



# First Implementation Report of Austrian Re- and Upskilling Measures

Financed by the European Recovery and Resilience Facility

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**Milestone/ Target:** AT-C[C3]-I[3B2]-M[88] First Annual Overview

**Description:** Annual implementation reports shall be issued by the Ministry. They shall provide detailed information on the training and further education measures carried out.

**Period:** 2020/Q4 – 2022/Q1

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# 1 Introduction

The worldwide spread of SARS-COVID-19 in 2020 led to unpredictable consequences for economic performance and thus the labour market all over the world; and therefore also in Austria. A massive decline in economic output entailed a slump in employment demand, followed by an increase of the unemployment rate. To face these economic, social as well as health-related challenges, the implementation of effective measures became indispensable. The goal was to use this time of re-orientation for improvements of training and educational measures and to foster participation. In particular, low-skilled people were targeted in order to enhance their chances on the labour market. Therefore, the Austrian labour market policy established one of the largest national re- and upskilling programs since 1945, the Job Initiative. Coming into effect by October 2020, this initiative has been cofinanced by the European Recovery and Resilience Facility.

The present report deals with detailed information concerning training as well as education measures implemented within this framework. The period of time under consideration starts with the fourth quarter of 2020, comprises the whole year 2021 and ends with the first quarter of 2022. In consequence, the data presented is based on quarters, which are also analysed in comparison.

The re- and upskilling measures are structured in two main fields. The first focus is on basic qualifications, whereas the second area concentrates on future-oriented priority areas (IT & digital, social & care professions, environment & sustainability).<sup>1</sup>

The first area offers a wide range of basic qualifications, which are necessary in order to participate in subsequent trainings and/or further education measures. Beyond that, this basic knowledge is a prerequisite for a successful participation on the labour market in all branches. Among others, they include job-specific German courses and literacy courses. For example, a German course for accounting lasts about 5 weeks and costs on average EUR 1,100. Obtaining a school leaving certificate on the other hand, takes about 10 months and is thus more costly.

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<sup>1</sup> Remark: Measures concerning youth coaching as well as social economic enterprises only have been financed since the beginning of 2022, therefore they are not under consideration in this report.

The priority areas cover three future-oriented fields, which also promote the four components of Austria's Recovery and Resilience Plan, namely a sustainable, digital, knowledge-based and just recovery.

To begin with, a wide range of IT and digital qualifications are promoted, which range from coding and software development over training in green technologies (like photovoltaic) to intensive training in electrical engineering. These qualifications come with higher average costs. The broad range offers diverse qualification programs, varying in time and costs.

Furthermore, a very essential sector, which came under pressure during the last years, is nursing, social and care professions. Occupations that gained importance during the pandemic, such as nursing professionals, are being promoted and can last from 12 weeks up to 2 years. The average costs per participant are relatively low due to partly third party funding (e.g. financial resources of federal provinces).

Lastly, the third area focuses on qualifications in environment and sustainability. This includes a wide field of green jobs and competencies. One example is training in the field of energy and environmental technologies, which takes 6 months and comes with relatively high costs. Besides, new skills like "fair purchase" in wholesale and social competences can be acquired.

To sum up, basic qualifications as well as qualifications in priority areas cover a wide range of future-oriented fields that promote a sustainable, digital, knowledge-based and just transition. Individual programs vary strongly regarding time- and cost-intensity and thus respond to the different requirements of potential participants. As this report discusses in detail, the set **goal for 2024 of 94,000 participants has already been exceeded** after Q1 of 2022. **At the moment, approximately 109,000 persons have participated in one of many qualification programmes. This can be recorded as great success!**

## 2 Monitoring Participation and Expenditure

The following section takes a closer look at the development of the amount of participants (participants per quarter) as well as financial expenditures of measures implemented in the framework of the Job Initiative and co-financed by the European Recovery and Resilience Fund. The relevant period of time comprises the fourth quarter of 2020, all quarters in 2021 as well as the first quarter of 2022.

