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**Social Dialogue on Training  
Case Study Austria**

**Kurt Mayer, Lorenz Lassnigg, Martin Unger**



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Final Report

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## 1 Introduction

Since the late 1970s salient and structural changes in the socio-economic environment and powerful economic forces (e.g. globalisation of markets, high speed technological innovation and ICT development) have been urging for upgrading and flexibilisation of VET-systems. New equilibria have been looked for and developed between IVT and life long learning, between traditional occupations and flexible qualifications, between general education and VET, between curriculums based learning and qualification through work experience and between employment and self-employment. And all these relations and new equilibria have additionally been tied to the more principal and political core question concerning a new equilibrium between social demands and economic markets.

Evidently the institutional and organisational set-up administrating, influencing, developing and shaping the VET system and the actors and mechanisms of the social dialogue have not been untouched by the changes and challenges mentioned above. We were asked by CEDEFOP to specialize on the following issues and questions in the Austrian report on “A Social Dialogue on Training”:

- How are the trade unions and the employers’ associations – the social partners – involved in the VET system and in VET policy development?
- Are the roles of the social partners undergoing structural changes following the changes in the labour market specifically in Austria more generally?
- On the one hand, decentralisation of negotiations and agreements can be observed in most Member States while, on the other hand, agreement between the social partners at a European level are growing. What does this mean for the Austrian social partners’ involvement in VET?
- The development in most EU Member States goes towards increased market orientation of the provision of VET and a shift toward more social partner influence and/or enterprise responsibilities regarding VET with a corresponding relative decline in government involvement. What is the observation in Austria?

More specifically, our research was guided towards the following topics. It has to be said that the questions concerning the changes of roles and influence of the social partners caused by those structural changes are generally under-researched. The report is compiling existing knowledge, and has gained new knowledge concerning those topics, however certain aspects have remained more or less open:

- The institutional and organisational set-ups as well as the loci, causes and mechanisms of social partners' involvement in the social dialogue on VET.
- Factors contributing with the most explanatory power in the understanding of the VET development process.
- An assessment how the set-ups and mechanisms to be found can be evaluated with regards to the goal of developing sound and sustainable VET systems in a Europe of rapid economic and societal change.

### **Structure and content**

Chapter 2 provides some background information concerning economic development, the labour market and the main assets of the VET (Vocational Education and Training) – System in Austria. Chapter 3 analyses the issues of the Austrian social dialogue on the general level of policy making, which poses the framework in that the social dialogue on training is embedded. Section 3.1. is analysing the basic set ups of the Austrian social partnership; section 3.2. deals with the contribution of the social partners to the processes of policy shaping and policy development, a main focus being given to challenges for the social partners' style of interest policies due to the changes in economy and policy since the beginning of the 1980s. Chapter 4 gives an overview regarding social partners' involvement in VET (Section 4.1.) and is discussing in Section 4.2. the role of the social partners in the actor network of VET in a more detailed way, related to six main issues: 1) apprenticeship training, 2) Continuing Vocational Training, 3) Labour Market Training and Re-Training, 4) Higher Education Policy and, 5) the field of VET research 6) the vocational training issues departments. Chapter 4.3. looks at the social dialogue on training in the apprenticeship system during the 1990s. Problems deriving from the principal way of social partners' policy involvement against the background of increased change are also mirrored in this case study. At least Chapter 5 draws the conclusions according to the main questions and tries to give some overall prospects with regard to the social partners shaping capacities on VET.

### **Methodological remarks**

A mixture of methods was used to achieve the aims of the study:

1. Firstly a literature survey has been carried out aiming at pointing out the main features with respect to the development of social partnership and social dialogue in Austria especially since the beginning of the 1980s. The review of and selected elaboration on findings from the major scientific and/or academic journals and other publications provided additional background for the elaboration of tailor-made questionnaires for key actors in the area social partners/VET. Furthermore it was a first step to make the relations of VET in the context of social partnership visible.

2. The study will present main research dimensions in a time perspective in order to highlight developments and trends. Data concerning the size and power of social partners' organisations has been collected – if possible – for the last 15 years.
3. A series of expert interviews were carried out with representatives of the social partners, their educational institutions, government officials, academics and other experts in the field (name, position and organisation of the interview partners you can find in the annex); as well you can find the questionnaire in the annex). Fresh information especially with respect to the changing features of social partnership mainly has been generated from those interviews.
4. A focus group discussion was held with participants from the social partners and academia in Vienna on 16 September 1999. The discussion focused on the verification/falsification of 11 statements and theses prepared by the project team.
5. A more detailed study is focused on the questions of functioning and sustainability of the training of apprentices in the Dual System.
6. Finally, a first draft of the report was revised on the basis of a round of critical comments by the social partners and a helpful review by an Austrian colleague.

It has to be said that the study, which is dealing with an eminent political topic, has been finalized during a period of serious changes in the Austrian political system, with several connotations for social partnership. The requested assessment of challenges to that system, and the presentation to an international public is to be seen as a sensible task. Moreover, it has to be taken into account that the available presentations about that topic have been often produced in a harmonized manner by some of the actors themselves. It has been agreed that the social partners' organizations may add their statements to our report, in case that their view to some of the topics differs to our results.

Finally we have to thank all our interview partners, and the experts who participated in the focus discussion. We have to thank the social partners' organizations, especially Klaus Schedler and Susanne Schoeberl, for their extensive involvement in the commenting process, and Bernhard Kittel for the helpful comments in his review. Special thanks also to Sven Age Westphalen from CEDEFOP for his kind support of our work and for his patience in dealing with the prolonged process of review and discussion. Of course we as the authors are responsible for the content, as it concerns the positive findings as well as possibly remaining mistakes or misunderstandings of the complex issues.

