



**CEDEFOP**

European Centre for the Development  
of Vocational Training

# **Individual Learning Accounts**

## **Case study - Austria**

Draft

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# Chapter 1. Introduction

## 1.1 Objective and the approach for country case studies on the response to the Council Recommendation on ILA

This case study on Austria is part of a broader Cedefop study on individual learning accounts (ILAs). The study aims to explore the potential for developing ILAs in selected EU Member States and provide support to policymakers, social partners and other stakeholders in designing and implementing ILAs. Based upon the Council Recommendation on ILAs and existing academic and applied research literature, the study proposes an analytical framework that identifies the key functions of an ILA and the elements of the 'enabling framework' (including career guidance, validation of non-formal and informal learning, paid training leave, etc.) needed for successful ILA implementation and use. Using the developed analytical framework as a reference, the case studies - Austria, Germany, Netherlands, Ireland, Estonia - examine in-depth the countries' current financing policies/instruments available to support individual learning as well as the 'enabling framework'. The country analysis provides a better understanding of the strengths and challenges of the current arrangements relevant for ILAs in selected countries, and of the potential actions that would need to be taken for the development of ILAs (or ILA relevant arrangements).

The case studies draw on desk research as well as primary data collection and build on input from national stakeholders/experts collected via interviews, focus group discussions and validation workshops. Policy developments were followed until 31<sup>st</sup> of March 2023 (cut-off date for data collection). The case studies provide a description of the overall socio-economic context of the country and status quo regarding its adult learning system, including an overview of all main funding instruments and existing arrangements of the enabling framework. Based on the analytical framework, one selected ILA-relevant national-level key instrument is reviewed in detail per country and studied to what extent it fulfills ILA functions, which is followed by a review of this instrument implementation in two skills ecosystems (e.g. sectors and/or regions) and/or a review of an additional sectoral/regional instrument(s). Based on the identified strengths and weaknesses of the system, three policy sketches (with SWOT analysis) considered as realistic (at least in the long-run) for implementing ILA (or ILA relevant arrangements) and the enabling framework are presented for each country. Building on these findings, country-specific policy reflections for implementing ILA (or ILA relevant arrangements) are formulated.

## 1.2 Austria – an introduction to the case study

Austria has seen a steep increase in the participation in adult learning over the past three decades, with the preparation for and the accession to the EU marking a watershed event for the Austrian Adult Learning System. The rise in participation can be traced back to a significant extent to the expansion of public funding.

In Austria, adult learning is broadly understood as all forms of organised learning (including training) taken up by anyone who has already left initial education for good, so no age threshold applies. More specifically, organised (non-formal) adult learning – *Lernen im Erwachsenenalter* – is mainly seen as comprised of general adult education (*Erwachsenenbildung*) and continuing vocational education and training (CVET) (*berufliche Weiterbildung*). Formal adult education, respectively its various components, is often seen as a specific part of the initial education system (e.g. schools for employed (*Schulen für Berufstätige*), non-traditional students in Higher Education). Provision for youth and young adults (up to 25) outside regular initial education partly intersects with forms of provision of adults 25 and older. Overall, for young adults, more specific policy frameworks, instruments and organisations are in place, which are forming an institutional world in its own (with some organisations offering specialised provision for young adults and for adults, as e.g., the *Volkshochschulen*). In this case study, the youth/young adult policy area is not discussed in detail, but a focus is put on adults aged 25 or older.

In a nutshell, the system characteristics of adult learning shaped after second World War and reformed in the 1970s were broadly continued up to the present day. However, important new components of the Adult Learning System were added, which significantly changed the system. The single most important component has been the extension of Active Labour Market Policy (regulated by law since 1969, however, grossly reformed in the years prior and after the accession to the EU), with the reformed Public Employment Agency (PES; *Arbeitsmarktservice, AMS*), based on a new federal law (1994), adopting a key position and with training becoming the core element of ALMP. The PES evolved quickly into the single most important public actor when it comes to funding of adult learning, both for the unemployed and the employed. Some counterbalance has been achieved since 2006, when the Ministry of Education became a major beneficiary of ESF funding, the latter used to support some key areas of adult learning policy (Adult Basic Education, Lifelong Guidance for the employed).

Following the Austrian constitution, the funding of adult learning is *not* considered among the tasks of the state, however, providing support for adult learning of the employed and for the population in general fall under the responsibility of the nine federal states (*Länder*). For mitigating the effects of the EU accession, the nine *Länder* have started to expand their support for adult learning. Beyond a multifaceted pattern of (non-) expansion of support for adult learning via supply-side funding mechanisms, in the majority of *Länder*, a variety of demand-side funding instruments have been implemented, often called ‘Learning Account’ (*Oberösterreichisches Bildungskonto, waff Bildungskonto*) or ‘Learning Voucher’ (*Salzburger Bildungsgutschein*) (Günter Hefler, Jörg Markowitsch, & Viktor Fleischer, 2013b, p. 130ff.). Overall, (although frequently changing) demand-side funding policies became popular. Currently, key players in the field hold more than 25 years of experiences with schemes formerly considered as archetype of *Individual Learning Accounts*. Schemes of the Austrian *Länder* consequently became frequently studied within international projects (e.g. (Lorenz Lassnigg & Baumegger, 2019) for (OECD, 2019)).

Overall, while there is a broad agreement, that general and in particular vocational adult learning has expanded a lot since 2000, there are frequently raised concerns that ‘wild grown’ funding arrangements are not fully adequate, as they may provide too much support to some groups, and too less to others. Overall, the efficiency of support is sometime questioned as

well. Finally, the dominance of the PES budget as a source of adult learning continues to create short-time shocks within the system, as the PES budgets are highly volatile, frequently undercutting stable arrangements for provision and disrupting employment for larger batches of adult educators.

However, the ILA Recommendation could have been easily understood as an attempt to overhaul the complex system of public funding with its emphasis on making the acquisition of formal qualifications in adulthood a possibility for ideally everyone in need of and not paying sufficient attention to the past progress made, being often the outcome of hard-won compromises. Only a more in-depth analysis allows to demonstrate that by far not all goals of the ILA Recommendation are readily met by existing structures as outlined in the following chapters. Nevertheless, as a way forward, it seems much more likely to enrich the given system by additional elements inspired by the ILA Recommendation than to impose a powerful instrument which would require to increase the public funding by up to one third and which would become by far the largest instrument within a highly pluralistic landscape of policies. In the current case study, the ways Austrian adult learning policy making might respond to the ILA Recommendation are therefore carefully explored.

The following case study on the institutional space for introducing an ILA inspired by the Council Recommendation is structured as follows. Chapter 2 introduces in Austria's socio-economic context as relevant for the topic of the case study. Chapter 3 provides insight in the participation in adult learning in Austria. Chapter 4 discusses in more detail the provision of public funding for adult learning and the specific approaches used. Special attention is given to the structures of public funding following a demand-side or supply-side strategy. Chapter 5 reviews the key elements of the Austrian Adult Learning system addressed by the concept of 'enabling framework' of the ILA recommendation. Chapter 6 offers in-depth analysis for three important policies using demand-side funding strategies, namely the PES administrated Skilled Workers Grant (*FacharbeiterInnenstipendium*), the ILA approach in Upper Austria and the ILA approach in Vienna. After a summary on the strength and weaknesses of the Austrian adult learning system as visible against the backdrop of the analytical framework (Chapter 7), Chapter 8 offer three policy sketches considering the possible ways forward. The concluding Chapter 9 offers reflections for policy making.

## Chapter 2 - Austria`s socio-economic context

Austria's real GDP per capita accounted for EUR 38 360 in 2022, which is substantially above EU-average, and grew mostly in accordance with the average of the other Member States in the past 20 years (with an above average drop during the Covid-19 pandemic) (Eurostat – TEC00115 [17.3.23]). Insofar as societal wealth is a strong predictor for high levels of adult learning, Austria would be a confirming case.

For the past decade, Austria had a low, but above EU average inflation, however, with a hike in 2022 as in most Member States (8.6 percent, EU average: 9.2) (Eurostat – TEC00118 [24.2.23]). In consequence, the outfall of inflation has become a major concern in the field of adult learning since 2021 as public funding does not necessarily provide full compensation for strongly rising price and wage levels. For example, the latest rise allowed by the Ministry of Education for the contribution to the Association of Austrian Adult Education – the roof of Austria's non-profit adult education providers – in 2022 for a two-year period was only 5 per cent.<sup>1</sup>

Austria's overall population has grown over the past decade, accounting for 8 955 797 in 2021 (Eurostat – DEMO\_GIND [1.12.22]). Austria's population is constantly growing since more than two decades, with growth mainly due to migration, with low to negative natural rates of population change (-0.7 per 1000 in 2021, EU average: -2.8). Net migration reached a peak in 2015 (13.2 per 1000) and accounted for 5.8 per 1000 in in 2021 (EU average: 2.4). Providing support for German as a second language acquisition and for earning a qualification rewarded in the Austrian labour market has become one of the key fields in adult learning policies regarding Vienna and other large cities.

Austria's unemployment rate has constantly been below EU average in the past decade (2012: 5.2 percent, EU average 11.1), with an increase to 6.2 percent in 2021 (EU average: 7.0). A similar pattern is visible in the youth unemployment rate (2021: 11 percent, EU average: 16.6 percent). Securing low levels of unemployment, among young people in particular, is a universally shared priority in Austrian politics with investments in ALMP being a key driver for the rise in participation in adult learning (Hefler & Steinheimer, 2020a).

The share of the population with educational attainment at an upper secondary-level or above has stagnated in the past years (2015: 80.4; 2021: 81.5) but is well above the average of the EU-27 (2015: 72.1; 2021: 75.1) (Eurostat – EDAT\_LFS [15.2.23]). The share of population with educational attainment at tertiary level has risen substantially from 28.1 percent in 2015 to 31.8 percent in 2021, which is above the EU-27 average of 29,5 percent (2021). However, it is important to note that these figures for ISCED11 5-8 include large shares of graduates from VET colleges (*Berufsbildende höhere Schulen*, five year long full-time schools, mainly attended by 15- to 19-year-olds) and graduates from formal CVET (*Meister/Meisterinnen*); both groups of graduates not used to be seen as HE graduates within the common Austrian perception.

The share of households' expenditure (mostly for tuition fees) on total expenditures for primary to post-secondary non-tertiary educational institutions accounts for 4 percent in

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<sup>1</sup> <https://science.apa.at/power-search/14567054173245867901>

Austria, which is below the average of the 22 EU states captured in the dataset (5 percent) (OECD, 2022). No fees apply for Austrian (and EU) students in Austrian universities, but at Universities of Applied Sciences (FH), fees of EUR 363.36 (unchanged since 2000) can be charged per semester (European Commission, EACEA, & Eurydice, 2021b). Students exceeding the maximum study duration at universities must pay the same amount. There is only a small, highly specialised private university sector (K. Schmid, Nowak, Gruber, & Petanovitsch, 2017). Adult (non-traditional) students do not pay higher fees than the students in initial education, making higher education a particularly important publicly funded resource for lifelong learning.

Industrial relations in Austria represent an example of the 'Social Partnership' type between equally strong employer associations and unions (Ebbinghaus & Visser, 1997; European Commission, 2008). Both sides of the industrial divide are highly centralised. Membership of all firms in Austria's Chamber of Commerce (WKO) is mandatory, resulting in an employer organisation density of 100 percent in Austria. Austria has a unique institution, namely its (nine regional) Chambers of Labour (*Arbeiterkammern*), where all employees are mandatory members (paying a contribution of 0.5 per cent of their wages up to a ceiling (2022: EUR 17 per month)). The Chambers of Labour provide a broad range of services and play an important role in Austrian politics, although they have delegated their right to collective bargaining to the trade unions. Unions collect their own membership fees (the latter reducing taxable income). The specific institutional blend out of Chambers of Labour and centralised sectoral unions explains the considerable strength of the employee camp in the Austrian industrial relation system, which is also often labelled as a type of 'Corporatism' (Mailand, 2020; Pernicka & Hefler, 2015). Trade union density decreased over the past decades, with a level of 26.3 percent in 2019 (36.9 percent in 2000), but collective bargaining coverage has remained exceptionally high at 98 percent (OECD & AIAS, 2021). Bargaining usually takes place in the form of pattern bargaining at the sector or industry level, company agreements on wages can deviate but are relatively rare. CVET related rights are negotiated as part and parcel of all mutual rights and obligations of employers and employees. While specific arrangements on CVET are infrequent or of minor importance, the agreed pay scales reward the acquisition of formal IVET and CVET qualifications. Overall, the Austrian Social Partners play an important role in the governance and provision of IVET and CVET.

# Chapter 3 - Adult Learning in Austria – a systematic overview

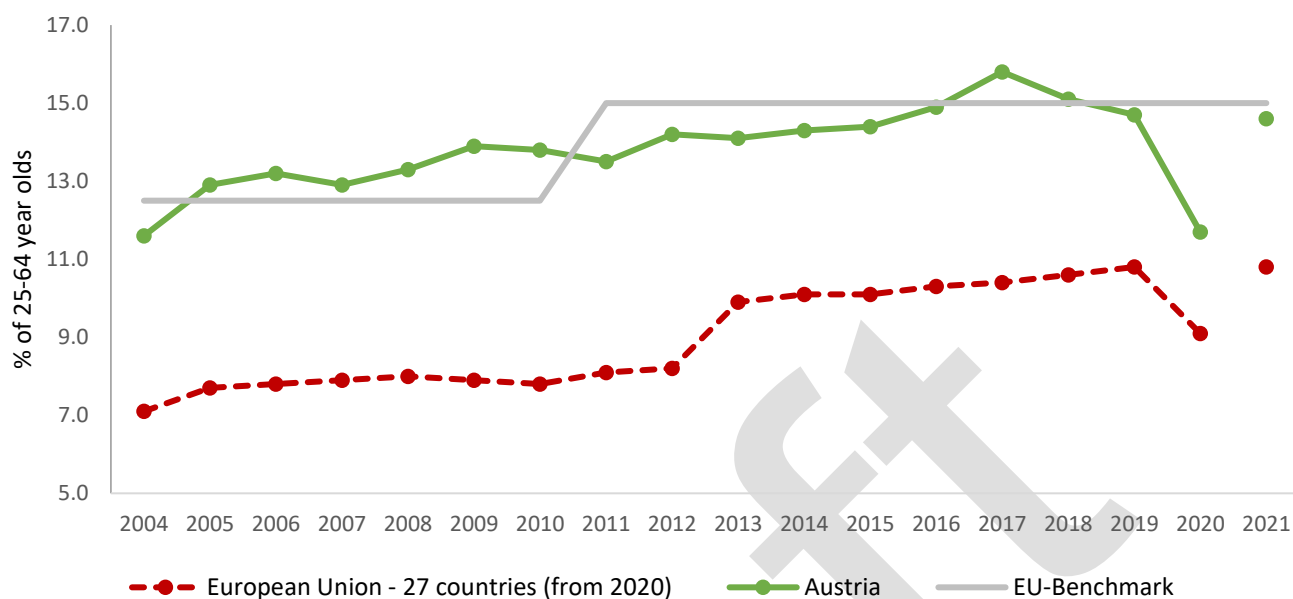
## 3.1 Participation patterns in adult learning

In this section, key indicators on participation patterns in Austria were presented, all based on EU-Level data sets – Austria has no surveys on adult learning beyond the surveys belonging to the EU System of statistics on adult learning {Cedefop, 2015 #9088}

Participation in adult learning is measured by two main surveys, using considerably different approaches, the latter having consequences for the revealed level of inequality across socio-economic strata (for an introduction see the methods section in {Cedefop, 2015 #9088}). The main measure for adult learning used to be the indicators for participation in any (organised) learning activity within in the past four weeks, based on the European Labour Force Survey (ELFS). The ELFS based measure for participation excludes important forms of non-formal learning activities, in particular, guided on-the-job-learning, which in consequence reduces the major effects of the workplace on participation. Moreover, by the reference period of four weeks, longer educational spells have more impact on the figures (e.g. the participation in formal adult learning). The indicators based on the Adult Learning survey are based on a much more detailed exploration of learning activities and a 12-month reference period and are particular strong with regard to job-related learning activities (workshop and seminars, guided-on-the-job training), which are not covered by current ELFS. In turn, the effects of the workplace play out stronger within the AES data. For policy making, the regularly available indicators of the ELFS are more often used in Austria, however, it is important to take into consideration the messages of both sources to gain a more complete picture. Finally, based on statistical models, studies try to disentangle whether an observed disadvantage – e.g. of women – in participation in adult learning is linked directly to the variable of observation or only in a mediated form. In the latter case, a group might be at a disadvantage in accessing adult learning, however, this real disadvantage can be traced back to the effects of other factors (e.g. women might be disadvantaged due to the gendered distribution of men and women across workplaces offering more or less access to adult learning). In short, the statistical models do not deny the observed disadvantage by the descriptive statistics but help to rightly attribute the reasons for this observed disadvantage to various components. To conclude, in the following section data from ELFS and AES, but also results from statistical modelling are presented to achieve an overall more balanced picture.

The level of participation in adult learning in Austria according to the Labour Force Survey (LFS) data is clearly above the EU27 average (see Figure 4) with a strong upwards trend during the last decades. In 2020, average participation was strongly reduced because of Covid mitigation policies. In 2017 and 2018, the participation rate exceeded the EU Benchmark (15%).

Figure 1. **Participation rate of 25–64-year-olds in education and training (last 4 weeks) (Labor Force Survey)**



Source: Own development based on Eurostat Version of: 28.04.2022.

Table 1 presents a selection of descriptive indicators on the inequality in participation, based on the LFS (measuring participation in formal or non-formal adult learning within the four weeks prior to the survey). Men (13.3 %) participate less in adult learning than women (15.8 %). The differences in participation according to educational attainment are around EU average by international comparison (ISCED11 0-2 5.8; ISCED11 3-4 10.1; ISCED11 5-8: 24.8). Adults born in Austria have the same participation rate than those born outside (14.6%). Participation is declining with age (25-34: 25.1%; 35-54: 13.5% 55-64: 6.8%). The unemployed (18.7%) participate more than the employed (15.3%).

Table 1. **Indicators on inequality in participation in adult learning (formal/non-formal) – LFS, 4 weeks prior to the survey – 2021 - Austria**

| Variable               | Break-down     | Participation in % | Difference in participation | compared to |
|------------------------|----------------|--------------------|-----------------------------|-------------|
| Sex                    | men            | 13.3               | -18.8%                      | women       |
|                        | women          | 15.8               |                             |             |
| Educational Attainment | ISCED11 0-2    | 5.8                | -328%                       | ISCED 5-8   |
|                        | ISCED11 3-4    | 10.1               | -146%                       | ISCED 5-8   |
|                        | ISCED11 5-8    | 24.8               |                             |             |
| Place of Birth         | in the country | 14.6               |                             |             |

|                                     |   |   |        |                |
|-------------------------------------|---|---|--------|----------------|
|                                     | outside the country                                     | 14.6                                    | 0%     | in the country |
| Age                                 | 25-34   | 25.1                                    |        |                |
|                                     | 35-54   | 13.5                                    | -86%   | 25-34          |
|                                     | 55-64   | 6.8                                     | -269%  | 25-34          |
| Employment                          | employed  | 15.3                                    |        |                |
|                                     | unemployed  | 18.7                                    | 18.2%  | employed       |
|                                     | outside labour force                                    | 10.7                                    | -43,0% | employed       |
| Regional (Difference - Level NUTS2) | Highest/Lowest - Difference in percentage of the lowest | 20.2 (Wien)<br>11.4 (Burgenland)<br>77% |        |                |

Source: Eurostat – TRNG LFS 01 [15.2.23]

In regional comparison, differences in participation are quite high, the highest level can be identified in Vienna (20.2), compared to the lowest in Burgenland (11.4).

Table 2 presents a selection of abovementioned descriptive indicators on the inequality in participation based on the AES data (measuring participation in job-related non formal adult learning 12 months prior to the survey). In contrast to the LFS data, men (51.7%) participate more in adult learning than women (45%). The differences in participation according to educational attainment are significant (ISCED11 0-2: 25; ISCED11 3-4: 45.4; ISCED11 5-8: 63.7). Participation decreases for the age group of 55–64-year-olds (25-34: 54.1%; 35-54: 54.6% 55-64: 28.2%). In contrast to the LFS data, participation of the employed (60.4%) is higher than for the unemployed (36.5%).

Table 2. **Indicators on inequality in participation in job-related non formal adult learning – AES, 12 months prior to the survey – 2016 – Austria**

|                        |                     | Participation | Per centage | compared to    |
|------------------------|---------------------|---------------|-------------|----------------|
| Sex                    | men                 | 51.7          | 13%         | women          |
|                        | women               | 45            |             |                |
| Educational Attainment | ISECD11 0-2         | 25            | -155%       | ISCED 5-8      |
|                        | ISECD11 3-4         | 45.4          | -40%        | ISCED 5-8      |
|                        | ISECD11 5-8         | 63.7          |             |                |
| Place of Birth         | in the country      |               |             |                |
|                        | outside the country |               |             | in the country |
| Age                    | 25-34               | 54.1          |             |                |
|                        | 35-54               | 54.6          | 1%          | 25-34          |
|                        | 55-64               | 28.2          | -92%        | 25-34          |
| Employment             | employed            | 60.4          |             |                |

|  |                      |      |         |          |
|--|----------------------|------|---------|----------|
|  | unemployed           | 36.5 | -65.5%  | employed |
|  | outside labour force | 10.3 | -486.4% | employed |

Source: Eurostat – TRNG AES 121 [2.12.20]

As levels of inequality according to single socio-economic variables do not capture the interaction of determinants of participation, we provide information from a multivariate analysis of the adult education survey (Cedefop, 2015). The model applied controls for gender, age, country of birth, 0–4-year-old children in the household, educational attainment, employment status, occupation, industry, firm-size, and full or part-time work. According to the controls applied, there is no significant difference based on gender and age. Rather, the strongest predictors are educational attainment (those with higher educational attainment participating more), employment status (the employed participating more), occupation (the already highly skilled participating more), country of birth (migrants participating less), and industry (with health and agriculture and mining industries participating more). Having small children in the household also reduces the participation in adult learning. This analysis shows – in line with comparable research – that educational attainment and the type of work done are the key sources of inequality in participation in job-related non-formal adult learning. Moreover, it also works as a reminder that descriptive statistics would be insufficient to trace the sources of inequality, as the levels of inequality might be determined by compositional effects (e.g., the distribution of men and women across occupations).

### 3.2 Governance of adult learning

In Austria, policies aimed at supporting adult learning and CVET are scattered across various policy areas and levels. The Austrian Public Employment Service (PES) has become the primary actor in providing and promoting adult learning. The PES is a semi-autonomous agency that falls under the jurisdiction of a dedicated ministry (which has changed frequently over time; since 2021, it has been the (by this time newly composed and renamed) Ministry of Labour and Economy, while previously it was governed e.g., by the Ministry of Social Affairs). While training for the unemployed remains a priority of the PES, the agency has also developed policies to promote adult learning in general. The PES is responsible for administering key schemes that support individuals in accessing training or obtaining a vocational qualification in adulthood, including educational leave schemes. Although the PES and its schemes are established at the national level, it is important to note that the Austrian PES is organized into nine regional branches (*Regionale Geschäftsstellen*) enjoying considerable levels of autonomy, and the regional governments and social partners have a strong influence on how national frameworks are implemented in their regions. There are significant differences in the use of various instruments across regional PES units over time, reflecting the different preferences of the regional bodies that guide local policies.

