



WORLD BANK GROUP
Social Protection & Jobs

PES REVIEW

Austria

Country case studies



Austria

Arbeitsmarktservice

AMS



Public agency responding to the Ministry of Labour, Family and Youth.



1 Central office, 9 regional units and 98 local units.



The social partners (e.g. Chamber of Labour) are involved in the creation of labour market policies and in monitoring the PES.



1-100
Unemployed per
PES staff



Funded mainly by contributions from employers and workers, and public sources



AMS



Governance

- ▶ The Ministry of Labour, Social Affairs and Consumer Protection, and the Ministry of Finance, set the main objectives for the PES, decide on the overall budget, and are responsible for its supervision.
- ▶ The executive bodies overseeing the tasks of the PES are the Administrative Board at the federal level and the Boards of Directors at federal, regional, and local levels.
- ▶ The federal office is responsible for setting up targets, formulating minimum standards for service delivery (including ALMPs), and allocating the necessary resources to the regional organizations.



AMS



Management by objectives

- ▷ The Management Board is involved in budget decisions, performance management, outsourcing, and establishing the criteria for participation in the programs.
- ▷ Annual objectives are developed in the process of coordination among the representatives of the AMS, the federal organization, and the regional organizations.
- ▷ The performance management system is based on labor market targets (8-10) and the AMS Scorecard.
- ▷ Quality policies and the organization's further development are based on a standardized quality management system (the EFQM model).

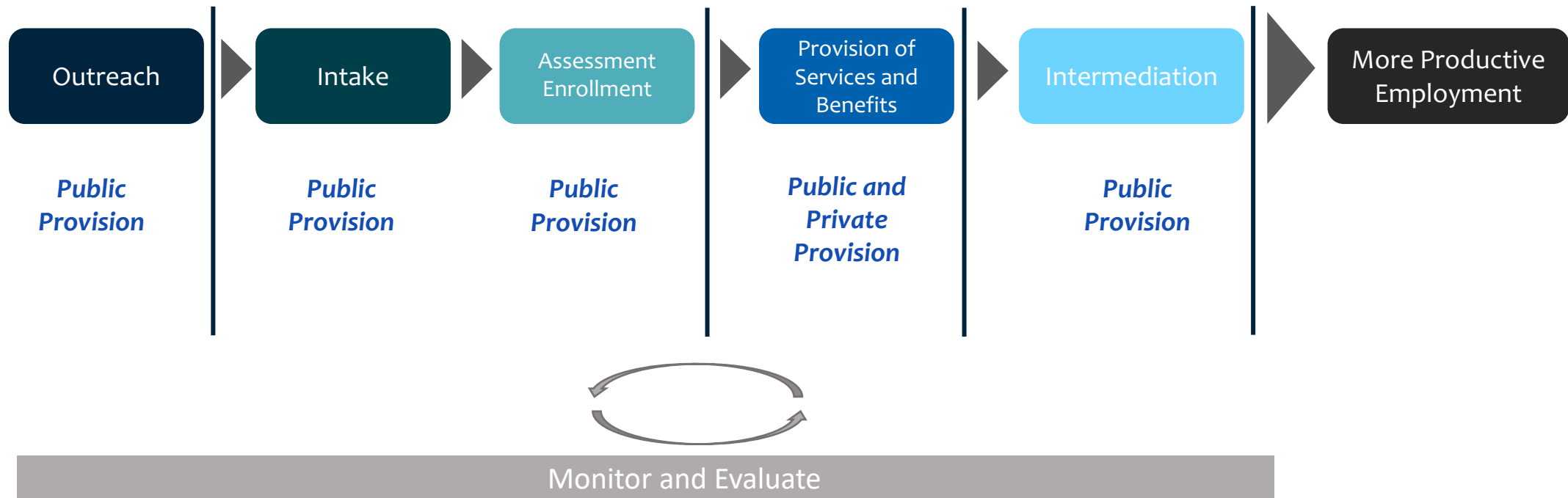


Latest reforms

- ▷ 2010 introduction of the means-tested minimum income.
- ▷ 2018 introduction of statistical profiling as a support tool for caseworkers.

