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Measures on prevention of disability benefit dependency and activation of young persons

National Report Austria

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INTRODUCTION TO THE NATIONAL REPORT

In 2016 the Swiss Law on Invalidity Insurance (IVG) is being revised, which also involves discussions on options for revision. Regarding the growth of the proportion of young persons in the inflow in the Swiss scheme (in particular young persons with mental health related problems), some experts proposed to introduction of a higher minimum age for eligibility to invalidity pensions. But also other measures can be taken to prevent disability pension dependency and improve labour market participation of the young. E.g.: specific benefits and support programme for young persons with health restrictions or disabilities.

The Federal Office of Social Insurance (FSIO/BSV) was very interested to know about reforms in other countries which focused on measures to prevent disability and disability pension dependency in young persons. In particular information was needed (“facts and figures”) about the backgrounds of the measures taken, how these measures have been conceptualized, what specific programmes or arrangements have been made, how they were implemented, what the reactions of different actors concerned were, and what implications the measure had. The inquiry should be mainly descriptive and not include recommendations but rather give pros and cons in a “neutral” manner and considering the national contexts.

Specific reforms have been described for in five countries, namely, Austria, Denmark, Netherlands, Sweden and the United Kingdom. The focus was on nationwide reforms, which actually have been implemented. Pilot projects and experiments fall out of the scope of the study, except when relevant as an example of “ongoing developments” after the reform described.

For each country a national expert collected literature and used – where necessary - additional sources. The project was coordinated by Rienk Prins Consultancy (Netherlands).

Depending on the national context, “evaluation culture” and implementation year of the reforms, national experts used multiple sources:

- Reports, policy papers, guidelines, etc., both official and “grey literature”;
- When available: elementary statistics on the situation before and after the reform;
- Research reports on evaluative studies carried out, position papers, etc.;
- (Telephone or face to face) interviews and email correspondence for those aspects where documentation was poor or not recent.

In its structure and terminology this national report reflects the questionnaire that has been used for each country to unify data collection. The report should be considered as a “working paper” which reflects the situation as in Summer 2016. Its content has been used for the comparative (final) report.

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SUMMARY

The focus of the report on young persons in employment is on the disability reform (abolition of temporary pensions, enforcement of principle rehabilitation first, from 2014 on), the implementation of fit2work (occupational secondary prevention, introduced in 2011) and the amendment of the law on employment of disabled (increase of quota-payroll tax for larger companies and special dismissal protection only after four years of employment instead of six months, from 2011 on). Although the reforms did not solely target persons below 30 years, the report spent particular attention to the young where information was available. As to the potential transformation of certain measures to other countries it has to be kept in mind that the decision making process in Austria is very special due to the intensive and discreet cooperation of the social partners which has both advantages and disadvantages.

The disability reform introduced a major barrier to (re)granting disability pensions for persons <30 years. For all age groups the reduced inflow is based both on less applications (possibly also due to a deterrence effect) and an increased refusal rate of applications. However, several data suggest that so far the majority of persons concerned by the reform (all age groups) receive rehabilitation benefit instead of disability pension (and some are on retraining), but do not work. Consequently, if the lesser expenditure for disability pensions (again for all age groups) is offset with expenditure for the new rehabilitation benefit and retraining measures, so far the saldo is basically 0. For almost all persons below 30 years retraining is not an option as it is only granted in case occupational protection applies. Another lesson learned (again for all age groups) is that inclusion of persons with temporary pensions granted already before the reform appears to be even more difficult as they were already far removed from the labour market. From an administrative point of view complexity arises from the distribution of tasks on three institutions (PIA, HI, PES) with different programmes. Separate authorities for assessment, enforcement and benefit payment produce also conflicts due to the different self-interest of the institutions.

Overall, individual counselling within fit2work seems to match the needs of employees and unemployed with health impairments. There is a somewhat promising performance in helping people to keep their jobs or return to work. On the other hand participation in preliminary counselling occurs late (also due to the invitation letter by the HI only after six weeks sickness leave), when sickness leave or unemployment have already intensified. Furthermore, only a small part of persons invited participated. However, fit2work is also significantly accessed through GPs, the PES, or selfreferrals. Many are not on sick leave at the time of service use, but unemployed. For the target group below 30 years the focus is on health maintenance in view of a still long working life. The quota of sickness leave for persons below 30 years remained more or less unchanged after the introduction. Company counselling is now reaching enterprises to a significant degree. Qualitative assessments suggest that there is not only a stepwise change in attitudes towards a preferably longstanding tie and health maintenance of existing, for the company valueable, employees, but also towards the employment of new employees with health impairments. In my opinion the voluntariness of both counselling types should be kept as it might be difficult to counsel both individuals and companies against their will.

Due to the differentiation according to company size the revenues from the quota payroll tax increased significantly. However, despite the change related to the special dismissal protection, the employment rate of favoured disabled slightly decreased. The number of dismissal lawsuits at the commission for disabled decreased from 2010 to 2011, which might be a consequence of the new regulation of the dismissal protection.

1 BACKGROUNDS AND CONTEXT

1.1 Target group: Young persons in employment with health problems

The focus of the Austrian report on young persons in employment with health problems is on the disability reform (came into effect in 2014), the implementation of fit2work (introduced in 2011) and the amendment of the law on employment of disabled (came into effect in 2011). The disability reform targets at cohorts born 1964 and later (at the introduction of the reform those below 50 years, today [mid 2016] those below 52/53 years), whereas the other two measures target at all disabled persons or persons with health constraints in working age. However, where information and/or statistical data are available, the report will spend particular attention to the young.

1.1.1 The original problem triggering the reform

Disability reform

The rehabilitation-before-benefit principle¹ operated since the mid 1990s showed only limited impact. When someone had the disability benefit claim refused, they often just slipped back into their previous situation (mostly unemployment), with no special support kicking in either from the pension insurance association (PIA) or the PES. Also, the shift towards granting disability benefit only temporarily was ineffectual. Temporary payments merely postponed permanent benefit. The authorities intervened too late – when people were already too far down the road to retirement for rehabilitation or retraining to be effective (OECD 2015). Finally, expenditure for disability pensions reached 3 billion EUR per year (costs for health prevention and rehabilitation amounted to 950 million EUR per year) and there was a steep rise in benefit granted for reasons of mental ill-health: from 10% of all disability benefits in the mid-1990s to over 35% in 2013, with claimants with mental disorders being generally younger than other claimants (HV 2011a-2014a; 2011b-2014b).

Table 1: Expenditure for disability pensions in million EUR; total pension insurance; all age groups; 2011-2015

2015	2,700
2014	2,899
2013	2,992
2012	3,001
2011	2,963

S: HV 2012a-2016a

Table 2: Expenditure for health prevention and rehabilitation in million EUR; total pension insurance; all age groups; 2010-2015

2015	1,027
2014	997
2013	952
2012	902
2011	841
2010	785

S: HV 2016a, 96; HV 2011b-2015b, 5.21

Table 3: Shares of main broad diagnostic categories related to inflow disability pensions in %; total pension insurance; all age groups; 2010-2015

	2015	2014	2013	2012	2011	2010
Skeleton, muscles, connective tissue	24	30	25	31	31	31
Mental disorders	33	29	35	31	32	32
Cancer	13	11	10			
Circulatory system	12	12	11	10	11	11

S: HV 2011a-2016a

However, in contrast to other countries Austria did not face a problem with large and rapidly growing numbers of young people accessing disability benefit. Before the reform, there were 700-800 new claims and a stock of 2,500-2,700 from/with under-30s every year, almost all granted temporarily initially. Basically, they only apply for a pension in case of severe disability as they perceive a long (working)life for themselves (HV 2011b-2014b, 3.30/3.11; OECD 2015, 143; Sauer).