At national level, the Ministry of Education in Austria is primarily responsible for offering formal education for adults in schools, VET schools, and higher education, excluding the apprenticeship system. Since 2012, it has been in charge of overseeing adult basic education

in Austria (Hefler & Steinheimer, 2020b), and it provides financial support and initiatives for general adult education. Starting 2015, ESF-funding supplements the provision of adult basic education and lifelong guidance offers. However, the Ministry does not have a significant role in directing or financing CVET. Further key players on central state level include the Ministry of Labour and Economy, responsible for the PES and the apprenticeship scheme, the Ministry of Social Affairs, supporting young people up to 24 with counselling and training offers, the Austrian Chancellor's Office, governing the Austrian Integration Fund (*Österreichischer Integrationsfonds*, ÖIF) providing mandatory language courses and examination, the Ministry of Agriculture, responsible e.g. for the support of adult learning in rural areas via contributions to a dedicated organisation (*Ländliches Fortbildungsinstitut*) of the regional Chambers of Agriculture (*Landwirtschaftskammern*) and the Ministry of Health (currently health issues are subordinated the Ministry of Social Affairs), responsible for schools in the medical domain.

Austria still follows a form of corporatism where employers and employees are organized into interest groups that hold significant sway in policymaking and have autonomy in collective bargaining (Mailand, 2020; Pernicka & Hefler, 2014). Policy fields where the social partners have a specified decision-making role defined by law include IVET (apprenticeship system) and therefore also apprenticeships for adults and existing types of validation of non-formal and informal learning. Moreover, they shape the active labour market policies via their inclusion into the governance structures of the PES as mentioned above. Enterprises are required to be members of the Chamber of Commerce (*Wirtschaftskammer*), although the organization plays a minor role in providing financial support for training. However, the local and sectoral branches of the Chamber of Commerce assist in aggregating the members' interests related to CVET policies and offer various forms of counselling to members. In addition, the Chamber of Commerce operates the largest CVET provider in Austria, the *Wirtschaftsförderungsinstitut* (*Wifi*). The regional branches of the Chamber of Commerce are self-governed and provide services mainly on the regional level, resulting in significant differences in services across the nine federal states. The regional branches of the Chamber of Labour (*Arbeiterkammer*), where all employees are mandatory members provide a broad range of services and run the second largest CVET provider, the *Berufsförderungsinstitut* (BFI).

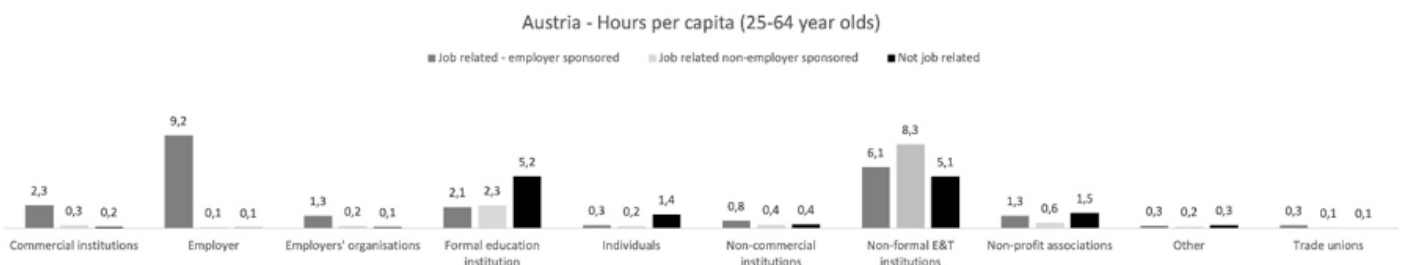
The responsibility for supporting dependent employees with CVET falls under the legal jurisdiction of the *Länder* at the regional level (*Arbeitnehmerförderung*). While the support for adult learning costs has had a long-standing tradition, the *Länder* started to play a more active role in this area after Austria joined the EU. Some of the *Länder* established semi-autonomous agencies that are responsible for various policies related to job-related lifelong learning, with the Vienna Employment Promotion Fund (*Wiener ArbeitnehmerInnen Förderungsfonds*) being a significant and long-lasting example (see Chapter 6.4). The local level (communities) plays a comparatively small role, however, a blend of policies implemented at that level is also important as a lever for adult learning.

In Austria, supply-side funded adult learning is mainly limited to two areas. The first is adult basic education, which has been overseen by the Ministry of Education since 2012 (European Commission, EACEA, & Eurydice, 2021a; Hefler & Steinheimer, 2020a). The second area is various forms of formal adult education provided by upper secondary schools. Universities and universities of applied science can be attended for free or at relatively low fees by all adults with higher education entrance permission. However, most CVET courses

require payment of substantial fees, even though non-profit providers, such as the training centres of the social partners, dominate the sector and the Austrian network of adult education providers receives some public contributions.

The provider structure of formal and non-formal adult learning consists of several strands of providers. On the one hand side, there are the non-profit adult education associations of the Conference of Adult Education Austria (KEBÖ), which are recognised under the Federal Act on the Promotion of Adult Education (1973) including among others the above mentioned large CVET providers owned by the social partner organisations and the adult education centres (*Volkshochschulen*). On the other hand, there is a large for profit market segment of institutions, initiatives and associations which again is divided in a segment specialised on training funded via public procurement of the PES, and a segment specialised in corporate/professional training, financed by fees and training projects within companies.

Figure 2. **Structure of providers of non-formal adult education**



Source: AES – Special Data Extraction by Eurostat on behalf of the European Commission, own calculation

Teaching staff in adult learning is characterised by a comparatively small work force employed in the field as a main job and larger numbers of teaching staff doing some moonlighting alongside a main job. Employment conditions and wages are highly differentiated across subsectors of adult learning. Public employment is only an option in the very small sector of schools for adults. Some improvement of employment conditions have been achieved since the introduction of a collective agreement (*Casaus et al., 2019*). Poor employment conditions undercut levels of professionalism, yet no recent survey data on adult learning professionals are available for Austria.

### 3.3 Recent policy developments on adult learning

Since the start of the current period of government in late 2019, adult learning policy as a broad topic has been sidelined by major crisis as the Covid pandemic, the energy crisis in consequence of the war of Russia against Ukraine, as well fight against the unprecedented high level of inflation. The foreseen launch of a strategic process replacing the now outdated Austrian Lifelong learning strategy of 2011 (LLL:2020) has been postponed. Attention of policy making in the field of adult learning – setting aside the efforts required to sail through the Covid pandemic – recently focussed on two topics. Firstly, on the implementation of a strategy supporting the acquisition of digital skills. Secondly, on scaling up measures to mitigate severe

shortages of skilled labour, in the health, and education sector, but also in areas linked to the green transition and to fields having lost many workers during the pandemic as tourism.

On the level of strategic coordination, the launch of the LLL:2020 Strategy in 2011 (Bundesregierung, 2011) was an important landmark preceded by a lengthy process involving a broad variety of stakeholders and experts. The 2000s had been a period of high activity and several major breakthroughs in the development of the adult learning system. In the years after the launch of the strategy document, coordinating activities decreased. The government program of Fall 2019 had foreseen to renew the strategy. For the fall of 2023, a follow up strategy, however, with a much smaller scope and under the lead of the Ministry of Education, has been envisioned. The nine Austrian *Länder* have their own tradition of strategic policy making, with strategies implemented and partly updated in the majority of *Länder* (Hefler et al., 2019).

From 2019 to mid-2023, a working group with representatives from all Austrian Ministries has worked towards a strategy how to support digitalisation and, in a smaller circle, towards a strategy for digital competences (Republik Österreich, 2023 #13656). Beyond developing strategic documents, representatives of the working group contributed to more specific development projects, including an update of the Austrian framework of digital competences (Nárosy, 2022 #13669) and its implementation within the information systems run by the PES. By Mid-2023, a new support structure has been created to support the future coordination of all activities related to the promotion of digital skills (*Geschäftsstelle Digitale Kompetenzen im OeAD*)<sup>2</sup>

Even more attention is attracted by the perceived lack of skilled labour, which is in Austria similar to Germany understood as a lack of available job seekers holding the most preferred vocational qualifications for a particular type of workplace and sailing under the catch phrase '*Fachkräftemangel*' (referring to shortage of skilled labour/a shortage of workers with the desired formal qualification). While the Austrian Social partner have issued various strategic documents on the topic, there is currently no broad strategy at the national level, however, the *Länder* have taken the initiative and have started to create their own strategic frameworks. In Vienna, for example, a new centre coordinating the efforts to close the gap in skilled labour has been created in 2023, which forms a new independent unit under the roof of the waff.

In short, at the time when the draft of the ILA Recommendation has been published, it has not fallen on fertile ground. The ILA topic has been seen as something specific to the adult learning policy field, where ambitious strategic policy making has been paused. However, the Ministry of Labour – not the Ministry of Education – has taken the lead in formulating Austria's response to the ILA Recommendation (based on an interministerial agreement). Taking the employment policy field as a starting point, the ILA approach has been considered as not fully in line with the longstanding Austrian approaches within the active labour market policy field and its instruments supporting adult learning administrated by the PES. Moreover, experiences with ILA-type instruments exist mainly at the regional, not at the national level. Finally, for the Ministry of Labour, it has remained vague to what extent an ILA would contribute to solving the two most pressing policy issues, that is supporting the acquisition of digital competences and contributions to overcoming the gap in skilled work. So, the idea of a novel type of ILA remained

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<sup>2</sup> <https://oead.at/de/expertise/geschaeftsstelle-digitale-kompetenzen>

unconnected with the currently most pressing strands of policy making in adult learning in Austria.

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# Chapter 4. Role of public funding for adult learning in Austria

## 4.1 Role of public funding in adult learning

Prior to Austria's accession to the EU (1995), the provision of public funding for adult learning took place in a few closely circumscribed silos and had played a much weaker role than by 2023. Against the backdrop of overall increasing participation in (formal and non-formal) adult learning, public contributions to costs of learning have significantly increased over the past three decades.

As a caveat, there is only limited, often incomplete and inconclusive data available for both private and public funding (households, enterprises; central state, Länder; PES), limiting both cross-sectional and historical analysis (Lorenz Lassnigg, Vogtenhuber, & Osterhaus, 2012; Lorenz Lassnigg & Vogtenhuber, 2013; Lorenz Lassnigg, Vogtenhuber, & Steiner, 2006; Markowitsch & Hefler, 2006; Vogtenhuber, Juen, & Lassnigg, 2021). Available estimates are strongly influenced by the non/inclusion of spending for young adults (up to 25) and by the non-/inclusion of estimates for areas where data are missing. For example, data on public spending does not include shadow prices for adults (25 or older) enrolled in schools and universities. Data on public spending are imprecise or incomplete in some areas (e.g., foregone taxes) and data is scarce on public spending at the regional level. Public contributions might be underestimated, private spending overestimated by available data. Overall, data should be treated as indicative only.

According to the latest estimate (Vogtenhuber et al., 2021), roughly one quarter of spending on adult learning was covered by public sources (including the PES) in 2018. Households (about 40 %) contributed somewhat more than the enterprise sector (about one third). The sources quoted provided separate estimates for the direct costs of adult learning and the costs including estimates for contributions to subsistence costs (respectively foregone income or wage costs) during participation.

For 2018, as represented in Figure 3, the total direct costs of adult learning were estimated at EUR 2 264 Mio or about 0.6 per cent of the Austrian GDP in the relevant year. The estimated costs including indirect costs were about EUR 5 366 Mio (1.4 per cent of the GDP). For the public sector, contributions to direct costs were estimated at EUR 600 Mio (26% of all direct costs). Taking contributions to subsistence costs into consideration, as presented in Figure 4, the public payments (as than the public contributions to the subsistence costs are considered as well) increase to about EUR 1 425 Mio (26%) in 2018. Households contributed an estimated EUR 960 Mio to the direct costs (43%), and about Mio 2 338 when including an estimate for foregone income (44%). Enterprises (including estimates for training costs in micro enterprises) contributed an estimated EUR 703 Mio to the direct costs (31%) and EUR 1 602 Mio, when estimates for wage costs during participation are considered (305%)<sup>3</sup>.

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<sup>3</sup> It is a particular strength of the study (Vogtenhuber et al., 2021), that estimates for foregone income of households are not omitted.

Taking a closer look into the structures of public funding, the outstanding dominance of funding provided by the PES (*Arbeitsmarktservice*) as a funding provider for adult learning comes to the fore. In 2018, the PES spent EUR 325 Mio on direct costs of training, that is more than the estimate for all public spending outside the active labour market policy altogether. In addition, the PES provided contributions to the subsistence costs during participation of EUR 825 Mio. The latter includes contributions to the living costs of the unemployed during training spells as well as support provided for adults on leave as the educational leave (*Bildungskarenz*) or the Skilled-Workers Grant (*Fachkräftestipendium*). Speaking of provision, the PES uses mainly supply-side funding approaches, however, for this purpose it uses public procurement for large scale packages to optimise value for money. The role of the PES for adult learning with its nine regional organisations in the *Länder* (enjoying considerable autonomy in their policies) slowly grew between the late 1980s and 1995 but received a boost after EU accession. Funding is drawn both from the contributions of enterprises and employees to the unemployment insurance (3 per cent each)<sup>4</sup>, but also by changing funding lines sourced by general taxes. While there are hefty fluctuations in funding on a yearly basis made available (with shocks for their training market), PES overall funding for adult learning has been on the rise for more than two decades. In short, PES is the most powerful single player in financing adult learning, with practically any initiative in the field considering the PES as a valuable or indispensable partner. With the PES overseen by the (over the time frequently changing) ministry holding the responsibility for employment policies (since 2021: Labour and economy – *Bundesministerium für Arbeit und Wirtschaft*), the latter holds the most powerful position as far as adult learning is concerned within the Austrian government.

The Austrian *Länder* hold the responsibility for supporting the adult learning of the employed and have also a key role in providing general adult learning as for example cultural enrichment programmes or leisure courses. Together, they spend each year much more on adult learning than the national Ministry of Education. *Länder* with a large population – Vienna in particular – are important and assertive actors in the field. Overall, the *Länder* use both provider-mediated, supply-side oriented funding arrangements and demand-side funding instruments, the latter having grown into a multifaceted sector since 1995 (Hefler et al., 2013b): While the supply-side funded instruments might be more substantial, typically only for the demand-side funded instruments more detailed data is accessible. Overall, there is no common reporting on spending on adult learning of the *Länder* (with important parts of spending reported under various budget lines), making estimations difficult.

At the national level, the Ministry of Education also plays an important role. Less obvious and not covered by many funding estimates, the ministry governs schools and universities, the latter having enrolled ever-growing numbers of adults over the past decades. However, the available discretionary spending on adult learning policies is limited (2023: EUR 54.5 Mio, equal to only 0.01% of the GDP), the latter mainly earmarked for long-standing initiatives. The

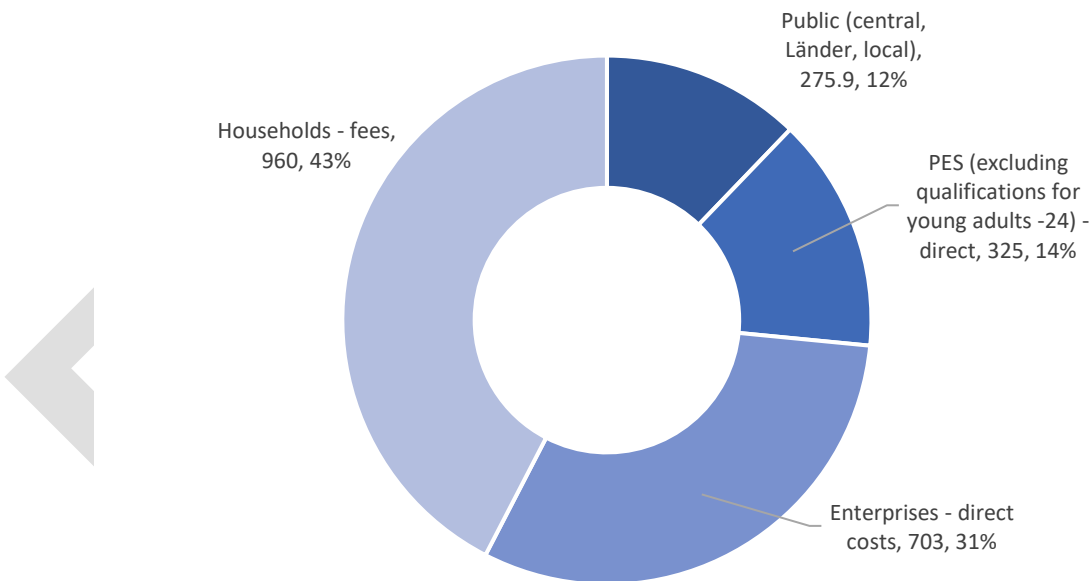
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<sup>4</sup> The high contributions (by international comparison) to the unemployment insurance can be explained mainly by the fact that the unemployment insurance provide support to the unemployed for an unlimited number of months, with the *Notstandshilfe* (a form of benefits slightly lower than the regular unemployment benefits) being an important component of the Austrian welfare system. Insofar as active labour market policies can reduce or prevent long-term unemployment, the returns from reduced benefit payments become directly available for the PES.

ministry’s role has strongly increased since 2006, as it became the main user of ESF funding in Austria, meaning that the national resources needed to be mobilised to retain the maximum ESF funding available. Overall, the ministry mainly uses provider-mediated, supply-side funding strategies, except for grants provided to mature students in Higher Education.

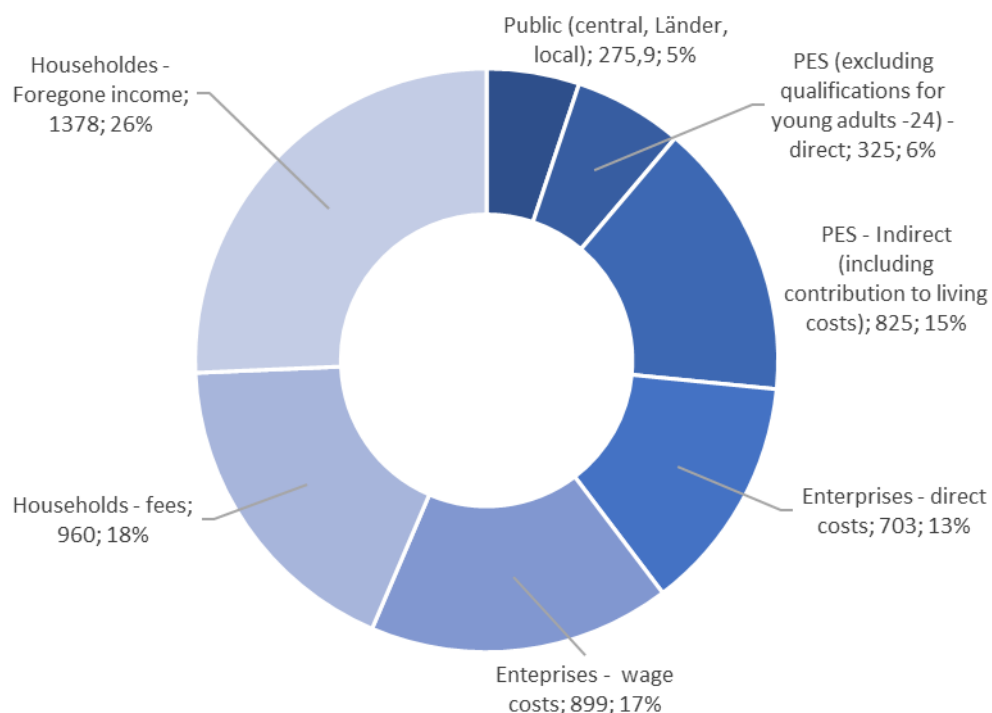
Beyond the ministries of labour and education, other ministries hold special roles and contribute sometimes quite significantly to the public funding of adult learning, however, data is often missing and so contributions might not be included in available estimates. Key examples include funding for adult learning in rural areas (overseen by the Ministry of Agriculture), funding for health education (Ministry of Health) and funding made available for supporting third country nationals to meet the requirements set for renewing residency permission and for refugees in more general. For the former, the Austrian Integration Fund (*Österreichischer Integrationsfonds, ÖIF*), governed by the Austrian Chancellor’s Office with the responsibilities defined in the Integration Act 2017/2022, plays a key role in the provision of German courses and the implementation of the Integration Agreement (*Integrationsvereinbarung*), which obliges third country migrants to acquire certain language skills within a given period. In addition, the ÖIF runs integration centres in all *Länder* offering information and counselling.

Figure 3. **Estimates of direct costs of adult learning in 2018.**



Source: Own graph based on (Vogtenhuber et al., 2021)

Figure 4. **Estimates of direct costs AND wage replacement costs/wage costs/foregone income of adult learning in 2018.**



Source: Own graph based on (Vogtenhuber et al., 2021)

## 4.2 Role of provider-mediated (supply-side) funding for adult learning

When analysing the dominant public funding strategies, based on the available limited sources, it is safe to say that provider-mediated, supply-side funding strategies are certainly the most important ones, regarding the funds allocated. However, these policies include rather different strands, with their peculiar competitive mechanisms, with providers competing often fiercely for funding. Key examples for public funding delivered by a supply-side funding strategy include:

- The basic funding (lump-sum) provided to the peak organisation of Austria's institutionalised, non-profit adult education providers (*Konferenz der Österreichischen Erwachsenenbildung – KEBÖ*, somewhat more than EUR 4 Mio a year). These funds are provided in a non-competitive procedure, however, based on a multi-year agreement with rights and obligations for the organisations (so called *Leistungsvereinbarung*). *Länder* and municipalities provide typically small lump-sum contributions to local non-profit providers (e.g., local *Volkshochschulen*).
- Courses implemented on behalf and funded by the PES; this is by far the single most important element, with providers competing via public procurement for batches of training provisions. The 'quasi market' has evolved into a densely knitted organisational field with informal rules and with well-established for-profit and non-profit providers, providing a considerable level of continuity despite the fluctuation in demand.

- Courses in adult basic education and preparing for the school leaving certificate, funded by a specific arrangement, with public calls made on a regional basis, and provision scattered among a diverse set of organisations (within in 2021 a budget of about EUR 16 Mio). (Hefler & Steinheimer, 2020a)
- Adults are served by dedicated public schools or they are among the students at schools serving mainly young people. They are furthermore among the students at universities and universities of applied science, with part-time offers of the latter being of particular importance for adult learning. For these types of provision, typically, only 'shadow prices' can be estimated, as the costs for teaching personnel and infrastructure are reported together with the resources used for initial education.