### Number of Participants

The calculations below (Table 1 and Table 2) include basic qualifications and qualifications in the three priority areas mentioned above. The amount of persons participating in various qualification measures show high numbers during the relevant time, with Q1 2021 being exceptionally strong, stating 36,953 participants in total. All other quarters range between nearly 17,000 and above 10,000. The major part of participants attended courses for basic qualifications. During the six quarters in concern 76,605 persons were in basic qualification courses, whereas 32,464 participants in the three focus areas.

**Table 1: Number of participants in basic qualifications by gender and age from Q4 2020 to Q1 2022**

Basic Qualifications								
<u>Number of participants</u>		<u>Q4 2020</u>	<u>Q1 2021</u>	<u>Q2 2021</u>	<u>Q3 2021</u>	<u>Q4 2021</u>	<u>Q1 2022</u>	<u>SUM</u>
<b>Gender</b>	<b>Women</b>	7 131	15 322	5 758	3 731	4 251	7 509	43 702
	<b>Men</b>	5 978	12 055	4 471	3 036	2 915	4 452	32 907
	<b>Total</b>	13 109	27 377	10 227	6 766	7 165	11 961	76 605
<b>Age</b>	<b>&lt; 25 years</b>	3 085	6 357	2 526	2 315	1 945	3 004	19 232
	<b>&gt;= 25 bis &lt; 45 years</b>	6 693	13 994	4 973	2 952	3 509	5 877	37 998
	<b>&gt;= 45 years</b>	3 332	7 043	2 806	1 582	1 812	3 080	19 655

Basic Qualifications								
	<b>Total</b>	13 109	27 377	10 227	6 766	7 165	11 961	76 605

Source: AMS DWH, fdg\_covast, own calculation

**Table 2: Number of participants in priority area qualifications by gender and age from Q4 2020 to Q1 2022**

Priority Area Qualifications								
<b>Number of participants</b>		<b>Q4 2020</b>	<b>Q1 2021</b>	<b>Q2 2021</b>	<b>Q3 2021</b>	<b>Q4 2021</b>	<b>Q1 2022</b>	<b>SUM</b>
<b>Gender</b>	<b>Women</b>	1 716	4 587	2 851	2 451	1 800	2 301	15 706
	<b>Men</b>	1 783	4 989	2 975	2 546	1 889	2 576	16 758
	<b>Total</b>	3 499	9 576	5 826	4 997	3 689	4 877	32 464
<b>Age</b>	<b>&lt; 25 years</b>	1 259	3 291	1 434	1 779	1 043	2 564	11 370
	<b>&gt;= 25 bis &lt; 45 years</b>	1 576	4 413	2 957	2 053	1 851	1 741	14 591
	<b>&gt;= 45 years</b>	665	1 878	1 451	1 174	811	572	6 551
	<b>Total</b>	3 499	9 576	5 826	4 997	3 689	4 877	32 464

Source: AMS DWH, fdg\_covast. own calculation

Men were slightly overrepresented within in the focus areas (16,758) compared to women (15,706). But in total more women took part in re- and upskilling measures, due to the fact that substantially more female participants were joining in basic qualification courses, in fact 43,702 in comparison to 32,907 men. The most represented age group within basic qualifications is the middle, consisting of persons between 25 and 45 years. 37,998 participants from this group in contrast to just above 19,000 in each of the other two age groups (below 25, above 45). A comparison of age in the priority areas draws only a slightly different picture. The middle-aged group recorded 14,591 participants, and is therefore the largest group as well. Striking here is the low number of persons being over 45 years with only 6,551. The youngest group under 25 years comes in second with 11,370 participants.

Moreover, it is noteworthy that the planned number of 30,000 participants for the year 2021 alone was significantly exceeded (75,623 persons). In each of the priority topics as well as basic qualification, the set goal was clearly surpassed in 2021. **The achievement of planned participants corresponds to about 290%**, which is a great success already and exceeded expectations by far. Overall, during the relevant time period for this report approximately 109,000 men and women in all age groups participated in some form of re- and upskilling program in the framework of the Job Initiative.

## Amount of Expenditure

Since the actual number of participants is far higher than expected, the expenditures are correspondingly also higher than originally estimated. The RRF-funded expenditures will be discussed in more detail in the next few paragraphs. Again, basic qualifications and funded priority areas will be discussed separately as well as in combination.