Table 4: Inflow in disability pensions; <30 years; total pension insurance; 2010-2014

	<20	20-24	25-29	<30
2014	9	48	156	213
2013	25	245	429	699
2012	22	233	510	765
2011	21	257	520	798
2010	34	263	525	822

S: HV 2011b-2015b, 3.30

Taking all age groups, before the reform the number of applications for disability pensions decreased from 76,000 in 2010 to 62,000 in 2013 whereas the inflow in disability pensions decreased from 30,000 in 2010 to 24,000 in 2013. The number of inflows relative to the number of applications (as a proxy for the granting-quota) amounted to 38-40% before the reform (HV 2011a-2014a).

Table 5: Applications for and Inflow in disability pensions; all age groups; total pension insurance; 2010-2015

	Applications	Inflow	Inflow in % applications
2015	50,655	15,398	30.4
2014	52,326	19,980	38.2
2013	61,787	24,116	39.0
2012	68,150	27,446	40.3
2011	73,692	27,969	38.0
2010	76,246	29,593	38.8

S: HV 2011a-2016a

Table 6: Stock of disability pensions; <30 years, total pension insurance; 2010-2014 (December)

	<20	20-24	25-29	<30
2014	13	228	1,061	1,302
2013	30	551	1,939	2,520
2012	26	584	2,041	2,651
2011	33	630	2,077	2,740
2010	46	633	2,068	2,747

S: HV 2011b-2015b, 3.11

First substantial discussions took place in the framework of the pension reform commission (from the beginning of the 2000s), where experts, political representatives and social partners participated. It was followed by the reform platform *invalidity in flux* with the involvement of similar stakeholders (Czeskleba; Sauer).

fit2work

The implementation has several origins:

- Long duration of sickness leave in case of mental disorders (on average approx. 40 days);
- high share of mentally unwell people among working-age benefit claimants, such as sickness, unemployment and social assistance;
- financial situation of health insurance (HI) and pension insurance;
- international comparison with measures by other countries (Czeskleba; (OECD 2015, 38)

Beside mental stress and burn-out for young employees it was found that they often show no health-conscious behaviour and have no sustainable work-life-balance (*generation Y*). An important issue is also whether and how the concrete work fits with the individual person and his/her abilities (Czeskleba).

In Austria, the sickness leave rate of employees below 30 years tends to be slightly lower (approx. less 0.1 pp) than those of employees aged 30-49. They feature an above-average sickness incidence but the duration of sick leaves is rather short (Leoni 2015).

Table 7: Sickness leave rate (loss of yearly working days due to sickness leave in %); blue and white collar workers; <30 years; 2010-2014

2014	2.9
2013	3.0
2012	3.0
2011	3.1
2010	3.0

S: Leoni 2015, 64

As with the disability reform, first substantial discussions took place in the framework of the pension reform commission (from the beginning of the 2000s), where experts, political representatives and social partners participated. It was followed by the reform platform *invalidity in flux* with the involvement of similar stakeholders (Czeskleba; Sauer).

Amendment law on employment of disabled

Before the reform the revenue from the payroll tax for the non-fulfillment of the quota system for disabled persons amounted to approx. 90 million EUR per year. About 2/3 of the 94,000 favoured disabled were occupied.ⁱⁱ Less than 2/3 of the 101,000 quota-work places were filled.

Table 8: Quota system: revenue from payroll tax, quota-work places and employment of favoured disabled

	Tax revenue in million EUR	Favoured disabled	Thereof in employment in %	Quota-work places	Thereof filled %
2014		96,428	62.7	105,138	64.3
2013	138.4	95,247	63.4		
2012		95,645			
2011	129.3	95,321		102,793	64.9
2010		94,388			
2009	88.2	94,034			
2008	88.7	94,319		101,145	65.7
2007		94,426	67		

S: BMASK 2014, 9; BMASK 2013, 21/25f; BMASK 2012, 134; BMASK 2010, 9; BMASK 2009, 11/85f; BMASK 2009b, 147

On 1.1.2013 there were 5,665 favoured disabled below 31 years of age (5.9% of all favoured disabled), thereof 3,921 (69.2%) were employed (BMASK 2013, 25). Thus, their employment rate is slightly higher than those of all favoured disabled.

Table 9: Favoured disabled <31 years and employment rate, 2013

	Favoured disabled	Thereof in employment (%)
< 18 years	100	79.0
18-20 years	443	74.3
21-25 years	1,839	68.3
26-30 years	3,283	68.7
< 31 years	5,665	69.2

S: HV 2011b-2015b, 3.30

Political reform discussions focused on increasing both the revenue from the payroll tax (relatively small amounts per enterprise) and the share of disabled in employment.

1.1.2 **Commitment: standpoints and positions before reform**

Disability pensions

The following two arguments were mainly stressed by the government and the social partners to underline the need for a reform:

Many jobseekers assessed unfit to work by the PES and referred to the PIA were assessed fit to work by the PIA. The result were frequently unclear situations for clients, long and double assessment procedures and being shuttled back and forth between authorities. Many clients went without proper support and seldom returned to work (OECD 2015; Sauer).

Retraining was already offered by the PIA on voluntary basis. However, it was assumed that this could be carried out much more effectively. In many cases a temporary pension was granted and no intervention or activation was offered till the next examination (Sauer).

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The main idea of the social partners was the following: timely and preventive interventions should prevent massive health impairments and labour market drop-out, case management (CM) in case of longer sickness leaves should support the reintegration into the job. At the same time this should ease the financial situation of the social insurance institutions. For the inclusion of enterprises into fit2work (company counselling) the Federal Ministry of Economy and the Economic Chamber were decisive (Czeskleba).

Amendment law on employment of disabled

The arguments for the amendment related to the higher financial demand for the employment integration of disabled in times of demographic change. It was also argued that larger enterprises can easily afford an increase of the payroll tax related to the non-fulfillment of the quota system.

Related to the special dismissal protection of disabled many employers argued that it represents a barrier to new employments of favoured disabled (BMASK 2012, 8)

1.1.3 Main features of the legal institutional context before reform

Sickness leave

HI has hitherto played no role in managing sickness other than through eligibility controls to prevent misuse. It had no track record of helping people return to work (OECD 2015, 52).

Disability pensions (for all before 2014; today for cohorts born before 1964)

Entitlement:

- Disability for at least 6 months
- Not entitlement for retraining or not appropriate or not reasonable
- Qualifying period
 - o <50 years: 60 insurance months in last 10 years
 - o <27 years: 6 insurance months
 - o Working accident (vocational disease): no qualifying period (AK 2016, 308f)

Occupational protection (assessment as to own job): Blue (white) collar workers with occupational protection are disabled, if the performed, learned occupation (the lastly not only temporary performed occupation) cannot be performed anymore. Without occupational protection, insured persons are disabled, if they cannot perform any regular gainful employment. For an occupational protection of persons <30 years (since the end of education/training less than 15 years have passed) in 50% of the insurance months, however at least in 12 months, a qualifying activity must have been performed (AK 2016, 309f).

Duration: basically the disability pension is granted temporarily for at most two years. On application it can be prolonged if despite reasonable rehabilitation measures a reintegration is not possible. If a permanent disability can be assumed, the disability pension is granted permanently (AK 2016, 313).