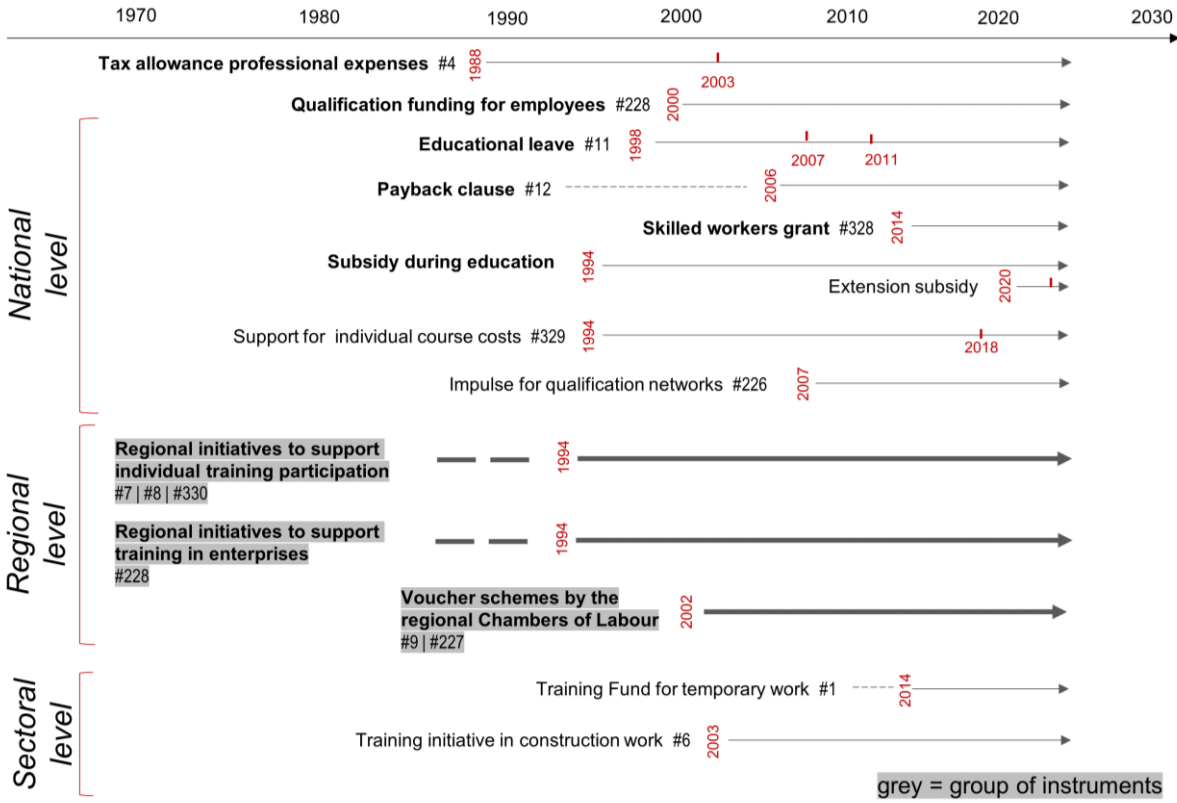
### 4.3 Participant-mediated (demand-side) funding for adult learning

Having stated the key importance of supply-side funding arrangements, it is fair to say that Austrian stakeholders have experimented a lot with a broad variety of ever-changing instruments providing participant-mediated, demand-side funding. Among them, there are key examples of schemes which are regarded as forms of 'Individual Learning Accounts' (often marketed under a similar related term) as the *Weiterbildungskonto* in Vienna (since 1995) or Upper Austria (since 1994). There are currently two comprehensive data bases (beyond more specialised ones) providing an overview on the landscape of funding instruments, covering hundreds of entries.<sup>5</sup> The broadness of the range of offers has remained practically unchanged over the past 15 years (Fleischer & Hefler, 2013; Hefler et al., 2013b).

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<sup>5</sup> The main source for individuals is: <https://erwachsenenbildung.at/bildungsinfo/kursfoerderung/>

Figure 5. **Historic evolution of demand-side cofunding instruments/cost-sharing arrangements in Austria**



Source: Updated based on Cedefop database on financing adult learning

Figure provides an overview of key instruments over time. While there had been pre-existing schemes at earlier stages, most schemes were introduced after Austria’s EU accession.

At a national level, the key schemes are provided by the PES, although the regional differences in the implementation can be substantial. The most significant PES schemes are providing contributions to the living costs during participation (subsidy during education; educational leave scheme, skilled workers grant); contributions to the direct costs via demand-side strategies play a smaller role (support for individual course costs). There are PES schemes supporting employers thereby indirectly reaching individuals (Qualification funding for employees; Qualification networks). Beyond the PES support, tax deduction of costs related to CVET is of key importance and is generous by comparison to other countries<sup>6</sup> in particular adults with high wages profit significantly by the tax deductions. Another non-insignificant support concerns the VAT exemption in relation to CVET offers (but only in case the latter are implemented by members of the Kebö) (Cedefop, 2009b).

The latest instrument added at the national level put further emphasis on support for the subsistence costs during long spells of (formal) adult learning. By October 2020, a novel

<sup>6</sup> See <https://www.cedefop.europa.eu/en/tools/financing-adult-learning-db/instrument-types/tax-incentive-individuals#key-features-and-statistics>

extension payment (*Bildungsbonus*) has been introduced, increasing any relevant PES provided subsidy received during participation in any CVET measure longer than 120 days. Participants receive EUR 120 per month for the whole period of participation in addition to what they receive as the baseline subsidy (e.g. equal to the applicable unemployment benefits). Preliminary data show that about EUR 15 Mio per year was invested during the first two years, with more than 35 000 beneficiaries a year<sup>7</sup>. The introduction of such a payment on top of the regular subsidy during participation in PES supported training measures have been a longstanding demand of the employee camp in Austria. The availability of new EU funds for covering Covid-related measures (EU-React) had allowed for the introduction of this additional funding line. The measure had been temporary up to the end of 2022. In January 2023, after selected stakeholders protested its abolition, the government promised to continue the measure for the whole of 2023. For 2024 onwards, an even more generous scheme was promised (with an extension payment of up to EUR 340 per month up to a total of subsidy of EUR 1 400) in a government statement<sup>8</sup>.

The Länder have developed – although with stark differences – frameworks for providing incentives for adult learning to individuals since 1994 (with pre-running frameworks), sailing under the concept of ‘employee support’ (*ArbeitnehmerInnenförderung*) (Hefler et al., 2013b). These instruments are perceived in Austria – and by international observers (OECD, 2019)– as versions of individual learning accounts and need to be regarded as the point of reference within the Austrian discussion for any ILA. While names and details of instruments are ever changing, overall, the provision of demand-side funding has grown into a considerable stable institutional set up. Many experts interviewed articulated the perception, that overall, the Austrian policy landscape have acquired a considerable insight over the past two decades in what a demand-side funding schemes can and cannot provide, with the schemes of the Länder as one important source of experiences. An overview is provided in Table 3. Over the years, e.g. when comparing the situation by about 2010 (Fleischer & Hefler, 2013) with the situation in 2022, the number of schemes providing smaller amounts of support to everyone has been reduced, while the number of schemes providing potentially higher levels of support to members of target groups has increased. Details for two spearheading *Länder* – Upper Austria and Vienna – are presented sections 1.6.2 and 1.6.3.

The regional organisations of the Chamber of Labour (*Arbeiterkammer*) have offered a ‘training voucher’ (worth between EUR 100 and 150 or more under specific conditions) to all employees starting with 2002 (see

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<sup>7</sup> Detailed data are pending; According to (Arbeitsmarktservice Österreich (AMS), 2022), in 2021, 45 686 individuals were supported with EUR 20,09 Mio in 2021 alone. f

<sup>8</sup> The new scheme is called training supplement payment (*Schulungszuschlag*). It is valid from 2024 on a permanent basis. When participating in any training, EUR 75 per month is paid; for training longer than 4 months: EUR 224 is paid and for training longer than 12 months: EUR 374 is paid.

**Table 3)** and has recently collaborated with other players in introducing much more powerful demand-side schemes (see 6.4 for the approach in Vienna as an example).

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Table 3. Demand side funding instruments for CVET of the Austrian *Länder* March 2023 and of the regional Chambers of Labour (*Arbeiterkammern*)

| Länder        | Länder demand-side instruments up to EUR 500 (potentially with reuse) [% refer to the required contributions of the households] |   | Länder demand-side instruments 500 and higher (limited reuse) – all offers are targeted [% refer to the required contributions of the households] |  | Regional Chambers of Labour 'training voucher' Main variants |
|---------------|---|---|---|--|--|
|               | Untargeted (amounts)  | Targeted (criteria)                     | Targeted (amounts)  | Targeted (criteria)  | Untargeted (amounts)   |
| Vienna        | €300 (50%) (reuse every 4 <sup>th</sup> year)   |   | €2 000-5 000 (60%-10%)  | income thresholds  | Voucher €120-240 for €3 000 offers                           |
| Burgenland    | no untargeted offer   | income threshold, HE graduates excluded | €1 700-4 500 (50%-0%)   | income thresholds, HE graduates excluded                       | Voucher €150 for selected offers                             |
| Lower Austria | no untargeted offer   | income threshold                        | €2 500-3 000 (80%-20%)  | income thresholds  | up to €150 (50%!) selected offers                            |
| Carinthia     | no untargeted offer   | income threshold                        | €2 500 (75%-25%)  | income thresholds  | Voucher €100-150 selected offers                             |
| Styria        | no untargeted offer   | no targeted offer                       | targeted activities!<br>€500-4 000 (50%-0%)   | former apprentices up 25; preparation apprenticeship exam only | Two vouchers per year, € 60, selected offers                 |
| Salzburg      | no untargeted offer   | for HE grad. income threshold           | €1 000 (50%)  | for HE income threshold  | (no equivalent)  |
| Upper Austria | no untargeted offer   | for HE grad. income threshold           | €2 200-€4 000 (70%-40%)   | for HE income threshold  | €150 (40%!)  |
| Tyrol         | for courses > €180 (70%)  |   | €3 500 (70%-50%*)   |  | (specific for extended courses)                              |
| Vorarlberg    | no untargeted offer   | income threshold, HE graduates excluded | 2 500 (75-60%)  | income threshold, HE graduates excluded                        | (25% reduction on 200 offers)                                |

Source: Own summary; HE grad. = Graduates of Universities/Universities of applied sciences and equivalents; \* additional funding for completion of specific courses

The *Länder* run various support schemes for training in enterprises as well, with an even larger variation across the regions. There are a number of sectoral approaches for demand-side instruments supporting adult learning, CVET in enterprises as well, however, despite the overall large role of economic sectors and their business interest organisations for both IVET and CVET in Austria (Pernicka & Hefler, 2015), the role of demand-side schemes working at the sectoral level is limited.

#### 4.4 Conclusion – the space left for a novel type of ILA.

Public support provided for financing adult learning is particularly strong for the unemployed, considerably developed for dependent employees (including parents on parental leave), less developed for the self-employed and poorly developed for adults currently not active in the labour market. For employees, there are important differences in the level of support available across the nine regions. Overall, public support is strong for supporting the acquisition of vocational qualifications based on a workload of several month up to several years. Moreover, schemes are typically targeted to the low-qualified and/or the low wage earners. In contrast, for the frequent participation in short non-formal courses work for all employees (or even for everyone), there are only some instruments in place – including the vouchers issued by the

nine Chambers of Labour. For the regular participation in short job-related courses, only the tax deductibility needs to be seen as an important facilitator, adults with high personal income are profiting stronger from this than adults with an average income, while low-wage earners cannot profit at all. Against the backdrop, there is certainly space for a new general entitlement for all (working age) adults supporting the frequent participation in short job-related courses. The option for accumulating entitlements for covering the costs for extended programmes would be of less importance when the existing level of support for the acquisition of formal qualification and the required educational activities are maintained or further extended in accordance to increasing demand.

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# Chapter 5. Enablers for taking up adult learning ('Enabling framework')

## 5.1 Introduction

Over the past two decades, in line with an overall growth of participation in adult learning, various supporting structures have been strengthened and further elaborated within the Austrian Adult Learning Systems. The latter are reviewed in the following, as far as they are corresponding to the 'enabling framework' as outlined by the ILA Recommendation.

## 5.2 Digital Portal for accessing information and support.

To begin with, in Austria, there is division of labour between portals simply providing an overview on accessible courses in adult learning and approaches for quality assurance, where educational providers seek certification and their course offer becomes thereby eligible for the use of various cofunding instruments. The aspect of quality assurance is discussed under 5.6. Portals for information only are seen mainly as a type of public service, with no complex governance structures or involvement of stakeholders. Beyond the portals of the PES, portals are implemented by non-profit organisations based on a subsidy by responsible public institutions (mainly the governments of the Länder).

There is no centralised approach for providing a digital portal or database of learning opportunities ('courses'), guidance and validation opportunities in Austria, however, there are well-developed and evolving regional solutions<sup>9</sup>. A centralised approach based on an IT solution harvesting all offers from local sources and feeding them into a portal has failed in the past, as the approach amassed too much invalid information from poorly maintained sources. Since 2007, the portal *erwachsenbildung.at* has evolved into a powerful source of information providing an overview on the existing regional sources. The national level portals of the PES complement the provision.

There are databases on support available for the cost of adult learning, with the website '*Kursförderungen finden*'<sup>10</sup> as the most sophisticated source. This national-level database is run by a non-profit provider as part of the *Erwachsenenbildung.at* package and financed by the Ministry of Education. Attempts to increase accessibility and user friendliness of this portal have been made in the past years, but it remains still quite complex. The use of the portal requires some orientation and good German skills to fully live up to its expectancies. The national and regional level portals provided by the PES give a broad overview of funding instruments in place. A redesign of an existing database under the name '*Alle Kurse*' (All

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<sup>9</sup> Beyond information on adult learning opportunities, there are portals providing a broader selection of career guidance relevant information offered by non-profit (e.g. the regional branches of the Chambers of Commerce e.g., Chamber of Commerce in Vienna <https://site.wko.at/biwi/home.html?shorturl=biwiat>) and for-profit organisations (running career portals and job advertisement data bases). Some of these offers are linked with free guidance provision, some have fee-based options; for more information <https://www.cedefop.europa.eu/en/tools/resources-guidance/handbook-transferability/case-studies>

<sup>10</sup> <https://erwachsenenbildung.at/bildungsinfo/kursfoerderung/>

Courses) was under development by Spring 2023 and meant to provide an overview on CVET courses for the whole country<sup>11</sup>.

Various digital government tools could be used for administration of cofunding of adult learning, however, there are also high barriers for intergovernmental cooperations. The regional providers of financial support, e.g., the demand-side funding instruments of the *Länder*, use their own tools for administration, with the tool developed by the waff (in Vienna) reported to be one of the most comprehensive that not only allows to administrate applications but manage the whole process from first contact over information and guidance to funding. Some more experimental approaches are on trial by adult learning providers including AI use.

There is no comprehensive and up-to-date source of the landscape of adult learning providers as such, however, there are some substitutes. There are, firstly, the KEBÖ overviews providing information on all non-profit organisations belonging to the association. Secondly, there are the registers of certified providers, run by different organisations on behalf of competent authorities. Such registers are significant as public co-funding is typically granted only for the offers of the providers holding a quality certification. The most important among them is the database run by the organisation in charge of the national certificate (ÖCERT) (see section 5.6).

Experts with insight in one of the regional portals stress the fact that substantial resources are required to achieve a broad and up-to-date representation of the available forms of provision at the regional level. A national-level, central portal as envisioned in the ILA recommendation, bringing together all information on career guidance, learning opportunities, including cofunding available and support for validation, is quite unlikely to be realised, however, an integration of existing regional or specialised portals could be possible, although earlier attempts to offer such a solution have failed about a decade ago and stakeholders are still hesitating to make a new attempt.

### 5.3 Lifelong guidance/Career guidance

In Austria, opportunities for access to lifelong guidance for adults are well developed, however, with large differences across regions and forms of support (Cedefop, 2020b). One information point provides an overview (*Beratungswegweiser*)<sup>12</sup>. Lifelong guidance includes the provision of information about existing relevant cofunding opportunities for CVET and, where applicable, also support for navigating the required formal procedures for gaining access to the funding opportunities. While for the majority of cofunding instruments, it is not required to use a particular guidance offer to receive access, the latter is typically true for all funding instruments governed by the PES.

The distribution of competences in the highly fragmented field of career guidance differs depending on the educational or service area and the target user groups addressed. The outcomes of the given distribution of formal responsibility are still visible, with a divide between what is considered as career information on education (*Bildungsberatung*) (overseen by

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<sup>11</sup> For the update's results see <https://www.weiterbildungsdatenbank.at/>

<sup>12</sup> <https://erwachsenenbildung.at/bildungsinfo/beratungswegweiser/>

Ministry of Education, within the responsibility of *Länder*) and career guidance (overseen by PES).

The Public Employment Service (PES) has the legal responsibility to provide career guidance for the unemployed and employed, however, for the latter, the PES role is more limited. Apart from supporting career choices and decision-making, the objectives are to overcome unemployment or a disadvantaged status in the labour market. The PES is also responsible for providing the informational infrastructure for career guidance and therefore is the key provider of databases, web sites and information leaflets on available occupational pathways and their educational underpinning. While the PES oversees the lion share of the dedicated budget to career guidance, a significant part of services is provided by a diverse field of non-profit and (to a smaller extent) for-profit providers, who are competing within public procurement run by the regional units of the PES.

For a long time, general information on learning opportunities for adults was seen primarily as a task of the adult education institutions. The adult education policies of the *Länder*, which are also responsible for the educational information of adults (regardless of their labour market status), play a significant role here and the landscape of offers providing information and guidance on adult learning differs greatly across the nine federal states. Since the beginning of the 2000s, however, the field of lifelong guidance has broadened further and with the Network Educational Counselling Austria (*Initiative Bildungsberatung Österreich im Bereich Erwachsenenbildung*) a framework for offers in all *Länder* was created from 2011 onwards. The network activities are cofunded by the central state, the *Länder*, and the ESF, based on a '15a Agreement' (for information on this specific arrangement see also Chapter 8.2). The Ministry of Education is responsible for coordination, with regional providers of educational counselling (often further education providers or counselling providers providing a large range of services) being the key actors, receiving funding from the framework approach. Providers need to comply with the framework specified by the initiative and to provide monitoring.

Some *Länder* have established regional provider organisations for target user groups beyond the unemployed – predating the introduction of the Educational Guidance Network (*Netzwerk Bildungsberatung/ Initiative Bildungsberatung*) – such as in the case of Vienna, the Vienna Employee Promotion Fund (see 6.4). In addition, the social partners offer educational and vocational information and guidance. The Economic Chamber and the WIFIs offer different counselling formats and other services as for example competence checks in the regions. The Chambers of Labour are also active in the Network Educational Counselling Austria, in addition to other guidance services.

For adults seeking guidance, the counselling services of the universities and universities of applied sciences are also relevant, which specifically address this target user group and provide information about study programmes for adults, for example. The Austrian Student Union also offers guidance. In addition, lifelong guidance - also combined with information and counselling on other life topics - is offered by many non-profit organisations in areas such as youth work, and health, and offered to specific groups such as women, migrants, and refugees<sup>13</sup>. The sources of funding for these services can be at the federal or provincial level

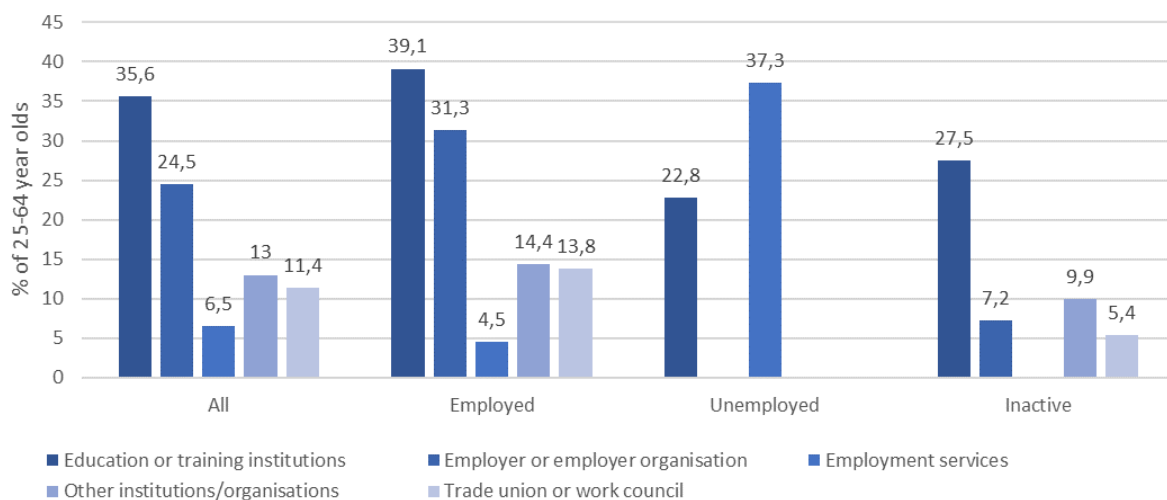
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<sup>13</sup> Adults with disabilities enjoy broad range of specific services, including lifelong guidance, partly funded based on a specific employer levy (for not meeting employment targets for employees with

or via the Public Employment Service. Co-financing with EU funds (ESF) is also used for some services.

To summarise, the PES holds the key legal responsibility for career guidance, plays already today an important role as the gatekeeper to public funding for adult learning and may even play a further role for introducing further funding instruments. However, in praxis, for adults beyond the unemployed, many non-profit and for-profit organisations provide lifelong guidance, with many organisations specialised in working with particular target groups (e.g., women, migrants) play the even larger role in the provision of career guidance. These various providers facilitate their clients' access to existing funding arrangements. Funding is distributed mainly based on public procurement of the regional units of the PES and by calls issued within a large variety of frameworks and projects receiving ESF funding. Further funding lines are made available by the nine Austrian regions.

Figure 5. **Use of information and counselling services in the last 12 months. Adults (25-64) in Austria by employment status and type of provider organisations**



(multiple answers possible – Adult Education Survey - 2016)

Quelle: Adult Education Survey 2016, special data extraction. For missing values: data cannot be displayed, as they do not meet the reliability standards due to a too small number of cases in the sample.

## 5.4 Validation of non-formal and informal learning

In 2011, the Austrian Strategy for Lifelong Learning (Bundesregierung, 2011) stated that the potential of the labour force as well as access to formal adult education in Austria was still mainly measured by the formal qualification level (legally regulated certificates). In contrast, non-formal and informal learning, e.g., acquired directly at the workplace, often have far less relevance, although skills and competences acquired this way can be decisive in fulfilling a certain occupational or job profile. At this point, measures for the recognition of knowledge,

disabilities), with a specific agency in charge of these activities ([Startseite \(sozialministeriumservice.at\)](http://Startseite(sozialministeriumservice.at))). For an overview see [Inventory of lifelong guidance systems and practices - Austria | CEDEFOP \(europa.eu\)](http://Inventory of lifelong guidance systems and practices - Austria | CEDEFOP (europa.eu))

skills and competences acquired outside the formal sector, which could facilitate professional reorientation, were considered insufficiently coordinated in Austria. Validation and recognition of previously acquired skills and competences were carried out in a non-systematised manner at educational institutions.

Subsequently in 2017, the 'Strategy for the validation of non-formal and informal learning in Austria' was adopted with the following strategic goals of (a) strengthening non-formally and informally acquired competences, (b) establishing access to validation, (c) improving education and job access, (d) improving alternative routes in the Austrian education system, (e) integrating validation in the structures of the education system and (f) promoting learning outcomes orientation and quality assurance. The policy document was supposed to be the initial point to implement a comprehensive recognition process of results of non-formal and informal learning including a consultation process and with the participation of the relevant federal ministries, the *Länder* and the social partners (Luomi-Messerer, 2019). However, the legal limits slowed the implementation process.

An important milestone in this context is the development and implementation of the National Qualifications Framework (NQF), which also enables the assignment of qualifications acquired through validation of non-formal and informal learning (NQF Act 2016). The mapping of non-formal qualifications is supported by the NQF service points established in 2019.

In the field of VET and adult education a catalogue of criteria for promoting the quality of validation procedures was published in 2018. Yet, the most important shift in legislative reforms enabling validation could be observed for the higher education sector in 2021, allowing the recognition of non-formally and informally acquired competences for HE studies equal to up to 60 ECTS. HE institutions are obliged to define procedures and principals for recognition decisions.

Validation initiatives of good practice can be found across all fields of education, yet the offers are fragmented and the number of beneficiaries remains limited. The most wide-spread project *You have skills/competences* (Luomi-Messerer 2024) in German '*Du kannst was!*' covered five out of the nine *Länder* in 2022. Initiated by the Chamber of Labour in Upper Austria to begin with, the measure supports individuals to gain a VET certificate equivalent to the apprenticeship certificate in a two-stage examination procedure. After an assessment of existing competences participants can acquire missing competences in modular courses. Experts frequently refer to the measure as a successful and good practice. Limitations are the restricted number of occupations covered by the programme and partly lack of modularised course offers to address specific training needs.