AMS delivers most services in-house with outsourcing in place for specific services.

Outsourcing is implemented for training and specialized services for certain groups, e.g., intensive counselling.





AMS provides general information, career information and LM statistics through 4 channels.

Outreach

Public Provision



Info-Zone

information about career, job vacancies, (further) training, the local labor market, etc.



Career information centers in most regional offices and online.

information about various professions, employment opportunities, training and the labor market.



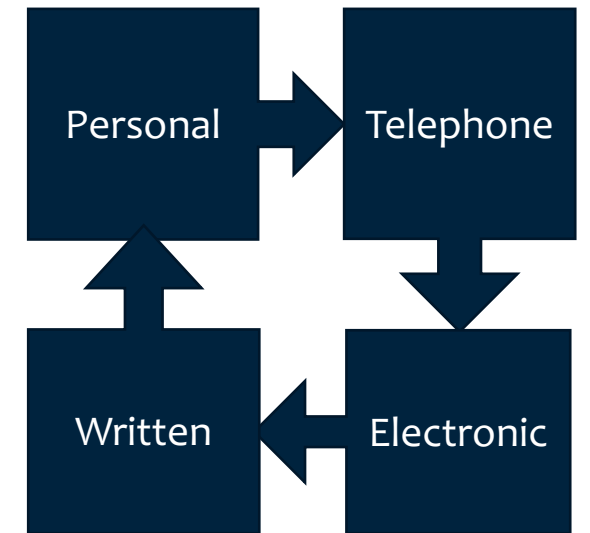
Labor market statistics available in flyers and online.



Outreach strategies for young people

Cooperation with secondary schools, special PR campaigns, Youth-Coaching and other youth-related events.

Channels





AMS provides services for jobseekers and employers, benefit claimants must register.

Intake

**Public
Provision**

Clients

- Jobseekers
 - ▲ Mandatory for benefits claimants.
 - ▲ Foreigners needing working permits.
 - ▲ Those with a right to work can also register for certain services.
- Employers
 - ▲ No obligation to register. However, companies planning the dismissal of a large number of employees must report them to the PES in advance.
 - ▲ Special services are available for small companies.

Registration of jobseekers

- ▲ Register via eAMS account, online, mail, fax, e-mail or telephone.
- ▲ On the 1st day of unemployment at the latest.
- ▲ Report at a regional office and attend the interview with the caseworker.
- ▲ Agree on an action plan covering the targets, the obligations, and a timetable.



AMS uses a statistical profiling tool but only as a support measure, caseworkers can overrule it.



Assessment
Enrollment

**Public
Provision**

Statistical profiling and caseworker-based profiling

Statistical tool:

- Approach: logistic regression
- Data: administrative data only
- Measurement: labour market integration probability
- Outcome: criteria for segmentation
 1. High labour market probability: at least 66% of probability of being employed for 80 days within the following 7 months (short-term).
 2. Low probability: less than 25% of probability of being employed for 180 days over the next 2 years.



The statistical tool helps promote early intervention, improve diagnostic, counseling, matching, and budget use (through better targeting), BUT for now, caseworkers can overrule the classification. The statistical profiling will be fully implemented in the near future.

AMS segments jobseekers in three categories and assigns them to two different service zones.

Assessment
Enrollment

**Public
Provision**

Segmentation
according to
profiling



*All jobseekers under 25 y/o are automatically assigned to the middle service stream.

Service clients (high probability of integration)

Counseling clients (medium probability of integration)
→ largest group & focus of AMS

Support clients (low probability of integration)

Caseworkers assign jobseekers either to the

- the Service Zone, where mostly self-service tools are offered for a maximum of 3 months to job-ready clients; or to
- the Counselling Zone, where more personalized and extensive assistance is available.



Employers are categorized according to the number of vacancies they have listed.

