Mutual Learning Programme Database of National Labour Market Practices

Germany - On-the-job training for low skilled and older workers

This database gathers practices in the field of employment submitted by European countries for the purposes of mutual learning. These practices have proven to be successful in the country concerned, according to its national administration. The European Commission does not have a position on the policies or measures mentioned in the database.

Source of national practice	Mutual Learning Programme Peer Review (October 2010)
Title of the policy or measure (Original language)	Weiterbildung Geringqualifizierter und beschäftigter älterer Arbeitnehmer in Unternehmen
Title of the policy or measure (English)	On-the-job training for low skilled and older workers
Country	Germany
Name of the responsible body	Bundesagentur für Arbeit (BA) – Public Employment Services
Geographical scope of the responsible body	National
Name(s) of other organisations involved (partners/sub-contractors)	Education and training institutes which have been accredited by expert bodies for training; Individual Employers and Employees
Start year of implementation	2007
End year of implementation	Ongoing
EU policy relevance	Developing a skilled workforce is one of the European employment policy guidelines and part of the Europe 2020 Strategy. The demographic change and the ageing of the workforce could create a shortage of skilled workers in the near future. For some sectors this has already been a reality. The promotion of lifelong learning is at the heart of EU education and employment policy. The EU Communication “New Skills for new jobs” highlights the need to update, upgrade and widening the skills of people’s skill portfolio to create and fill the jobs of tomorrow. Yet, one third of Europe’s workforce aged between 25-64 years has no or a low qualification level. In order to compete in the future, Europe has to invest in skills to produce innovative and high quality products. Member States are encouraged to promote innovative policies to engage in particular lower skilled adults who are less likely to benefit from training.

National labour market context	Despite the economic crisis the German labour market remains strong. The unemployment rate has decreased and the employment rates showed an upward trend in recent years. The German labour market is characterised by a high demand of skilled workers, particularly in technical fields and in the IT sector, and by a strong mismatch between supply and demand as unemployed people have often a skills profile inadequate to respond the labour market needs. Particularly affected by this phenomenon are older and low-skilled workers. In 2012 the unemployed rate of older workers was 8.2%, this group accounted for 6.8% of all unemployed people; and, the unemployment rate amongst people without a vocational training qualification was particularly high, around 20%. Vocational training is a promising way forward to cover the enterprises' need for skilled labour.
Policy area	Active labour market policies,Education and training systems,Skills supply, productivity and lifelong learning
Specific policy or labour market problem being addressed	The main objective of the policy was to address the existing lack and future possible shortage of qualified workers. Innovation is an important factor for growth and a high skilled workforce is an indicator for future innovative developments. In Germany the workforce is ageing and future labour and skill shortages are predicted. Training and further qualification for lower skilled and workers of SMEs (with less than 250 employees) were at the heart of the measure.
Aims and objectives of the policy or measure	Compared to the European average, Germany has a relatively low rate of participation in lifelong learning among the workforce and in particular unskilled and older workers are less likely to benefit from training. WeGebAU was therefore aimed at providing training for these target groups to increase their employability.

