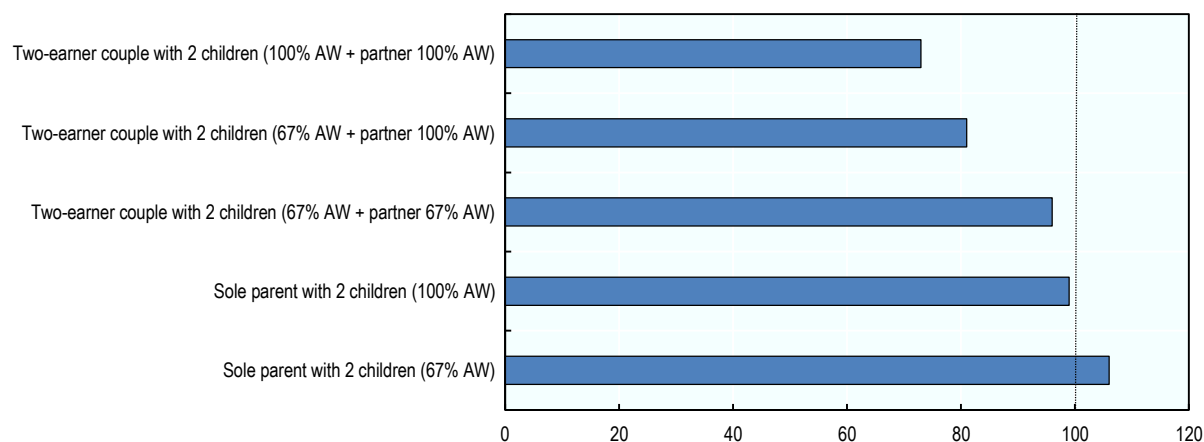
– for different types of families and earning levels. With an effective tax rate of 106% for a sole parent with two young children (aged two and three) moving into low-paid employment, Slovenia ranks second highest among OECD countries. This rate indicates that single mothers who take up a low-paid job in Slovenia would lose more than 100% of their earnings to childcare costs, lower benefits and higher taxes. The average across OECD countries is only 62%. In addition, Panel B of Figure 4.15 shows that the effective tax rate reaches nearly 100% for sole parents in Slovenia who enter average-paid employment and for couples with small children where both parents have low-wage jobs. While financial incentives are stronger when both parents earn the average wage, they would still lose three-quarters of one wage to childcare costs, lower childcare benefits and higher taxes.

Figure 4.15. Work does not pay for sole or low-earning parents in Slovenia

Panel A: Effective tax rates on entering low-wage employment for a single parent when using childcare services for two children, by category, 2019



Panel B: Effective tax rates on entering employment when using childcare services, by family type and earnings, 2019



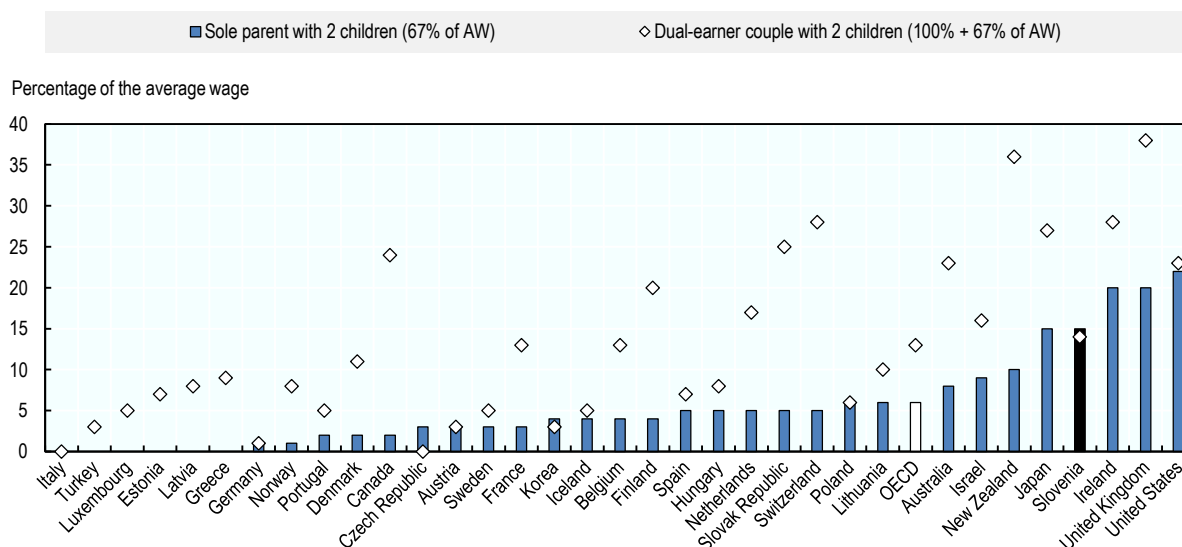
Note: The effective tax rate measures the proportion of earnings that are lost to either higher taxes, lower benefits or childcare costs when a parent with young children takes up full-time employment and requires use of centre-based childcare services. The tax rates are calculated for different types of households with two children aged 2 and 3. Transitions are from labour market inactivity (i.e. without unemployment benefit entitlements but possible entitlement to minimum income benefits) to a full-time job, at either 67% or 100% of the average wage (AW). The model uses tax and benefit regulations that were in place in 2019, or latest available. See the OECD Tax and Benefit Systems website (<http://oe.cd/TaxBEN>) for more detail on the methods and assumptions used and information on the policies modelled for each country.

Source: OECD Tax and Benefit Models 2019, <https://stats.oecd.org/Index.aspx?DataSetCode=PTRCC>

In particular, out-of-pocket childcare costs in Slovenia are fourth highest among OECD countries and far above such costs in other countries in Continental Europe (Figure 4.16). For a single-parent household with a low-paid job in Slovenia, the net costs of using childcare services for two children (aged two and three) account for 15% of the average wage. This cost is nearly three times the OECD average (5%) and five times the cost in neighbouring country Austria (3%). Net costs for a typical dual-earner couple family in Slovenia are at a similar level (14% of the average wage) as those for single-parent households, but they are more in line with those in other OECD countries where the average is 13%.