Retraining (for all before 2014; today for cohorts born before 1964 and for self-employed)

Since 2011 legal entitlement, before on voluntary basis: if pre-conditions for disability pension (likely to be) fulfilled or in foreseeable future fulfilled. There is also entitlement without required qualifying period for disability pension, if

- during the last 36 insurance months in at least 12 months an gainful employment qualifying for occupational protection was carried out, or
- there are at least 36 insurance months with a gainful employment qualifying for occupational protection.

Retraining is granted if appropriate, cost-effective and reasonable. There must be a high probability to remove or prevent disability permanently and to secure a labour market reintegration. The occupational protection principle excludes clients who are not trained in a particular occupation. Funding and decisions by PIA (AK 2016, 303f; OECD 2015, 53f).

For the duration of the rehabilitation tranistory benefit (Übergangsgeld) funded by the PES is paid in the amount of the disability pension that would have been granted (AK 2016, 199/304).

Law on employment of disabled

The law obligates all employers to employ one favoured disabled per 25 employees. For each quota-place not filled a tax has to be paid. Before the reform it amounted to uniformly 223 EUR per month.

The taxes are ear-marked and are used for services directly to disabled persons or to employers who employ disabled persons (BMASK 2014, 162).

On application persons with a disability degree of at least 50% can be registered as favoured disabled if basically they are available on the labour market. For their employment contracts a special dismissal protection is applied: dismissal is only effective after approval by the authorities. Before the reform it was effective after six months of employment (BMSG 2006, 77f; BMASK 2012, 8).

The special dismissal protection relies on the consideration that due to events not under their control, e.g., deterioration of economic situation, intra-company restructuring or health problems disabled employees face a higher risk to become redundant than other employees. The special dismissal protection should compensate these disadvantages on the labour market but should not make disabled persons non-redeemable (BMASK 2009b, 149).

2 CONTENTS AND ORGANIZATION OF REFORM MEASURES

2.1 Target group: Young persons in employment with health problems

For young persons in employment, the report focuses on the disability reform, the introduction of fit2work and the amendment of the law on the employment of disabled.

2.1.1 Legal features of the reform

Disability reform

SRÄG 2012 (BGBl. I Nr. 3/2013); applicable since January 2014

Responsible authorities: PIA, PES, HI; initiated by government, social partners and social security authorities

Purpose: Enforcement principle rehabilitation before benefit

Target group: blue and white-collar workers, 1964 birth cohorts and younger (for persons already receiving a temporary disability pension, for further granting of the benefit the new legal situation comes into effect, too).

fit2work

Arbeit-und-Gesundheit-Gesetz (BGBl. I Nr. 111/2010); started in 2011

Responsible authorities: Bundesamt für Soziales und Behindertenwesen (Sozialministeriumservice/SMS), PES, PIA, accident insurance (AI), HI, labour inspection; initiated by government, social partners and social security authorities

Purpose: early prevention of job loss, long-term unemployment, premature drop-out from working life and invalidity due to health reasons

Target group:

- Individual counselling: Employees on sick leave for upward of 6 weeks, unemployed persons, in case of appearance of health problems at the workplace
- Company counselling: to advice, inform and support enterprises

Amendment law on employment of disabled

Differentiation quota-payroll tax according to company size (§ 9 BEinstG), changes special dismissal protection (§ 8 BEinstG) (BGBl. I Nr. 111/2010); applicable since 1.1.2011

Purpose: additional revenues from quota-payroll tax; employment contracts with disabled persons without the potential barrier of the special dismissal protection

Target group: Favoured disabled

2.1.2 Programmes and intervention(s) provided under the reform

Assessment (for disability pensions, rehabilitation measures, etc.)

In anticipation of the disability reform, from mid-2010 Austria ran the pilot scheme *Health Road* to eliminate multiple assessments by the PES and the PIA, to test the efficacy of a single agency conducting assessments and to secure follow-up support for people remaining on the labour market (BMASK 2010, 33).

For the uniform assessment in the framework of the disability reform assessment competence centre were placed at the PIA (for employees), at the social insurance association for self-employed and at the social insurance association for farmers. Insurance institutions and PES can order assessments at the competence centre of the PIA. It evaluates people's state of health and whether they are apt for vocational rehabilitation and retraining (BMASK 2014, 114; OECD 2015, 54).

To better measure potential for vocational rehabilitation, the PIA has developed tool *career potential analysis* (OECD 2015, 60). It helps test jobseekers' interests, levels of motivation, and actual work capacity, all of which is used as a base for subsequent PES counselling (OECD 2015, 66). External (OECD 2015, 60) experts conduct the analyses. It can include trial work of up to eight weeks in special assessment centres to identify an appropriate vocation (OECD 2015, 61).

Disability pension (for cohorts born from 1964 on)

Entitlement (differences to former regulation):

- Abolition of temporary benefit and restriction of benefits to people permanently and totally unable to work
- Entitlement to pension if retraining not appropriate or reasonable, application for pension counts primarily as application for rehabilitation measures

A pension receipt is without time limitation (AK 2016, 315f; OECD 2015, 14/49).

Medical rehabilitation

For the recreation of ability to work.

Since 1.1.2014 cohorts born from 1964 on have a legal entitlement, if

- there is temporary disability for at least 6 months,

- measures are appropriate and essential for the recreation of ability to work,
- retraining is neither reasonable nor appropriate.

Measures must be sufficient, appropriate and reasonable:

- placement in rehabilitation-hospitals,
- ambulant rehabilitation,
- body replacement, orthopaedic devices and other additives as well as training in use,
- granting of medical support as well as remedies and devices, if required subsequently or in the framework of measures listed above.

Realisation: HI, decisions and funding: PIA (AK 2016, 222/301).

Rehabilitation benefit

- at least for the estimated duration of medical rehabilitation; based on an assessment in the competence centre of the PIA at least once a year, receipt can be prolonged; entitlement ends if no longer temporarily disabledt
- identical to sickness benefit, however, at least in the amount of minimum pension top-up (2016: 882.78 EUR/month); for form receivers of temporary pensions in the amount of the pension
- granting and funding: PIA, administration: HI (AK 2016, 223/302; BMASK 2014, 117; HV 2016a, 61)

Retraining (for cohorts born from 1964 on)

Those basically fit enough to work should be enabled to perform their own occupation or, if not possible, a new, less health-burdened, occupation

Entitlement:

- Temporary disability for a least 6 months,
- measures are granted according to dutiful discretion, if appropriate and reasonable (from 1.1.2014 the legal entitlement introduced in 2011 is abolished for cohorts born from 1964 on).

Realisation: PES (before PIA), funding: PIA (AK 2016, 305f; BMASK 2014, 114).

Retraining benefit

- till the termination of measures, no time-limitationt, suspended for six weeks if no active participation
- during planning of measures in the amount of unemployment benefit, from the participation in the first measure with a 22% top-up, however, at least 34,30 EUR daily
- Administration: PES, funding: PIA (AK 2016, 197; BMASK 2014, 8; OECD 2015, 56)

Fit2work

Low-threshold service (information, counselling, support) with focus on occupational secondary prevention. Re-integration of employees and unemployed after longer sickness leaves and long-term maintenance and improvement of ability to work by preventive measures. In principle there are no special tools or programmes for persons below 30 years, but the focus for this target group is on health maintenance in view of a still long working life.

fit2work features two basic streams with voluntary participation each:

- Individual counselling: preventive counselling and CM for individual employees and unemployed
- Company counselling: counselling and educational avertising of enterprises related to health and work capability management (BMASK 2012, 43; BMASK 2014, 8; Czeskleba).