In Vienna, a recognition under the name Viennese recognition system - 'My chance – I can do it' (Luomi-Messerer, 2024) '*Wiener Anerkennungssystem – Meine Chance – ich kann das!*' addresses individuals who dropped out of an apprenticeship or with a record of practical experience in a defined number of vocational fields. After a competence assessment, participants can acquire lacking competences in custom-fit training leading to the apprenticeship examination. The PES, the local agency waff (see 6.4) together with VET schools and private training providers are implementing organisations. Furthermore, a portfolio system (*Qualifikationsspass*) can be used to document prior experience, VET and learning goals to achieve an apprenticeship examination certificate.

## 5.5 Training leave & contributions to subsistence costs/wage replacement

In Austria, there is no (short) paid training leave (in line with the ILO 140 convention) and only a few collective agreements have rights for (typically paid) days off for training, however, there are important instruments supporting individuals during long training spells.

The *Bildungskarenz (Educational leave)* was introduced in 1998, however, had attracted large numbers of participants only after its reform in 2008, where the wage replacement payment had been substantially increased. Employer and employees may agree on an unpaid leave between 2 and 12 months which can be used – also in proportions e.g., four times three months - within four years. During the leave, employee does not lose any employment rights and receives a public subsidy to cover (partially) the living costs (wage replacement payment) in the amount equal to the theoretical unemployment benefits (minimum EUR 14.53 per day, about 56% of the last net income up to ceiling (in 2023: about EUR 1 835 per month, family-related payments not included) on average (2021) EUR 1 050 per month)<sup>14</sup>.

Since July 2013, a part-time option (*Bildungsteilzeit*) is available. Employees may reduce working hours by 25 to 50% for at least four and maximum 24 months within four years. As wage replacement, beneficiaries receive a lump sum of EUR 0.91 per reduced hour per day (e.g., for a reduction from 40 to 20 working hours a week: 0.91 x 20 hours x 30 days makes up for EUR 546 a month).

Training leave is administered by PES. It can be used for full-time participation in learning activities requiring 20 hours of participation in job-related further education per week or the participation in formal adult education (including higher education). For higher education, it is sufficient to provide evidence for achieved credit points, for non-formal course work, a proof of course attendance is required.

Training leave has evolved into a key instrument in supporting adult learning, however, it has attracted criticism for various reasons, including – as shown for the early years of the scheme - the unequal use of the training leave across socio-economic strata, its proneness to 'alienated' use for goals not in line with the instrument's original design, and its overly strong growth {Lassnigg, 2011 #10174}; {Rechnungshof Österreich, 2023 #13515}). In the Austrian discussion of ILA, the training leave scheme works as a point of reference for an entitlement with a strongly growing demand. Moreover, it used to be contested whether the high public investments are balanced by substantial public returns. A large-scale evaluation study of the recent performance of the training leave had been commissioned by the Ministry of Labour and Economy), with results expected for late 2023<sup>15</sup>.

It is important to emphasise that the training leave is understood also as an important policy within active labour market policy. In case of short-term decline in labour demand, employers are encouraged to invite employees to opt for a training leave instead of immediately terminate the contract. Employees considering quitting for personal reasons are

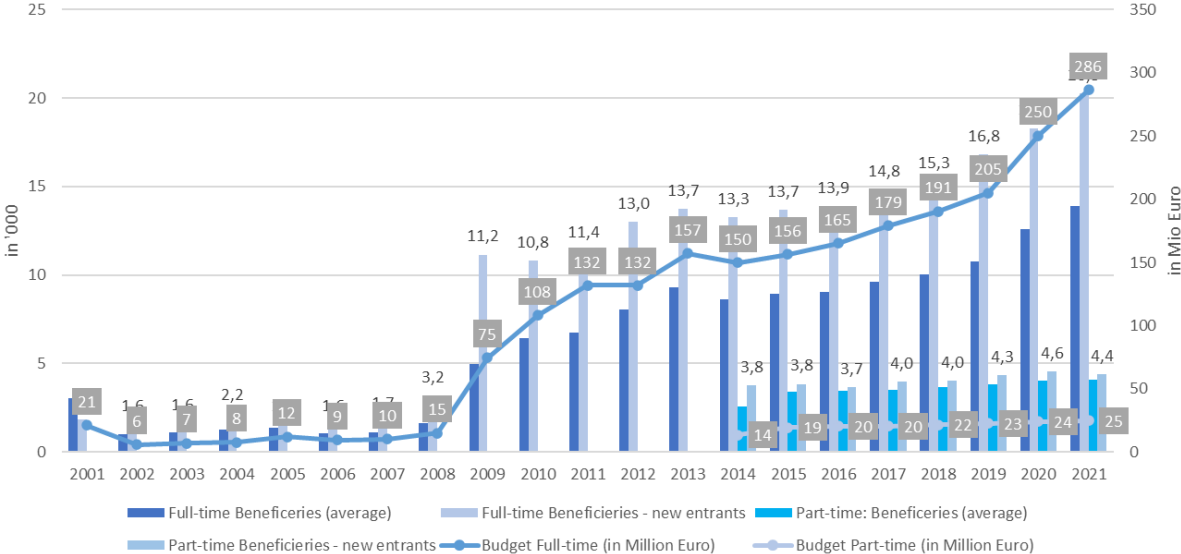
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<sup>14</sup> Up to 2008, only a lump sum was paid, equal to the amount provided (by that time) to women on maternity leave (about EUR 450 per month). The more generous educational leave schemes can be seen as inspired by the equally more generous, income-related parental leave scheme also introduced in 2008.

<sup>15</sup> Results have been made available in March 2024; Bittschi, B. et al. (2023)

encouraged to take educational leave for preparing for a new start with the same or another employer. During economic crisis, as in 2009, the training leave had been combined with other support measures (e.g. funding provision of training activities). Consequently, the use of training leave expands during economic slumps or external shocks as the Covid pandemic.

Figure 6. **Evolution of educational leave scheme (full-time and part-time) between 2001 and 2021; average stock of participants, new participants per year; public costs (including contributions to pension funds) per year.**



Source: Own development based on (Bundesministerium für Arbeit und Wirtschaft et al., 2022) and previous editions of the report.

More women (about 75%) than men use the training leave, and participation among older workers is comparatively low. The main point of criticism, however, concerned the fact, that the training leave used to be mainly taken by adults holding already higher education entrance permission and that higher education level programmes are among the most often pursued activities (Lorenz Lassnigg et al., 2011), while low qualified, low-waged adults hardly use the scheme. One main driver behind these patterns is that access to (public) higher education is for no or very low fees, while for individuals it is quite costly to secure participation for 20 hours a week in non-formal CVET courses, which are typically funded via fees. The imbalances in the use of the training leave had been a main argument put forward in favour of the development of the ‘Skilled workers grant’, *Fachkräftestipendium* (see 6.2).

In Austria, the existing training leave arrangement overshadows the fact, that at least some sectoral collective agreements also include an individual right for paid days off for (individually chosen) training activities (Böheim & Steidl, 2017). Moreover, elected workers council representatives (*Betriebsräte*) enjoy rights for paid training leave related to their office.

## 5.6 Quality Assurance Framework for adult learning provision

Procedures for quality assurance have been strengthened in a step-by-step approach via two main mechanisms. The Länder started to link eligibility for cofunding via the individual learning accounts (or similar schemes) to the quality certification of providers. In an earlier stage, certification was valid only within one particular Länder (OÖ-EBQS (Upper Austria); CERT-NÖ (Lower Austria); S-QS (Salzburg); wien-cert (Vienna)). As a temporary solution, some *Länder* negotiated bilaterally on a mutual recognition of the quality certification. Providers with offers all over Austria or in various *Länder* were obliged to pass and pay for the admission to several different quality assurance procedures, which was not only expensive but time-consuming. By December 2011, a national level quality certificate was introduced under the name *Ö-Cert*, with a regional certification leading automatically to a certification at the national level. This increased transparency for learners as well as funding bodies, simplified administration and improved quality for adult education by making holding a certificate more common.

With the public procurement procedures run by the PES and via calls linked to ESF cofunded projects, various approaches for assessing the quality of training offers (e.g., via the years of experience of the teaching personnel) have been developed over time.

While some progress has been made, not all concerns have been overcome. Training providers may acquire certification and may convince in follow-up visits, however, fail to observe the promised standards when implementing services. Occasionally, novel providers are successful with their bids by promising high quality for low prices, however, cannot live up to the promises; while they quickly disappear from the market, they might do considerable harm during their short life cycle. Reports on cases of frauds done by single players are still frequent, in particular during phases, where demand for services is increasing on short notices (e.g., with 25% more course work demanded within three months and in average years).

Quality is mainly achieved via a relative stabilisation of the structure of non-profit and for profit- providers, forming an organisational field, with managers and trainers moving between organisations and a mutual observation of business practices across organisations.

## 5.7 Outreach and awareness raising activities.

A lack of stable funding and organisational frameworks for educational outreach is regarded as a key weakness of the Austrian adult learning system. Outreach activities are currently done only on regional/local level. Only some of these regional activities are long-standing and quantitatively significant. At central level, there had been activities in the distant past, however, little activities could be observed in the past decade despite the importance of outreach spelled out in the Austrian LLL:2020 Strategy.

Outreach activities used to be included within more experimental frameworks, e.g. as part of ESF co-funded development projects on adult basic education, however, these types of activities/the related funding were discontinued when adult basic education was organised on a permanent basis within the Initiative for Adult Education (*Initiative Erwachsenenbildung* (Hefler & Steinheimer, 2020a)).

The most comprehensive set of regional outreach activities are covered by a large-scale project framework promoting educational outreach work in the City of Vienna, one of Austria's

nine federal states. 'The Vienna Weeks for lifelong guidance and further education' (in German *Wiener Wochen für Beruf und Weiterbildung*; in the following addressed as *Vienna Weeks*) have been introduced in 2015, have been repeated on a yearly base even during the Covid-19 pandemic. The framework targets on the one hand adults with low levels of formal qualifications or qualifications not recognised in the Austrian labour market, on the other hand young adults in transition or at risk of leaving education prematurely or looking for a way back into education. Year by year, the *Vienna Weeks* organise a broad variety of roughly one hundred outreach activities, ranging from small activities with only a few people attending to large events with hundreds of visitors. Initiatives are implemented by a broad network of organisations, including schools, further education providers, youth centres, community centres, health organisations, organisations supporting the integration of migrants and refugees, organisations promoting women and many more. Activities implemented aims at paving ways for members of vulnerable groups into the broad network of counselling and educational opportunities established in Vienna. Feedback collected of visitors three to six months after their participation in any of the activities support the assumption that the outreach activities are broadly effective about the set goals. However, the framework of the *Vienna Weeks* stands out from previous activities, not only for its overall size, but also for its embeddedness in a high-level regional strategy – the so-called Vienna 2030 Qualification Plan - *Qualifikationsplan Wien (2012, renewed in 2018)* – aiming at effectively reducing the proportion of low qualified adults in Vienna.

# Chapter 6. Exploration of the implementation of public funding policies/instruments against the backdrop of the goals set by the ILA recommendation.

## 6.1 Introduction

In the following, a more detailed analysis of three relevant examples of public funding policies/instruments is provided. They have been selected out of the rather broad set of instruments discussed in Chapter 4 for their relevance for the question, to what extent there would be sufficient institutional space for introducing an ILA in line with the Council Recommendation.

Section 6.2 introduces into the details of the Skilled workers grant (Fachkräftestipendium). It shares with the ILA Recommendation the explicit goal that individuals should enjoy autonomy regarding the decision on entering a potentially multi-year program for acquiring a vocational qualification. The Skilled workers grant framework is constructed in a way that adults typically do not have to pay fees for participation and – as the most important unique feature – receive public contributions to their living costs for up to three years. They are independent from a current employer (contrary to the educational leave scheme), as they are allowed to quit the job to enter the Skilled worker grant scheme in case the employer withholds support (see section 6.2). The PES will grant access when eligibility criteria are met, irrespective of an applicant's prospects to fill a current job vacancy. With the range of choices restricted to a (rather long) lists of qualifications where the demand exceeds the supply, the scheme tries to strike a balance between the individual interest and the goals of employment policies. With its capacity to bring more adults into programmes leading to high-in-demand qualifications, it is also seen as a basic model for fighting against the rising level of shortages of skilled labour. Overall, the scheme has been developed and is supported strongly by the labour camp as a holistic approach in line with the needs of adults with low or intermediate levels of formal education, who are opting for working towards (often quite demanding) formal qualifications. As such, it can be seen as one major point of reference in the Austrian policy discourse on how to support adult learning properly. The Skilled workers grant can be also seen as an alternative approach to make sure that even extended participation spells are affordable, contrary to an option where adults would have to accumulate entitlements over time.

Section 6.3 and 6.4 introduce in the two oldest and most elaborated frameworks of individual learning accounts at the regional level in Austria. In both cases, individuals can apply for contributions to their costs of job-related adult learning, with a maximum budget available for them within a set time frame. Both frameworks give a strong preference to a targeted approach and only in Vienna, there is also a small contribution available to a broad range of adults living in Vienna, with the goal that as many adults as possible should have experience with some job-related course work, so that they are better prepared and motivated for entering extended 'learning journeys', when they are in need of or ready for returning to education. In Austria, the term individual learning account is associated with this type of framework offered

by the Austrian Länder. The Austrian ILAs certainly differ from what the ILA Recommendation is aiming for: they provide no legal entitlement, although there is typically sufficient funding available. They do not allow for accumulation, however, groups enjoying preferential treatment can immediately draw on quite substantial budgets for financing their chosen educational plans. In short, the existing frameworks are covering some of the ILA functions, while omitting others. Nevertheless, the rich experiences collected provide some insight in what might be expected from the introduction of a novel ILA scheme.

## 6.2 Skilled Workers Grant (*Fachkräftestipendium*) in context of PES funded support for adult learning.

The Skilled Workers Grant needs to be seen as a key example among the recent attempts to create a comparatively generous and holistic support instrument within Austrian adult learning policy with the intention to give every adult access to an opportunity to acquire a formal (vocational) qualification, although restricted to qualifications high in demand in the Austrian labour market. The explicit goal of the scheme is twofold, namely offering all adults (except HE graduates) the opportunity to acquire a higher level of qualification based on a combination of free tuition and a subsidy for meeting the living costs for up to three years, while thereby easing the shortage for qualifications high in demand {Arbeitsmarktservice Österreich (AMS), 2023 #13734}.

While the schemes' intention overlaps with the ones of the ILA Recommendation, it illustrates a strong preoccupation of Austrian adult learning policy with 'making time' for extended participation in adult learning by allowing for taking a break from gainful work. It also illustrates the strong emphasis given by policy making to the acquisition of vocational qualifications, typically requiring extended participation in education over the frequent participation in short non-formal courses. As such, the scheme illustrates broadly shared visions of what makes up for good adult learning policies with a strong impact on employment opportunities in Austria. A study of the scheme can thereby also provide some insights into the challenges involved for finding broad support for introducing an ILA scheme in line with the Recommendation in Austria.

Supporting adults to acquire a formal (vocational) qualification in adult life – that is after having left initial education for good – is a guiding principle of Austrian policy making for long stretches of time {Hefler, 2017 #7824}. For the unemployed, the PES offer multiple routes leading to a range of vocational qualifications, mainly at an upper secondary level, with both the direct costs and the contributions to the living costs secured from the PES budget. Employed adults, however, need to use existing supply-side/ public funded formal educational offers (e.g., VET colleges for adults, HE institutions) or bear the fees of courses provided by non-profit or for-profit educational providers themselves, although there might be some demand-side co-funding available. Yet, up to 2017, for receiving contributions to the living costs during participation in adult learning, they had available only the training leave (see 5.5), however, available for only 12 months while formal programmes typically last for one and a half up to four years. Moreover, for accessing the training leave, employees are dependent on the support of their employer, with in particular low-qualified adults experiencing difficulties in

agreeing on a leave. Moreover, low-wage earners might find it difficult to survive based on the training leave payment. For overcoming these limitations in the available support for employees (not holding a higher education credential) and for winning over more adults for taking up vocational qualification pathways in areas high in demand, the Skilled workers grant was introduced in 2013.

The Skilled workers grant was first introduced by law (SRÄG 2013) as a framework with the PES responsible for its implementation. The measure was announced as only a temporary one, however, it was renewed regularly with an interruption only in 2016. By spring 2023, availability of the scheme is secured until 31 December 2023. Eligible groups are employed on leave for the training period, unemployed or self-employed who rest their business activity. Most importantly, adults are allowed to leave their current job in order to use the scheme in case they cannot agree on an unpaid leave with their employer. (This is different from many other schemes, where the PES cannot provide support in case an employee has voluntarily left his/her job for entering a program). Preconditions for applying include a minimum of 208 weeks of entitlement in the unemployment insurance (retirement insurance for self-employed) in the last 15 years, no prior HE qualification, admission to the intended education or training, residence in Austria and a signed agreement on the planned training between the PES and the applicant. Eligible training is defined in a list for labour shortage occupations<sup>16</sup> regularly updated by the PES. The list includes training in the fields of Science, Technology, Engineering, Mathematics (STEM) environment, health/care/social on ISCED levels 3 and 4 including apprenticeship, industrial master schools and VET schools. Applicants with no qualification exceeding compulsory schooling can choose any apprenticeship scheme. Training must be full-time and at least three months.

The grant can be received for up to three years and equals the rate considered as the minimum support within the Austrian social security system (so called *Ausgleichszulagenrichtsatz*; 2023: EUR 1 110.26 per month). If an individual's unemployment insurance entitlement is higher, beneficiaries receive the difference on top of the grant, additional payments for dependent children are available. Beneficiaries of the scheme are currently also eligible for a bonus of EUR 4 per day (*Bildungsbonus*) (see Section 4.3). Various rules apply about interruptions or termination of the programmes attended with at least some opportunities to restart a programme in case one has left it prematurely. Most eligible programmes are funded via supply-side funding mechanism and are without the requirement to pay fees, yet, in some cases, direct costs for fees can be covered as well. Where fees need to be paid, support can be supplemented by other funding streams (for low qualified by the PES or regional instruments for other groups).

The skilled workers grant is funded from PES budgets. After introduction, take up rose quickly and peaked in 2015 when also the budget needed to be extended from EUR 18 to 20 Mio. After a disruption of the scheme and its reintroduction, budget applied were smaller (e.g., only EUR 3.7 Mio in 2018) and reached EUR 7.2 Mio 2021 (see Figure 11).

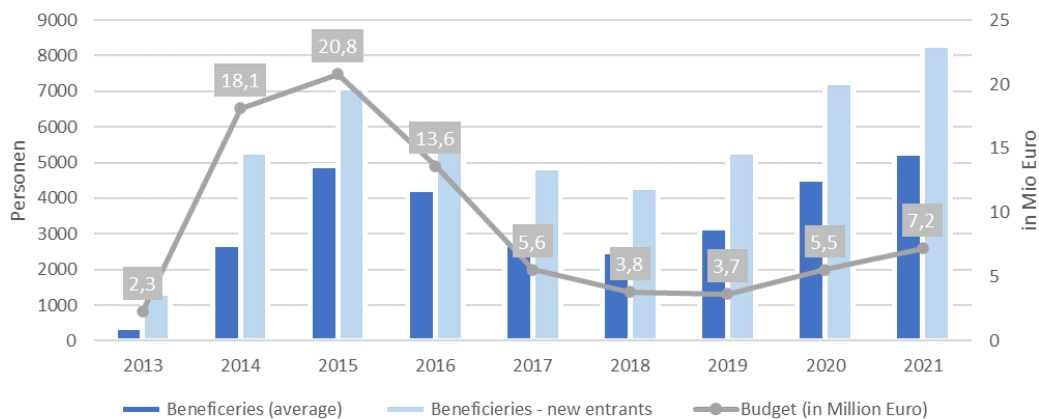
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<https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwj8tPKu4Zf-AhXIQvEDHae-C2YQFnoECBQQAQ&url=https%3A%2F%2Fwww.ams.at%2Ffks-ausbildungsliste&usq=AOvVaw3q5JEvU7qaozetlqq6q6T6>

In 2021, 8300 individuals received a skilled workers grant, and the average stock of beneficiaries during the year was roughly 5300<sup>17</sup>. For the same year, the average funding duration was 395 days (women: 434, men: 347). Two thirds participated in {Hefler, 2017 #7824}the measure for longer than a year. Almost two thirds of beneficiaries were women, 11% were long-term unemployed. 11% of beneficiaries had no Austrian citizenship, and 19% had first- or second-generation migration background. Most beneficiaries were between 25 and 45 years old (62%), young people under 25 years made up for 25% and 12% were over 45 years. 58% had completed an apprenticeship before, 18% had at most completed compulsory education. Uptake of the measure diverges vastly across the Austrian *Länder*, with the highest proportion of beneficiaries located in Upper Austria (22%), Lower Austria (17%) and Styria (16%), while Vienna only accounted for 8% (*Bundesministerium für Arbeit und Wirtschaft, 2022*). To conclude, the Skilled Workers Grant complements other support structures available for acquiring a formal qualification in adulthood.

Figure 7. **Evolution of the use of Fachkräftestipendium – 2013- 2021 (Stock of beneficiaries, new entrants; budgets applied per year)**



Source: Own development based on (Bundesministerium für Arbeit und Wirtschaft et al., 2022)

The skilled workers grant is legally bound to periodic evaluations which show that most beneficiaries enter employment quickly after completion of the measure (73% within one year for beneficiaries in 2019 who were confronted with limited labour market opportunities during the pandemic). The largest impact on employment was observed for women, people over 50 and individuals with health issues. In a survey for the funding period 2015-2018, 40% of participants claimed that they would not have chosen the learning activity without the grant (Bundesministerium für Arbeit und Wirtschaft, 2022; Danzer, Lechner, & Riesenfelder, 2020).

<sup>17</sup> There are no detailed estimates available for the size of the overall target group and the size of the subgroups (in particular, adults preparing for an ISCED11 Level 3 vocational qualification and adults aiming for a qualification at ISCED11 Level 4-6). The total number of eligible adults would be somewhat below three million, however, this is not a helpful figure here as the type of activity is typically seen as a once in a lifetime event and not at all as a regularly taken activity. Overall, the proportion of adults who try to acquire a higher level of education at ISCED11 3 or 4 level is considerably high, when studied over the whole of the life course and exceeds 25 percent {Hefler, 2017 #7824}, based on the estimates available. The Skilled workers grant thereby further expand the set of public support allowing to acquire formal qualifications in adulthood in Austria.

No quantitative goals are defined for the use of the scheme. Overall, the scheme is anticipated as successful and as a candidate for an institutionalisation on a larger scale and on a permanent base. It fulfils several of the objectives of the ILA Recommendation, as it strengthens the individual's autonomy to participate, it offers support package out of fee-free educational provision and a wage subsidy (as a component of the enabling framework), it supports only qualify assured (listed) programmes leading to qualifications high in demand. Clearly, it supports access only to a by comparison small segment of adult learning and focusses exclusively on the occasional long, but not on the regular and frequent, but short participation in adult learning.

### 6.3 Individual Learning Account in Upper Austria (Oberösterreichisches Bildungskonto) in context

Upper Austria has often been considered as a driving force of Active Labour Market Policy (e.g., the invention of the model of labour foundations (*Arbeitsstiftungen* (Cedefop, 2020a)) since the late 1980s and against this background early on gave an explicit position to the promotion of lifelong learning. Long-term policy development across fields of policy making took place under a stable conservative majority in Upper Austria. Only with the change to a centre right-extreme right coalition from 2015 onwards has there been a shift in emphasis within regional politics, which has also had an impact on the support for adult learning. In 2010, a regional lifelong learning strategy was published (*Strategie Oberösterreich. Impulse & Ziele für Erwachsenenbildung*, Strategy Upper Austria. Impulses & Goals for Adult Education), which focused on the areas of influence of regional policy in the CVET and adult education sector and is considered an important source of impulses. In recent years, IVET and in particular CVET were focal points in labour market and economic strategic policy documents, e.g., a strategy for labour market and skilled labour force (*Arbeitsplatz OÖ 2030*)<sup>18</sup> and a strategy for economy and research in Upper Austria (*#upperVISION2030*),<sup>19</sup> both launched 2020).