Figure 4.16. Childcare costs are high in Slovenia

Out-of-pocket childcare costs for parents using full-time childcare for two children (age 2 and 3) as a percentage of the average wage, 2019



Note: Data reflect the net cost (gross fees less childcare benefits/rebates and tax deductions, plus any resulting changes in other benefits received following the use of childcare and/or change in family income) of full-time care in a typical childcare centre for two-child family with children aged 2 and 3. Gross earnings for the two earners in the dual-earner couple are set equal to 100% of the average wage (AW) for the first earner and 67% of the average wage for the second earner. Those for the single-person household are set to 67% of the average wage. 'Full-time' care is defined as care for at least 40 hours per week. Where benefit rules are not determined on a national level but vary by region or municipality, results refer to a "typical" case (e.g. Michigan in the United States, the capital in some other countries). See the OECD Tax and Benefit Systems website (<http://oe.cd/TaxBEN>) for more detail on the methods and assumptions used and information on the policies modelled for each country.

Source: OECD Tax and Benefit Models 2019, <https://stats.oecd.org/Index.aspx?DataSetCode=NCC>.

Childcare costs in Slovenia are determined by municipalities based on identified costs of education, care and food in kindergartens. In 2019, the average price for children between one and three years of age was EUR 474 and EUR 357 for children from three years of age to the age of entering basic compulsory school. To reduce the costs for families, significant discounts are in place, depending on the household's income, number of household members and number of children in care. However, these rebates are insufficient to bring to cost of childcare services closer to OECD averages.

In addition, out-of-pocket childcare costs experienced opposite trends for different types of households over the past decade and significantly worsened the situation of single-parent households (Table 4.5). While gross childcare fees remained around 55% of the average wage between 2008 and 2019, childcare rebates decreased considerably for single-parent households, whereas they increased significantly for dual earner couples with children. As a result, out-of-pocket childcare costs for single-parent households rose

from 9% of the average wage in 2008 to 15% in 2019, whereas they decreased from 21% to 14% over the same period for dual earner couples with children.

Table 4.5. Childcare costs increased for sole parents and decreased for couples

Out-of-pocket childcare costs for parents using full-time childcare for two children (age 2 and 3) as a percentage of the average wage, by family type and cost item, 2008 and 2019

	Single-person household with 2 children (67% AW)		Dual-earner couple with 2 children (100% + 67% AW)	
	2008	2019	2008	2019
Gross childcare fees	56	55	56	55
Childcare benefits	50	43	36	43
Change in taxes	0	0	0	0
Changes in other benefits	-3	-2	-2	-1
Total	9	15	21	14

Note: Data are separated by gross childcare fees, childcare benefits/rebates, tax deductions, and any resulting changes in other benefits received following the use of childcare and/or change in family income. The data are presented for full-time care in a typical childcare centre for two-child family with children aged 2 and 3. Gross earnings for the two earners in the dual-earner couple are set equal to 100% of average earnings for the first earner and 67% of average earnings for the second earner. Those for the single-person household are set to 67% of average earnings. 'Full-time' care is defined as care for at least 40 hours per week. See the OECD Tax and Benefit Systems website (<http://www.oecd.org/els/soc/benefits-and-wages.htm>) for more detail on the methods and assumptions used and information on the policies modelled for each country.

Source: OECD Tax and Benefit Models 2019, <https://stats.oecd.org/Index.aspx?DataSetCode=NCC>.

Creating incentives for young NEET mothers to take up work

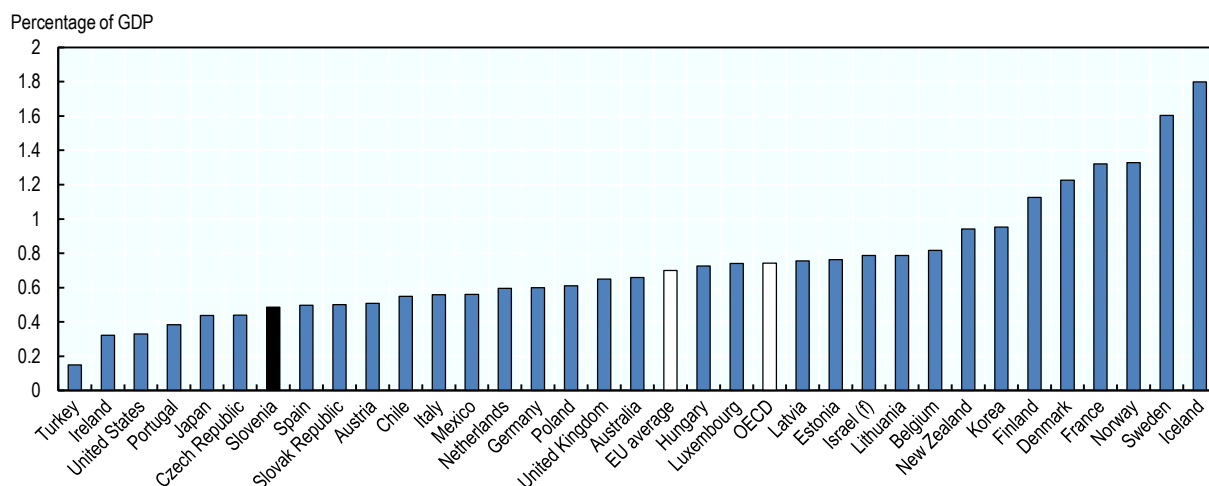
To address the low work incentives for young NEET mothers, Slovenia should find a way to reduce the out-of-pocket costs for childcare services for single parents, possibly through higher discounts for single parents. Overall, public spending on early childhood education and care remains low in Slovenia. At 0.5% of GDP, Slovenia ranks in the lowest quarter of OECD countries and below the EU and OECD averages of 0.7% (Figure 4.17). For instance, those countries that have succeeded in providing affordable early childhood education and care on a wide scale – most notably, the Nordic countries and France – direct more than 1% of GDP to early childhood education and care.