As explained earlier, there were more participants in the category basic qualification than in the focus areas, but the expenses of the latter are higher. This fact implies higher costs per participant in qualification courses for the three priority areas, than for basic qualifications. Moreover, it should be mentioned, that the costs vary strongly between the individual qualification measures, depending on recourses as well as temporal length. For further details and exemplary courses, please take a look at page 3 and 4 in the introduction.

During the period under consideration, funding costs of EUR 225,159,128 for all participants incurred. Of which EUR 115,291,292 and thus a little more than half, are accounted for focus area qualifications. The remaining part is assigned to the category basic qualification. Table 3 and Table 4 provide insights into the expenditure scheme.

**Table 3: Expenditures in basic qualifications by gender and age from Q4 2020 to Q1 2022**

Basic Qualifications							
<u>Expenditures</u>	<u>Q4 2020</u>	<u>Q1 2021</u>	<u>Q2 2021</u>	<u>Q3 2021</u>	<u>Q4 2021</u>	<u>Q1 2022</u>	<u>SUM</u>
<b>Gender Women</b>	14 602 093	4 261 628	7 446 649	13 181 677	19 371 734	4 039 358	62 903 140

	<b>Men</b>	12 233 193	3 170 694	7 089 562	8 192 547	13 597 542	2 681 160	46 964 697
	<b>Total</b>	26 835 286	7 432 322	14 536 211	21 374 224	32 969 276	6 720 518	109 867 836
<b>Age</b>	<b>&lt; 25 years</b>	6 941 208	2 359 669	8 736 714	5 240 575	11 811 610	2 058 577	37 148 354
	<b>&gt;= 25 bis &lt; 45 years</b>	13 236 223	3 630 222	4 248 112	10 367 928	14 253 708	3 120 899	48 857 093
	<b>&gt;= 45 years</b>	6 657 854	1 442 430	1 551 384	5 765 721	6 903 958	1 541 042	23 862 389
	<b>Total</b>	26 835 286	7 432 322	14 536 211	21 374 224	32 969 276	6 720 518	109 867 836

Source: AMS DWH, fdg\_covast, own calculation

**Table 4: Expenditures in priority area qualifications by gender and age from Q4 2020 to Q1 2022**

Priority Areas Qualifications								
<b>Expenditures</b>		<b>Q4 2020</b>	<b>Q1 2021</b>	<b>Q2 2021</b>	<b>Q3 2021</b>	<b>Q4 2021</b>	<b>Q1 2022</b>	<b>SUM</b>
<b>Gender</b>	<b>Female</b>	4 198 862	4 759 991	8 243 646	11 541 030	12 957 906	2 471 198	44 172 633
	<b>Male</b>	5 859 212	6 512 854	15 206 245	18 876 635	21 256 451	3 407 261	71 118 659
	<b>Total</b>	10 058 075	11 272 845	23 449 891	30 417 665	34 214 357	5 878 459	115 291 292
<b>Age</b>	<b>&lt; 25 years</b>	5 748 723	3 410 399	6 666 754	16 236 857	19 927 041	2 562 246	54 552 021
	<b>&gt;= 25 bis &lt; 45 years</b>	3 051 022	5 767 268	12 771 743	10 481 004	11 076 993	2 615 971	45 764 001
	<b>&gt;= 45 years</b>	1 258 330	2 095 178	4 011 393	3 699 805	3 210 322	700 242	14 975 270
	<b>Total</b>	10 058 075	11 272 845	23 449 891	30 417 665	34 214 357	5 878 459	115 291 292