Assessment
Enrollment

**Public
Provision**

- A clients (931 in 2013) are the “top clients” in the regional offices. This group contains the top 5% of enterprises based on the number of listed vacancies. In this category, more than 30% of the listed positions must be filled by AMS.
 - B clients (6553 in 2013) are the following 15% of enterprises based on the number of listed positions. Around 30% of the positions must be filled by AMS as well.
 - C clients (21270 in 2019) are the next 20% of enterprises following the B clients. They have no occupancy rate to be filled by AMS
- One AMS employee of the service for enterprises (Key Account Manager) is responsible for each of the Key Accounts. He/she is responsible for keeping the agreements regarding the extent and quality of responsibility for all enterprise sites.



AMS manages Unemployment Insurance (UI) and Unemployment Assistance (UA)

Provision
of Benefits

**Public
Provision**

Unemployment insurance (*Arbeitslosengeld*)

- Contribution-based, not taxable.
- Mandatory for dependent workers earning more than EUR 446.81 (Geringfügigkeitsgrenze 2019) per month. Self-employed can get insured voluntarily.
- No age requirements, person must be registered as unemployed and be available, able and willing to work.
- Person must reside in Austria and fulfill the qualifying period.
- Amount: based on average earnings of last year. Basic amount is 55% of the daily net income up to 80% for family supplements. This amount is paid for a maximum of 20 weeks.



AMS manages Unemployment Insurance (UI) and Unemployment Assistance (UA).




Provision
of Benefits

*Public
Provision*

Unemployment Assistance (*Notstandshilfe*)

- Payable only after exhaustion of Unemployment Insurance benefits, needs-based, not taxable.
- Means-tested against the recipient's income, and it is also affected by other income from rent, interest, etc. It is not affected by the beneficiary's work-related income as long as it is not more than EUR 446.81 per month.
- Amount: 92% of the previous Unemployment Insurance benefit or up to 95% of the benefit + 95% of the supplement for low-income groups.
- The benefit is initially granted for 52 weeks. It can be extended for 52 weeks repeatedly if the individual still meets the requirements and as long as she/he is below the pension age.



Recipients of Social Assistance (SA) who are fit to work must usually register at AMS.



Provision
of Benefits

**Public
Provision**

Social Assistance (Bedarfsorientierte Mindestsicherung or Sozialhilfe)

- The minimum income assistance is regulated differently in the individual states, but it is now being replaced by a more harmonized system, the “Sozialhilfe”.
- This is a non-contributory benefit, means-tested against the household income and the moveable assets.
- It is paid 12 times a year; the amount depends on the state and the personal situation. The amount for a single person in Vienna is EUR 885,47.
- In most cases, the claimant must register at AMS and fulfill the jobseeker's obligations to receive the benefit. Whether they must register depends on the state (e.g., in Vienna, every applicant is obliged to register except for those incapable of working).
- AMS then has the task of helping the jobseeker in the job search, finding further training opportunities, and re-entering the labor market. Sanctions for failing to comply with the requirements vary across states.
- People receiving Unemployment Insurance or Assistance can also apply for a supplementary minimum benefit through SA if their unemployment benefit is lower than the minimum standards.

Different sanctions apply to jobseekers depending on the type of benefit they claim.

Provision of Benefits

Public Provision

Conditionalities

- Report and discuss job search with the caseworker (every 2-4 weeks).
- Fulfil the duties agreed upon with the caseworker in the action plan.
- Take up work offers, vocational training opportunities, and other ALMPs.

Sanctions

For those covered by UI and UA → suspension of benefits

- If the jobseeker refuses a job offer or vocational training opportunity, the payment of benefits is suspended for as long as the job or training is refused, or in any event, for six weeks. In case of subsequent refusals, the benefits can be reduced up to 8 weeks. The duration of benefits is shortened accordingly.
- If false information was given, facts concealed, or unjustified receipt of benefits is identified, the jobseeker must refund benefits

For those covered by social assistance → reduction of benefits

- Reduction of benefits after written warnings. It is done in stages and by a maximum of 50% of the benefits. A further reduction or cancellation is made only in exceptional cases.