However, higher spending and increased public childcare support do not guarantee better access to affordable early childhood education and care. Without suitable regulations in place, there is a danger that providers 'capture' public support for themselves, rather than passing it on to parents through lower costs. One option to prevent such capture is to combine public support with fee caps and regulations, such as maximum fees (OECD, 2020^[16]). Fee regulations are common in countries that operate public systems for early childhood education and care. For example, in Denmark, fees vary locally but regulations stipulate that parents cannot be charged more than 25% of the operating cost of care, with additional discounts for families on low incomes, single parents, large families and children with disabilities.

High-quality early childhood education and care bring also many social and economic benefits. A growing body of research recognises that participation is beneficial for young children, especially those from low-income backgrounds (OECD, 2018^[17]). Accessible, affordable and good-quality childcare also helps to protect children against poverty and strengthens equality of opportunity by promoting child development, child well-being and success later in life, and by facilitating parental employment and boosting family income (OECD, 2018^[18]).

Figure 4.17. Slovenia spends very little on early childhood education and care

Public expenditure on early childhood education and care, as a percentage of GDP, 2015



Note: Data for Poland refer to 2014. In some countries, local governments play a key role in financing and providing childcare services. Such spending is comprehensively recorded in the Nordic countries, but in some other (often federal) countries it may not be fully captured by the OECD social expenditure data.

Source: OECD Family Database, <http://oe.cd/fdb>.

4.4.2. Young people with a migrant background

Chapter 1 showed that the NEET rate among foreign-born youth is nearly three times as high as among native-born and Chapter 2 discussed that part of the problem relates to higher school dropout rates among migrant children. Analysis based on the anonymised merged administrative dataset furthermore reveals that young people with a migrant background are over-represented among unregistered NEETs (Table 4.6). For instance, young people born in a Balkan country accounted for 11.3% of all NEETs in 2018, yet their share among unregistered NEETs reached 15.7% in that year. For young people born in EU-15 countries, their share among unregistered NEETs is double as high as among all NEETs. Similar findings appear when we compare first- and second-generation migrants with native-born youth (Panel B). Especially first-generation migrant youth are over-represented among unregistered NEETs.

Table 4.6. Young people with a migrant background are over-represented among unregistered NEETs

Panel A: Share (in percentage) among all NEETs and unregistered NEETs by country of birth, for 15-29 year-olds, 2018					
	Slovenia	EU15	Eurest	Balkan	Other
All NEETs	85.1	1.9	0.3	11.3	1.4
Unregistered NEETs	77.4	3.9	0.4	15.7	2.6
Panel B: Share (in percentage) among all NEETs and unregistered NEETs by migrant status, for 15-29 year-olds, 2018					
	Natives	First-generation migrants	Second-generation migrants		
All NEETs	67.7	14.9	15.8		
Unregistered NEETs	58.6	22.6	16.6		

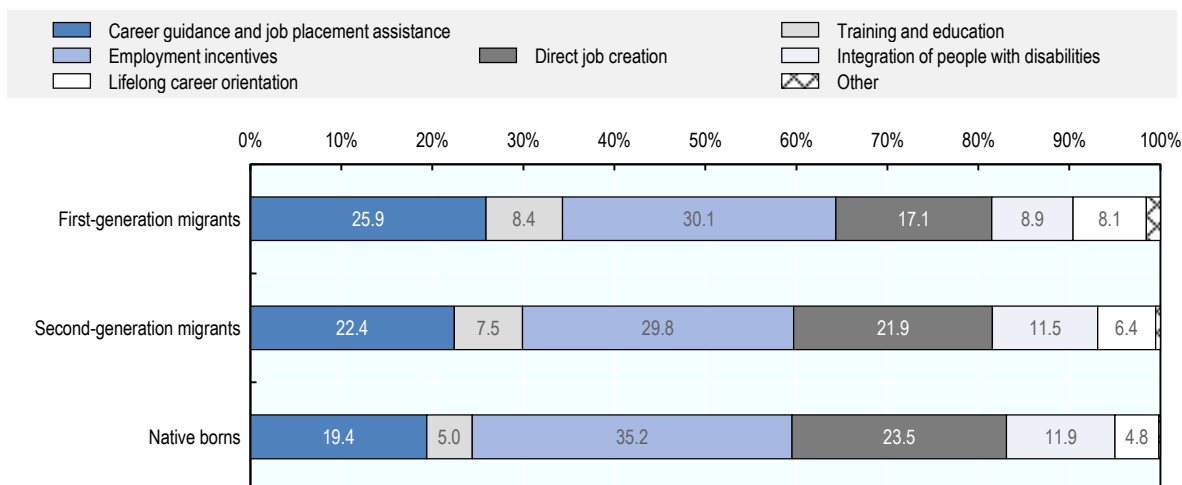
Source: OECD calculations based on anonymised merged administrative data provided by the SURS and ESS (see Box 1.1 in Chapter 1 for more information).

To further reduce the NEET rate among young people with a migration background, the ESS will have to do major efforts to reach out to those who are not registered, to better understand their barriers to employment and offer targeted services. In particular, about two-thirds of unregistered migrant NEETs are women, most likely accompanying partners who stay at home. In addition, low-educated youth account for more than half (57%) of all unregistered migrants NEETs, with nearly half of that group not having fulfilled basic education.

The analysis in the section on long-term NEETs revealed that long-term unemployed immigrant youth have a much lower likelihood of participating in active labour market programmes than their native born counterparts. Among those who do participate, the support for first-generation migrant youth is more heavily concentrated on career guidance and job placement assistance than for second-generation migrants and native borns (Figure 4.18). The same finding holds for training and education as well as lifelong career orientation, whereas direct job creation (i.e. public works) is less used for first-generation migrant youth. Among native born young jobseekers, employment incentives are the most frequently used active labour market programme, accounting for 35% of all measures provided to this group.

Figure 4.18. Support for first-generation migrant youth is more heavily concentrated on guidance and training than for native-borns, who receive more frequently employment incentives

Participation in active labour market programmes among 15-29 year-old jobseekers, by type of measure and migrant background, 2018



Source: OECD calculations based on anonymised merged administrative data provided by the SURS and ESS (see Box 1.1 in Chapter 1 for more information).