<table>
<tr><td>Main activities/actions underpinning the policy or measure</td><td>Target groups eligible for funding
Low-skilled employees (regardless the size of company and their age)
Employees in SMEs
Support and services available
Employees to cover the costs of training (partially or entirely) and other costs (e.g. travel costs or fees)
Workers of SMEs below the age of 45, can only be funded if the company finances at least 50 % of the course costs
Business can receive reimbursements for wages and social insurance costs for training related absences of the funded low skilled worker
Kind of training funded
For low-skilled workers: further education leading to a professional qualification or at least a partial vocational qualification
For employees in SMEs: training that takes place outside the workplace and that promotes skills that are relevant in a general labour market context.
Only courses of certified training organizations are eligible. Low-skilled people are those without a qualification or with an obsolete vocational qualification due to a lack of practice in the relevant field for a period of at least four years or employment in unskilled or semi-skilled jobs.</td></tr>
<tr><td>Geographical scope of policy or measure</td><td>National</td></tr>
<tr><td>Target groups</td><td>Low-skilled people,Small and medium-sized enterprises (1 - 249 employees)</td></tr>
<tr><td>Outputs and outcomes of the policy or measure</td><td>The measure has reached a significant number of individuals since its inception and has shown itself to be flexible and suitable to be used in times of economic crisis more extensively. Lower skilled persons could benefit most from the measure. Most of the companies that used the measure found it highly positive. Mostly SMEs were reached whereas micro companies were less represented among beneficiaries than expected, as many were not aware of the measure.
Monitoring data on WeGebAU since 2007
<table>
<tr><th>Year</th><th>Number of participants in training measures</th><th>Number of granted wage subsidies</th></tr>
<tr><td>2007</td><td>14.573</td><td>14.527</td></tr>
<tr><td>2008</td><td>33.397</td><td>28.571</td></tr>
<tr><td>2009</td><td>65.234</td><td>36.579</td></tr>
<tr><td>2010</td><td>87.641</td><td>14.809</td></tr>
<tr><td>2011</td><td>21.823</td><td>7.206</td></tr>
<tr><td>2012</td><td>12.012</td><td>6.392</td></tr>
<tr><td>2013*</td><td>8.802</td><td>4.919</td></tr>
</table>
* Jan-Oct (estimated data for Aug-Oct.)</td></tr>
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Management and implementation arrangements	The PES implemented the measure regarding applications and grants. Further advertising and communication campaigns of the measure were also done by its partners such as accredited training institutes. The training measure was re-defined in 2007, 2009 and 2011 with regard to its target groups. The training measure was re-defined in 2007, 2009 and 2011 with regard to its target groups. The law which came into force the first of April 2012, for a limited period until the end of December 2014, promoted opportunities also for younger workers in SMEs (below 45 employees), thus extending temporarily the target group for the measure.
Key challenges	• **To reach micro and small enterprises was in particular difficult**. The measure was more likely to be used by SMEs and larger companies (more than 250 workers for training of low skilled workers). • **The demand for training among enterprises was not as high as forecasted** though it slightly increased between 2006 and 2008. Evaluations show that it was companies with a workforce of mixed levels of qualifications that used it most. Also, companies that have expanded their activities made use of the measure or saw a need to invest in training. Companies with high levels of low skilled workers used the measure to a less extent. However, evaluations provided no further insight on whether training would have been provided to workers also without the measure. Since large and medium enterprises were overrepresented, it is likely that they would have invested in training regardless the measure.
Key conditions for success	• **Publication and communication was a key condition for the success of the measure**. After 3 years of implementation half of all enterprises were aware of the measure (2008). • **Wage subsidies were an incentive for employers to make use of the measure**. The cost factor is decisive to engage SMEs in training programmes, amongst others elements such as time and availability of workers. • **The programme provided a general stimulus to engage employers in training**. Overall, the programme provided an incentive to employers to help continue training activities or engage them in new programmes and provide ideas.
Method of assessment	Internal evaluation,External academic study,External evaluation
Type of assessment	Quantitative assessment

Duration and frequency of the assessment	The first evaluation covered the first year of implementation. A second evaluation was prepared after the third year of implementation for 2007/2008. Quantitative data exist for all programme years. The evaluation on the participant's level for the programme years of 2007 and 2008 is currently under preparation.
Further information on the assessment	The assessment was carried out by the Institute for Employment Research (IAB) an institute that delivers research for the PES. The evaluations included a questionnaire that was carried out amongst 14.000 enterprises of all sizes. Descriptive results have been published (see links). The sample for the evaluation of the participant's was provided by Integrated Employment Biographies (IEB) and the process-data provided by the PES which included information on duration of the job search, unemployment, participation in training measures and duration of employment. Initial findings are expected to be published at the beginning of 2014.
Links to the website, background information and assessment material	Basic description of the measure Link to evaluations at company level: • "Arbeitsmarktpolitik: Wenig Betrieb auf neuen Wegen der beruflichen Weiterbildung" • "Präventive Arbeitsmarktpolitik: Impulse für die berufliche Weiterbildung im Betrieb" Link to the evaluation on participant level Link to the Mutual Learning Event and further background information on measures on employment creation in Germany Study on low skilled workers in Germany and the use of training General link to the Mutual Learning Programme
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Keywords	low skilled workers; older workers; adult education; on-the-job training; small and medium sized enterprises; lifelong learning