Source: AMs DWH fdg\_covast, own calculation

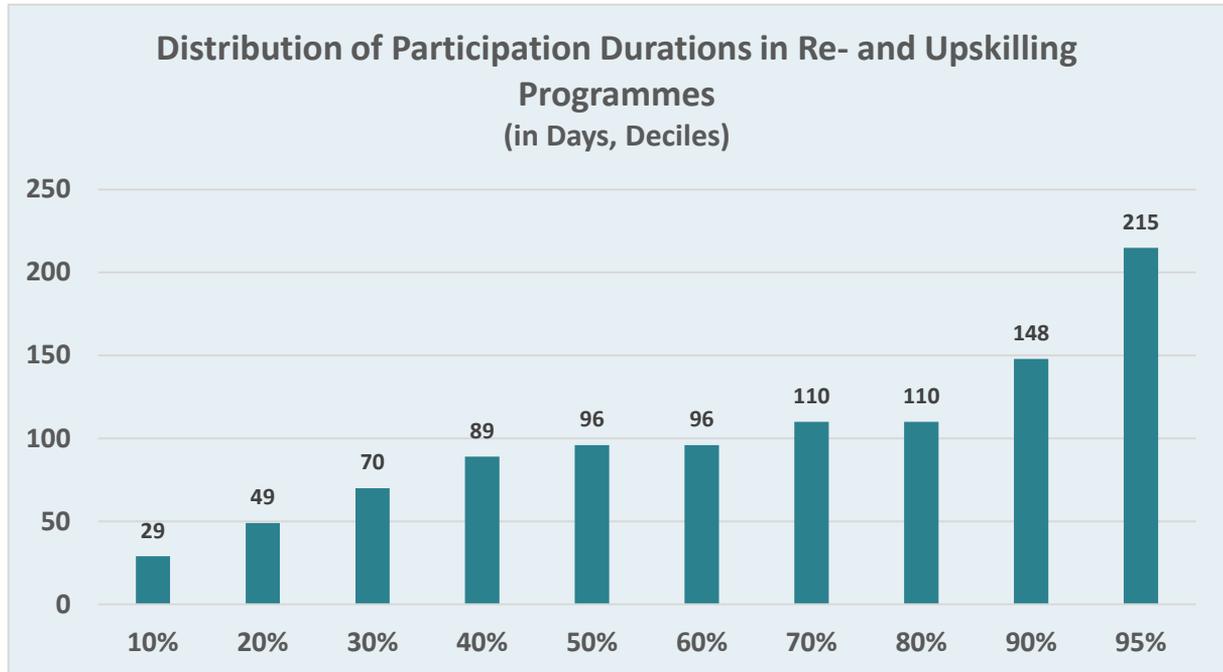
The quarterly distribution of expenditures for basic qualification started off high in Q4 2020 (EUR 26,835,286) and steadily increased from a lower level during 2021, ending up at EUR 32,969,276 in Q4. The sum of expenditures for basic qualification is EUR 109,867,836 for the six quarters. Again, women and middle aged-people represent the largest groups in their respective category. Expenditures for female participation in basic qualification (EUR 62,903,140) was appreciable higher than male (EUR 46,964,697). This corresponds with the higher participation number of women in basic qualification courses compared to men. Besides, persons between 25 and 45 years represent the largest age group, being accountable for EUR 48,857,093, nearly as much as the other age groups combined.

Priority area qualifications show a different distribution between the quarters, as Q4 2020 is lower than the quarters in 2021, with the highest expenses of EUR 34,214,357 in Q4 2021. The gender ratio turns around as significantly more expenditures for men (EUR 71,118,659) were made than for women (EUR 44,172,633). Again, this fact is consistent with a higher male participation rate. The same is true for the age groups, as the highest participation rate of under 25 years old persons also accounts for the highest expenses of EUR 54,552,021.

## **Participation duration**

As a third monitoring indicator, this chapter focuses on the number of days spent in re- and upskilling programs. The following bar chart 1 illustrates the distribution of duration in days.

**Chart 1: Distribution of participation duration spent in re- and upskilling programs in days**



Source: AMS, Special Analysis

Participants in re- and upskilling programs spend in total 8,913,338 days in various training courses. The average course took 99 days to complete. About one third of all courses last no longer than 70 days, while the median is 96 days, hence about 3 months. On the other side, very few courses (only 5%) last longer than 215 days.

To sum up, this chapter illustrated the progress made since the start of the Job Initiative in October 2020 and how the RRF funding played a significant role in enabling thousands of people to use this time for re- and upskilling measures. **The high amount of participants already exceeded the overall goal of 94,000 participants, since by end of Q1 2022 about 109,000 men and women successfully completed a program.** The next part goes one step further and examines the impacts on further careers.

