

Implacement labour foundation

Implacementstiftung



1 Description

Timespan

This instrument was preceded by the so-called Stahlstiftung in the 1980s (retraining measures during industrial restructuring and employment decline in some sectors). It was first developed as a best practice measure at EU level and became a Austrian PES measure later.

Stage

FULLY OPERATIONAL

Focus area



MATCHING SKILLS FOR TODAY'S JOB MARKET

2 Foundations

Policy area



ADULT EDUCATION AND TRAINING

(Re-)training of unemployed people.

Policy goal

Mismatched unemployed people face greater difficulties in finding employment than other unemployed workers. The instrument, therefore, focuses on this sub-group of the unemployed workers to promote their labour market integration. The aim is to help the unemployed to find a job and the companies to reduce their skill shortages.

Mismatch

EXPLICITLY DESIGNED TO ADDRESS SKILL MISMATCH

Explicitly designed for mismatched unemployed.

Aim of policy instrument



UPSKILL AND MATCH SKILLS OF UNEMPLOYED

Legal basis **LAW**

Administrative level **REGIONAL**

Main responsible body AMS Oberösterreich

Stakeholders

 **GOVERNMENT (CENTRAL & REGIONAL)**

 **TRAINING PROVIDERS (PUBLIC/PRIVATE)**

 **OTHER**

Regional Government Upper Austria (Oberösterreich) provides the funding.

Funding Depends on the individual placement foundation. According to a study from 2010, PES bear 50% of the cost, on average not more than €2,500 per participant. Employers or third parties bear the rest of the cost.

Intended beneficiaries Unemployed people

3 Processes

Use of labour market intelligence

 **INFORM JOB-SEARCH DECISIONS OF UNEMPLOYED**

 **ENABLE STRATEGIC BUSINESS DECISIONS**

Companies commission the regional PES to find candidates that will be trained to fill a vacancy. The PES has access to LMSI tools and platforms to identify suitable unemployed workers that could be retrained. The development of training plans for each future employee is designed according to the operational requirements. With the help of the PES, the company then chooses suitable unemployed workers that are retrained to fill the vacancy. The training can take up to three years. This might therefore help to reduce unemployment and skill shortages at the same time.

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| Financial schemes | In Upper Austria, 75% of training costs (up to €1,850 per participant) are funded by the Regional Government of Upper Austria. Participants of training receive unemployment benefits (Schulungsarbeitslosengeld) or similar benefits provided by the regional PES. |
| Frequency of updates | Depends on the individual implacement foundation, as there is no systematic evaluation of all local implacement foundations as a whole. Sporadically, evaluations of regional labour foundations are published. |
| Development | Initially, the instrument was implemented in the 1980's as a single measure to react to the high risk of lay-offs that threatened industrial steel workers that were employed at the largest Austrian steel company. Since then, this concept was also applied in other sectors. |
| Barriers | Success of the instrument depends on the cooperation with companies and the correct identification of labour shortages. Otherwise, there is a danger of deadweight effects. |
| Success factors | Success depends on the cooperation with companies and the correct identification of labour shortages. There is a danger of deadweight effects. |
| Monitoring | Success could be measured in successful labour market integrations after training. These are often between 60 or 70%. However, at the moment there is a lack of comprehensive and regular evaluation of the instrument. There are some regional evaluations (e.g. http://www.forschungsnetzwerk.at/downloadpub/AMSinfo130_20) or surveys among participants (http://www.forschungsnetzwerk.at/downloadpub/AMSinfo149.pdf available). |
| Innovativeness | VERY INNOVATIVE Very long-term training periods are possible (can take up to three years). This allows participants to acquire theoretical, as well as practical knowledge and therefore allows comprehensive re-training. |

Evidence of effectiveness

Due to a lack of systematic and consistent evaluation, the assessment of effectiveness of this instrument is primarily based on single studies. According to an evaluation from 2008 in the Burgenland region, labour market integration rates were satisfying. In 2007, the share of persons in employment was 64.5% one week after the end of the measure, and 77% three months after the measure. Out of 98 interviewed participants, 75% were very satisfied with the measure and two thirds would take part again. 90% of the 39 interviewed companies that participated were either very satisfied or satisfied with the measure, and three quarters would use the instrument again. The instrument also promotes social dialogue, worker participation, and employee social responsibility.

Engagement of stakeholders

The process in itself promotes cooperation between PES, employers, unemployed, and placement labour foundations, as its establishment is based on an agreement between social partners at company or sector level, in collaboration with the regional labour market service authority.

Transferability

NOT EASILY TRANSFERABLE

Transferability depends on the national training system. As the training system in Austria is very formalised, (re-)training will result in a formally accepted vocational qualification. The measure might lose effectiveness if it were to be implemented in a less formalised vocational training system.

Sustainability

Yes, as further training will remain important to prevent skills mismatch.