Amendment law on employment of disabled

Quota-payroll tax differentiated according to company size with significant increase for large companies (from 100 employees on). In 2016, per quota-place not filled and months it amounts to

- in case of 25 to 99 employees 251 EUR,
- in cae of 100 to 399 employees 352 EUR and
- in case of 400 or more employees 374 EUR.

The special dismissal protection for favoured disabled applies only after four years employment contract (so far six months).

2.2 Target group young persons with health problems not in employment

Many young persons with health problems face their disability or health impairment since they were born (Sauer). In Austria, special-needs education is provided during compulsory schooling (nine years up to the age of 15). Thus, for young people with disabilities and health impairments there is the risk that they leave school early or with low levels of educational attainment and, consequently, have no smooth transition into work and struggle in the labour market.

Here we describe three measures introduced after 2000 with the aim to support – in most cases – young with disabilities in the integration into the labour market or to provide them with inclusive apprenticeships. For these measures also some evaluations are available. Within the framework of the measures as a rule concerned youth receive either apprenticeship compensation according to the relevant collective agreement or an allowance for the coverage of subsistence by the PES as means of subsistence.

2.2.1 Clearing

Clearing was introduced in 2001 and by 2004 it was available almost nationwide. The target group are young with disabilities incl. those who have already completed school. The purpose

of the measure is to secure the best possible transition between school and occupation and the introduction to the labour market. Funding is provided by the *Behindertenmilliarde* of the federal government, ESF and from other means.

In cooperation with youth concerned clearing-teams develop an individual package of measures in the last or next to last schoolyear:

- Profile of predispositions and abilities, SWOT-analysis;
- determination and planning of need for post training;
- identification of occupational perspectives, career-/evolution-plan;
- networking and cross references by involvement of interface-stakeholders (BMASK 2006, 81).

Support is provided by social workers, school psychologists, psychopedagogues and student advisors for children with mental and behavioural problems (OECD 2015, 133ff).

Table A10: Clearing: participants and costs; 2002-2012

	Participants	Costs in million EUR
2012*	4,973	
2011	8,056	
2009	7,162	7.3
2008	6,687	
2007	6,013	
2006	5,479	5.1
2005	5,063	
2004	2,400	4.8
2003	1,700	
2002	1,387	2.8

S: BMASK 2013, 24; BMASK 2010, 92; BMASK 2009b, 180; BMASK 2006, 81; BSA 2012, 30f

* introduction of *Youth Coaching* (see appendix)

2.2.2 Inclusive Apprenticeship Training (Integrative Berufsausbildung/IBA)

Before the introduction of the scheme no suitable track for the training of apprentices existed for the exhaustion of the potential of occupational abilities. It was implemented in 2003 by an amendment of the Berufsausbildungsgesetz (§ 8b BAG) and replaced the *pre-apprenticeship*. Since 2010 there is also the possibility to reduce the daily and weekly training time in case of corresponding health problems of disabled persons (BMASK 2006, 82; BMASK 2010, 35; BMASK 2012, 74). Thus, the vocational apprenticeships are extended to four/five years (instead of three) and part-qualify apprentices for particular jobs (only certain parts of a job profile are considered). It is planned to create standardised curricula for the part-qualification (BMASK 2010, 92; BMASK 2016c, 17; OECD 2015, 142).

The target group are young people who suffer from a disability, have special education needs, have not completed their education, or face other job placement barriers, and are not able to

attend a regular apprenticeship. The purpose is to enable the entry into the labour market. The scheme provides tailor-made training which addresses individual needs.

SMS and PES provide targeted assistance, both social and psychological, to ensure apprentices complete their training. The apprentices are guided by trained apprenticeship-assistants. SMS and PES fund companies that offer IBA places in the first labour market. In addition necessary costs (e.g., wage costs, adaptation of workplaces) are funded. In 2005 there were approximately 1,100 participants, in 2008 3,600 and in 2009 3,900 (BMASK 2006, 82; BMASK 2010, 92; OECD 2015, 141f).

2.2.3 Integrated companies' apprenticeship (Integrative Betriebe Lehrausbildung/IBL)

Integrated companies are non-profit facilities for the occupational participation of disabled persons who are (so far) not able to participate in the first labour market. The predominant part of funding stems from own-generated incomes. Subventions are only foreseen to compensate the resulting disadvantages caused for the integrated companies by the employment of disabled persons in comparison to other companies. In 2014 there were eight integrated companies nationwide with more than 20 sites (2008: 25).

Since 2004 beside workplaces, also qualification places are provided. Here the goal is a placement on the first labour market (BMASK 2009b, 182). Pre-conditions are secured by the industrial structure, the machine equipment and the qualified personell of the integrated companies. Currently, there are approximately 150 qualifying places (BMSG 2004, 81f; BMASK 2009b 181f; BMASK 2010, 86f; BMASK 2014, 170f).

So far a low-threshold qualification took place. In 2015 an apprenticeship with formal graduation was introduced. It is connected with measures of project support for a qualitative development of the occupational career. The allocation of participants should occur via *Youth Coaching* and *AFit* (see appendix 2), the placement of graduates via *work assistance*. From 2018 on, about 150 persons should take part in the new programme (BMASK 2014, 170f).

3 IMPLEMENTATION

3.1 Target group: Young persons in employment with health problems

3.1.1 Measures implemented

Disability reform

The expectation was that between 2014 and 2018 around 15,000 people will receive retraining benefit and around 23,000 rehabilitation benefit. However, in 2014 and 2015 the predominant part of retraining is still covered by the voluntary form with receipt of transitory payment. Thus, so far retraining benefit is only granted in a few cases (BMASK 2016a, 13; OECD 2015, 49).

The lower disability benefit spending was estimated to lead to public savings of around EUR 700 million between 2014 and 2018. If the lesser expenditure for disability pensions in 2014 and 2015 is offset with expenditure for the rehabilitation benefit and contributions by the PIA for funding of retraining and other measures for labour market integration, the saldo is basically 0 (AMS 2015, 64; HV 2014a-2016a; 2015b; OECD 2015, 49).

The disability reform was implemented in its entirety in 2014 without transitory regulations from year to year (Sauer).

fit2work

It was expected that information services will be accessed by 6,600 and case-managed counselling will be received by 3,300 people. The projections were exceeded in 2014: 9,383 preliminary counsellings and 5,154 CMs completed (fit2work 2015; OECD 2015, 104).

fit2work started in 2011 in a handful of regions and by 2013 had gone nationwide with some 40 sites. In mid 2012 a differentiated company counselling supply followed accompanied by a nationwide information campaign for a health-promoting working environment. The first phase (three years) covered the period till March 2015, the second phase (five years) is set down till 2019 (BMASK 2012, 43; Czeskleba).

A good many clients were found to be in need of psychotherapeutic. To fill the existing gap, fit2work and the Association of Austrian Psychologists in 2013 started to provide additional psychotherapy places at short notice. There are currently around 1,300 places available for clients. After 30 hours of therapy, medical insurance takes over funding. The expenditure amounts to 1 million EUR per year (OECD 2015, 106; Sauer).

