

## Abstract

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In this thesis, we construct a computable general equilibrium model of the Slovak economy to evaluate an impact of different types of active labour market policies on an economic performance, with a focus on the activation works and the inclusive programmes. We then apply individual microeconomic data to identify socially excluded communities and place them either in the activation works or the inclusive programmes in each simulation period. We further distinguish between two forms of the inclusive labour market that operates on a basis of inclusive employers or social enterprises. While the first ones operate as standard producers with additional subventions from government, the latter ones are explicitly designed for the employment of socially excluded communities. Our results show that both types of active labour market policies help to reduce structural unemployment and improve potential production in the Slovak economy. However, we find out that the inclusive programmes provide much better results than the activation works in a medium horizon. Furthermore, while the application of the inclusive employers leads to a better improvement of potential production, in line with a higher productivity of production factors, the application of the social enterprises leads to a more significant reduction in structural unemployment, due to an absence of social dumping on the domestic labour market.

**Keywords:** Social exclusion, Structural unemployment, Activation works, Inclusive programmes, Computable general equilibrium model