Native borns and first-generation migrants are equally likely to leave the ESS unemployment records for employment, but the latter are less likely to re-enter education, move to self-employment or participate in an ESS public works programme (Table 4.7). Instead, they are more likely to be de-registered for maternity leave or for lack of active job search. The latter reason is also particularly important among second-generation migrants, where one in five is de-register because they are no longer actively searching for a job. Outflow to employment is lowest among second-generation migrants.

The first step for successful labour market integration of young people with a migrant background is to ensure they acquire the necessary skills to succeed, including a qualifying diploma. Where prevention and early intervention fail to avoid early school leaving, second-chance programmes allow young people to obtain a basic qualification and find a way into the labour market. Such programmes offer alternative

pathways that can lead participants back into mainstream education or prepare them to integrate into vocational education and training to obtain a professional qualification.

Table 4.7. Outflows are less positive for young people with a migrant background

Outflows by reason of deregistration and duration of unemployment, for young people aged 15-29, 2012-18

	Natives	First-generation migrants	Second-generation migrants
Employment	66.1	66.7	60.3
Self-employment	3.8	1.9	2.9
Public works inclusion	3.4	0.8	2.4
Re-enter education	3.6	1.8	3.5
Maternity leave	4.9	6.0	5.2
Not active job seeker	14.3	18.8	21.0
Moved abroad	0.4	0.8	0.8
Mistake when listing into unemployment database	1.1	1.0	1.0

Source: OECD calculations based on anonymised merged administrative data provided by the SURS and ESS (see Box 1.1 in Chapter 1 for more information).

As discussed in Chapter 2, Slovenia already has a strong adult education system and second-chance programmes. In particular, the Project Learning for Young Adults (PUM-O) programme helps young people aged between 15 and 26 ready themselves for re-entering formal education or finding a job. The length of participation is adjustable to individual needs and the programme operates with small groups of 15-20 youth with an average age of 19-20 supported by three mentors (see OECD (2017_[19]), Box 3.8, for more details about the programme). While the PUM-O programme is not specifically targeted to young people with a migrant background, their share among participants has been growing in recent years.

However, the programme is not necessarily adapted to the needs of migrant youth. Some of these young people would better fit in an official second-chance programme, but such programmes are too expensive for migrant youth without resources. Others have considerable language barriers and would need intense language courses in addition to social support. The number of participants in the programme had also been declining prior to the COVID-19 crisis, suggesting that additional outreach efforts to unregistered youth, in particular those with a migrant background, would be welcome.

Targeted guidance or mentoring schemes for youth with a migrant background can also help them in their search for a (first) job and can help counter the lack of relevant parental contacts or information about the host-country labour market and its functioning. For instance, France has a large-scale mentoring programme with voluntary mentors – either business executives or newly retired people – who mentor a young person in a personal relationship over a number of months (OECD, 2021_[20]). These mentoring networks operate within a structure, most often a ‘local mission’ (a body jointly financed by the French authorities and cities to facilitate youth employment), in partnership with chambers of commerce and companies. The mentors use their contacts, facilitate relations with companies and re-motivate young people. This programme, which has existed since 1993, is particularly effective since two-thirds of these young people either find stable employment or a training programme leading to a qualification, and youth with migrant parents account for a large share of the participants.

Another example of such mentoring programme is the programme ‘Schotstek’ run by the city of Hamburg, Germany (OECD, 2021_[20]). The scheme provides excellent students from immigrant families with a close-knit and high-end professional network of entrepreneurs, founders of start-ups, scientists, artists, managers, politicians and other outstanding personalities, as well as a growing community of successful alumni. At the centre of the programme are individual coaching and mentoring activities, measures to improve the youngsters’ networking and self-organisation skills and projects aimed at broadening their

horizons. The programme also provides financial support and assists with the search for internship opportunities and a first job.

4.4.3. Roma youth

A group of young people who are considered as particularly vulnerable are Roma youth. While specific data is not available for Slovenia due to personal data protection laws,³ scarce information for other EU countries shows that labour market outcomes for Roma youth are very weak. In 2011, an estimated 58% of young Roma people aged 16-24 were neither in employment nor in training or education in the 11 EU countries (not including Slovenia) surveyed by the European Union Agency for Fundamental Rights, compared with a NEET rate of 13% on average in the EU-28 at the time (European Union Agency for Fundamental Rights, 2014^[21]). According to the survey, NEET rates among Roma ranged from 37% in Hungary to 78% in Portugal. Accumulated disadvantages in a range of areas and systematic discrimination complicate the labour market integration of Roma youth, not only in the surveyed countries, but also in Slovenia.

In 2017, the Slovenian Government adopted a new National Programme of Measures for Roma for the period 2017-21 to address the challenges and problems of the Roma community in a comprehensive way (The Government of the Republic of Slovenia, 2017^[22]). The programme, drafted in close co-operation with the Roma stakeholders in Slovenia, contains a wide range of measures in the field of education, social protection, health care, anti-discrimination, empowerment, and employment. The proposed programmes are implemented with close co-operation between the concerned municipalities, the government and key Roma stakeholders. Some projects are co-financed by the European Social Fund.

Employment support for Roma

In the area of employment, mainstream public employment services are available to Roma jobseekers and Roma are an explicit target group of several employment measures. For instance, they can participate in public work programmes for two years (as opposed to one year for persons not belonging to vulnerable groups) and a higher share (95%) of their public work wages are subsidised. Two public works programs are designed specifically for Roma: i) “Assistance in arranging Roma settlements” (assistance in arranging and maintaining settlements, education of collecting waste in correct way, collecting rainwater, etc.); and ii) “Assistance to Roma in socialization” (assistance in school learning, organization of leisure activities in settlements, assistance in removing language barriers, establishing dialogue, monitoring to official institutions, integration into the local environment, etc.). The fifth public tender for social activation programmes also developed a specialised programme for Roma women (Box 4.5). However, the Employment Service of Slovenia does not have a comprehensive approach to tackle the problem of high unemployment among young Roma, comparable to specialised councillors for young people and long-term unemployed.