In 1994, the province of Upper Austria became the first of the Austrian *Länder* to introduce a demand-side grant for adult learning for individuals. While support for CVET had already been granted by the *Länder* in the context of so-called 'employee subsidies' (*Arbeitnehmerförderung*, which, for example, also included subsidies for the costs of commuting to work), the novelty of the initiative lay in its particular visibility and broader design. Against the backdrop of Austria's accession to the EU, the employees' representative body (Chamber of Labour) argued that, for reasons of social partnership balance, a new subsidy should also be created for employees who had received little support preparing for the accession (Günter Hefler, Jörg Markowitsch, & Viktor Fleischer, 2013a). In their proposal, the Chamber of Labour referred to the term 'Individual Learning Account' (ILA) model used in international literature at the time (Cedefop, 2009a; Schuetze, 2007) although the composition of the new instrument had little in common with this type of ILA besides the name. Using the term 'Education Account' (*Bildungskonto*) established a connection to the international discourse. The proposed instrument was inspired by a measure already used by the Chamber

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<sup>18</sup> <https://www.arbeitsplatz-oberoesterreich.at>

<sup>19</sup> <https://www.uppervision.at>

of Labour in Upper Austria that granted its members a discount on specific learning offers. Finally, the Upper Austrian government established the *Bildungskonto* based on their regional budget to grant eligible persons a certain amount with a certain maximum subsidy sums in a given period of time for co-financing job-related learning activities. All specific criteria changed various times over the years. All grants are designed as discretionary expenditures, i.e., the administration can design the grant within the limits set in the budget estimates. At the same time, grant applicants have no legal entitlement to funding. From the very beginning, targeted financial support for specific groups was foreseen in the measure that became an example for other *Länder* that all launched similar instruments in the following years.

The *Bildungskonto* in Upper Austria was – like the measure in Vienna (see 6.4) – strongly oriented toward social and labour market policy aspects. Whereas other *Länder* emphasised aspects of regional location competition or (adult) educational objectives (Hefler et al., 2013a). During the first years of the instrument's existence, the economic department of the Upper Austrian government oversaw the implementation. Later the responsibility was transferred to the educational department, which was less a decision based on a change in intentions of the measure but a practical move in a reorganisation of departmental responsibilities in combination with personnel transfer. As of today, the organisational unit Adult Education together with all other educational tasks is subordinated to the department of Culture and Society. The *Bildungskonto* is based on a framework directive defining the funding period and usually renewed every four years. Amendments to the agreement can also be made in the middle of the period if necessary due to external factors as for example significant changes on the labour market. The social partners, in particular the Upper Austrian Chamber of Labour as the initiator of the measure, were closely involved in the further development of the *Bildungskonto* over almost two decades before their influence decreased in the previous years due to the political composition of the regional government where a change from a centre right-green coalition to a centre right-extreme right coalition in 2015 caused a decline in the support for adult learning including more narrow rules for the entitlement to funding and cut of funding rates. Despite those changes, stakeholders are still heard and can contribute to the discussions on the design of the measure.

As of today, the individual learning account of Upper Austria offers a co-funding grant for professionally oriented further training and re-training for employees, marginally employed, freelancers, self-employed, unemployed or entrepreneurs with a maximum of five employees. The current funding directive is issued for 2023 to 2026. The co-funding share of the basic version is 30% of the costs for training and education, up to EUR 2 200. Targeted groups can apply for a higher co-funding share of 60% up to EUR 2 700/EUR 4 000 for digital courses. These targeted groups include people with a prior education not higher than ISCED level 0-2, people in courses to acquire an apprenticeship certificate, persons participating in education for elementary and social pedagogy or other training for working in child care institutions, people pursuing education and training in health care, persons on parental leave, on parental leave benefit or job-seekers after parental leave, persons over 50 and a monthly gross income below EUR 2 400. Persons attending German as a second language classes required to fulfil the integration requirements receive 60% of educational costs up to EUR 1 000. General eligibility criteria are main residence in Upper Austria at the course start, a proven 75% attendance in the learning measure and that the learning takes place at an education provider

holding a quality certification or a school implemented by Austrian law. Academics are only entitled to the grant if their monthly gross income is below EUR 3 000/EUR 4000 for funding of digital courses.

Individuals can file their application at the office of the regional government within six months after the end of the learning activity or the final exam where applicable. All course fees must be paid by individuals themselves first. Persons who attended education or training in a new occupation have to file a proof of use of the newly acquired qualification within 12 months after the end of the learning activity. This is to ensure that the learning activity is job-oriented and not for leisure use only (e.g., training as a coach for voluntary work in an amateur sports club).

Employed who are members of the Chamber of Labour can top up the *Bildungskonto* with the education voucher provided by the Chamber of Labour (*AK Bildungsbonus*), granting up to EUR 140 and 40% of education fees. In addition, membership in the Chamber of Labour (*AK-Leistungskarte*) leads to a 10% reduction on fees on specific courses provided by the Adult Education Centres or the *Berufsförderungsinstitut* (BFI, education and training provider of the Austrian employee representative associations).

Over time, the *Bildungskonto* has undergone several smaller changes and even some bigger reforms. The eligibility criteria have been adapted several times and the maximum co-funding share has dropped from 80% (1994) to 70% (2015) and 60% (2023), the co-funding share for non-targeted groups from 50% (1994) to 30% (2023). The initial division between a general part of the *Bildungskonto* without any income thresholds and few restrictions in eligibility and a more specific part for targeted groups has been given up, and all strands of the measure became more restrictive. Regulations became more and more complex over time which was one of the main points of critique in the public audit by the Regional Court of Audit in 2009. Further points of criticism included prolonged administrative processes and late payment of the grant as well as discrepancies between allocated and final budgets for parts of the funding framework that was more fragmented at that time. In the funding period starting from 2010, the funding scheme was simplified, and policy makers welcomed the assessment of the court of audit as a justification for cuts of the co-funding share and a budget reduction. A lower threshold for the support and an online tool for applications were established to lessen the administrative burden.<sup>20</sup> Recent reforms include a stronger focus on occupational groups with growing skill shortages (e.g., health care and childcare sector) and more generous funding for learning activities connected to IT and digitalisation.

Since 2009, the number of beneficiaries of the *Bildungskonto* has constantly declined as has the budgets provided (see Figure 12). While more than 20.000 applications for the grant were counted in 2009, roughly 10.000 did so in 2022. These figures can be interpreted against the total of the eligible population and their overall inclination to participate in self-initiated (and self-financed) job-related adult learning (including general Second Chance programmes). There are no detailed estimates published on the eligible population, however, for the basic

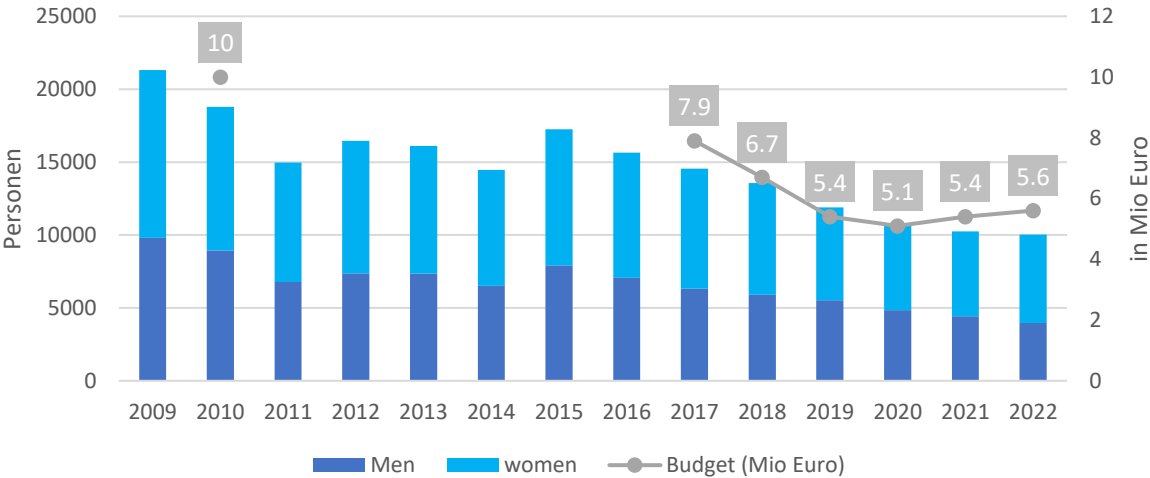
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<sup>20</sup> Several research-based evaluations were performed on behalf of the unit of adult education of the regional government during the lifetime of the scheme. None of them are publicly available but a summarizing account can be found in Lorenz Lassnigg and Baumegger (2019).

level of support about 600 thousand adults<sup>21</sup> (age range 15-64) are eligible unless they have already used their maximum budget for the 2023-27 period. With an estimated participation rate of 4 to 6 per cent in self-initiated self-selected per year adult learning, corresponding to about 24 to 36 thousand adults, the scheme would support about one third of all adults engaged, although this is only a rough estimate in the absence of detailed data on regional level.

The budget spent in 2010 was approx. EUR 10 million, almost double compared to the budget of EUR 5.6 Mio in 2022. The allocated budget was even higher, yet, not fully exploited. The trend of declining applications was already obvious before the Covid-19 pandemic and can be explained by decreased attractiveness of the scheme since the drop of the co-funding share. Many learning offers have become more expensive, and inflation is promoting this trend further. The need to prefinance the course costs is a barrier for potential applicants. Exceptions can be granted in light of individual needs, but this is often an outcome for the small groups of individuals having sought for comprehensive guidance and overall exceptions are rarely granted. For individuals in rural areas, barriers in taking up learning can often be found in the lack of locally available learning offers. Despite regional branches of the two biggest CVET providers in place in most districts, diverse training needs can often only be met in the central sites. Distance and hybrid learning forms have gained increasing importance to tackle regional imbalances.

Figure 8. Applications and budgets for the Upper Austrian *Bildungskonto* 2009-2022



Source: Own development, 2009-2017 based on data provided in (Lorenz Lassnigg & Baumegger, 2019), 2018 onwards based on reporting of regional government

In the 1990s and early 2000s, most applications were filed by men (around 60%), in the last 10-15 years, women stood for most applications (2022: 61%). In general, women are a key target group for public co-funding of adult learning with on average lower income and less participation opportunities in corporate training. The age group of 21- to 40-year-olds included

<sup>21</sup> This rough estimate contains all dependent employees with no university level education completed as well as 15% of HE graduates and 10% of self-employed (with less than 5 employees), as they latter are eligible in case they earn less than EUR 3 000 gross per months. Estimates are based on LFS data for 2022 retrieved from <https://statcube.at/>, the statistic portal of the Statistik Austria.

around three quarters of a total of 10.000 applications in 2022. 71% of applications were made by employed, 14% of applicants on educational leave, 5% of entrepreneurs and 4,7% of unemployed. Almost half of the applications are made by individuals with an apprenticeship examination as the highest educational attainment, low qualified represent 9,5% of the applications. Information about citizenship or immigrant background is not collected in the monitoring of the measure.

The Individual Learning Account in Upper Austria covers some of the components outlined in the analytical framework developed for analysing the content of the ILA Recommendation. Supporting mainly employees, it provides contributions to the direct costs for job-related adult learning however, only for adults up to a wage threshold and relatively low cofunding rate, however, up to a quite substantial maximum available over four years. Support is not guaranteed, as subject to budgetary planning. In short, the scheme is certainly less generous in many aspects than the proposed scheme of the ILA recommendation. It is more generous in one point that is that it makes available a higher level of maximum support immediately without the need for accumulation over time.

## 6.4 Individual Learning Account in Vienna

Vienna is Austria's capital and one out of nine federal states (*Länder*). It is a quickly growing city, holding one fifth of Austria's population, with close to 2 Mio inhabitants (by end of 2022). The workforce is characterised by the highest proportion of highly qualified but also by the largest share of low qualified adults across Austria's nine Länder. The unemployment rate is above average, mainly among the low qualified, with demand for unskilled work further shrinking. People that have migrated to the city from abroad account for more than 40% of the population, three times the Austrian average share, comprising of both low-skilled and highly skilled migrants. The city has been ruled by the social-democratic party since the Second World War; however, the party has not been involved in the national government since 2017. Competences for active labour market policy are with the central state, however, with the city government represented in the local PES. Support for job-related adult learning (beyond the support for the unemployed) is mainly within the competence of the regional government, with the Vienna Employment Promotion Fund (*Wiener Arbeitnehmer\*innen Förderungsfonds (waff)*) as one of the cities' main actors in the field taking much of the responsibility for coordination of policies.

The waff is a semi-autonomous agency founded in 1995 with the mission to ease the negative consequences of Austria's accession to the European Union on selected occupational fields. Already in the following year, the waff introduced a CVET grant for individuals – following the example of Upper Austria (see 6.3) – and a lifelong guidance offer. The organisation grew rapidly, starting with a yearly budget of less than EUR 5 Mio and 11 employees in the first year to a budget of EUR 71.3 Mio and 236 employees in 2021. This expansion was based on extended responsibilities and growing funding, partly stemming from EU funding lines. In its unique position in Austria, the waff combines offers of lifelong guidance for employed (2021: 9728 new clients) and financial support for individual costs of CVET (2021: 11980 cases, EUR 15.2 Mio).

The organisation's portfolio has largely increased over the years and the waff is now responsible for several key lifelong learning activities in Vienna, including:

- The provision of career guidance (including guidance on educational opportunities) – while there are other lifelong guidance providers for the employed, too, the 'waff Counselling Centre for Career and Further Education' (*waff Beratungszentrum für Beruf und Weiterbildung*) is by far the largest one, with 35 employees engaged based on permanent contracts. All counsellors hold at least one counselling relevant formal qualification and take regularly part in internal further education provided by the centre.
- The provision of various grants supporting different target groups to bear the costs of CVET. Various schemes cover from 30-100% of course fees up to a ceiling of EUR 5 000 (for some groups and programmes). In 2021, EUR 15.22 Mio of cofunding for activities has been distributed to roughly 12 000 clients.
- As part of its counselling portfolio, the waff has experienced with approaches to assess competences acquired in informal learning and is currently active in the establishment of Qualification portfolios (*Qualifikations-Pass Wien*)
- The waff runs a regional data base on CVET courses.
- The waff has contributed to the establishment of quality assurance systems for CVET providers, later mainly taken over by an agency working on the national level.

The waff as an organisation is to be understood as an example of a (semi-)autonomous agency (Pollitt, 2004), which implements the requirements of the political executive (Vienna city government – *Landesregierung*) or other administrative units (e.g. Vienna Public Employment Service) with a considerable degree of individual responsibility and control. The waff is based on the Vienna Foundation and Fund acts like other funds of the City of Vienna (*Wiener Landes-Stiftungs- und Fondsgesetz*). Within the government structures of the waff, the representatives of the Vienna's city government have the leading role, however, all parties represented in the city parliament are represented in the board of trustees (*waff-Kuratorium*). Mirroring Austria's vivid corporatism (Pernicka & Hefler, 2015), the Austrian social partners are also represented on the board, with a strong say of representatives of the Austrian trade unions in particular.

A perceived lack of policy coordination, dealing with the fragmentation between the field of regional Active Labour Market policy and other policy fields important for lifelong learning, has led to the development of regional strategies broadly related to lifelong learning in nearly all of Austria's *Länder* from 2010 onwards.

The Vienna 2020 Qualification Plan was first launched in 2012 (waff, 2012) with an ambitious framework of policy coordination to promote qualifications programmes for persons with low formal qualifications and significantly reduce the proportion of adults with low levels of formal qualification in the city of Vienna. In 2018, the continuation as Qualification Plan Vienna 2030 was agreed on (waff (Wiener ArbeitnehmerInnen Förderungsfonds), 2018) with an update published every three years and regular issues of yearly monitoring reports. The plan is using various benchmarks. For adult learning, the benchmark set reads as follows: Increase of number of external apprenticeship examination from 1762 (2020) to 2400 (2023) (waff (Wiener ArbeitnehmerInnen Förderungsfonds), 2021)

The waff offers a range of demand-side cofunding instruments, some of them – for marketing reasons – under frequently changing names, however, all these schemes are in some ways integrated as any adult can receive the highest level of financial support, he or she is eligible for independent of the scheme someone has applied for in the first place. Therefore, the following account refers to any demand-side cofunding provided by the waff irrespective of the heading and the administrative categories for budgeting and reporting.

Starting with the first version of the Training Account (*Bildungskonto*) in 1995, the cofunding instruments for CVET participation in Vienna have evolved over time and comprise a variety of schemes with variations targeting different groups and types of education and training (see overview table in the annex). The composition of instruments and their specific characteristics, eligibility criteria and focal points are subject of continuous development and adaption to a changing labour market with skill development and need for change in policy goals, with some revisions being based on administrative requirements or reasons concerning public relations. Milestones in this development include the introduction of more targeted schemes in addition to the general very broad training account (2004), an increased focus on low qualified target groups and support for the acquisition of formal qualifications, the introduction of income thresholds (2012), introduction of temporary increased funding sums in times of labour market crisis (2010, 2014), introduction of a funding line with prefinancing mechanisms for low skilled (2015), additional targeting mechanism with income-dependent graduation of cofunding shares (2016) (see Hager, Krüse, Reidl, Schafferhans, & Weber, 2019) and the recent introduction of a new funding line for women in selected HE programmes thereby broadening the instruments towards higher VET (2023).

By 2023, the general version of the Training Account with up to EUR 300 for 50% cofunding of CVET is available without an income threshold or limitation based on educational background for all employed and unemployed with residence in Vienna – adults economically inactive are not eligible for support. Beyond course and examination fees, contributions to the costs for recognition or nostrification of qualifications and the required translations can be applied for. Information and guidance are provided in the Counselling Centre for Career and Further Education (*Beratungszentrum für Beruf und Weiterbildung, BZBW*). For the general grant a counselling interview is optional, applications can also simply be transmitted online or in person after completion of the learning activity. For this basic instrument, as for all other funding, training providers need to be certified by the waff and a minimum limit of EUR 150 of costs applies.

The targeted forms of the Training Account address employed residents of Vienna only and set a net income threshold of EUR 2 500 per month which was just increased from EUR 1 850 to the rough median income in Vienna in the beginning of 2023. The funding share lies between 30 and 50% depending on the actual income and the total funding ceiling is EUR 3 000. For the targeted instruments, individuals need to contact the Counselling Centre and the best fitted instrument will be chosen together with a counsellor (*Berater\*in des Beratungszentrum für Beruf und Weiterbildung*). Interviews can be arranged on site or via telephone. Counselling spells range from one to three meetings to longer periods of guidance during more extensive learning activities. During the lockdown phases in the pandemic, various distance and online formats for information and counselling were tested, with mixed outcomes regarding the accessibility for groups with lack of digital skills or access to the necessary

technology. While all parties agree that online counselling differ from face-to-face settings in many ways and is not found equally effective for everyone, the distance formats allowed to continue the activities of the waff to a quite high degree and the decline of client interaction in 2020 turned out less severe than expected.

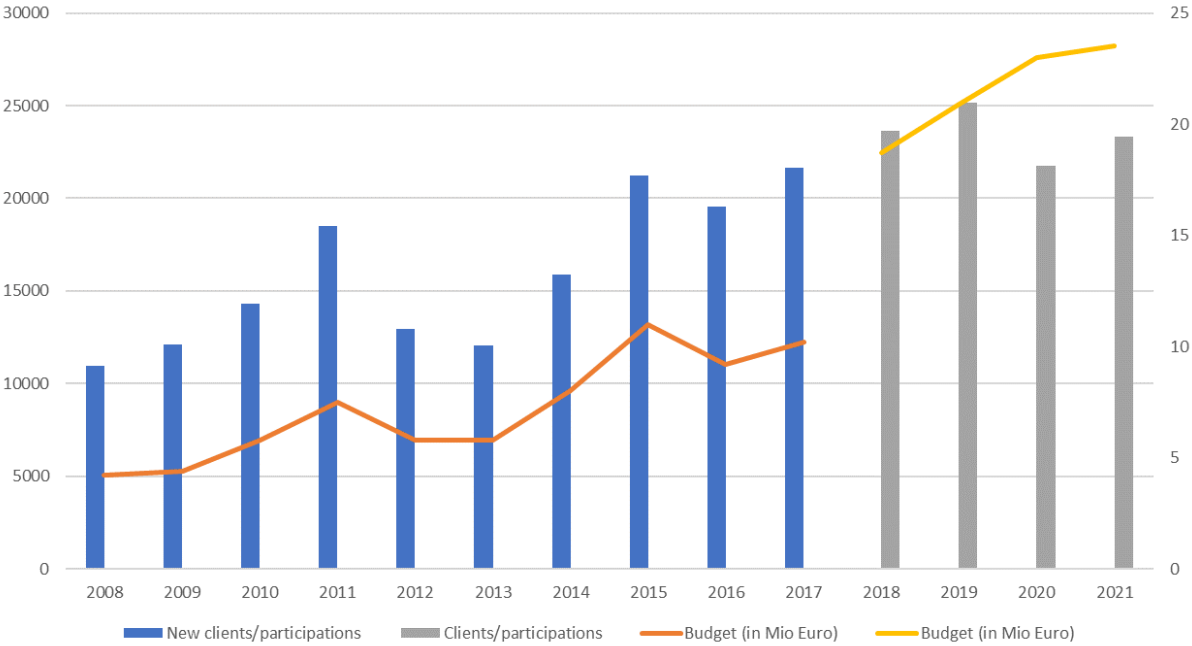
The waff has always provided forms of individual learning accounts with preferential treatment for particular target groups under specific names and have allocated specific budgets to them and tailored specific rules for the use of the extended level of support, however, these forms of support are understood best as variations the main model and not as distinct instruments. Such specific accounts for specific groups cover – by 2023 – up to 100% of the eligible costs and a ceiling of EUR 5 000. Groups thereby specifically targeted include women working towards a change in their occupational career, parents during or in the years after parental leave, adults without a completed education at upper secondary level, those employed in position they are formally overqualified for. For all targeted schemes the maximum funding sum has been raised in the years up to 2023 taking increasing prices into account. The instruments mentioned so far, are funded by the waff from the Vienna city budget and for some target groups by making use of ESF cofunding. Another strand of co-funding, but still understood best as a variation of the basic model, supports CVET around digital skills and is provided in cooperation with the Chamber of Labour Vienna, granting income-tested support for up to 80% and EUR 5 000.

Two new variations have been introduced in 2023, further extending the range of targeted forms of the account, a CVET grant for entrepreneurs with focus on courses related to entrepreneurship, digitalisation, languages, and a HE grants for women enrolling in selected BA or MA programmes in the fields of digitalisation, sustainability, and engineering underpinned by an additional dedicated guidance and coaching service (going beyond the career guidance offer available independent of any specific programme). Overall, the basic model of providing financial support is used for making additional (sometime timebound) offers in line with changing points of focus of Vienna employment politics practically every year.

Approximately 12 000 individuals received funding for their CVET activities in any of the mentioned forms of learning accounts in 2021. No detailed estimates for the total eligible population are available. For the basic level of support, in 2022, about 930 000 of adults are eligible in case they have not already used up the available amount of support in the past four years. For key target groups, that are adults with low levels of formal education, women without HE graduation and adults employed in elementary occupations (ISCO08 9), despite higher levels of formal education, about 400 thousand of adults are eligible in case they do not earn more than the foreseen income thresholds. Based on the figures, with 4 to 6 per cent of adults engaged self-initiated adult learning each year, this would imply that the waff reaches roughly one in five of these participants. Other sources confirm the overall significance of the waff's services reach, in particular for groups with an overall low probability to participate self-initiated adult learning. In 2021, a representative survey (20-60 year olds, excluding people in initial education) estimated that one in four adults living in Vienna having received any form of support (career guidance and/or funding) by the waff at least once in the past. Groups of adults disadvantaged in access to adult learning (e.g. adults with low levels of educational attainment) have received support by the waff as frequently as other groups, underling the waff's success in mitigating sources of inequality in adult learning. {marketmind, 2022}.