3.1.2 Implementation: roles and practices

Disability reform

PIA: Work capacity and benefit entitlement assessments as well as identification of claimants who will benefit from retraining. Within the assessment process general practitioners or psychiatrists assess claimants' remaining capacity to work or any functional restrictions. A further medical assessment is then conducted at a PIA regional office (by insurance doctors) and a decision is eventually taken by a central tripartite benefit committee which includes the social partners. However, the treating doctor's initial medical report determines to a very large extent any benefit entitlement, referral options, and rehabilitation potential. Partly, it is difficult to find suitable doctors which are bought in addition. Partly, there are also long waiting times, e.g., per region only one eye specialist available. Still there is the problem that clients directly approaching PIA have still their minds set on permanent labour market exit (OECD 2015, 54; Sauer).

PES: Retraining action and benefit payment. Partly earlier involvement of PES than before, thereby improving the chances of placement. PES works with case managers and has own rehabilitation experts (OECD 2015, 50/56/58f).

HI: Management medical rehabilitation (taken over from PIA) and rehabilitation benefit as well as follow-up. HI has own rehabilitation experts. Special HI case manager should accompany transitions between health care and medical rehabilitation with individual supply plans. However, in practice no CM occurs during receipt of rehabilitation benefit (AK 2016, 224; OECD 2015, 50/52/59; Sauer).

HI and the PES are reimbursed for their new costs (medical rehabilitation and retraining incl. related benefits) by the PIA.

fit2work

Individual counselling: Contact is established in case of a sickness leave of more than six weeks by invitation letter of the responsible HI institution. Individual counselling is carried out per federal state by private agencies. Counsellors are professionals in such fields as occupational medicine, occupational psychology and social work. They can enable prompt access to therapists in the event of mental health problems (OECD 2015, 103; Statistik Austria 2015, 5).

Company counselling: In the majority of cases contact is established per initiative of the consultants of the vocational education and rehabilitation centre (BBRZ). Some companies being introduced to fit2work via information campaigns, other companies or their employees (mutual introduction of individual and company counselling) establish contact on their own initiative. A participation of companies will not be reported to official institutions. In enterprises

- up to 14 employees: 3
- up to 50 employees: 5-7 and
- with more than 50 employees: 8

counselling days take place. Each counselling is completed by a closing meeting. The focus is on company activities set up in view of health, motivation and competences of employees.

- Step-one support: comprises advice and information and basic assessments of company needs
- Step-two services: conducting comprehensive workplace analyses and putting in place sustainable support structures within the enterprise. (Czeskleba; OECD 2015, 106).

The company counselling by the consultants of the BBRZ (if needed in cooperation with representatives of social insurance institutions; see 4.1.3) can include the consideration of early warning signs for groups of employees at risk, team training for coping with mental burdens and potential changes in activities, working time, work processes or work equipment. Part of the counselling process are the implementation of an early warning system, the appointment of an inclusion delegate within the company and the set up of measures for groups of employees at risk (Czeskleba 2016, 4f). In general, the measures provided by the BBRZ are mainly financed by PES, PIA and AI. Services for companies in the framework of counselling days according to company size (see above) are free of cost for companies. Additional days are with costs (approx. 600-1,000 EUR per day).

3.1.3 Cooperation

Disability reform

The new system will require far better communication and collaboration between the PIA and the PES over assessments and retraining, and between the HI bodies and the PIA in relation to medical treatment and medical rehabilitation (OECD 2015, 57).

The PES sends all clients who it felt might be unfit to work for an assessment to PIA. All clients assessed fit to work by the PIA also count for the PES as fit to work, although they might not be placeable in reality. The PIA also makes its medical reports available to the PES in the event of a disability benefit application being denied (OECD 2015, 62; Sauer).

A problem is the strict separation between medical and occupational rehabilitation. Medical rehabilitation often takes place during sick leave, while vocational rehabilitation is usually considered only after a health condition has stabilised – i.e. after a long time out of the labour market. Especially mentally unwell need integrated medical and vocational rehabilitation services. Only some rehabilitation providers have developed such services. For example, the insurance institution for railways and mining (small institution with all services included and no systematic borders), pilot projects for addicted persons and the MODUS programme of the BBRZⁱⁱⁱ (OECD 2015, 58/61; Sauer).

In terms of retraining people are sent to the PES by the PIA with a completed proposal. In most cases the PES organises the proposal but does not intervene more. With a view to the labour market possibly other occupations are more meaningful. Occasionally the PES tries also other alternatives. However, they are only feasible in case the complete occupational environment is reasonable. In most cases it is only reasonable for approx. 80%, although the non-performable 20% would not occur in practice. However, as a rule in such cases it will not

be carried out as people concerned can also take it to court. Big problems are also caused by the principle of occupational protection (see 1.1.3). In general, retraining is open only to jobseekers with good prospects of subsequent labour market integration (OECD 2015, 14; Sauer).

The fragmentation of the system incl. the independence of the partly self-administered public bodies makes it difficult to regulate co-operation and to get the incentives right. Complexity arises from the distribution of tasks on three institutions (PIA, HI, PES) with different programmes. Often there are also regional differences within PIA, HI and PES. What is still partly lacking is coordination and joined measures (OECD 2015, 57ff; Sauer).

Separate authorities for assessment, enforcement and benefit payment produce also conflicts due to the different self-interest of the institutions. For example, PES or HI opt for specific services but the PIA is reluctant to finance. However, basically there is consensus on the directions to go (Sauer).

The steering group put in place has a crucial role to play in linking the institutional stakeholders. There are regular meetings between the Federal Ministry for Social Affairs, the Federal Ministry for Health, the PIA, the HI and the PES. Emerging issues from daily operations are discussed and distinguished between problems for which there is an administrative solution and problems that can only be solved politically or juridically. There is also a joined academy for improving the standards of assessment (OECD 2015, 58; Sauer).

fit2work

The SMS coordinates information, counselling and support supply. The offers of partner organisations (SMS, PES, social insurance institutions, BBRZ, labour inspection) are bundled for problem solutions and CM. There are also regular meetings between the stakeholders (BMASK 2014, 9/168; Sauer).

In the beginning on the part of the social insurance institutions there was some scepticism in the sense of a competitive situation vis a vis fit2work and the counsellors of BBRZ. However, meanwhile the situation has improved (Czeskleba).

fit2work needs to communicate and interact more closely with the mental health care system and integrate its services with the treatment provided by GPs, psychotherapists and psychiatrists (OECD 2015, 105).

fi2work could afford the PIA a greater opportunity to start rehabilitation earlier (when people have been off work for six weeks yet still hold a job). So far, the PIA only acted at the request of a (former) employee or the PES (OECD 2015, 59).

4 IMPACT AND LESSONS

4.1 Target group: Young persons in employment with health problems

4.1.1 Impact on the target group

Disability reform

Overall, according to OECD analysis (2015, 14/50) the reform (abolition of temporary pensions, enforcement of principle rehabilitation before pension) has considerable potential for integrating or bring back into the labour market people with chronic health problems or mentally unwell who still have some capacity to work. However, it stresses that without strict application of principles and meaningful coordination there is the risk that rehabilitation turns – like temporary disability benefit in the past – into a stepping stone on the way to permanent disability. Furthermore, the retraining scheme needs to be better adapted to the realities of the labour market.

Evaluation on the pilot *Health Road* (see 2.1.2) found that people assessed were more in touch with the labour market and more likely to see work as a viable prospect than those who applied directly for a disability benefit (73% vs. 31%). Yet, even among the clients with a confirmed capacity to work, results suggested that those who worked or got a place on a PES training scheme in the following year were exceptions. 35% of the claimants assessed suffered from mental illness or behavioural problems. Of them a higher proportion was found temporarily unable to work (one-third) than in other groups (one-fifth). And many of them were very likely to claim a disability benefit subsequently (OECD 2015, 61f).