### 3 Impacts on further Careers

The impacts of implemented measures and investments are measured with regard to the participants' further careers. The following paragraphs will examine a person's status of employment three months after the completion of a funded re- and upskilling program<sup>2</sup>. Additionally, gender, age and initial level of education will be considered. Their status of employment may vary between "in employment", "registered as unemployed with the PES" or "out of labour force".

**Table 5: Outcomes of implemented measures by qualification profile in 2020 and 2021 by gender**

stock in labor market status 3 months after individual end of participation in...	men			women			total		
	in employment	registered as unemployed with the PES	out of labor force	in employment	registered as unemployed with the PES	out of labor force	in employment	registered as unemployed with the PES	out of labor force
<b>Electronics / Digital Technology</b>	44%	46%	9%	45%	45%	10%	<b>45%</b>	<b>46%</b>	<b>10%</b>
<b>Healthcare / Social services</b>	63%	27%	9%	55%	35%	10%	<b>57%</b>	<b>33%</b>	<b>10%</b>
<b>Environment / Sustainability</b>	59%	31%	10%	55%	33%	13%	<b>58%</b>	<b>32%</b>	<b>10%</b>
<b>Basic Qualification</b>	39%	48%	14%	28%	55%	18%	<b>33%</b>	<b>52%</b>	<b>16%</b>
<b>SUM **</b>	<b>41%</b>	<b>47%</b>	<b>13%</b>	<b>32%</b>	<b>53%</b>	<b>16%</b>	<b>36%</b>	<b>50%</b>	<b>15%</b>

\*\* this sum is calculatory; measures were added up and stock figures were calculated as in the other categories

<sup>2</sup> Remark: In this report, impact is measured in terms of gross effects, which means that the status of program participants three months after the course has ended is under consideration. For net-effects, the difference between a treatment group (participants) and a non-treatment group (statistically very similar to the former group) would be needed.

Source: AMS DWH, mon\_vb\_covast

The overall picture shows a positive development, as 36% of participants in 2020 and 2021 entered the labour market and are in employment 3 months after the individual end of their qualification program (see Table 5). 50% are registered as unemployed with the PES and 15% of the overall participants are out of labour force. This distribution is also approximately accurate viewing men and women separately. 41% of men and 32% of women are in employment 3 months after individual end of the qualification course. The category out of labour force consistently shows the smallest item for men (13%), women (16%) and total population (15%). In particular, qualifications in healthcare and social services (57% in employment) as well as environment and sustainability (58%) showed great success. These two areas recorded the best employment rates for the participants. Nearly half of the participants (45%) partaking in electronics and digital technology qualification measures, as well as one third (33%) of the people that completed a course in basic qualification hold a job 3 months after.

**Table 6: Employment status of persons 3 months after completing a basic qualification program by gender and age**

stock of persons 3 months after individual end of BASIC QUALIFICATION		in employment	registered as unemployed with the PES	out of labor force
women	under 20 years	25%	44%	32%
	20-29 years	32%	48%	21%
	30-54 years	28%	57%	16%
	55 years and over	22%	60%	18%
	<b>women by age</b>	<b>28%</b>	<b>55%</b>	<b>18%</b>
men	under 20 years	27%	43%	31%
	20-29 years	44%	42%	15%
	30-54 years	40%	50%	11%
	55 years and over	24%	60%	17%
	<b>men by age</b>	<b>39%</b>	<b>48%</b>	<b>14%</b>

<b>stock of persons 3 months after individual end of BASIC QUALIFICATION</b>		in employment	registered as unemployed with the PES	out of labor force
total	<b>under 20 years</b>	<b>26%</b>	<b>43%</b>	<b>32%</b>
	<b>20-29 years</b>	<b>39%</b>	<b>45%</b>	<b>18%</b>
	<b>30-54 years</b>	<b>33%</b>	<b>54%</b>	<b>14%</b>
	<b>55 years and over</b>	<b>23%</b>	<b>60%</b>	<b>17%</b>
	<b>by age</b>	<b>33%</b>	<b>52%</b>	<b>16%</b>