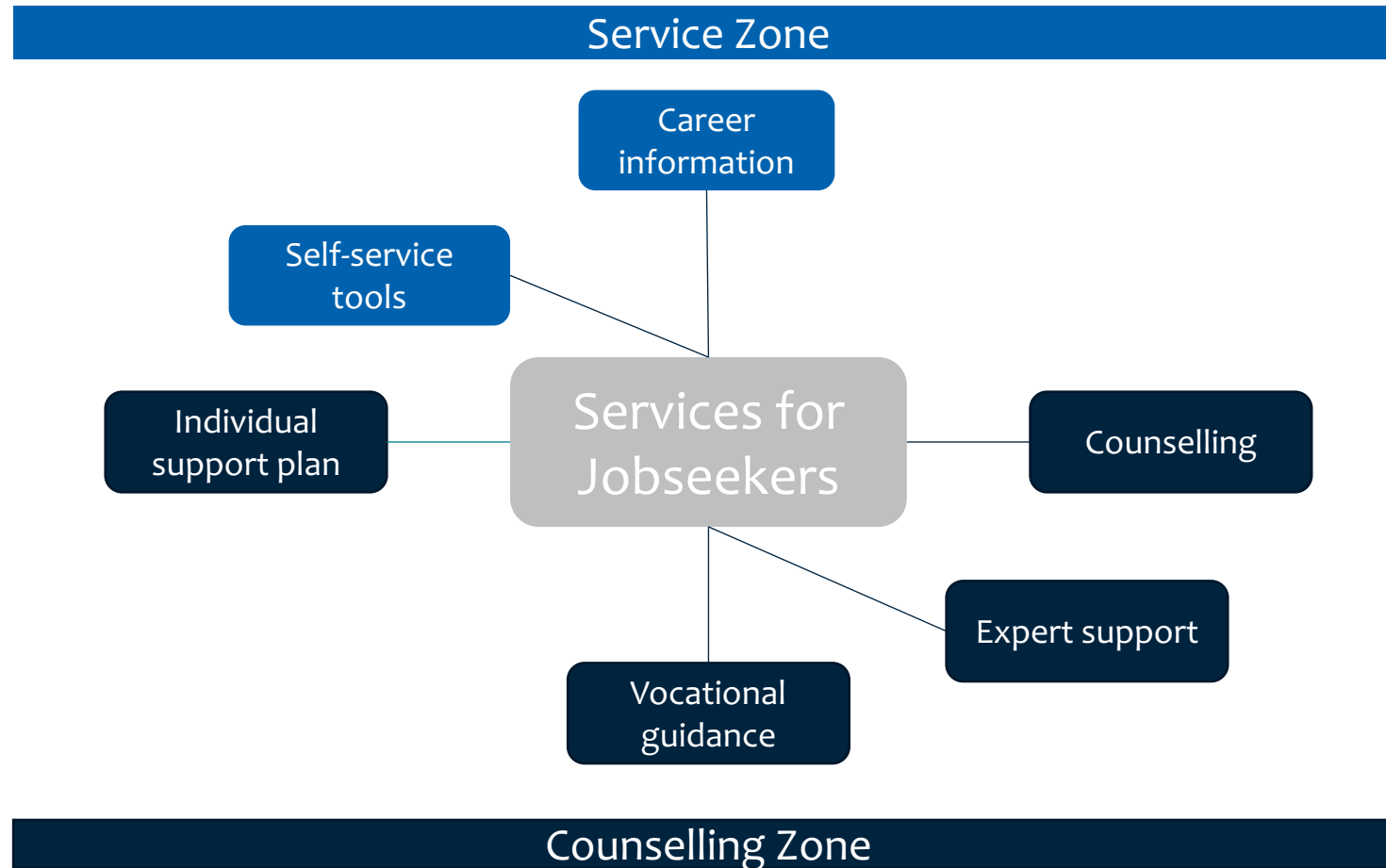
*If claimants receiving both unemployment benefits and SA are sanctioned by AMS, they will only receive a compensation of up to 50% of the sanctioned benefits from SA.