For persons below 30 years the reform saw both a sharp decline in the inflow and in the stock of disability pensions: 212 disability pensions were granted in 2014, by 69.5% less than in the previous year (cf. table 4). The effect is due to the abolishment of temporary pensions. The stock of disability pensions amounted to 1,302 pensions in December 2014, by 48.3% less than in December 2013 (cf. table 6). The effect is also due to the fact that after termination of temporary pensions granted before the reform, previous recipients fall into the new system, too.

For all age groups, the reform led both to an intensified decrease in the applications for and the inflow in disability pensions: in 2015 applications amounted to 50,655, by 18.0% less than 2013, and inflow amounted to 15,398, by 36.2% less than 2013. At the same time the share of granted pensions in applications (as a proxy for the granting-quota) went down from 39.0% in 2013 to 30.4% in 2015 (cf. table 5). The decline in applications is due possibly also to a deterrence effect (Sauer). I would assume that the developments are somewhat similar for persons <30 years. From 2013 to 2015 (again for all age-groups) the average age at which people access disability pension rose by 34 months, among those with a mental disorder by even 51 months (BMASK 2015, 25; BMASK 2016a, 28).

For all age groups the total costs of disability pensions amounted to 2,700 million EUR in 2015, by 9.8% less than 2013 (cf. table 2). While the share of mental disorders in the inflow of

disability pensions in all age groups went down to 29% after 35% in 2013, it increased again in 2015 to 33% (cf. table 3).

Without occupational protection (see 1.1.3) only medical rehabilitation can be granted but not retraining. Thus, for persons below 30 years (in most cases no occupational protection) in terms of retraining the reform did not lead to a significant change (Sauer). Independent of age, people with mental disorder are also often not entitled to vocational rehabilitation (broken careers, thus lacking occupational protection). They face an additional hurdle in that rehabilitation sessions are typically organised on a full-time basis with limited flexibility (OECD 2015, 50/59). Following this available information I would assume that if on rehabilitation the overwhelming part of persons <30 is on medical rehabilitation but not on occupation rehabilitation.

In 2014 the inflow to rehabilitation benefit in all age groups amounted to 11,776 persons, thereof 29% without prior temporary pension. In 2015 the inflow decreased to 9,199 persons and the share of those without prior temporary pension went up to 45%. Expenditure rose from 92 million EUR in 2014 to 247 million EUR in 2015. In both years the share of persons with mental disorders stood at approx. 60% (BMASK 2015, 10; BMASK 2016a, 11)

Table 11: Recipients of rehabilitation benefit and related expenditure; all age groups; 2014 and 2015

	Inflow	Inflow: thereof without prior temporary pension	Inflow: thereof with mental disorder	Expenditure in million EUR
2015	9,199	4,174 (45.4%)	f: 63%; m: 59%	247
2014	11,776	3,392 (28.8%)	f: 59%; m: 54%	92

S: BMASK 2015, 10; BMASK 2016a, 11; HV 2016a, 113; HV 2015b, 5.10

The expenditure for health prevention and rehabilitation provided by the PIA (all age groups) reached 952 million EUR before the reform. In 2014 it increased to 997 million EUR and in 2015 to 1,027 EUR (cf. table 2). However, the percentage increase compared to the previous year in each case (2015: 3.0%; 2014: 4.7%) was lower than for years before the reform.

In 2014 and 2015 for approx. 3,000 persons (alle age groups) a retraining was granted. However, the predominant part is still covered by the voluntary form with receipt of transitory payment. Thus, so far retraining benefit is only granted in a few cases (January till August 2015: 65 recipients on average) (AK 2016, 196).

Table 12: Granting of retraining (both voluntarily and based on retraining benefit); all age groups; 2014 and 2015

2015	2,918
2014	3,022

S: BMASK 2015, 12; BMASK 2016a, 13

In 2014 the contributions by the PIA for funding PES provided retraining and other measures for labour market integration amounted to 20 million EUR (AMS 2015, 64).

In a rough estimate (again for all age groups), given that the stock of disability pensions decreased by 34,000 from 2013 to 2015 (HV 2016a, 75) and that inflow to rehabilitation benefit in 2014 and 2015 amounted to 21,000 persons whereas 6,000 persons were granted retraining, I would assume that so far the majority of persons concerned by the disability reform receive rehabilitation benefit instead of disability pension.

fit2work

Overall, fit2work seems to match the needs of employees and the unemployed with mental health conditions and other health impairments. There is a somewhat promising performance in helping people to keep their jobs or return to work early (OECD 2015, 104). However, the participation in the preliminary counselling occurs late (also due to the invitation letter only after six weeks sickness leave), when sickness leave or unemployment have already intensified. It can be assumed that this causes individual intervention to be relatively extensive (Statistik Austria 2015, 21).

The service most frequently provided is general information. The demand for direct and workplace-focused counselling is likely to grow, however. 2011-2014 some 40,000 people have received information, 24,000 counselling and 12,000 case-managed support (OECD 2015, 104). In 2014, for the age-group 19-29 years 872 (9.3% of 9,364 in all age groups) preliminary counsellings were completed and 731 CMs (9.4% of 7,739 in all age groups) were completed, ongoing, inactive or broken up (fit2work 2015). However, a problem seems to be that less than 50% of all persons completing a preliminary counselling complete also a CM (all age groups) (Statistik Austria 2015, 20).

42% of all fit2work users suffer from mental disorders, while 37% have a physical health complaint (OECD 2015, 105).

Total spending rose from around 500,000 EUR in 2011 to around 9 million EUR in 2014, and is projected to increase to 15 million EUR in 2015 (OECD 2015, 104).

In terms of labour market integration based on a difference in differences-approach^{iv} in 2014 it was found that clients with CM in relation to a control group which also received an invitation letter by the HI after the CM featured more days in employment (sickness leave excluded) than before the preliminary counselling. The relative advantage is largely independent of sex, age group and concrete health impairment. Together with the more pronounced decline in employment in the treatment group (compared to the control group) before the preliminary counselling, the result points to the efficacy of fit2work with at the same time strong selective participation (Statistik Austria 2015, 17ff).

The quota of sickness leave for persons below 30 years remained more or less unchanged after the introduction of fit2work (cf. table 7).

However, the impact of fit2work cannot exclusively be measured on the base of quantitative methods. For example, a positive outcome could also be that the hitherto job is not suitable from an individual perspective. In the style of the measurement of work capability according to

the Finnish model, PIA and AI developed *Arbeitsbewältigungsindex Plus*, which measures the success of individual CM on the base of a personal feedback. It shows a tendency to a positive impact on the ability to work (Czeskleba).

Amendment law on employment of disabled

In 2013 the revenues from the quota payroll tax amounted to 138 million EUR. On 1.1.2014 there were 96,000 registered favoured disabled. Thereof 63% were employed. From the 105,000 quota work place, 64% were filled. In addition, approx. 10,000 favoured disabled were employed in enterprises not underlying the employment quota (BMASK 2014, 9).

Due to the differentiation according to company size the revenues from the quota payroll tax increased significantly (2009: 88 million EUR, 2013: 138 million EUR). However, despite the reform which affected also the special dismissal protection, the employment rate of favoured disabled (2014: 63%; 2007: 67%) and the filling of quota work places (2014: 64%; 2008: 66%) slightly decreased (cf. table 8).