Source: AMs DWH mon\_vb\_covast

Programs for basic qualifications are of essential importance, as they teach necessary requirements for a successful participation on the labour market, independent of a specific sector. Therefore, this item will be discussed closer differentiating by age and initial education levels. Table 6 shows the stock of persons three months after finishing a program of basic qualification, broken down by age in combination with gender. The group of 20-29 year old participants show the highest employment rate of 39%, which is true for women (32%) and men (44%) accordingly. About one fourth of the group of under 20 years old (26%) are in employment, 43% registered as unemployed with the PES and 32% out of labour force. This distribution also shows no major differences between male and female participants. In general, men show a higher rate of active employment, particularly looking at the age 20-54. On one hand, the group of 55 years and older did record the lowest employment rate of 23% overall for men and women, but on the other hand not the highest rate in the category out of labour force (17%). The latter is led by under 20 year olds with over 30% regarding men, women as well as total.

Moreover, the initial level of education can be taken into account when reflecting upon the career outcomes of participants of basic qualification measures (see Table 7). All levels of initial education show similar results in employment rates, ranging from 32% at academic education level to 42% at medium level at education. The distribution between education levels within the categories “registered as unemployed with the PES” and “out of labour force” has a comparable range of 10 percentage points for men and women. However, men show higher rates of the status “in employment” on all education levels summing up to 39% in basic qualification. The same item for women reaches 28%.

Overall, a total employment rate after 3 months of 36% compared to only 15% out of labour force can be recorded. Especially for middle-aged participants high employment rates can be detained.

**Table 7: Employment status of persons 3 months after completing a basic qualification program by gender and initial education level**

<b>stock of persons 3 months after individual end of BASIC QUALIFICATION</b>		<b>in employment</b>	<b>registered as unemployed with the PES</b>	<b>out of labor force</b>
<b>women</b>	academic education level	27%	55%	18%
	higher level of education	29%	56%	16%
	medium level of education	40%	50%	11%
	apprenticeship level	38%	50%	13%
	compulsory education level	26%	56%	19%
	unknown	33%	42%	26%
	<b>initial level of education</b>	<b>28%</b>	<b>55%</b>	<b>18%</b>
<b>men</b>	academic education level	41%	47%	13%
	higher level of education	40%	49%	12%
	medium level of education	44%	46%	11%
	apprenticeship level	45%	39%	17%
	compulsory education level	38%	49%	15%
	unknown	44%	36%	20%
	<b>initial level of education</b>	<b>39%</b>	<b>48%</b>	<b>14%</b>
<b>total</b>	<b>academic education level</b>	<b>32%</b>	<b>52%</b>	<b>16%</b>
	<b>higher level of education</b>	<b>33%</b>	<b>53%</b>	<b>15%</b>
	<b>medium level of education</b>	<b>42%</b>	<b>48%</b>	<b>11%</b>
	<b>apprenticeship level</b>	<b>41%</b>	<b>45%</b>	<b>14%</b>
	<b>compulsory education level</b>	<b>32%</b>	<b>52%</b>	<b>17%</b>
	<b>unknown</b>	<b>37%</b>	<b>40%</b>	<b>23%</b>
	<b>initial level of education</b>	<b>33%</b>	<b>52%</b>	<b>16%</b>

Source: AMs DWH mon\_vb\_covast

## 4 Conclusion

During the last two years, the pandemic has challenged the Austrian labour market in many ways, but also provided chances and room for improvement and reorientation. The presented data underpin a broad acceptance of the training and education programs implemented, which helped many people develop their capabilities and decrease the unemployment rate to pre-pandemic level. This report documents the progress made since October 2020, monitoring the number of participants, amounts of expenditures as well as participation durations. Additionally, the impacts on further careers with regard to employment status of participants three months after completing a course have been discussed in detail.

**As already mentioned, the 2024-aim of 94,000 participants has already been achieved at the beginning of the present year.** Consequently, the European policy tool “NextGenerationEU” and related funding is effectively being used to compensate for pandemic setback on the Austrian labour market, which is directly related to people’s well-being and financial security. At the end of March 2022, the Public Employment Service Austria was able to announce the lowest unemployment rate (national definition) since 2008, which means i.a. that the comprehensive implementation of re- and upskilling measures since October 2020 has been very successful.

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