Among beneficiaries of 2021, 62% were women. More than half of the beneficiaries were migrants. Low qualified (ISCED levels 0-2) accounted for 13% (compared to 22% of the adult population in Vienna) of the beneficiaries of the described co-funding instruments. The formally low qualified represent a key target user group of guidance and funding activities but is still reported as hard to reach with the CVET offers and support schemes. The comprehensive framework for outreach coordinated by the waff – the Vienna Weeks for lifelong guidance and further education – regularly addresses vulnerable target groups with different types of outreach activities in public places and cooperating partner organisations all over the town (see also chapter 5.7).

**Figure 9 Clients/participations and budgets for the waff Counselling Centre 2008-2021**



Source: Own development based on (Hager et al., 2019; waff (Wiener ArbeitnehmerInnen Förderungsfonds), 2022), break in series 2018<sup>22</sup>

The latest evaluation (Hager et al., 2019) of the described funding instruments provided by the waff analyses data from 2014 to 2017 showing that 40-45% of all clients of the Counselling Centre only make use of information or counselling services, 37-40% use combined services of counselling and funding, while 17-20% only receive funding. Women make up for approx. 70% of all clients. For counselling and combined services, the female share reaches up to 85% - partly a consequence of the targeted instruments in place -, while it is lowest for funding only services where men represent slightly over 30% in some years. 70% of all clients were between 25 and 44 years old, individuals over 45 made up for 12-13%. 14% of the clients were low qualified (ISCED 0-2) and thereby close to the share of this group in the total population. Persons holding HE degrees were overrepresented with 38%. The

<sup>22</sup> Numbers from 2008 to 2017 stem from the evaluation report (Hager et al., 2019) counting new clients, double counts excluded, while numbers from 2018 onwards are taken from the yearly waff management report lacking information on data processing.

share of migrants<sup>23</sup> increased from 45% (2014) to 53% (2017) mirroring the introduction of new funding mechanisms for low skilled in a time with increasing immigration. The same study (Hager et al., 2019) shows that most of the set targets for client satisfaction, subjective assessment of effectiveness by individuals, reaching of target groups and avoidance of deadweight effects could be reached.

The Individual Learning Account framework administrated by the waff and the organisation's accompanying services make up for a package, which needs to be understood as the example within Austria, which follows the ILA Recommendation philosophy in the closest way among all real-world examples in Austria. Nevertheless, there are some important deviations from the functions defined by the ILA Recommendation as summarised by the analytical framework. Adults enjoy no legal entitlement, however, as the waff has managed to increase the funding available, the budgets have been typically in line with the demand. At least some support for regular short participation in adult learning is available for practically everyone, although only once every four years and with adults required of covering at least 50% of the fees. Financial support is concentrated in targeted schemes, however, which provide substantial levels of support with up to EUR 5 000 and – in case qualifications are acquired – with up to 100% coverage of the fees. Overall, there is a strong emphasis on supporting target groups, including women, adults on parental leave, the formally low qualified and everyone working in helper positions despite having achieved higher levels of formal qualifications. Given the situation in Vienna, this implies that the waff is serving to a substantial extent adults with a migrant background. The waff is engaged with practically all items outlined by the 'enabling framework', The waff is a key provider of information and career guidance, of support for validation (within the limitations applicable for Austria as a whole), quality assurance of adult learning provision, and educational outreach. The waff facilitates access to contribution to the living costs and run some related schemes on its own. A particular strength concerns the provision of free career counselling by dedicated a team of long-serving counsellors working on full time basis, with counselling also available in a broader set of languages beyond German and English. Adults can receive both extended counselling and financial support for meeting the direct costs of adult learning, even over a multi-year period. In short, the Vienna example allows a good study object of what can be achieved by demand side cofunding underpinned by an 'enabling framework'. It also allows to study the involved challenges and complexities.

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<sup>23</sup> Migrants according to the definition used in the waff documentation of cases include persons without Austrian citizenship and those with another first language than German.

## Chapter 7. Country level assessment against the analytical framework on ILAs

Austria's adult learning system is characterised by a broad variety of support instruments that contribute to fulfilling the goals of the ILA recommendation in different ways and to varying extent. Support for adult learning and CVET is scattered across various policy areas and levels.

The PES is the key player, not only providing training for the unemployed but also promoting adult learning by administering key schemes that support also the employed in accessing training or obtaining a vocational qualification in adulthood, including generous educational leave schemes and the skilled workers grant that provides subsidies for living costs for up to three years. On central state level, the Ministry of Education is a key actor responsible for formal education for adults, starting from adult basic education (together with the *Länder*) to (VET) schools and higher education apart from the apprenticeship system which is overseen by the (since 2021) Ministry of Labour and Economy. National schemes of support are complemented by various demand-side instrument on the *Länder* level, yet, with considerable variations across different regions and target groups. These regional learning accounts are designed as co-funding schemes to support direct costs of training tied to gainful work, two of which were discussed in detail above. They offer various targeted approaches for funding, while the Viennese scheme also offers a broad general learning account open to all employees in Vienna regardless their income or educational attainment.

The key question of training leave and subsidies for living costs is addressed in a comprehensive way by the Austrian training leave scheme and various PES instruments, but still restrictive in length of possible funding spells, eligibility criteria, coverage of types of training and dependent on employers' consent. However, securing a living is the precondition most often mentioned by experts when asked about how to promote participation in adult learning.

The components of the 'enabling framework' are considered as overall well developed, however, with considerable regional variations across the nine federal states (*Bundesländer*). Digital information platforms on funding opportunities or course offers are available on national and regional level and an issue of continuous further development and improvement, yet a joint national platform covering all areas as envisaged in the ILA recommendation is considered neither requisite nor possible to implement with reasonable means in expert circles. A network for career guidance services for adults is spanning all regions, which is available for many activities, including informing about and facilitating access to available cofunding offers. A national quality assurance framework for CVET providers (*öcert*) has been implemented, building on and integrating regional approaches for securing quality of provision eligible for public co-funding. However, expert interviews suggest that while many relevant services are in place in principle, provision may fall short to meet the demand in some places and during some periods.

An example highlighted by experts are the centres for acknowledging foreign qualification run by the Ministry of Education, which have experienced a steep increase in demand due to an increased inflow of highly qualified migrants and refugees in particular (e.g., from Ukraine). The steep increase in demand has not been fully met by additional personnel so that processes

can be severely delayed, which in turn restricts the PES options to provide the proper support for adults waiting for their qualifications acknowledged. Overall, a lack of a detailed and timely monitoring of the services making up for the enabling framework is considered, which would be capable to identify quickly specific gaps in provision of relevant services, so that steps to mitigate the situation could be taken on short notice.

Activities of educational outreach are not living up to their full potential in all regions, with only some regions – as for example Vienna or Styria – having some regular activities in the field. There is near to universal support to the statement that the educational outreach needs to be considered an underdeveloped field requiring a fresh start and a substantial public investment both at a national and a regional level.

In many areas, Austria can build on a good basis in the support of adult learning, for example, the legal basis for acquiring educational qualifications as an adult, such as fundamental VET qualifications via the apprenticeship examination for extern learners, is in place and a corresponding range of preparatory courses is available. Obstacles to this kind of long-term training can be the high course costs, but even more a lack of proper support for meeting the living costs during participation. Completing formal programmes alongside an unreduced engagement in gainful work is considered as a realistic option only for a small minority of (mainly younger) adults. Labour market policy programmes offer good support in this regard, but gaps arise, for example, due to a restriction of fields of occupation – as in the case of the Skilled Worker's Grant – for which training can be supported. Although the educational leave scheme is a generous instrument to support with the living costs during long educational spells, there are also limitations here, as the possible maximum duration of one year for fulltime leave is not sufficient for acquiring many of the most sought-after qualifications and the requirements of the scheme are much easier to meet for already higher qualified individuals. At the same time, the introduction of an instrument for short paid training leave (in line with the ILO 140 recommendation) which cannot be blocked by the employer is claimed by employee interest organisations pointing to another gap in the training leave schemes in place.

CVET for the employed is mainly supported by the Austrian regions, however, the demand-side support varies greatly across the regions, with expert assessments acknowledging these differences. Sustaining the support for the regional schemes in general is not questioned, even under changing political majorities at regional level, as the instruments represent an overall smaller public investment, yet are a rich source of political marketing.

The complex distribution of competences between the federal state and the *Länder* (and the dominance of the PES in funding CVET) are taken for granted and policy makers and stakeholders have learned to deal with their multiple consequences. Given that a wholesale (constitutional) reform would be too difficult to achieve (requiring qualified majorities), and good experience has been made with the given possibilities to reach agreements anyway, such major reforms are not perceived as something likely to take place and can therefore not attract much attention from involved experts (going beyond pure curiosity). In many areas, good practices for cooperation across levels are found with the instrument of the 15a agreement, e.g., with the offers of the Initiative for Adult Education (see Chapter 4.2), quality assurance (see Chapter 5.6) or the network for lifelong guidance (see Chapter 5.3). However, the risks associated with relevant legal instruments in place to overcome lines of divisions should not

be underestimated, as these agreements are valid only for short periods and (heavily politicised) delays in their renewal can lead to severe consequences for involved parties, including temporary mass-layoffs of adult educators.

Beyond the elements of the enabling framework reported, three concerns are highlighted by some experts. The first one problematises the poor pay and employment condition of adult educators, which might become a more pressing issue in times, where there is no longer an abundance of HE graduates entering the field. The second concern points to a lack of sensitivity for the needs rural areas, where it is highly challenging to implement any adult learning provision due to the small local population or the need for extensive commuting. Distance learning offers can help; however, many adult learners are dependent on learning opportunities building on by face-to-face group tuition. The third concern emphasises a perceived lack of understanding of the role of general (not vocational) adult learning (including adult basic education, German as a Second Language, the preparation of the HE entrance education), given its function in working towards social cohesion, promoting civic values and as brining new groups of learners into the CVET system later on. There is the fear that the growth of funding for job-related CVET from PES sources overshadows the – in real terms – stagnating or even reduced public support for the traditional networks of adult learning provision (Interviews with experts from the adult education policy field). The latter is seen as even more a pity given the strong regional component of general adult learning provision in Austria.

Overall, within Austria's Adult Learning system, policies are mainly focussed on helping adults to acquire a formal qualification in adulthood or mastering a phase of intense participation in non-formal learning activities, typically with the goal of getting a promotion, finding a (new) job, changing occupational fields. This can be seen as a reflection of Austria's employment system which is strongly rooted in occupations based on long, deep and standardised vocational programmes and which also rewards mainly the acquisition of formal qualifications, but not skills as such, which limits somewhat the rewards available by short non-formal courses, the latter often in a supporting position. However, public funding is strongly steered towards vocational qualifications, while adults are often in need to broaden their general academic skills (although for entering Higher VET programmes at a later stage). For the latter available public funding is still more limited – with Policy Sketch 1 in Chapter 8 taking this observation as a starting point.

Moreover, the strong focus on supporting the long roots has come at the expense that the regular participation in short courses receives little public support, while the latter can play an important role in an individual learning journey as well. For example, by participating in short courses, adult get accustomed to the requirements of organised learning by participating in short courses, making them an important preparatory step for wholesale return to a phase of education in adulthood. Policy Sketch 2 is looking into the potential of creating an instrument closing this gap in public support in particular.

Overall, public support for adult learning is a tremendously complex and constantly moving policy area and highly demanding to navigate for all involved parties, the adult learner in particular. Moreover, all actors hold the legal competence only for comparatively small subfield, apart from the PES, which can use the legal framework for entering a broader set of activities. For providing adults with a lasting legal entitlement for support for adult learning, and

for administrating the required substantial funds, only the PES would currently be a potential candidate and consistent with its role, it has already been discussed in the past whether it would be feasible to commission the PES to guarantee the availability of support for adult learning. Policy Sketch 3 investigates related ideas how it might be possible to fulfil the goal of the ILA Recommendation, that every adult can draw on an entitlement for adult learning at any stage of the life course (at least up to the age of retirement).

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Table 4 **Draft summary table following the analytical framework**

|  | Instrument/Skill ecosystem level   |   |  | Country level summary   |
|--|--|---|--|---|
| Short  | <b>Skilled Workers' Grant</b><br>Demand-side, contribution to living costs   | <b>ILA Upper Austria</b><br>Demand-side, contribution to fees   | <b>ILA Vienna</b><br>Demand-side, contribution to fees   |   |
| <b>Core features</b>                         |  |   |  |   |
| Interplay of demand- and supply-side funding | Mainly supply-side funded programmes + wage subsidy (enlarged by a bonus) for up to three years  | Demand-side cofunding between 30% and 60% up to EUR 4 400   | Demand-side cofunding between 30% and 60% up to EUR 5 000, 40-100% cofunding   | Well-developed, although mainly for extended educational activities; demand-side schemes mainly targeted  |
| Unconditional individual entitlement         | Only a proxi: Accessible irrespective of current labour market position, requirement for prior employment, No legal right ('should receive support') | No, subject to available means; targeted only (excluding HE graduates & a wage threshold applies)                     | Only a proxi (no right, but funding typically meets demand), only a small level of support available for practically everyone; higher support is targeted (only for support, no HE attainment OR current employment as helper; wage threshold applied) | Most support schemes are no legal entitlement, but depend on whether earmarked budgets cover demand   |
| Stable funding source and cost-sharing       | Stable main sources (unemployment insurance + general taxation)  | Stable main source (federal state budget)   | Stable main source (federal state budget), extension of support via other funding sources (ESF+; lately: Chamber of Labour)  | Stable sources from general taxation and the unemployment insurance, based on legislation providing the specific legal competence to use budget (typically based on discretionary spending)   |
| Eligibility and inbuilt targeted support     | Minimum employment history; currently employed or unemployed; no HE qualification – no further targeting   | (mainly) employed, strong targeting components (wage threshold, exclusion of HE graduates)                            | Broad eligibly for the small basic grant; targeted support for all extended grants   | Strong preference for targeted support; support generally stronger for unemployed and dependent employees, weaker for self-employed, weak for adults inactive in the labour market (with the exception of supply-side funding via programmes) |
| Short/long training spells                   | Almost exclusively for long spells   | Funding can be used for short and long spells; emphasis on extended sequences of activities on formal adult education | Funding can be used for short and long spells; emphasis is on extended sequences of activities (training plans) and on formal adult education  | For targeted groups, instruments for short and long spells are available, overall an emphasis on facilitating long spells/formal adult learning or sequences of courses (according to a training plan)  |
| Accumulation                                 | No accumulation required   | No accumulation, high on-off support  | No accumulation, high on-off support   | Entitlements need typically not accumulated, yet, one amount can be used at once or instalments over a multiyear period   |

|  |  |   |  |   |
|--|--|---|--|---|
| Independent from employer and portable entitlement | Independent from employer (= possible to quit job with the goal to enter the program) – the idea of portability does not apply | Support independent of current employer – support available as long as eligibility criteria apply | Support independent of current employer – agreed on steps in a training plan remain eligible for cofunding in case that employment status change | Demand-side cofunding schemes for direct costs do not require employer's confirmation (however, participation itself might be difficult in absence of employer's support) – Portability is an underdeveloped concept, mainly applied for the movement between the status of employed (support by Länder) and unemployed (support by PES); as there are now individual entitlements (expressed in money) as such, they are not portable. |
| Collective governance/ social partners             | Strong and formal involvement via the governance bodies of the PES   | No formal involvement, informal involvement over the regional network of adult learning providers | Formal involvement via the governance structures of the waff (in particular of the Employee camp)  | Social partner involved via formal and/or informal mechanism is the standard in the implementation of all policies related to employment; less involvement in fields routed in education policy alone   |

#### Features of Adult Learning System – Enabling Framework

|                     |  |   |  |  |
|---------------------|--|---|--|--|
| Portal/ information | [exhaustive list of eligible programmes]   | <a href="https://www.weiterbilden.at/kurssuche/">https://www.weiterbilden.at/kurssuche/</a> | Well-developed portal, some weaknesses   | Regional portals dominant, PES portal play an important complementary role; regional portals of vary in completeness of information and user-friendliness  |
| Guidance            | guidance offers are available by the PES and other guidance providers  | A regional network of guidance providers is established                                     | Waff has a strong career guidance provision, underpinning the use of the cofunding offers (use of guidance is voluntary in most cases), further offers by the regional network of guidance providers | Networks of guidance providers exist in all nine Länder; however, they differ in their operations and services many guidance providers perform more than one role and have more than one funding source. |
| Training leave      | PES approval required; no specific offer – general contribution to the living costs However, no right to return after 12 | Combination possible  | Combination possible   | Strong for longer offers, poor for shorter courses, Generous offer, unequal use, very high costs<br>Generous offer, unequal use; very high costs   |
| Validation          | No direct link [pending on offer chosen]   | Main Link: support for extraordinary app. Ex.   | Main Link: support for extraordinary app. Ex.  | Key weakness beyond selected frameworks; Adult educators as positive example: key need for development<br>Key need for developments  |
| Outreach            | Limited (only via PES)   | [unknown]   | Large scale outreach activities [mainly successful]  | An observed lack of any general approach beyond regional initiative; experts interviewed unanimously stated that educational outreach needs to become a priority area for future policy development      |

|                   |   |  |  |   |
|-------------------|---|--|--|---|
| Quality assurance | [only selected, often formal offers; quality assurance via regular inspection/similar approaches] | Only certified offers eligible (regional certificate + Ö-CERT) | Only certified offers eligible (regional certificate + Ö-CERT) | Progress via certification of the quality of training providers; however, still unaddressed problems remaining; |
|-------------------|---|--|--|---|

Source: Cedefop

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## Chapter 8. ‘Policy Sketches’ for working towards the goals of the ILA recommendation and their reception.

### 8.1 Introduction

The project’s methodology that is used for all five case studies entails the proposal of three ‘Policy Sketches’ for relevant policies reforming one part or several parts of the adult learning system, which would allow to make substantial progress towards the goals outlined by the ILA recommendation. ‘Policy Sketches’ were drafted by members of each of the five country research teams and used as common points of references within the expert interviews and the focus group discussions, so that research participants can share their assessment for the sketches under scrutiny. As a common starting point, ‘Policy Sketches’ were formulated with the goal to represent a range of policies, starting with less demanding ones and including large-scale reforms. One sketch should (where possible) refer to the reform of existing relevant policies, one sketch should refer to the introduction of an additional (novel) public funding instrument for adult learning, while one example should refer to a type of large-scale reform, with the introduction of an ILA as a potential example.

Policy sketches in each case study were developed with the goal of being realistic, meaning that based on document analysis, they should share considerable similarities with real world policy proposals expected for the near future. The introduction of an ILA mirroring the framework of the Council Recommendation on ILA was included as one of the ‘policy sketches’, in case the preparatory document analysis and the early expert interviews suggested, that such a policy development can be regarded as among the probable developments for the foreseeable future. By this approach, more insights in the likely levels of support as well as the involved challenges for any future policy making were sought to be established. ‘Wherever possible, existing policy proposals (e.g., as included in work programmes) were taken into consideration when formulating the sketches, however, with the ‘sketches’ nevertheless considered as a tool for gaining insight in the overall environment of policy making, any similar policy would face. In most of the five cases, the research team tried to come up with details for a sketch, so that research participants interviewed could relate to a well-rounded suggestion.

Researchers have developed three ‘policy sketches’ for Austria. The three sketches are first outlined and characterised by the strengths, weaknesses, opportunities, and threats (SWOT) reported by the research participants interviewed or raised in accessible relevant policy documents. Conclusions are presented with highlighting the support and concerns by groups of stakeholders, representing different vantage points (education versus employment; national versus regional; capital versus labour).

Policy sketches include:

- Expanding the major framework of supply-side funded adult learning (*Initiative Erwachsenenbildung*) for other educational activities (8.2)

- Introduction of an individual learning account for CVET at the national level supplementing existing arrangements on regional level (8.3)
- Large-scale reform: Introduction of 'employment insurance' (8.4)

## 8.2 Policy Sketch 1: Expanding the major framework of supply-side funded adult learning (Initiative *Erwachsenenbildung*) for other educational activities.

The first policy sketch suggests broadening the learning activities provided within the framework of the Initiative for Adult Education (IAE; *Initiative Erwachsenenbildung*). The programme was launched in 2011 based on a joint agreement between federal and regional governments. The used type of agreement (§ 15a *Vereinbarung*) is an instrument foreseen in the Austrian constitution that allows for mutually binding agreements between the federal government and the *Länder* and thereby – as in the case of the IAE – provides a solution in fields where cross level cooperation is planned despite otherwise defined competence distribution. The framework was launched in a period in the early 2010s when adult learning policies were on top of the political agenda, with several stakeholder groups active which also led to the publication of the LLL:2020 strategy.

The IAE provides a framework for the provision of literacy and basic skills courses and preparatory courses for acquiring a school leaving certificate (ISCED level 2) including elements to support the acquisition of German as a second language. All courses are free of charge for participants. Since its launch 2011, the programme has been prolonged three times, from the 2015-2017 funding period on, the co-funding of federal and regional governments was extended by ESF-funding which led to considerable extension of the programme. Based on evaluations of each funding period the programme was developed and adapted as stated in programming documents for each phase (Initiative *Erwachsenenbildung*, 2015, 2018; Länder-Bund-ExpertInnengruppe „Initiative *Erwachsenenbildung*“, 2011). Adaptions were made concerning the qualification requirements for teachers and career guidance practitioners working as 'education counsellors', the efforts made to facilitate the further progress of participants to higher level courses or the definition of target groups. In 2019, a standardised curriculum for basic skills courses within the framework was introduced striving for harmonisation and quality assurance, but at the same time limiting long-standing providers in their setting of priorities and contradicting their self-conception as pioneers in this field of education.

In the consultation process preceding the launch of the IAE, experts suggested to also include the preparatory courses for the vocational matriculation examination (*Berufsreifeprüfung*) in the framework (Wieser & Dér, 2011). But in the budget negotiations between the federal government and the *Länder* this option was dismissed as too expensive. Against the backdrop of its evolvement, it is not surprising that several experts interviewed suggested to reconsider an expansion of the scheme. Besides the above-mentioned form of the *Berufsreifeprüfung* to gain a HE entrance certificate, an expansion could be designed even broader, including other key options to complete education on upper secondary level, e.g., preparatory courses for the apprenticeship examination for adults, or other ways to gain a HE

entrance certificate (e.g. *Studienberechtigungsprüfung*). Moreover, the framework could also be used to integrate validation measures or other training offers for targeted groups or specific skills.

The Austrian adult learning system in general offers good opportunities to acquire formal qualifications on a 'Second chance' track based on the legal possibility to take exams, e.g., for the school leaving certificate or the apprenticeship examination, without having attended the school which is awarding a qualification within the initial education system (via a so called *Externistenprüfung*) (Markowitsch, 2013 #2971)(Hefler, 2017 #7824). In practice, adults who intend to take this type of exam usually participate in preparatory courses. For acquiring a vocational qualification equivalent to the apprenticeship scheme, various pathways are in place, however, besides targeted programmes provided by the PES, a frequent form is to use preparatory courses offered by adult education providers. The latter are not funded via a supply-side funding mechanism, but based on fees paid by the participants, who in turn may use forms of regional demand-side cofunding offers providing support for CVET in general or for the particular type of program. The level of financial support provided, however, differ grossly across place and time. The same applies to preparatory courses for acquiring a HE entrance certificate. For the preparation for acquiring a school leaving certificate, the IAE has closed this gap in funding. For qualifications on upper secondary level, the argument that equivalent school-based programmes (in initial education and for evening schools for adults) are free of charge is often used in favour of the idea to include pathways as described above into a supply-side scheme like the IAE.