AMS provides different types of services in each zone.

Provision of Services

Public and Private Provision

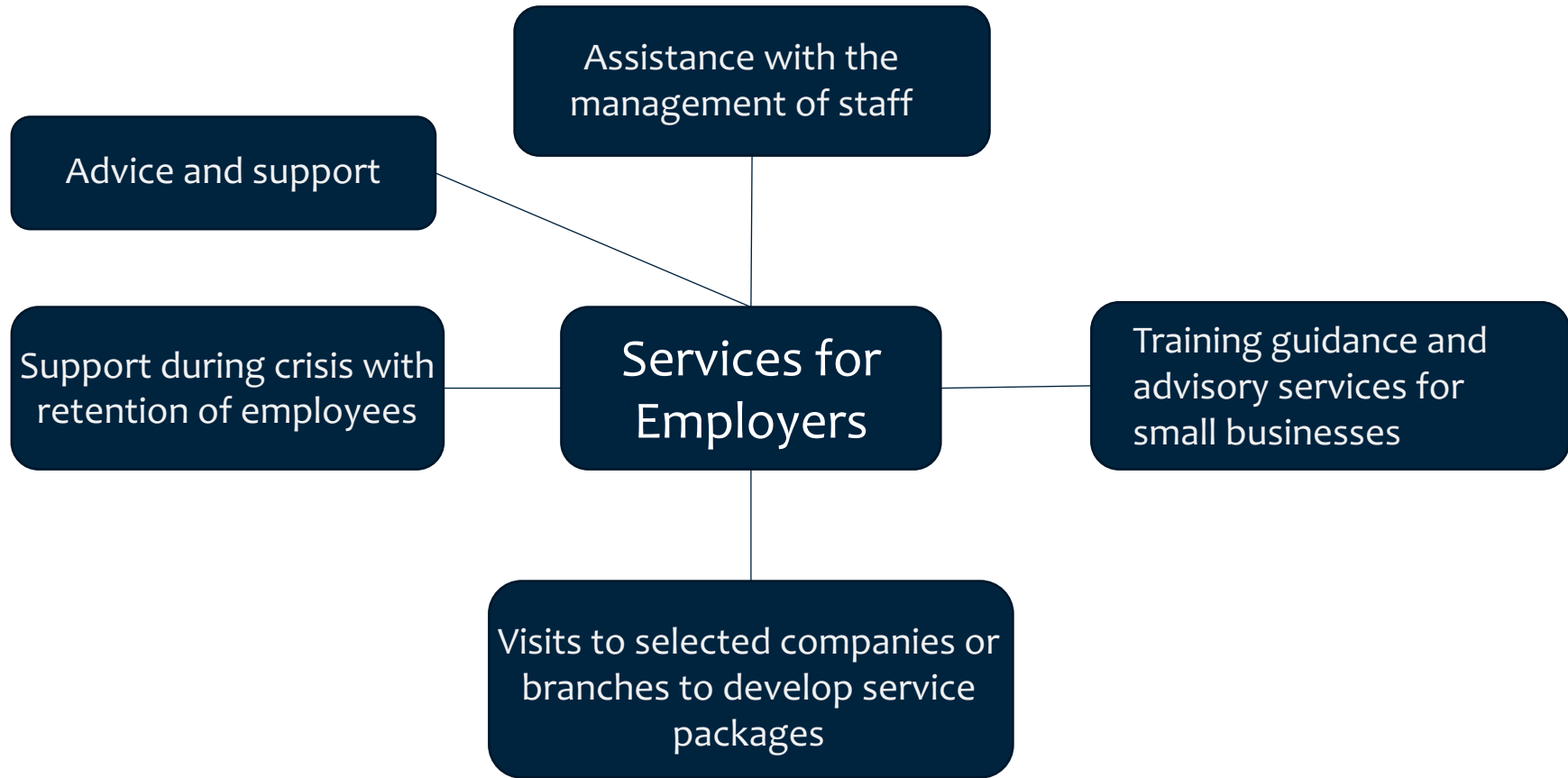




AMS offers a wide range of services to employers

Provision of Services

Public Provision





Around 18% of registered unemployed participate in ALMPs. Training services are outsourced.