As the Slovenian law on protection of personal data prohibits collecting records of persons based on national or ethnic affiliation, the ESS does not systematically collect information on Roma people. Only those jobseekers who provide information on their origin at the registration on a voluntary basis appear in the records as Roma. In 2019, only 973 young people aged 15-29 identified themselves as Roma when registering with the ESS; for all age groups, the counter stood at 2 407. There are about as many female as male Roma jobseekers registered with the ESS. More than half of the registered Roma jobseekers have not completed basic education, and their share is about as high among young jobseekers (54%) as jobseekers of any age (56%), showing no improvement over generations. Another 38% of young Roma jobseekers completed basic education, but did not proceed with secondary education.

Despite their significant labour market disadvantages, young people who voluntarily identify themselves as Roma participate much less in active labour market programmes than youth in general. In 2019, 30% of the registered Roma youth participated in active labour market programmes, compared with 54% of all

young jobseekers (Table 4.8). A similar disparity is observed for all age groups combined. Employment incentives are hardly used for Roma youth and, instead, there is a stronger focus on job creation (i.e. public works) – a measure that rarely leads to employment in the open labour market and traps them in a vicious circle of welfare subsidies and public work (Messing, 2014^[23]). Box 4.6 provides additional information about public work programmes and how their value as an activation tool can be improved.

Box 4.5. Social activation in Slovenia

In response to the increase in the number of long-term unemployed persons and recipients of financial social assistance, the Ministry of Labour, Family, Social Affairs and Equal Opportunities launched a pilot for social activation in 2017. Since then, five public tenders have been filed for the organisation of diverse social activation programmes. These programmes, co-financed by the European Social Fund, move away from classical welfare state practices towards more active social policy. The aim of the social activation programmes is to strengthen the capabilities, competences and daily functioning of long term unemployed and long-term beneficiaries of financial social assistance (i.e. most vulnerable social groups) and to facilitate their labour market entry and social integration. The fifth public tender introduced specific programmes for Roma women and women from foreign cultural background, and put additional emphasis on individualised approaches.

By the end of October 2020, 179 programmes had been organised, with 3 152 participants. The number of positive exits – defined as entry into the register of unemployed people, (re)entry in training and education programs/process, joining the programs delineated in the active labour market policies, protected working environments in the context of public work or the employment in the regular labour market – hovered between 14% for short-term programmes (organised in 2017-2018), to 27% for longer-term programmes (2017-2019), and 47% for hybrid programmes (2018-2019).

Source: Lemaić and Juvan (2020^[24]), Social Activation – A Pilot Project of a Comprehensive Approach, <https://www.oecd.org/els/emp/Slovenia.pdf>.

Table 4.8. Roma youth participate much less in active labour market programmes than other young jobseekers

Participants in labour market programmes as a percentage of the stock of registered jobseekers, by age, self-identified ethnicity and type of programme, 2019

	Roma jobseekers aged 15-29 years	All jobseekers aged 15-29 years	Roma jobseekers aged 15-64 years	All jobseekers aged 15-64 years
Training and education	23.8	34.9	14.2	18.2
Employment incentives	0.1	14.3	0.6	13.7
Job creation	3.8	2.9	3.8	4.6
Promotion self-employment	0.0	1.3	0.0	0.4
Life-long career guidance	2.4	0.6	5.8	0.5
All measures	30.0	54.1	24.3	37.5

Note: People may participate in several programmes.

Source: Calculations based on data provided by the Employment Service of Slovenia.

Box 4.6. Reforming public work programmes

Public work programmes have a long tradition, used by countries under different names to address unemployment and provide social assistance to the most vulnerable, while simultaneously supporting the local community. Countries implement public work programmes in various forms, though they are typically organised in close collaboration with local government authorities and non-profit organisations to ensure direct benefits to the local community, whilst simultaneously (re)introducing the habit of working for participants.

One of the main criticisms of public works programmes is that they seldom represent a transition to the open labour market. Apart from monitoring of attendance and basic supervision, participants are often left to their own devices. In most programmes there is no training to help the participants learn the job, little or no ongoing support or contact from the PES, and no guidance aimed at helping them make the transition to regular work afterwards.

The multiple disadvantages experienced by typical public work participants and the low transition into regular employment stress the importance of providing complementary measures alongside the programme, such as training and job search counselling. For instance, in Poland, the public employment service organises preparatory support for participants, including basic training where necessary, whereas in Austria, participants can attend up to eight weeks of preparatory training, and there is also funding for works managers (e.g. supervisors and skilled trainers) to provide ongoing support and guidance to participants. Continued personalised support is particularly important in order to help participants find their first job.

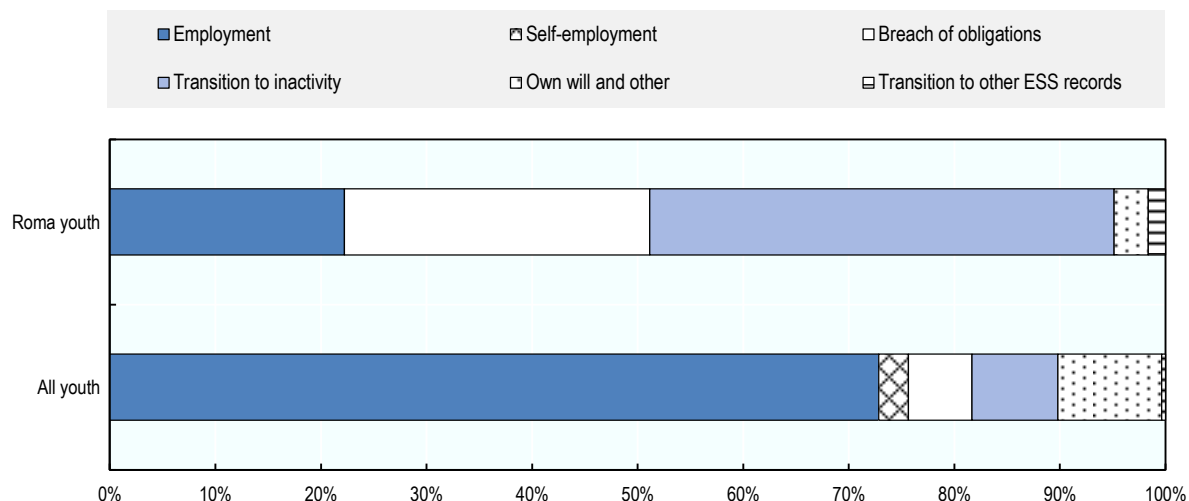
Source: European Commission (2013^[26]), Public Works: How can PES contribute to increasing their value as an activation tool?, Small scale study 2013, Mobility Lab, <https://ec.europa.eu/social/BlobServlet?docId=13384&langId=en>.

