

Further training for low skilled & older employees in companies (WeGebAU), Germany

Introduction:

Low skilled and older employees generally lack formal vocational qualifications/partial qualifications and funding to undertake any trainings.

To address this concern, 'Further training for low skilled & older employees in companies' was launched in 2006 and implemented by the Federal Employment Agency (FEA), Germany. The programme aims to meet the impending need for skilled workers by funding in-company training of skills which are in demand in the wider labour market.

Intervention:

Employees who have not successfully completed a vocational qualification according to the Vocational Training Act of Germany, those who have not completed university studies or those who carry out an unskilled activity can apply for the funding.

- For employees who have reached the age of 45 up to 75% of the course cost are funded. The remaining costs are borne by the employer and / or the employee / the workers.
- From 1 April 2012, qualified employees under 45 years can be funded - but only if the course costs are at least half paid by the employer.
- In case of low-skilled employees who have not successfully completed a vocational qualification according to the Vocational Training Act, who have not completed university studies or who carry out an unskilled activity, in addition to the training costs, a portion of the labour costs for the employer may be reimbursed.

The eligible education and training activities/ qualifications acquired must apply to AZAV (Accreditation and Licensing Regulation for the Promotion of Employment).

If the above eligibility criteria are met, the employee receives a voucher for reimbursement of training costs, which include direct programme costs and an allowance for related expenditures such as childcare or transportation expenses.

Training must be conducted by an external certified institution, and courses must focus on improving general human capital and must apply to the wider labour market, as firm-specific training is not eligible for subsidies.

Examples of courses include vehicle operation, health care, metal construction, medical, mechanical, and automotive engineering, transportation, computer science and ICT, security and production control.

Impact/ Learnings:

A study conducted on the programme indicates that the initiative increases employability stability, and there is decreasing exit rate from employment accompanied by a comparable increase in the number of days of employment, along with a small wage increase. The impact is more concentrated for part time workers, for workers engaged in longer training programmes and those who are above 50 years of age.

Government of India currently reimburses costs for certification of existing skills through the Recognition of Prior Learning (RPL) component under PMKVY. The RPL component maybe modified to add training component or a separate training scheme may be implemented to focus on skill training for older adults by reskilling or upskilling in newer technologies/courses to suit the current labour market demand

Sources: Further training for low skilled and older employees in companies (WeGebAU), European Center for the Development of Vocational Training; and Singer, C (2013), IAB: Discussion Paper on government subsidized training programme for older workers, Institute for Employment Research