Provision
of Services

**Public and
Private
Provision**

ALMPs

Training and subsidies for the further training of employees

Wage subsidies

Financial assistance for travel expenses for interviews, childcare, and training costs (purchased in the private market)

Entrepreneurship programs

Volunteering possibilities

Employment initiative 50+: promotes employment of unemployed over 50 y/o

Special programs directed at unemployed women

Fit2work program: to rehabilitate persons with disabilities

Language courses for migrants

In-work benefits for certain groups of long-term unemployed.



AMS provides placement support for its clients

Intermediation

**Public and
Private
Provision**



Digital matching service (eJob-Room)



Job fairs and apprenticeship fairs



For Jobseekers
Access to vacancies databank
Personal job search support
Support with placement in regular jobs after temporary placements



For Employers
Access to an applicant data bank
Selection of suitable candidates for placement
Referrals of candidates



Outsourcing



Usually, specialized services for target groups (e.g., counseling) and training for all groups are outsourced to external providers.



Providers include non-profit and for-profit organizations.



The procurement is designed at the regional level for training and educational training.



Contracts are usually outsourced through a competitive tendering process or a direct award system (less common). If awarded in a procedure with competition, it is generally done in the form of a single-stage award procedure with a notice's publication. The best bidder is determined by evaluating the program's content and conducting a price adequacy test.

*Above an estimated contract value of € 100,000, a procedure with publication of a contract notice and several tenderers must always be conducted.



Training service quality is monitored by participants completing online surveys. A follow-up of young clients referred to education and training providers is also in place with monthly monitoring through satisfaction surveys after the training. All training measures/courses are assessed to ensure that they match the PES' goals.



Digitalization

The PES has a Data Warehouse, a central management and monitoring database, which includes information on the effectiveness and efficiency of ALMPs, achievement of objectives and satisfaction survey results, and a project database PRODOK, where projects are shared to incentivize mutual learning and transfer of good practices.

Services for Jobseekers

- ✓ Register as unemployed
- ✓ Vacancy database and matching platform eJob Room, and the mobile version Job App.
- ✓ Interactive application portal where they can find instructions, exercises, and tips on all steps of the job application process.
- ✓ Apprenticeship registration and database
- ✓ AMS Job Robot: search engine which looks for open positions on the websites of Austrian companies using specially developed criteria
- ✓ Further education database
- ✓ Guidebooks with various information

Services for Employers

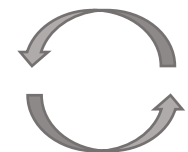
- ✓ General information
- ✓ Recruiting and matching through the eJob Room and the Job App. Employers can post their vacancies quickly and search for suitable employees.
- ✓ Support regarding working permits and subsidies through their AMS account
- ✓ Early warning service for planned lay-offs
- ✓ Europe-wide personnel search in the EURES databases.

Monitoring jobseekers



- Regular monitor and control through interviews and conditionalities checks
- Unemployment insurance benefits are ended once the person exhausts them (maximum of 20 weeks) or if he or she returns to the labor market. If needed, the individual moves to unemployment assistance benefits. This benefit can go on indefinitely until a person reaches the pension age but is reassessed every year.
- Beneficiaries of both schemes must report to their caseworker and fulfill the jobseekers' conditionalities, otherwise, they can be sanctioned.
- Monitoring and following-up on clients once they enter employment, training, or when they leave the registry is also a regular practice.