As an established framework, the IAE is well suited to provide a framework for the proposed extension. The type of agreement used (§ 15a *Vereinbarung*) is a solution to bridge the national-regional level divide, yet comes with risks. When the funding period from 2018-2021 came to its close, the renewal of the agreement was considerably delayed due to ongoing disagreements in other policy areas, repeating a situation present three years earlier. With no guarantee for an agreement at hand, providers in some regions were forced to put course planning on hold and make teachers redundant. An interim agreement made for one year released some of the pressure, but particularly smaller provider organisations find it difficult to deal with the risk of a funding framework so vulnerable to temporary disruptions.

Regarding the goals of the ILA recommendation, policy sketch 1 addresses several goals including an established and – the difficulties with the renewal of the agreement notwithstanding – considerably stable framework, broadening the currently eligible range of learning activities and thereby the targeted groups, and participation options regardless the labour market status or consent of the employer. High quality standards for the provision of the courses are in place (e.g. with regard to the teacher-student ratio) and the supply-side type model enables the match between funding and learning offers. The IAE framework is well-known and referred to by career guidance services. The extension of the framework would make information and communication of the learning offers less complicated reducing the number of funding arrangements currently used to support them.

On the downside, policy sketch 1 leaves several of the intentions of the council recommendation unresolved. Despite broadening the addressed learning offers and target groups, the offer is still limited to the acquisition of several qualifications and thereby individuals

with lacking these qualifications on upper secondary level. Moreover, no cost-sharing mechanism between state and employers or employees is foreseen. Access to training leave or subsidies for living costs is possible for part of the potential participants, yet, based on eligibility criteria outside the framework.

Overall, most experts were in favour of the reform option proposed by policy sketch 1. The opportunities detected include minimizing the regional disparities in funding of the targeted learning activities, as well as long-term strengthening of the existing funding framework of IAE and the importance of adult education in general. While terminating the IAE was never an issue, experts tend to rate adult education of low importance on the policy agenda by Spring 2023. However, various experts also expressed concerns with the funding arrangement referring to the insecurity stemming from short funding periods and delayed renewal of the funding agreement. Similar threats were identified regarding ESF co-funding, which causes not only a high administrative burden but also comes with risks concerning interruptions in funding in-between programme periods. Furthermore, there may be some unpredictable reactions of providers who could terminate their offers in view of the described facts.

Table 5. Summary of the Swot analysis of Policy Sketch 1

|  |               |   |
|--|---------------|---|
| Alignment of policy sketch with analytical framework                                 | Strengths     | <ul style="list-style-type: none"> <li>■ Established framework to solve divided responsibility between federal and regional levels of governance (<i>§15a Vereinbarung</i>)</li> <li>■ Closes a major funding gap for learning activities leading to an HE entrance certificate</li> <li>■ Increases equality of funding for this type of adult learning across the <i>Länder</i></li> <li>■ No major organizational changes required</li> <li>■ Established quality assurance measures in place</li> </ul> |
|  | Weaknesses    | <ul style="list-style-type: none"> <li>■ Eligible learning offers limited</li> <li>■ Target group restricted (adults with no qualification on upper secondary level)</li> <li>■ No cost-sharing element</li> <li>■ Regular re-negotiation of the agreement between federal state and <i>Länder</i> necessary</li> <li>■ Contributions to the living costs available for some groups of participants in some places/during some periods, but not guaranteed</li> </ul>                                       |
|  | Opportunities | <ul style="list-style-type: none"> <li>■ Strengthening existing framework</li> <li>■ Strengthens formal adult learning and VET</li> <li>■ Secures funding framework for formal adult learning up to ISCED level 3 (4)/equivalent of HE entrance certificate</li> <li>■ Stimulating a further reduction of regional funding disparities</li> </ul>   |
|  | Threats       | <ul style="list-style-type: none"> <li>■ Risk for delays in regular re-negotiation and insecurities for beneficiaries and providers</li> <li>■ If ESF cofounded: risk of funding interruption between funding periods, administrative burden</li> <li>■ Providers might choose to terminate the offer within the framework due to required adaptations to the framework</li> </ul>  |
| Desirable/undesirable effects if implemented; complementarity with other instruments |               |   |

Education versus Employment policy: Representatives rooted in education policy rate the expansion of the IAE as a long overdue step considering the original plans before implementing the scheme in the first place although it seems doubtful if the necessary budgets would be available. Offers for longer spells of learning that are free of charge are especially important for vulnerable groups where co-funding schemes often are insufficient to enable participation. Those experts with strong links to provider organisations remind about the progress the IAE framework has introduced in terms of quality assurance, professionalisation of the teaching staff or the recognition of preparation and follow-up time for lessons in the scheme, while they at the same time urgently warn about the risks that come with the regulative instrument with its inbuilt need of regular renegotiation. Experts with a background in adult education also have some specific suggestions on how to use the opportunity of a reform for more adaptations of the scheme, for example a more clearcut distinction between offers of basic skills education that is highly driven by the participants' learning needs and goals and offers of German courses for migrants who need to achieve a certain competence level as a precondition for receiving/renewing their permission of residency. Experts related to employment policies also were positive towards an expansion of the IAE with the argument that the acquisition of basic skills and qualifications builds the ground for labour market participation and thereby contributes to reducing skill shortages. The topic of living cost subsidies was also brought up in this strand of the discussion and existing offers in this regard were rated as well suited to be adapted to better support beneficiaries of the IAE.

National versus Regional: Actors on national level positively commented the policy sketch due to its potential contribution to making second chance options in adult education more transparent, however, they also pointed to the risk of budget restraints and the necessity to avoid double funding for one activity by national and regional schemes. Regional experts endorsed the suggested reform of the IAE framework in view of a nationwide solution for parts of the regionally fragmented offer. In addition, they emphasised the importance of taking the specific conditions in rural areas into account, where participants might decide against participating in adult learning due to long commuting needs or lack of learning offers due to little local demand in courses. Hybrid or distance learning formats are suggested as feasible solutions that should be considered in any reform.

Employer interest organisations versus trade unions: Representatives of employer interest organisations highlighted the possible impact of the suggested reform of the IAE with regard to fighting skills shortages and pointed to the importance of awareness raising to promote adult learning participation. Low qualified migrants are seen as a specific target group to focus on. Actors working for interest organisations representing employees were also clearly in favour of the expansion of the funding framework and emphasised the obligation of the state to provide supply-side offers for basic formal qualifications. In addition, they supported the idea to use the funding instrument to harmonise the provision of German as a second language courses across the regions. The unsolved issue of provision of living costs during participation in the IAE was mentioned as crucial for any potential reform.

### 8.3 Policy Sketch 2: Introduction of a new instrument supplementing existing arrangements of regional versions of individual learning accounts

Policy sketch 2 suggests the introduction of a new demand-side funding instrument based on existing ILA-type regional grants. All Austrian *Länder* have introduced demand-side grants as co-funding instruments to support individuals' learning activities over the last 25 years (see Chapter 4.3). The existing schemes differ widely in access requirements and generosity across the *Länder* where entitlement is commonly tied to an individual's place of residence which causes scenarios of inequality in border areas or for commuters. The regional schemes usually provide unconditional support for CVET activities, yet, with rather low funding sums, and most of them follow a targeted approach with higher funding for specific groups. Funding is usually reserved to the employed only (with some exceptions for the unemployed and groups of the inactive, e.g., adults during parental leave) due to the distribution of legal competences, with the national level via the PES holding the competence for the support for the unemployed and the regional level holding the competences for supporting employees. Two of the most longstanding and comprehensive schemes are described in sections 6.3 and 6.4. Claims by the social partners and plans to harmonise existing approaches have been in place for more than a decade and were for example expressed in the LLL:2020 Strategy in 2011. While no progress was made in the years following the strategy's launch, the idea was again considered in the current government programme (2020-2024)<sup>24</sup> inviting the social partners to develop a proposal for a nationwide funding instrument.

In a nutshell, Policy Sketch 2 proposes,

- The implementation of a country-wide Individual Learning Account, co-funded by the central state and the nine *Länder* based on a special constitutional construct (*15a Vereinbarung*), which allows such a joint action without changing the constitutional distribution of rights between the central and the local level (as the latter is typically impossible to achieve).
- The basic level financed by national funding streams would provide all working-age adults with a smaller, yearly entitlement (with a requirement for the beneficiaries to contribute as well), meant as an incentive to engage with relevant CVET activities and building up a positive personal experience with training. Based on these experiences, adults might become interested in more extended CVET activities, which might be funded within alternative frameworks.
- Preferential treatment for specific target groups might be given and accumulation of unused resources might be foreseen, however, funding for these higher levels of support might be offered mainly by the *Länder* in line with their current engagement.

The suggested framework based on a mutual agreement between federal and regional level would offer the option of the central state to contribute to the cost of CVET for the employed without the need to change existing legal distribution of responsibilities across policy levels. The *Länder*, on the other side, would still have the possibility to continue their existing ILA-type schemes with focus on regional characteristics, e.g., on the labour or training market.

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<sup>24</sup> <https://www.bundestkanzleramt.gv.at/bundestkanzleramt/die-bundesregierung/regierungsdokumente.html>

However, individuals could rely on a basic level of support – established as a minimum standard of support – in all regions. In relation to the ILA type proposed in the Council Recommendation, the suggested approach in this policy sketch deviates in some respects. There is no legal (unconditional) entitlement foreseen for individuals with the support provided based on discretionary funding up to a fixed budget ceiling. Access would be granted to employed and not universal for all adults. The support offered for the formal education leading to the acquisition of higher qualification (which should be of relevance to the labour market, which is in line with ILA Recommendation) would make up only for a small contribution to the high costs of fee-based provision. While the introduction of an ILA in line with the Council Recommendation - in the sense of a universal, unconditional individual entitlement which can be accumulated over time, creating the need to set aside public means for later use - was not met with interest and broadly considered as too far reaching and not compatible with existing instruments, the model proposed in the policy sketch was positively commented by most experts as a good attempt to complete the existing policy mix.

Among the experts consulted for the research, the suggested instrument is seen as a complementing measure to the more generous schemes in the *Länder*, with the aim to attract new groups of adults that are difficult to reach with organised learning offers to participate in and thereby diminish the barriers to more regular participation potentially funded by other/regional schemes. The introduction of such a scheme may be a first step to more far-reaching reforms. Experts also pointed to some unsolved but crucial points to consider when taking the suggestion on, e.g., negotiating coordination details and eligible types of funding. The fear was expressed that a national funding line could be used as an argument to abolish or reduce regional schemes, either for specific groups or more general due to shifts in political support. Overall, experts highlighted that there is often a lack of suitable educational offers, which might not be overcome based on demand-side funding arrangements. The latter is true for offers which target groups of learners with a low probability to participate (so that the risk for a fee-based provision would be high) and for less populated areas, where it is difficult to find sufficient participants for any specific course (e.g. preparing for a particular qualification), with supply-side funded courses, long-term planning and extensive outreach work often the only solution at hand.

Table 6. **Summary of the Swot analysis of Policy Sketch 2**

|  |           |   |
|--|-----------|---|
| Alignment of policy sketch with analytical framework | Strengths | <ul style="list-style-type: none"> <li>■ Harmonization of regionally fragmented funding solutions in a small country like Austria</li> <li>■ Broadening individual funding by establishing a stable framework</li> <li>■ Broad range of individuals eligible (e.g., all dependent employees and self-employed), flexible in introducing new target groups, setting regional priorities</li> <li>■ Social partners involved</li> </ul> |
|--|-----------|---|

|   |               |   |
|---|---------------|---|
| Desirable/<br>undesirable effects<br>if implemented;<br>complementarity | Weaknesses    | <ul style="list-style-type: none"> <li>■ No legal entitlement</li> <li>■ Support for extended learning activities/possibility of accumulation unclear</li> <li>■ Individuals are required to co-finance the learning activity</li> <li>■ Lack of suitable learning offers, especially in rural areas might not be overcome by demand-side policies</li> </ul>   |
|   | Opportunities | <ul style="list-style-type: none"> <li>■ Could be part of a gradual reform towards more comprehensive arrangements of funding adult learning</li> <li>■ Both the national and regional level profit from the suggested solution (influence/autonomy)</li> <li>■ Regional priority setting of Länder is not restricted</li> </ul>  |
|   | Threats       | <ul style="list-style-type: none"> <li>■ Challenges of coordination arise when overlap with PES funding for specific target groups (e.g., low qualified)</li> <li>■ For regions with more generous funding in place a minimum framework with lower level of financial support could be used as an argument for cuts/for determination of support for certain target groups</li> <li>■ Agreement on range of eligible courses challenging (length, type of training, etc.)</li> <li>■ No 'risk-free' legal regulation available</li> </ul> |

#### Education versus Employment policy:

Adult education experts are concerned that the Policy Sketch proposal may result in an increased allocation of public funds for job-related learning, while other learning opportunities that are popular among hard-to-reach adult groups may become ineligible. They argue that tax-based funding should not be limited to adult learning programmes that are related to gainful work and that quality assurance measures for the supported adult learning activities should be included in any new instrument. In addition, they stress the fact that nudging is not enough to attract new groups of learners, the barriers they face go far beyond financing a course. For those experts representing the employment camp, the proposed ILA scheme represents an additional, complementary initiative and not the focus of policymaking. However, they rate co-funding instruments important for low-income groups and/or those with restricted company training possibilities, and a better approach than free course offers that rather lead to high drop-out rates.

#### National versus Regional:

Regional experts do not see any significant challenges in aligning regional programmes with a new national framework, but they experience the cooperation between the national level and the nine *Länder* is often complicated, contentious, and exhausting. Adding another layer of collaboration is not taken lightly. Some parties recall the continuous delays in the required revisions of agreements between the national level and the regions, which can lead to disruptions in funding if the *Länder* are unable to provide prefunding for several months. This forces providers of services in adult learning, including coursework and counselling, to implement mass layoffs until funding is restored. As a result, representatives of adult learning providers at a national level oppose the use of the constitutional instrument unless safeguards are in place to ensure that employees in the sector do not carry the burden of political decisions.

#### Employer interest organisations versus trade unions:

A working group consisting of the Austrian Social Partners is working on developing their own national level Individual Learning Account (ILA) model by the fall of 2023, but there are no public updates available at present. The Social Partners are generally supportive of the introduction of an ILA scheme that would improve access to CVET for everyone, but only as a complement to existing funding arrangements. However, they do not have a shared vision for the sources of funding for the scheme. Suggestions have been made for an employer levy or tax-based funding.

## 8.4 Policy Sketch 3: Introduction of a universal entitlement for support for adult learners as part of a large reform of the current support system for adult learning

The Austrian and German debates on reforms of support of adult learning have been interconnected over the past decades based on system similarities and with mutual influence on some policies. While Germany, for example, made attempts to adapt the Austrian model of training leave to their system, the German discussions and propositions on an ‘Employment Insurance’ (see for example, BMAS, 2016; Erol-Vogel, 2021; Pothmer et al., 2019; G. Schmid, 2012) made an impact on Austrian ones. Here, the idea is still more of a vision and not represented in any current policy programme, but the differentiation and complexity of active labour market policies, regional and national adult learning policies make stakeholders and experts seek for more long-reaching solutions of harmonization and simplification in terms of transparency and comprehensibility of the support systems for adult learners. A recurring expert statement stresses the fact that even career guidance professionals are struggling with keeping up to date.

While Austrian experts see an individual learning account not necessarily as a fully appropriate tool for working towards this vision, the idea of establishing a universal legal entitlement for receiving support for adult learning appeals to many experts interviewed in this research. The introduction of an ‘Employment Insurance’, reflecting the term used in Germany, includes such a universal entitlement for participation in CVET as well as the use of related services as covered by the enabling framework. While proposals for the design of the insurance are common in Austria, no elaborated documents in this regard have circulated in the public domain. As a result, many experts have pointed out that their respective organisations have no clear position about the underpinning large-scale reform of the Austrian system.

In a nutshell, Policy Sketch 3 refers to a large scale-reform including:

- The introduction of an unconditional individual entitlement for having covered all direct costs of eligible adult learning by public sources
- The establishment of an unconditional entitlement for having access to free education and career guidance and free offers for validation of prior learning (including the recognition of qualifications acquired abroad)
- The creation of an unconditional entitlement to a wage replacement payment, respectively, a comparable subsidy during participation in eligible forms of adult learning,

Funding should be secured based on the employer and employee contributions to the unemployment insurance as well as additional means stemming from general taxation. The right for support should cover a broad range of learning activities in line with an individuals' needs.

The detected strengths and weaknesses of such an approach are summarized in the table below. Of the three policy sketches this is by far the most ambitious and most comprehensive by (more than) fulfilling most of the aims for the introduction for an ILA according to the Council Recommendation: an unconditional individual entitlement for direct and subsistence costs for training relevant for gainful work; stable funding could be guaranteed via the unemployment insurance, where employers and employees contribute with 3% of the contribution base each, which means that a cost-sharing factor would be implemented. Additional funding could be covered by general taxation. This could be an option to cover individuals in lack of entitlements out of the unemployment insurance, but one could also reason that some learning activities aiming for acquiring qualification equal to initial education should be financed by the central state. Within the Austrian legal tradition, it would be much easier to guarantee an individual entitlement based on current income financing instead of using individual accounts where money would be piled up to an individual use.

Entitlement to the instrument would cover a broad range of individuals, almost universally, but would be a matter of negotiation between the parties providing the funding. Individuals would enjoy autonomy on how to use their entitlement. Governance structures would be one of the most demanding aspects to agree on, with the PES covering large shares of the current support instruments in place an obvious option as central actor. That way social partners would automatically be involved according to the governance structure of the PES. The regional dimension would also be partly represented by the regional organisations of the PES. As the PES can play an important role also in the offer of validation as well as information, career guidance and counselling, if staff are prepared and engage in relevant training, it would be feasible to further expand its role, so that it could meet the requirements – either alone or most likely as the coordinating body within a network of institutions – of the remaining parts of the enabling framework, including quality assurance of eligible learning offers and support for educational outreach.

Speaking of weaknesses, the many unclear aspects open for negotiation in a reform as proposed in Policy Sketch 3 are the most obvious. Apart from details of governance structures and funding mechanisms, key question unsolved include the ways to define the range of learning activities foreseen for support and or the ways by which the availability of services as foreseen by the enabling framework should be secured. Threats include that it might be a too complex issue to align all legal competences hold by various parties to this new framework, with a super majority required in parliament required at least for some parts of the reform. The nine *Länder* might oppose as they fear to lose some of their competences, which they typically resist as matter of principle. The question which types of learning activity should be covered and how narrowly or broadly job-relatedness should be defined would test all parties willingness to find a compromise. Overall, such a reform would require a government fully committed to achieving such a breakthrough, and the expectations are low that such a constellation might appear in the foreseeable future.

Table 7 Summary of the Swot analysis of Policy Sketch 3

|   |  |   |
|---|--|---|
| <p>Alignment of policy sketch with analytical framework</p> <p>Desirable/undesirable effects if implemented; complementarity with other instruments</p> | <p>Strengths</p> <p>Weaknesses</p> <p>Opportunities</p> <p>Threats</p> | <ul style="list-style-type: none"> <li>■ Unconditional individual entitlement for direct and subsistence costs of labor-market relevant training</li> <li>■ Stable source of funding (via unemployment insurance and contributions from general taxation)</li> <li>■ Cost-sharing employers/employees (via unemployment insurance contributions)</li> <li>■ Individuals' autonomy for using entitlements</li> <li>■ Broad range of individuals eligible (eligibility criteria to be defined)</li> <li>■ Extensive integration with enabling framework</li> <li>■ Social partner involvement in governance could be foreseen (strong role in PES)</li> <li>■ Range of eligible courses unclear (long vs. short)</li> </ul><br><ul style="list-style-type: none"> <li>■ Potential to significantly increase participation rates for some existing support strands (e.g. programmes providing access to formal qualification as the Skilled Workers Grant)</li> <li>■ Subsidies for living costs could be further expanded and better integrated in the framework</li> <li>■ Insurance mechanism instead of 'account'-solution (no budget reserves necessary; tax-based means for individuals without eligibility in unemployment insurance)</li> </ul><br><ul style="list-style-type: none"> <li>■ Complex system in place requires comprehensive negotiation process, many details still unclear</li> <li>■ Challenges to define the scope of the funded CVET activities</li> <li>■ Länder might lose leeway for specific policy making based on their own financial instruments (as the latter would become somewhat redundant)</li> <li>■ Unrealistic to achieve under the current government constellation</li> </ul> |
|---|--|---|

Education versus Employment policy: Experts with a background in adult education are in favour of the idea to implement a legal entitlement for support of learning as long as sufficient learning offers are granted. However, they identify the risks of narrowing the field of adult education with a strong focus on learning tied to gainful work and the loss of importance of general adult education. While they acknowledge the importance of skill acquisition to meet labour market needs, they point to the strength of general adult education to raise interest in learning as an adult also for hard-to-reach groups, the growing importance of transversal skills for employment and the high relevance of all forms of civic education for vivid democracy. Experts of the education and employment camp agree that the current political constellations provide little opportunities for far-reaching system reforms. Even on instrument level, tiring discussions on details dominate and a joint vision for reforms is not in place. Demographic change and growing skill shortages are seen as possible game changers in the future forcing actions and reforms. When tackling the challenges of skill shortages, there are also voices in the employment camp that plead to not only strive to qualify individuals to fill gaps, but to taking seriously their individual preferences and strengths rooted in their biographical experiences. ('Not everyone is a born nurse, even if this is a shortage occupation.'). A recurring discussion

item was the financial basis for a reform as suggested in the policy sketch: an insurance mechanism with employer and employee contributions or tax-based funding. A common punch line on both education and employment policy side is that the state should take responsibility for formal qualifications as provided for free in initial education. Even the idea of cross financing a reform by the help of a novel tax on property was aired during the discussion, being tangent to a recurrent discussion of property taxation in Austria with no solution close at hand but many ideas of how to use additional tax revenues.

National versus Regional: Regional experts were most positive towards any harmonisation attempt and open for discussions of more visionary ideas. They put forward that large scale reform had to be realised in the past during 'windows of opportunity', despite the fact that the very same reforms had been deemed unrealistic over long stretches of time. However, they agree that such a wide-reaching reform would need time to think, the integration of many players and no quick solutions. A key point raised in the discussion concerns the much higher requirements to attract sufficient numbers of participants for a particular course in rural areas, which implies a lack of fee-based course provision and a need for supply-side funded course work accompanied by extensive outreach work, so that the minimum number of participants can be attracted and a course offer can be implemented as planned.

Employer interest organisations versus trade unions: Positions of employer or employee interest organisations have not yet been developed regarding the ideas presented in the policy sketch, which is why there are no clearcut arguments in favour or against the characteristics of a still very vague reform idea. A common view was shared among representatives of both camps that governance of a reformed system of support for adult learning is crucial but no obvious solution for key responsibilities in sight. The PES as potential key actor which is already responsible for a broad variety of instruments that would be integrated in the framework of a reform as suggested in policy sketch 3, would have to undergo a kind of 'rebranding' to lose its image of being merely the 'unemployment manager' and live up to a role as 'employment agency' covering learning offers for all groups, which is already the case for a range of instruments but not consolidated in the public perception. In this context, some experts also questioned the use of the term 'insurance' for the suggested reform, as the term suggests adult learning to be more a risk to be handled than an opportunity. But there also were some reservations in the employers' camp to use employer contributions for learning offers perceived as state responsibility.

Further comments included doubts on how to reconcile individuals' free choice of learning activities and the tackling of pressing labour market demands which are currently emerging from the green and digital transformation, as well as expressions of pessimism with regard to the feasibility of overcoming coordination problems where little progress has been made even in the past and questions regarding details like eligibility criteria to receive support.