Young Roma jobseekers are also much less successful than other young jobseekers in obtaining employment. In 2019, a year when the Slovenian economy was still functioning well and jobseekers found relatively easily employment, only one in five (22%) Roma youth deregistered from the records of the Employment Service of Slovenia because they found employment (Figure 4.19). The difference with the youth population as a whole is considerable: three in four (76%) of them left the ESS records for employment or self-employment. Most Roma youth transition from the ESS records into inactivity (44%); another important group comprises those who breach obligations (29%).

Overall, the limited data that is available on the use of employment services among Roma youth suggest that significant efforts are needed to improve support for this group. The lack of education and accumulated disadvantages in a wide range of areas add to the complexity of this task. The mid-term evaluation in November 2018 of the new National Programme of Measures for Roma for the period 2017-21 by the Mirovni Institute (2018^[25]) on behalf of the Slovenian Government also highlighted the difficulty for Roma people to enter the open labour market in Slovenia because of discrimination against Roma by employers.

Figure 4.19. Only one in five Roma youth leave the ESS records for employment

Outflows by reason of deregistration and self-identified ethnicity, for young people aged 15-29, 2019



Source: Calculations based on data provided by the Employment Service of Slovenia.

Slovenia can learn from interesting experiences in other countries to improve labour market inclusion of the Roma population. The following elements are worth considering:

Employment support

- In many countries, Roma people see public employment offices and centres for social work as purely administrative units where they are obliged to come regularly to register and retain benefit entitlements, without useful support for labour market inclusion, as the services are not tailored to their needs. Interesting initiatives aiming to bridge the resistance to work with public offices can be found in Bulgaria, Hungary and Spain, where public employment services employ mediators of Roma background. Experience in these countries showed that Roma mediators who belong to the local community and have proper professional backgrounds tend to achieve better results, as they generate greater trust and have a better knowledge of the community (Messing, 2014^[23]).
- The strong reliance on public work and the limited transition to the open labour market could be addressed by integrating guidance, skills assessment and post-placement activities into the public works programme. For instance, agreeing on individual targets for each participant at the start of the programme and introducing employer assessments of the skills and achievements of the participant both mid-way and at the end of the programme, to be undertaken in close collaboration by the ESS and the employer, can make progress more visible for all actors involved. To ensure the public work programme is not the end in itself, but a stepping stone for labour market integrations, individual post-placement activities such as targeted training, other active labour market programmes, psychosocial support and on-the-job-support, are crucial.
- The Spanish programme *Acceder* has been in place since 2000 and has served as an example for many other programmes (Maya, Pernas Riaño and Santiago, 2012^[26]). The programme offers an integrated approach, including individual pathways, a wide range of training initiatives oriented towards real job opportunities, a close public-private partnership and a one-to-one relationship with companies to overcome discriminatory attitudes. More than one-quarter of the 90 000 participants accessed a job (of which 24% were first work experiences) and more than 27 000 people were trained. About 40% of the participants in the programme are younger than 30.

Collaboration with other stakeholders

- Preconditioning participation in active labour market programmes to entitlement to social welfare benefits in a restrictive way does not necessarily enhance Roma employment, but can increase their distrust in government agencies. Experiences in the Slovak Republic and Spain demonstrate that a close co-operation of social workers and local employment offices may increase knowledge about and the willingness to actively use labour market services and participate in programmes (Messing, 2014^[23]). The social activation programmes in Slovenia (see Box 4.5) are very useful in this regard, as they tend to improve coordination between the Employment Service of Slovenia and the Centres for Social Work.
- Collaboration with worker and employer organisations to develop mentoring, apprenticeships, and workplace coaching geared to giving young Roma experiences could strengthen their prospects for long-term employment.
- Hungary's Integrom programme brings together a diverse set of stakeholders, including Roma and pro-Roma civil organisations, multinational companies and training and consultancy firms. The programme specifically targets young Roma with at least secondary school education to facilitate their access to quality employment and long-term career options. The programme supports young Roma by providing information about job opportunities, helping with the application process, offering career guidance, connecting young Roma directly with employers with relevant openings, and mentoring support during employment (ILO, 2016^[27]).

Outreach to Roma youth

- Targeted outreach and mentoring schemes for young Roma in secondary schools or out of work could be developed in close collaboration with, or executed by, Roma (youth) organisations. As mentioned in the section on Outreach strategies for unregistered NEETs earlier in this report, the use of grassroots NGOs and cultural mediators is especially successful for reaching for NEETs with an ethnic minority background. They already have established trusted relationships with the community, either through a shared cultural heritage or through ongoing work and support.
- For instance, the city of Derby in the United Kingdom has developed interesting initiatives of positive engagement with young Roma through the Roma-led advocacy organisation Roma Community Care. As Roma young people take the lead in the implementation, it removes the feeling of being targeted by government organisations and enables communities to take ownership (Henry and Williams, 2015^[28]).
- Bulgaria works with Roma mediators (appointed in the labour offices) and youth mediators (appointed in the municipalities with the highest youth inactivity rates) to guide inactive people towards the labour market. Thanks to the work of these mediators, about 16 000 young people aged up to 29 registered with the public employment service between 2014 and 2017 (European Commission, 2018^[2]).

Anti-discrimination

- In the Czech Republic, the non-profit organisation IQ Roma Service created a project to tackle employment discrimination against Roma and other ethnic minorities. The project, which operated during 2007-13, awarded the title "Ethnic Friendly Employer" to those who embraced the principle of equal treatment and who did not discriminate against job applicants and employees based on their ethnic origin. The project gave Roma a clear signal that there were employers who would give them a fair chance. It targeted both non-profit and private sectors, as well as government employers, and included measures for improving employability of Roma and supporting their job searches (ILO, 2016^[27]).