Monitor and Evaluate



Monitoring the PES



- An external evaluation (Austrian Quality Award) of the entire organization's processes and results is conducted every three years.
- Every regional organization is assessed every four years by the federal organization and every local unit by the regional organization. Each regional organization has quality officers; these support the implementation of the quality management system.
- Research institutes are contracted to evaluate ALMPs' efficiency, potential savings, and problematic areas.
- A project database is used during the internal performance assessment of regional offices to identify challenges, possible solutions, and to encourage offices to share good practices.
- A sophisticated data warehousing system (management and monitoring database) provides a general view of comparisons between target and actual figures for LMP goals. The database includes information on the effectiveness and efficiency of ALMPs, the achievement of objectives, and satisfaction survey results
- Discussions of performance results occur in the governing board and between general and regional directors every quarter.
- Yearly award of the best local unit, staff bonuses, and recognition of innovative practices are given out during the annual award ceremony.
- Satisfaction surveys of jobseekers, employers, and AMS employees are conducted regularly as well.

Monitor and Evaluate



The AMS Scorecard is a tool that allows for a permanent overall assessment of the local, regional, and federal organizations. With this tool, the AMS can analyse every organizational unit's strengths and weaknesses and observe their overall performance in one figure.

- It is composed of twenty-five indicators, which have been developed for the 101 local offices and nine regions.
- Six main dimensions: labor market policy targets, customer satisfaction, process results, services for jobseekers, process results, services for employers, staff satisfaction, and other performance indicators.
- Each indicator and the final AMS Scorecard are valued in percentages. The results are then discussed on the management board.
- The maximum score achievable for each indicator was defined following the example of the EFQM.

AMS Scorecard

1 - Labour market policy objectives for services to jobseekers
2 - Duration of business transaction
3 - Success of labour market support
4 - Satisfaction with funding
5 - Overall satisfaction with services for jobseekers
6 - Processing of applications
7 - Proportion of notifications rectified
8 - Proportion of eAMS accounts with eService usage
9 - Proportion of arrivals via online application
10 - Percentage of eAMS grant applications relating to individuals
11 - Labour market policy objectives for companies services
12 - Duty cycle open positions
13 - Duty cycle apprenticeships
14 - Duration of job vacancies
15 - Overall satisfaction with services for employers
16 - Proportion of orders reported via eAMS account/eJob Room
17 - Share of companies-related eAMS funding requests
18 - Job information centres, BIZ (version 2016)
19 - Staffing actual/target
20 - Trust Index
21 - Management feedback back
22 - Objective Women's promotion plan
23 - Evolution of selected costs
24 - Service level (SEL)
25 - Service level satisfaction (SEL)
Total score for job seekers
Total score Service for companies
Total score AMS scorecard

Covid-19 responses



- Short-time work program: launched during the financial recession and expanded during the current Covid-19 crisis, with a more comprehensive approach. The employers pay only for actual time worked; the AMS's funds cover the rest. Eligible for businesses facing temporary difficulties related to Covid-19 with employees working between 10% -90% of the regular hours. Employees receive between 80-90% of the net remuneration.
 - A reduction of working time to 0 hours is possible. However, over the course of three months, the employee has to work at least 10% of the hours per month.
- Training possibilities during short-time work: training subsidies, educational leave (to maintain employees), and part-time training.
- A new tax incentive was introduced for companies that recruit apprentices, with € 2,000 per position created during March 16 and October 31, 2020.
- Impulse consulting for companies: AMS supported businesses in dealing with urgent personal management issues and organizational adjustments.
- Part-time work wage subsidies for older employees.
- Partial pension: employees over 62 reduce their working hours by 40-60%, and the company is compensated for the additional costs of maintaining the wage at the contribution basis level.



General observations



Very complete evaluation system for the PES



Generous support to jobseekers through the Unemployment Insurance and Assistance, and the Social Assistance programs.



Division of Zones for service provision to meet the needs of jobseekers



Wide offering on training and large focus on target groups for ALMP provision