The number of dismissal lawsuits at the commission for disabled decreased from 2010 to 2011 (1st level from 530 to 412, 2nd level from 30 to 23). It might be that this is also a consequence of the new regulation of the dismissal protection (since 2011 for new employment contracts only valid after four years instead of six months).

Table 13: Dismissal lawsuits at commission for disabled; 2010, 2011

	1 st level		2 nd level	
	2010	2011	2010	2011
Approval (% of total)	18.1	18.9	13.3	26.1
Rejection (% of total)	3.6	6.3	13.3	13.0
Decision by consensus (% of total)	78.3	74.8	53.3	43.5
Other (% of total)	0.0	0.0	20.0	17.4
Total (n)	530	412	30	23

S: BMASK 2013, 26f

Unfortunately the commissioned evaluation of the amendment of the law on employment of disabled (L&R 2014) is barred by the contractor and not available.

4.1.2 Impact on organization and cooperation

Disability reform

According to OECD (2015, 54) one critical component missing is a strategy for involving employers. They will, it is hoped, eventually offer jobs to claimants who have retrained or rehabilitated. Many PES offices have good networks of employers. However, it has to improve its understanding of the needs of employers who take on workers with chronic health conditions.

fit2work

Only 4% of all persons invited in written form by the HI (approx. 100,000 per year) participated in a preliminary counselling. On the other hand, although 65% of all CM-graduates had received an invitation letter by the HI before, a significant part stated another reason for establishing contact. fit2work is also significantly accessed through GPs, the PES, or selfreferrals. Many are not on sick leave at the time of service use, but unemployed (2013: 56%) (OECD 2015, 105; Statistik Austria 2015, 20).

According to OECD (2015, 105f) counselling, rehabilitation and psychotherapy also improved mental health conditions and health behaviour, and reduced the use of health care services. However, waiting times for places in mental rehabilitation facilities generally continue to be long. The result is unnecessarily long periods of inactivity. Employees on lengthy sick leave for reasons of mental health are reluctant to go back to work before rehabilitation.

Yearly fit2work reports showed that in terms of company counselling in 2011-2014 fit2work has counselled around 650 employers (410 step-one, 240 step-two services) (OECD 2015, 105f). According to internal records of BBRZ from 2015 till 6.6.2016 283 enterprises were counselled:

- 159 (56%) up to 14 employees
- 104 (37%) up to 50 employees and
- 20 (7%) with more than 50 employees (Czeskleba 2016, 2;

By trend, the companies show a transformation towards the intended direction. There is not only a stepwise change in attitudes towards a preferably longstanding tie and health maintenance of existing, for the company valueable, employees, but also towards the employment of new employees with health impairments. The motivation comprises of the difficult recruitment of (younger) substitutional employees due to demographich change but also of general reputation of the company and intrinsic motivation. The target of the company counselling is also to support employers in discovering their own social vein and to act as catalyst for the development of such attitudes (Czeskleba).

However, fit2work does not yet offer sufficient concrete counselling on in situations where an employee exhibits problems related to mental health in the workplace. Such support would be especially valuable to smaller firms (OECD 2015, 106).

4.1.3 Evaluations and lessons learned

Disability reform

The reform was implemented without transitory regulations. When the time-limitation of temporary pension ends, all people concerned are in the new system. However, it was found to be almost impossible to rehabilitate and integrate persons who have not been working for years and are far removed from the labour market (Sauer).

Own-occupation assessment (related to occupational protection; see 1.1.3) is both unfair and counterproductive and puts young and/or mentally unwell claimants at a disadvantage. They are more likely to be unskilled (in the legal sense) and less likely to have followed an unbroken career. They will seldom ever be entitled to vocational rehabilitation and retraining (OECD 2015, 54f).

According to statistical figures on disability pensions the reform introduced a major barrier for (re)granting disability pensions for persons <30 years, intensifying the fact that even before the reform there was no dramatic inflow of young persons in an international comparison. Following further available information for all age groups I would assume that if on rehabilitation the overwhelming part of persons <30 is on medical rehabilitation but not on occupation rehabilitation. Evaluation on the pilot *Health Road* suggests that of assessed persons with mental illness or behavioural problems a higher proportion is temporarily unable to work than in other groups (for more details see 4.1.1).

Unfortunately, due to the relatively short time since the reform came into effect and/or a lack of statistical data broken down to specific (age) groups, no further specific lessons on young persons or persons with mental disorders could be identified.

fit2work

Individual counselling: Related to the contact establishment it seems that the invitation letters of the HI institutions are not “attractive” and the group of people receiving the letter might be better located (Statistik Austria 2015, 20f). Currently the letter is also negatively perceived by people concerned in view of the control institution HI. Alternatives would be the intensified introduction of fit2work via folders and other marketing instruments as well as a joined appearance of the social insurance institutions (PIA, HI, AI, PES) as sender. Also a changed style of the letter could help to reduce barriers for a participation (Czeskleba).

Furthermore, the invitation policy (only after six week of sickness leave) and the public relation should be optimized in order that the preliminary counselling is approached earlier. The reasons for discontinued or paused CMs as well as for no further intervention after the preliminary counselling should be analyse. Based on the distribution of working days before and after the CM, there seems to be potential for improvement related to the individualisation of support (Statistik Austria 2015, 17ff).

Company counselling: The contact establishment and the central guidance by only one single counsellor of the BBRZ turned out as the most trustbuilding alternative. As still today in the case of large companies, in the first phase several representatives of social insurance institutions (e.g., AI) participated from the beginning. Today, for smaller companies the representatives of the social insurance institutions are only consulted as required and step by step.

So far, no public funding is provided for the contacting and acquisition of companies.

So far, in case, from a certain company conditions are known which could be harmful to health in the workplace, e.g. via reports of several individual employees, the BBRZ cannot act, if the company concerned does not voluntarily participate in a counselling (Czeskleba).

4.2 Target group: young persons with health problems not in employment

Evaluations on measures taken are only available on a limited scale.

Clearing was introduced in 2001 to support young persons with disabilities incl. those who have already completed school. The programme was chosen as best-practice-model for peer reviews by the European Commission. 24% of youth were able to attain a regular employment contract or an apprenticeship in the first labour market. In addition, in the follow-up 29% were cared for in the programme *Occupational Training Assistance* or prepared in a *pre-apprenticeship* (BMASK 2006, 81).

Evaluations of the Inclusive Apprenticeship Training (Integrative Berufsausbildung/IBA) showed that by 2007 some 3% of all apprentices were included, of whom two-thirds were special-needs registered. Completion rates were high, especially among those who opted for partial qualification and two thirds of those who had completed their training were employed by the same employer afterwards (OECD 2015, 142).

5 OUTLOOK

5.1 Target group: Young persons in employment with health problems

Disability reform

The trend could go in direction of the German model including also concrete work trials.

Issues at the last political reform meeting (February 2016) were an intensified early recognition, a required overview on the individual medication and more psychotherapy (Sauer). International comparisons reveal an under-provision of psychotherapy in Austria. It is often not available at short notice and to a considerable degree privately funded (OECD 2015, 106/161/166). Especially young persons are frequently treated only by means of drugs in addition often prescribed only by general GPs. However, additional funding of psychotherapy will not be easy due to the financial situation of the HI (Sauer).

A central issue is how the cooperation between the institutions (PIA, HI, PES) can be improved. Technical solutions, process solutions and pilot projects will be discussed. CM should be introduced for the disability pension system as a whole.

