

# *Outreach to and ALMPs for people furthest from the labour market*

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AMS

# Overview

- ✓ Organization of AMS (PES)
- ✓ Labor market: facts, figures
- ✓ ALMPs – types
- ✓ Social Enterprises leasing
- ✓ Cooperation PES – municipalities: social benefits

# Organisation of AMS

Federal Ministry of Labour

Federal Ministry of Finance

- 1. Administrative council
- 2. Executive board (2 directors)
- 3. Federal administrative office

Federal Organisation

- 1. Regional directorate
- 2. Regional director
- 3. Regional office

9 Regional Organisations (provinces)

- 1. Local advisory council
- 2. Local director
- 3. Local office

100 local organisations

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## Federal organisation

- meet labour market policy objectives of the ministry, mediate between stakeholders
- decide the labour market policy programmes for the AMS
- define standards concerning organisation, staff, facilities, research and statistics

## Regional authorities (9)

- elaborate labour market policy objectives for the respective region
- co-ordinate AMS with other institutions/stakeholders in the region
- budget planning and allocation
- set framework for the conditions of local offices

## Local authorities, local offices

- implement the guidelines of the federal and regional offices
- definition of principles of local labour market policies
- work in cooperation with local stakeholders on the labour market

## Figures: (2019)

- Unemployment rate: 7,4% (annual average stock)
- Employment rate: 71.6%
- AMS-expenditure on ALMPs : 1.195 billion Euros
  - Qualification/training: 56% of the budget
  - Employment promotion: 32% of the budget
  - Support measures: 12% of the budget
- 36% of all unemployed attended an active measure (training, support or employment)
- 49,5% of ALMP-budget for women, 1/3 for young people

## ALMPs - types

### Qualification-Vocational training

- Training in different vocational fields provided by external training providers after public tender or in cooperation with companies

### Employment promotion

- Objective: to support placement of mainly disadvantaged groups like long-term unemployed or other jobseekers, to support labor mobility and to avoid unemployment

### Support measures

- Provide services to supplement AMS counselling and placement activities. Reduce employment handicaps and help to assess vocational training and further training opportunities.

# Social Enterprises - leasing I

- **How does it work?** participant gets an employment contract with the project and is then mediated as temporary worker to an employer.  
Objective: realisation of a 'regular' work contract.
- **How many?** → several in Austria, 3 biggest projects in Vienna, each around 2.100 participants a year
- **How much?** → each 16 – 20 Million €/year (Vienna)
- **Target group?** → 50+, LTU (> 12 months), people with disabilities. Open to a larger target group in case of free capacities
- **Referral** → through an outsourced counselling organisation → 2 options:
  - ✓ 1. regular employment contract through wage subsidies
  - ✓ 2. social enterprise leasing
- The social enterprises themselves offer employment & training opportunities
  - ✓ gastronomy, carpentry, office, logistics, cleaning, gardening
- **Qualification:** 4 pillar model → during downtimes or preparatory phases
  1. Basic qualification (literacy, numeracy)
  2. Qualification measures eg. IT. Driving licence (forklifts)
  3. Health related offers
  4. relevant employment services eg. job application training

# Social Enterprises - leasing II

- Criterion for success: 35 % that got an employment contract with the social enterprise still have an employment contract 92 days after they left the project
- Monitoring result: 2018: 27 % - 35 %, 2019: 33 % - 41 %
- Funding through PES but own internal cash flow generation obligation around 30 %
- Average cost/participant: € 18.000
- Average participation duration: 115 days
- Drop out rate: 0.5 %
- Migration background: 65 %
- Overall results (2015 evaluation): 1 year after participation positive labour market effect (unsubsidised employment). 2 and 3 year hardly positive effects. (as opposed to qualification measures)

# Social Enterprises - conclusions

## – Advantages:

- ✓ participants receive support before participation, sound selection process
- ✓ participants can benefit from training when not working for a leasing company
- ✓ 'regular' employment instead of working in a 'project'
- ✓ convenient model for employers – high degree of flexibility
- ✓ Ideally leads into subsequent sustainable (regular) employment after leasing

## – Challenges:

- ✓ cost intense (infrastructure)
- ✓ selection process is challenging. It must be avoided that participants that are not job ready are pushed into: 'filling the capacities'
- ✓ leasing is often considered atypical employment → '2nd class employees'
- ✓ sustainability?

## Cooperation between PES and municipalities to support recipients of minimum income scheme

- Social benefits eligibility criteria:
  - Substantial reform 2010
  - No other option to earn a living
  - No savings beyond € 4,587 (2020)
  - Willingness to work → PES registration: information on social benefits and application
  - All PES measures are available for social benefits recipients: objective to foster the employability
  - In case of rejection of a job offer or non participation of training programmes → sanctions (25 % → 50 % → 100%)
  - Regular exchange of data between PES and municipalities
  - In case of receipt of unemployment benefits lower than the minimum income, a top-up is possible (2020: € 917)

## Cooperation between PES and municipalities to support recipients of minimum income scheme - Conclusions

- Advantages:
  - Data exchange works fine
  - New one-stop-shops for jobseekers < 25 (youth) has opened recently
  - Regular meetings of steering groups (PES – municipalities) at regional and local level organised
  - PES financed outsourced counselling institution exclusively for social benefits recipients
  - Vienna implemented 3 social economic enterprises together with the municipality of Vienne mainly for social benefits recipients
- Challenges:
  - Exchange of data ≠ close cooperation/holistic service offer
  - Every region in Austria applies own rules