- Finland also developed measures to raise discrimination awareness among employers. They distributed awareness raising material, such as the handbook “*Would I Employ a Roma?*”, and asked employers to sign the Diversity Charter, a model for monitoring discrimination that has been tested in the workplace (ILO, 2016^[27]).
- Other ways to address discrimination include giving preference to Roma applicants for jobs in public offices; promoting active participation of Roma NGOs in the design and monitoring of ALMP targeting disadvantaged long-term unemployed; and introducing mandatory awareness-raising training for ESS and CSW employees.

Social support for Roma

The National Programme of Measures for Roma for the period 2017-21 proposed the establishment of 11 multi-purpose Roma centres in areas with a large Roma concentration and a greater need for multidisciplinary support. The Ministry of Labour, Family, Social Affairs and Equal Opportunities published a public tender in 2017 and seven centres were established by 2020. The aim of these centres is to improve inter-departmental collaboration in the field of social protection, education, culture, health and employment, with co-ordination and supply of various activities and programmes to generate greater social inclusion and help the Roma population in approaching the labour market. In particular, the Roma “activators” of the centres are responsible for (1) linking content for Roma groups from the different Ministries that are involved in the project; (2) organising workshops and activities; (3) reaching out to Roma communities; and (4) promoting networking and co-operation with local stakeholders.

However, the first evaluation of the new National Programme of Measures for Roma for the period 2017-21 by the Mirovni Institute (2018^[25]) suggested that there was too much focus on organising activities and too little focus on providing support to Roma people. Each centre is supposed to organise around 150 activities over the period of four years, focussing on issues like financial literacy, first aid and other health issues, teaching support, creative activities, sports and other leisure activities, camps for children, and cooking. However, interviews with the Roma activators of the centres suggested that more individualised work with members of the Roma community was needed. Currently centres are required to devote only one and a half hour per day to individual counselling.

In addition to a stronger focus on individual counselling, the Roma activators could also promote more dialogue between Roma families and professionals from municipal institutions and government agencies. For instance, Roma mediators in Latvia play an important role in identifying the most problematic issues at the local level and finding appropriate solutions in co-operation with the representatives of the municipal social administration, education administration and other institutions (European Commission, 2019^[29]).

4.5. Conclusion

Successful engagement of young people in the labour market and society is crucial not only for their own personal economic prospects and well-being, but also for overall economic growth and social cohesion. Young Slovenians who are unemployed or inactive can count on support of the Employment Service of Slovenia and the Centres for Social Work to help them (re-)join the labour market or education. However, a unique anonymised data set based on various administrative databases revealed that more than half of all NEETs in Slovenia do not register with the ESS. Most of them are 25 to 29 years old, have no work experience, are inactive and still live with their parent(s). Family responsibility, illness and informal education are important motives for inactivity among unregistered NEETs. However, half of this group has been in contact with the ESS at some point in their career, which suggests that there is room to improve the support the ESS offers to young jobseekers.

Different approaches can be used to reach out to young people; countries' experiences show that there is no single method that works best. Examples from other EU countries can provide ideas for Slovenia to develop an outreach strategy for unregistered NEETs, including peer-to-peer outreach in Sweden and Bulgaria, collaboration with associations and community-based organisations in Belgium, Luxembourg and Lithuania, national outreach strategies in Latvia and Portugal, institutional mandates in Denmark and Belgium, and monitoring frameworks in Estonia and Portugal.

Support for young jobseekers who reach out to the Employment Service of Slovenia improved over the past couple of years, in line with the implementation of the Youth Guarantee with reinforced early intervention measures and a range of active labour market programmes for long-term unemployed youth. However, Slovenia still devotes relatively few resources to labour market programmes compared with other OECD countries and the choice of programmes heavily depends on available funding.

The Covid-19 crisis further affected service delivery of the Employment Service of Slovenia, as caseloads rose and the digital services required for social distancing are still underdeveloped. The ESS is developing ways to organise counselling services via video calls and increase the number of young people they can reach per day. However, additional structural changes are needed to streamline and digitalise service delivery and help young jobseekers find their way (back) to the labour market.

The share of long-term jobseekers (i.e. for more than one year) among youth has been declining in recent years, but the groups that remain require additional efforts. While ESS counsellors have a range of active labour market measures at their disposal for young people, only one in three long-term unemployed youth make use of such measures. In addition, long-term unemployed systematically receive less employment services during their first four months of unemployment than short-term unemployed youth and their participation in active labour market programmes has been declining in recent years.

Certain groups face particular challenges in the labour market, including young mothers, migrant youth and Roma youth. First, young women with children have an increased risk of long-term unemployment, largely due to the weak financial incentives that parents of young children have to move into employment. For instance, single mothers who take up a low-paid job in Slovenia would lose more than 100% of their earnings to childcare costs, lower benefits and higher taxes – the average across OECD countries is only 62%. Out-of-pocket childcare costs are particularly high in Slovenia compared with other OECD countries and have been increasing in recent years for sole parents. Reducing those costs would not only help to bring young mothers (back) into the labour market, but can also help to protect children against poverty and strengthen equality of opportunity.

Second, the NEET rate among foreign-born youth is nearly three times as high as among native-born. While part of the problem relates to higher school dropout rates among migrant children, a significant share of NEETs with a migrant background do not register with the Employment Service of Slovenia. The ESS will therefore have to make major efforts to reach out to this group of unregistered NEETs with a migrant background. Targeted guidance or mentoring schemes for youth with a migrant background like in France or Germany could also help migrant youth in their search for a (first) job and can help counter the lack of relevant parental contacts or information about the host-country labour market and its functioning.

Finally, young people from Roma communities also have a high NEET risk. The Government of Slovenia introduced a range of measures in the National Programme for Roma for the period 2017-2021 to address the challenges and problems of the Roma community, including employment support. However, the Employment Service of Slovenia does not have a comprehensive approach in place to tackle the problem of high unemployment among Roma youth, comparable to specialised councillors for youth and long-term unemployed. Among registered young jobseekers who voluntarily identify themselves as Roma only a small share participates in active labour market measures (even though they are an explicit target group) and they are much less successful than other young jobseekers in obtaining employment mostly due to incomplete and low education attainment. Personal data protection laws impede a better understanding of

their specific challenges, but the available scarce information suggests that significant efforts are needed to improve the labour market integration of Roma youth.