Also persons without occupational protection (young persons, persons with mental disorders; see 1.1.3) should be included in retraining. As the target group of young people (16-30 years) is not heavily affected by the pension reform (no occupational protection; anyway no so many applications for disability pension), potential measures for integration could rest on social assistance, integration companies and obligation for education and training till 18. The target group could be assessed via youth workers (Sauer).

fit2work

fit2 work should be even stronger embedded in the prevention and rehabilitation strategy. It should be carefully thought how people with health risks could be attracted and approached by the offers (Sauer).

In the framework of company counselling 3,000 companies should be reached till 2019 (Czeskleba).

LIST OF ABBREVIATIONS

AFit: Education/ TrainingFit (AusbildungsFit)

AI: Accident Insurance

BBRZ: Vocational Education and Rehabilitation Centre (Berufliches Bildungs- und Rehabilitationszentrum)

CM: Case Management

HI: Health Insurance

IBA: Inclusive Apprenticeship Training (Integrative Berufsausbildung)

IBL: Integrated companies' apprenticeship (Integrative Betriebe Lehrausbildung)

PIA: Pension Insurance Association

PES: Public Employment Service

SMS: Service of the Ministry for Social Affairs (Sozialministeriumservice)

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APPENDIX: OTHER MEASURES FOR YOUNG PERSONS NOT EMPLOYED (WITH OR WITHOUT HEALTH PROBLEMS)

For a relevant part of youth (e.g. NEETS) there is a need for low-threshold services for the introduction to continued education and training. There is also a significant group which interrupts school or education/ training at an early stage, takes up unskilled labour or completely withdraws from education, training and labour market. This produces lifelong consequences like unskilled labour, unemployment and inactivity (BMASK 2016c, 5/17). In addition, mental illness and addictive behaviour is overrepresented among those young people at risk (OECD 2015, 118; Sauer).

As a consequence, in recent years Austria implemented several programmes and measures related to the interface between education, training and labour market, which do not only target at youth with disabilities and health impairments but on several groups of disadvantaged youth. Appendix 2 provides a short overview on the most important programmes in this respect. Within the framework of the measures as a rule concerned youth receive either apprenticeship compensation according to the relevant collective agreement or an allowance for the coverage of subsistence by the PES as means of subsistence.

Youth Coaching

Until recently, no interventions had targeted drop-out prevention nationwide. In January 2012 *Youth Coaching* was trialled in two federal states and is available throughout Austria since 2013. Although it represents the successor programme of *Clearing* (see appendix), its target group consists of all youth at risk of dropping out below 19 years (in case of disability or special education needs below 25 years). The purpose is to keep young people in the education system, to pre-empt early leaving, to ensure transition into the labour market and to bring NEETs back into education and training. In 2014 there were 35,500 participants (BMASK 2014, 165f; OECD 2015, 124/133f; BMASK 2016b)

Apprenticeship Guarantee (Überbetriebliche Lehrlingsausbildung)

The target group consists of young people who have completed their education but cannot find a regular apprenticeship and those who have pulled out of an apprenticeship and have registered with the PES. The purpose is to ensure a PES-funded apprenticeship in the desired field during school-to-work transition. In 2014/15 approximately 9,000 persons attended (preparation) courses. Yearly costs amounted to 180 million EUR. For 2015/16 places for 12,000 participants were planned (OECD 2015, 141; BMASK 2016b).

Both *Youth Coaching* and *Apprenticeship Guarantee* are major programmes in the framework of the *Education and Training Guarantee* (Ausbildungsgarantie) introduced in 2008 (BMASK 2016b).

Education/ TrainingFit (AusbildungsFit/ AFit)

The programme represents a nationwide, low-threshold qualification for youth below 21 years (below 24 years if disabled) after the completion of *Youth Coaching*. The purpose is individual supervision in a structured care process on the transition between school and occupational training and to prepare for the next step(s) by improving basis education and social competences. Besides integrated occupational training it offers access to apprenticeships and should increase the chances for a positive completion. It was developed in 2013 and projects were introduced in early 2014 in several regions. In the future it should be rolled out nationwide (BMASK 2014, 165/168f; OECD 2015, 135).

Factory Schools (Produktionsschulen)

Factory Schools are non-traditional schooling schemes for preparation of education/ training, to become acquainted with different education/ training paths and for the deferred acquisition of skills and qualifications. The target group consists of 15-25 years old who leave school without qualifications and social skills and cannot cope with school, apprenticeships or work in their current form. All over the country 60 *Factory Schools* with approximately 3,000 places for 4,000 youth are available. The capacities will be expanded in 2017 (BMASK 2016c, 16; OECD 2015, 142; BMASK 2016b).

Apprentice coaching (Lehrlings- und Lehrbetriebscoaching)

This scheme similar to *Youth Coaching* was rolled out nationwide by the end of 2015 after a pilot phase. Apprentice coaches advise and support apprentices and the enterprise to ensure they successfully complete their apprenticeships and their chances of dropping out are lessened. The target group consists of young people who fail to complete their education and are registered jobseekers but also those who have special education needs (OECD 2015, 18/142; BMASK 2016b).

Education/ Training till 18 (AusBildung bis 18)

With a compulsory school attendance of nine years Austria ranks at the bottom end in an international comparison. In view of increased qualification- and job-requirements, the *Education and Training Guarantee* does not suffice and an extension of the minimum education/ training period is required. Thus, the purpose of *Education/ Training till 18* is an obligation to attend continuative school or education/ training after the 9th school level, the early prevention of education/ training dropouts and the widely restriction of unskilled labour. The completion phase of the scheme is scheduled for 2019/20. The target group consists of persons below 18 years who have completed compulsory school attendance, have a permanent residence status in Austria and do not attend school or occupational education/ training. It is estimated that there are around 16,000 early dropouts aged 15 to 17 years. The spectrum of services consists of individual counselling, care and support under consideration of individual interests, abilities and needs. Important programmes of *Education/ Training till 18* will be among others *Youth Coaching*, *Factory Schools*, *Apprenticeship Guarantee*, and *Apprentice Coaching*. The funding will be provided via federal taxes, costs in completion phase are estimated to 57 million EUR per year (BMASK 2016c; BMASK 2016b).

ENDNOTES

ⁱ An application for disability pension counts also as an application for (medical or occupational) rehabilitation. In the course of the process it is investigated whether the re-inclusion in working life can be facilitated by granting rehabilitation measures.

ⁱⁱ For a definition of favoured disabled see page 12. The remaining about 1/3 is not employed (for several reasons).

ⁱⁱⁱ The purpose of MODUS is continuous support during transition between medical and occupational rehabilitation. Sub-goals are daily structure, psychological stabilisation, work training, development of individual rehabilitation plans and preparation for work integration or education/training. The target group consists of persons with psychiatric diagnoses or psychological limitations after long-term sickness leave, termination of rehabilitation benefit, temporary invalidity pension or registered with the PES as well as persons with Asperger's syndrome. The measure should enable participants to cope with their future on the labour market as independent as possible. They should be able to realise repeatedly appearing mental crises in an early stage in order to react adequately and to draw on support. An individual rehabilitation plan is elaborated (BBRZ 2015).

^{iv} The difference in differences-approach is a statistical method in which the same persons are observed before and after the participation in a certain programme and the change of a certain outcome between the two periods is analysed. To be able to distinct the effects by the programme from general developments (e.g., on the labour market), the observed changes in the treatment group are compared with the observed changes in the control group (in the concrete case: persons in the control group were also invited to the programme but did not participate) (Statistik Austria 2015, 9).