## 8.5 Summary – Closing the gaps: What the policy sketches have to offer for fulfilling the goals of the ILA recommendation

The three Policy Sketches presented ideas of what can be done – based on a substantial additional public investment – to make progress towards the outlined goals of the ILA Recommendation, that is making the unconditional right for accessing adult learning a reality for everyone.

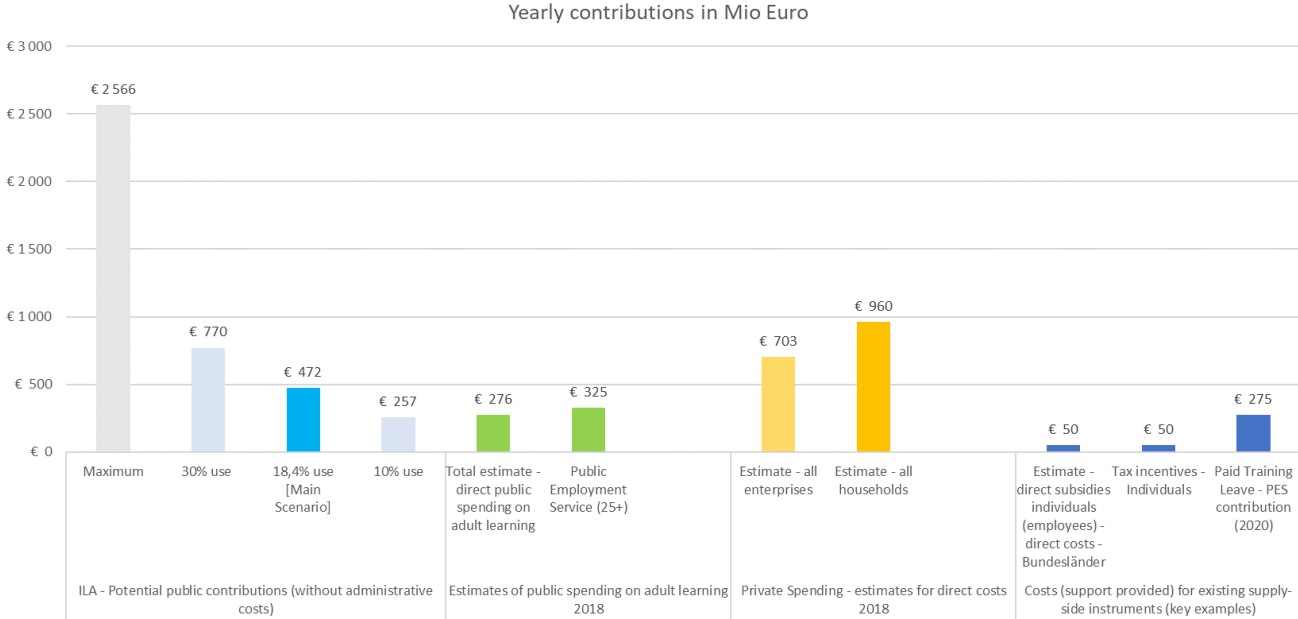
Sketch 1 reflects the option to realise a long-term reflected plan to secure free access to some of the key programmes of formal adult learning, which are high in demand, but still provided mainly based on fee-taking arrangements, although there are options for demand-side cofunding in some *Länder*. By securing supply-side (although competition based) funding for these offers, one can secure their availability in much more places and facilitate adults' access to them. All programmes considered work also as door openers to higher education, which can resume an even more important area for lifelong learning in the future. It is important to note that with a fraction of the budget required for a full-scale ILA, this important step for the Austrian Adult Learning System could be taken.

Sketch 2 is considering the options for closing the gap in public support for regular short participation spells in adult learning, however, using an approach which would require much less resources than the full-scale individual learning account. The latter would be achieved by the focus on providing support for comparative short and inexpensive courses, while for long programmes, the established instruments established by the PES or the *Länder* would be kept in place. Moreover, such a light approach would be complementary to the existing offers of the *Länder*, while securing that all adults irrespective of their place of living and their labour market status could rely of a defined minimum level of support.

Sketch 3 proposes the realisation of an individual entitlement for support via an insurance-type of mechanism, where everybody can rely on the availability of funding for adult learning at any time, however, the funds are not stored in an individual account but provided via current income financing, like large parts of the current support measures provided by the PES. To a certain extent, one would keep the established system, including its well performing schemes, but would insert an individual right for having access to these instruments any time.

To conclude, the introduction of an ILA along the scenario proposed by the Impact Assessment Study (EUR 450 with the option to accumulate over 10 years) {European Commission, 2021 #11934} is unlikely to take place, as it would require resources much higher than any given instrument (see Figure 10) and even as high as all current public support for the direct costs of adult learning altogether and would threaten the achieved balance between forms of providing support and actors legally competent for supporting adult learning. Important pending steps to complement the support for adult learning would be available at a much lower level of additional public investment. Some key functions of a full-scale ILA – in particular motivating for the regular participation in short education spells – could be fulfilled by an approach in line with the given experiences with ILA-type schemes. Finally, for a bold and large-scale reform, the PES and the unemployment insurance would be the natural starting point, however, while experts have mainly aired their support for a PES centred reform, they find such a large-scale step forward still a quite unrealistic scenario for the near future.

**Figure 10 Systematic comparison between existing funding arrangements and the estimated costs for ILA**



Sources: Summary based on various sources, see references in Chapter 4.

## Chapter 9 – Conclusion and Reflections for Policy Making

Austria's research participants' response to the ILA Recommendation needs to be studied against the backdrop of a complex, multi-layered landscape of support instruments, which have slowly evolved over the past 25 years, with some phases of quick progress followed by phases of slow movement alongside established lines. While the horizontal and vertical distribution of legal competences has remained stable over decades, the volume of public funding made available has strongly expanded, taking all relevant public commitments into consideration, the active labour market policy field in particular. Public funding is applied in a broad mixture of instruments, among them smaller specimens of individual learning accounts, however, rooted in discretionary budgeting and not an individual legal entitlement. ILA-type instruments are positioned as complementary only with the main part of public funding used for programmes leading to formal qualifications, funded via supply-side mechanisms on the one side, for providing contributions to the subsistence costs during education on the other side. Overall, public support is giving priority to supporting the acquisition of formal qualifications during adulthood, as the Austrian labour market reward vocational qualifications at an upper secondary level and beyond and public returns on investment are known to be considerable for any adults moving up one rung on the educational ladder and for any extended upskilling pathway as well {Holl, 2013 #9078}. Demand-side funding strategies are rated as difficult to apply for the funding of multi-year educational programmes. As discussed in Policy Sketch 2 and in line with an initiative put forward by the Austrian Social Partners, many experts see space for further expanding instruments facilitating the regular participation in short training spells for practically everyone, however, as an instruments complementing targeted measures helping adults to acquire qualifications. Providing an individual entitlement with a major public commitment as foreseen by the ILA Recommendation, would imply an extension of public funding for adult by about one third of the current level, a much stronger emphasis on supporting short participation spells and a novel reliance on demand-side funding as the key mechanism of support. Many experts have critically questioned the unintended consequences of such a systematic change as a side product of introducing a full-scale ILA in line with the Recommendation.

Overall, in Austria, many experts have trust in an evolutionary, step-by-step approach, where competent parties typically suggest new instruments and reforms within their own reach, while inviting other relevant ministries, stakeholders at the regional level and the Austrian Social partners to contribute to the shaping of these policies. While such a preference for small-scale and often incremental reforms secures considerably broad support for measures taken, it certainly also came with the drawback, that some challenges seems than simply too big to tackle and an overly complex, layered system might be perpetuated practically for ever, when the given shortcomings are taken as less severe than the potential risk of a wholesale change. Based on the experiences aired during the fieldwork, it is most likely that some inspiration might be taken from the ILA Recommendation to further elaborate some aspects of the Austrian adult learning system, however, that no major novel instrument would be created from scratch, which would potentially destabilise hard-won compromises.

Notwithstanding, many experts agree that Austrian landscape of providing support for adult learning is mainly the outcome of endless series of political compromises and while the overall outcomes of the development over time is mainly satisfactory, there is a clear lack of systemic design. In the word of one expert, the ILA Recommendation might provide a timely invitation to critically examine the status quo about public funding arrangements and to work out guiding principles which might inform a large-scale reform of the current funding patterns for the time to come. While it can be taken for granted that public funding for adult learning will further grow in line with the expanding needs, it would be required to define a new policy framework for placing these investments in an effective and efficient manner, instead of staying tied up in a distribution of legal competences of the past, where funds for adult learning had been comparatively minor.

While some scepticism has been aired regarding the impact of small incentives paying for some days of training via demand-side funding as such, Austrian experts have supported the holistic approach of the ILA Recommendation. While providing more money to individuals in isolation might fail to bring up substantial progress, a systematic approach as foreseen by the enabling framework can make a difference. Speaking of the enabling framework, the bold expansion of the by comparison still limited use of validation of prior non-formal and informal learning (Luomi-Messerer, 2024) has been identified as one lever for making progress. Furthermore, the need for the systematic development and expansion of educational outreach across all subfields and levels of policy making, based on a substantial and lasting expansion of the public funding for outreach work, has been identified as a key need for the future. However, beyond mitigating obvious shortcomings in the 'enabling framework', it has been also highlighted that a much more detailed monitoring of the financial support provided would be required to see where specific gaps exist, which are currently hidden under the surface of an overall developed system of provision. In particular, little systematic research is implemented on the overall changing needs for instruments supporting for adult learning, provoked by major societal trends, including the greying of the work force and the related gaps in the availability of skilled workers (*'Fachkräftemangel'*), the continuous steep rise in the number of adults with a transnational background, the digital and green transition of the economy and society as a whole, but also the need for civic education to strengthen democratic values in times of multiple domestic and international crisis. In short, it is unknown to what extent these new demands are currently unmet by the support structures developed over the past two decades.

Some experts highlighted that the holistic approach spurred by the ILA Recommendation would get even stronger in case that both the landscape of providers and the employment conditions and level of professionalism of the teachers and trainers in adult learning would receive explicit attention. Currently, the needs of the organisations providing adult learning and the needs of professionals actually providing the courses are only subsumed under the 'quality heading', as if it would be only the question of sorting out 'bad apples', instead of safeguarding an institutional framework, which allows the 'training market' to prosper and the educators to embrace high standards of professionalism while enjoying stable employment and a fair pay. Contrary to Germany, in Austria little is known about the providers and no large-scale comprehensive survey among the employees of the adult learning sector have been conducted in the past decade. So, while it is an open secret, that it is not easy for an adult education

provider to survive and that – despite important changes due to the introduction of a collective agreement for the sector – adult educators face the risk of having precarious careers, the related problems are not brought to the fore, nor become the topic of systematic policy making.

In the light of the new societal developments, experts express the need for a renewed emphasis on policy coordination within the adult learning policy field. Indeed, there are still fault lines within the system, putting against each other 'education' and 'employment', the 'national' and the 'regional' level, adult education as a field of practice in the service of empowering adults and adult learning with an economic rationale. While all parties are well-meaning, there is an observable lack of understanding for the specific concerns and difficulties which are specific to the particular subsectors of the system. Some policies, the governance of mandatory course work and related examinations within the Austrian immigration policy for example, had been identified as mainly staying within their silo with little attunement to other areas whatsoever. To conclude, much more policy coordination is required even when in the case of Austria, it might be not easy to make a bold new attempt as many of the involved parties might be held back by remembrance of the less successful aspects of the processes underpinning implementation of the LLL:2020.

The vital importance of policy coordination became visible about the identified main bottleneck for strongly expanding participation in adult learning, that is adults' motivation to participate in the first place. Pouring in more money alone will not do the trick, but motivation for adult learning need to be seeded and carefully grown within a multitude of approaches. Among them, support for informal and community education are of key importance however, the latter are often belittled as 'purely private' and spare time related and not job-related. The traditional organisations of Adult Education in Austria have still the capacity to bring learning opportunities into the social spaces – the life world – of the whole population, however, the importance of unconditional support for learning close to the personal interest for instilling the motivation for learning for the job has still no strong representation. In short, the problem of a lack of motivation can be tackled only by the interplay of subsystems of the adult learning system, and these require both, a balanced approach for funding the institutional bedrock of the system and the improved coordination of policies.

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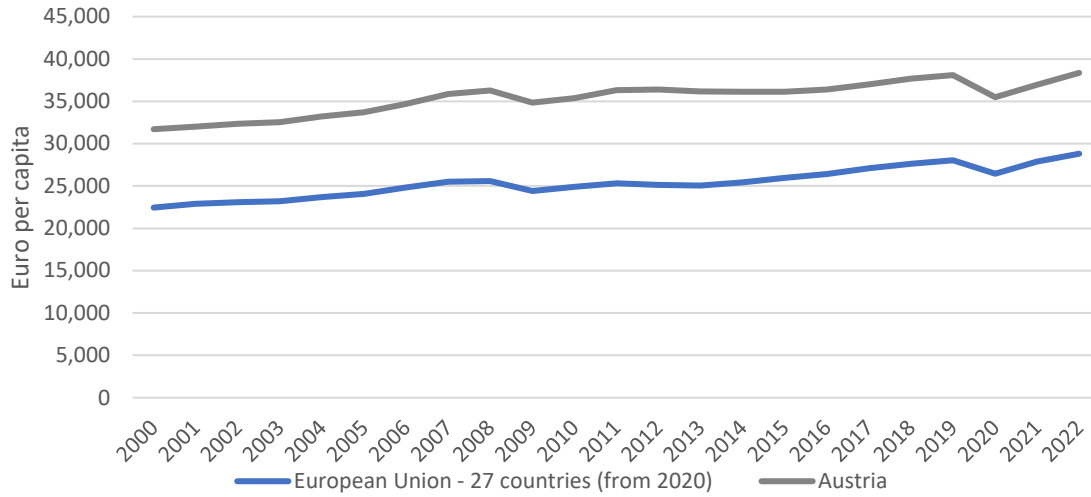
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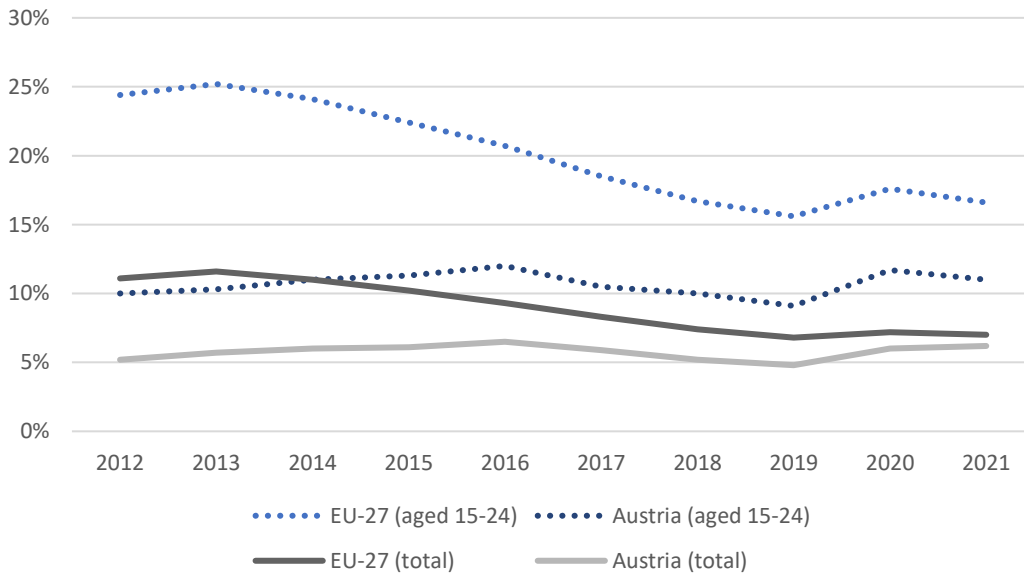
# Annex

Figure 11. Real GDP per capita – Austria, 2000-2022



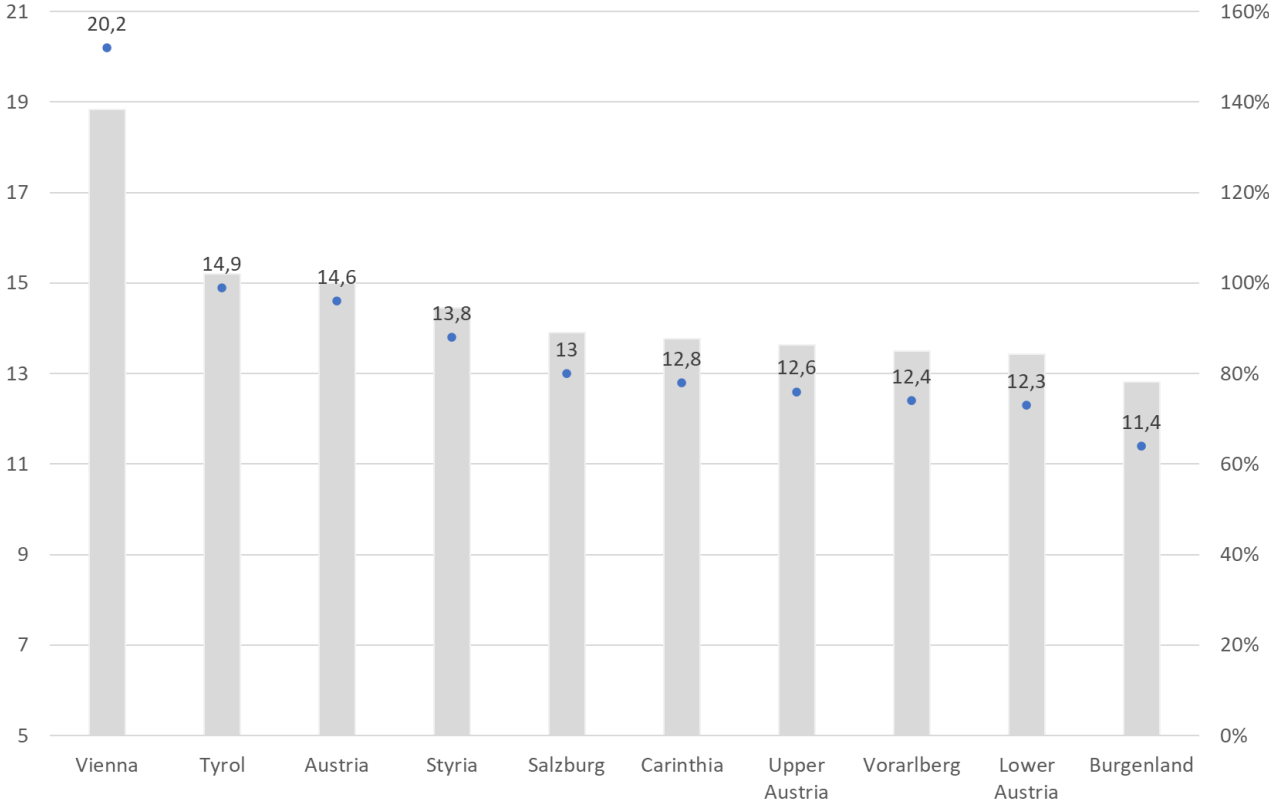
Source: Eurostat – SDG 08 10 [version: 8.3.23]

Figure 12. Unemployment & youth unemployment rate – Austria, 2012-2022



Source: Eurostat – UNE RT A [15.2.23]

Figure 13. **Regional disparities (NUTS2) in participation in adult learning (formal/non-formal) – LFS, 4 weeks prior to the survey – 2021**



Source: Eurostat – TRNG\_LFSE\_04 [version: 15.02.23]

Demand side cofunding instruments for CVET in Vienna

|  | Eligibility criteria   | Funding formula  | Eligible education and training  | Eligible costs*  | Financed by | Details  |
|--|--|--|--|--|-------------|--|
| <b>waff Training Account general</b><br><i>Bildungskonto für alle WienerInnen</i>                              | Employed or unemployed<br>On educational or parental leave, entrepreneur<br>Place of residence Vienna<br>No income threshold                                   | Max. EUR 300<br>50%<br><br>+EUR 300 Bonus for recent apprenticeship graduates (2 y)  | CVET<br><br>Restrictions for some fields of health, wellness and beauty<br><br>No funding for leisure, coaching, personality courses, HE | Course and examinations costs, Recognition and nostrification costs, translation costs   | waff        | Within 4 years<br>Application within three months after end of the learning activity |
| <b>waff Training Account specific for longer CVET</b><br><i>Bildungskonto für umfangreiche Weiterbildung</i>   | Employed<br>Place of residence Vienna<br>Income threshold  | EUR 2 000<br>30-50% depending on income  |  | Course and examinations costs  | waff        |  |
| <b>waff Training Account specific for gaining qualifications</b><br><i>Bildungskonto für höhere Abschlüsse</i> | Employed<br>Place of residence Vienna<br>Income threshold  | max. EUR 3 000<br>30-50% depending on income   | Second Chance Education, Craftsman Master  | Course and examinations costs  | waff        |  |
| <b>Training Account for parents during/after parental leave</b><br><i>Karenz und Wiedereinstieg</i>            | Employed<br>Place of residence Vienna<br>New criteria: income threshold (except low qualified), parental leave span max. 18 months<br>Not on Educational leave | Max. EUR 4 000<br>100%   | CVET<br><br>Restriction of eligible courses see Bildungskonto  | Course fees  | waff        | Extensive offer of guidance, workshops   |
| <b>Training Account for low qualified</b><br><i>Chancen-Scheck</i>   | Employed<br>Place of residence Vienna<br>Highest educational attainment ISCED 0-2 or higher qualification but unskilled employed                               | Max. EUR 5 000<br>90% for courses to gain Apprenticeship examination (100% if successful), 90% for other qualifications or courses to gain recognition of foreign qualifications<br>Max. EUR 3 000<br>90% for CVET | Apprenticeship examination, other upskilling courses, Recognition courses, CVET  | Course and examination fees<br><br>No prefinancing – direct transfer to course providers | waff + ESF  | Within 2 years<br>Application before the start of the learning activity              |

|  |  |   |   |                             |  |   |
|--|--|---|---|-----------------------------|--|---|
| <b>Training Account for Women planning occupational change</b><br><br><b>FRECH</b>   | Employed<br>Place of residence Vienna, income threshold (except low qualified)   | Max. EUR 5 000<br>90%   | Planned occupational change (job transition, second chance education, CVET digital competences, leadership skills)<br>Restriction of eligible courses see Bildungskonto | Course fees                 | waff + ESF   | Long-term offer of guidance, workshops etc. based on an agreement and action plan |
| <b>Digi-Winner</b>   | Employed<br>Place of residence and work Vienna (member of AK)  | Max. EUR 5 000<br>40-80% depending on income                            | CVET in the field of digitalisation   | Course and examination fees | waff together with Chamber of Labour Vienna<br><br>waff  | Within 5 years  |
| <b>Recently launched CVET grant for entrepreneurs</b><br><br><b>Förderung für Ein-Personen-Unternehmen (EPU)</b><br><b>waff HE grant for women</b> | Unemployed<br>Place of residence Vienna, member of AK  | Max. EUR 2 500<br>40%   |   |                             | Top up possible according to membership in regional Chamber of Labour Chamber of Labour Vienna<br><br>Top up by waff max. 300 Euro |   |
| <b>waff-Stipendium für Frauen</b>  | Place of residence or place of business licence registration   | Max. EUR 2 000<br>80%   | CVET (restricted to courses related to entrepreneurship, digitalisation, languages)   | Course fees                 | waff   | Guidance  |
| <b>waff-Stipendium für Frauen</b>  | Employed<br>Place of residence Vienna<br>Min. 25 years old<br>No prior HE qualification in fields of funding<br>Income threshold (36.000 Euro/net/year)<br>Acceptance in an eligible study programme | EUR 320 per month<br><br>(in total EUR 10 000 for BA; EUR 7 500 for MA) | BA or MA programmes in Digitalisation, Sustainability, Technics at selected universities of applied science   | Living costs                | waff   | Programme with clearing, guidance, coaching and funding                           |