List of recommendations

Reaching out to unregistered NEETs

Develop an outreach strategy

- Give the ESS the institutional mandate and necessary resources to co-ordinate and implement the outreach strategy.
 - Map existing local outreach initiatives;
 - Strengthen existing collaborations and scale up local outreach initiatives where needed;
 - Explore the involvement of additional stakeholders;
 - Offer support to all stakeholders through information sessions on youth activation and integration services and distribution of awareness-raising material;
 - Encourage all relevant stakeholders to identify, contact and engage unregistered NEETs and bring them in contact with the ESS.
- Reach out to Estonia to learn about their data protection regulations in setting up a tool to link data from different registers to detect the young people in need of support (*Youth Guarantee Support System*).

Integrate monitoring and evaluation mechanisms

- Use the merged data put together for the purpose of the OECD NEETs study to learn more about the services unregistered NEETs received from the ESS in the past.
- Make better use of the annual satisfaction survey to learn more about young people's experiences with the ESS.
- Develop detailed targets and indicators in the design of the outreach strategy to evaluate the effectiveness of the interventions and programmes.
- Regularly monitor the implementation of the outreach strategy and improve where needed.

Mitigating the impact of the COVID-19 crisis

- Modernise and streamline practices at the ESS towards a digital, lean service delivery to free up resources for young people who need more support.
- Provide additional resources to the ESS to increase the counselling frequency and guarantee early intervention, especially for young people with additional labour market barriers, to support a sustainable integration into employment.
- Prioritise the introduction of a statistical profiling tool at the ESS to target and tailor employment services and programmes more efficiently to those youngsters who need it.
- Increase the resources for mental health support at the ESS, in order to increase internal mental health competences and to expand the network connections with the mental health sector.
- Consider the introduction of contracted-out employment services, which offers the possibility of scaling-up employment services capacity without long-term cost commitments.
- Deliver more training programmes for jobseekers (partly or fully) online.

Improving the activation of NEETs

- Improve the youth employment subsidy by introducing stronger requirements for post-placement investment in skills and monitor its implementation to raise the quality of the proposed jobs.
- Make better use of the rich ESS data by undertaking a rigorous evaluation of active labour market programmes to make well-informed decisions about where to invest the limited funding.
- Investigate and address the reasons behind the gap in service use between short-term and long-term unemployed youth, to improve service delivery for young people with a risk of long-term unemployment.
- Ensure stable funding sources for both ESS staff specialised in supporting young people and active labour market programmes for youth.
- Reach out to France and the city of Hamburg in Germany to study their mentoring programmes for (migrant) youth.

Reforming the public works programme

- Integrate guidance, skills assessment and post-placement activities into the public works programme, by
 - Agreeing on individual targets for each participant at the start of the programme, in close collaboration with the employer;
 - Introducing employer assessments of the skills and achievements of the participant both mid-way and at the end of the programme, to be undertaken in close collaboration with the ESS;
 - Providing individual post-placement activities;
 - Following up with targeted training, other active programmes or psychosocial support where needed;
 - Offering 6-12 months of on-the-job-support for participants who make a successful transition into the open labour market after a public works programme.

Improving activation support for Roma

- Explore hiring Roma mediators from local communities in the ESS local offices in areas with weak labour market outcomes among Roma youth, to bridge resistance among Roma people to work with public service providers (like in Bulgaria, Hungary and Spain).
- Study the feasibility to pilot an integrated support programme similar to the Spanish programme *Acceder*, which offers individual pathways, a wide range of training initiatives oriented towards real job opportunities, a close public-private partnership and a one-to-one relationship with companies to overcome discriminatory attitudes towards Roma.
- Discuss collaboration with worker and employer organisations to develop mentoring, apprenticeships, and workplace coaching geared to giving young Roma experiences that could strengthen their prospects for long-term employment.
- Explore targeted outreach and mentoring schemes for young Roma out of work that could be developed in close collaboration with, or executed by, Roma (youth) organisations (taking the city of Derby in the United Kingdom as an example).
- Shift the focus of the multi-purpose Roma centres from organising activities towards providing more individualised counselling to members of the Roma community, as suggested by a recent evaluation.

- Reach out to Latvia to see whether their approach in promoting more dialogue between Roma families and professionals from municipal institutions and government agencies could provide new insight for the Roma centres in Slovenia.

Making work pay for young parents

- Explore how to address the financial disincentives to work for young parents, and in particular single parents, by
 - Studying the interplay between taxes, benefits and childcare costs, and their impact on the employment decisions of (young) parents;
 - Analysing the option to lower the out-of-pocket costs for childcare services for single parents, possibly through higher discounts for this group;
 - Brainstorming with all relevant stakeholders about alternative ways to improve the financial incentives for (parents) to take up work.

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Notes

¹ <https://www.vdab.be/vdab/geschiedenis> (in Dutch only).

² The data for 2020 also include young workers who were entitled to emergency unemployment benefits in response to the COVID-19 pandemic. Workers who lost their job during the pandemic and did not fulfil conditions for statutory unemployment benefits, were entitled to temporary unemployment benefits between March and May 2020 and between October 2020 and June 2021 at EUR 513 per month – a level close to minimum unemployment insurance.

³ The Slovenian law on protection of personal data prohibits collecting or maintaining records of persons based on national or ethnic affiliation, and there are no official statistics on this population group. The only official numbers date back to 2002, when 3 246 citizens declared in the Population Census to belong to the Roma minority (European Commission, 2019^[29]). However, experts estimate the number between 7 000 and 12 000, many of whom refuse to officially self-declare.



From:
Investing in Youth: Slovenia

Access the complete publication at:
<https://doi.org/10.1787/c3df2833-en>

Please cite this chapter as:

OECD (2021), "Activating young people in Slovenia", in *Investing in Youth: Slovenia*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/9b764adf-en>

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