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Do active labour market policies promote the well-being of the long-term unemployed?

The study examines the impact of labour market measures (rehabilitation, wage subsidy, job experimentation, and job training) on changes in the well-being of the long-term unemployed. We used self-rated health and psychological distress as indicators of well-being. The survey data were compiled using questionnaires before and after the unemployed participated in the labour market measures. The data consist of respondents to both questionnaires (N = 138). According to the results, the normal measures of the active labour policies have a positive impact on the well-being of the people who had the most obvious welfare deficits

at the outset. Therefore, the benefits appear to be fairly distributed. Furthermore, our results underline the importance of the quality and type of measures. In particular, the measures that the unemployed considered to improve their self-confidence, life situation, financial situation, and formal qualifications had significant positive effects on well-being. In this respect, the wage subsidy outweighed the other kinds of measures. On the whole, our results emphasise that the wishes and goals of the unemployed should be taken seriously in order to guarantee the effectiveness of the measures.