## 2 Background Information on Economy, the Labour Market and Vocational Education and Training (VET) in Austria

### 2.1 Economic background

The economic development of post-war Austria can be characterised as a constant process of catching-up. Austria has overcome the evident war damages and now ranks among the highly developed welfare states of the Western world. Two figures will illustrate the process: In 1954, Austria's domestic gross product per capita (valued at 1990 prices in US dollars) was only 55% of the US-figure, but by 1995 it had already reached 90%. In the mid-1950s, Austria's per capita national product (at current exchange rates) at 17% still lagged behind that of today's EU-Members, but in 1996 Austria surpassed this figure by 24%.<sup>1</sup>

In the 1950s Austria established a trade of primary goods (steel, metal, basic chemicals, oil, paper) and tourism industries, focusing on the then rapidly growing West European markets in its immediate vicinity<sup>2</sup>. The increasing internationalisation of the Austrian economy became evident as early as the 1960s. Foreign trade was the key to growth and employment, which made it more and more important for Austria to be competitive on the international market. Following the clear economic upswing after the wars, growth slowed down in the first half of the 1960s, which can be attributed partly to the structural adjustments necessitated by intensifying endeavours to open up the economy, and partly to the scarcity of labour.<sup>3</sup> From the end of the 1960s until the mid-1970s, Austria benefited from the boom in industrialised countries in Western Europe and North America. When the shock of the first oil crisis hit, along with the associated slumping of global economy, huge structural problems arose in Austria.

In the period 1974 to 1982, Austria mainly kept its growing figures up by increasing public spending, resulting in burgeoning budget deficits, whereas Austria's competitive position could not be improved any further in terms of technology or prices. While in the 1970s Austria's industry grew distinctly faster than in the European OECD countries, its economy faltered in the early 1980s, due to both structural causes (the large portion of industry in primary goods) and the efficiency problems prevalent in the state industries. An industrial policy of maintaining employment levels prevailed. This saved jobs in the short term, but in the longer term it triggered a crisis of the state industry. It was only with the help of heavy

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<sup>1</sup> This overview mainly follows Pichelmann et al 1998; see also Pichelmann/Hofer 1999, Lassnigg/ Schneeberger 1997, OECD 1997, 1999, IHS 1999a, 1999b, WIFO/ IHS 1999.

<sup>2</sup> Kramer 1997: "Struktur- und Standortpolitik", Paper for the Zukunftsforum at the chancellor's office, Vienna, cited after Pichelmann et al. 1998.

<sup>3</sup> Walterskirchen 1991: "Unemployment and labour market flexibility: Austria", ILO, Geneva, cited after Pichelmann et al. 1998.

budget subsidies that it could be kept from grounding. After several crises, the state industries were ultimately privatised.

At the end of the 1980s, the opening-up of Eastern Europe led to a renewed economic boom in Austria. On the one hand Austria benefited from German Reunification and, on the other, its geographic location allowed it to profit, more than anyone else from the integration of the Central and East European economies in the global economy. This notwithstanding, the cyclical problems in Germany, meaning the dollar, lira and pound, and the not-to-be-forgotten difficulties in adapting structures to the changing global economy have recently led to growth in the EU area below average.

Summing up, we can state that the Austrian economy has clearly succeeded in catching up. This growth was driven by a continually opening-up of Austria's economy<sup>4</sup> and by a dynamic growth of foreign investment in Austria.<sup>5</sup> This success was made possible by the high degree of political and social stability, predictable wage cost trends and the well-trained and motivated workforce.

For the last few years, Austrian economy has garnered market shares (including in the high-tech field), the prices of its exports have improved and direct investments have reached a higher degree of internationalisation. Furthermore, Austria has proved itself to be especially competitive in products with medium value-added intensity and on nearby markets. It is undisputed that Austria has become a high wage location though unit wage costs have deteriorated relative to those of its trade partners due to the appreciation of the Schilling and a remarkable growth in the productivity of Austrian industry. Therefore, Austria has improved its competitive position relative to its Western trade partners considerably.

One criticism that has to be made is that Austria's exports are lacking in modern technologies. They focus on medium-range technologies in resource and labour-intensive segments. In part, this may be attributed to the below-average research and development activities. Other weak points are the concentration on neighbouring instead of global markets and the lack of innovative business clusters.

## 2.2 The Austrian Labour market

The present situation on the Austrian labour market is very good from an international point of view. Of all EU countries, only Luxembourg has a lower level of unemployment (see Table 7, annex) and the level of unemployment among young people is even the lowest in the EU

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<sup>4</sup> Which led to a rapid increase in productivity through cost-cutting technological progress and to a change in the structure of the economy.

<sup>5</sup> Austria was able to introduce and spread new business practices and modern technology mainly by attracting foreign investment and importing advanced capital goods.

(see Table 8 and Table 9, annex). But also with respect to employment, Austria ranks among the forerunners. The labour-force participation rate (measured in % of working-age population or in full-time equivalents) is around 70% (67% respective) and, thus, about 10 percent higher than the EU average (see Table 10, annex). However, the labour-force and the working population grew during the 1990s, so did unemployment in Austria – contrary to several other EU countries (see Table 11, annex). Only in 1999 a slight reversal of that trend occurred.

According to the national method of counting the unemployment rate<sup>6</sup> in Austria increased from 5,6% ten years ago to 7,1% in 1997. The female unemployment rate was higher than that of men (up to 1,5 percent) but during the last years converged the two rates more and more so that the difference is today 0,5 percentage points (see Table 10, annex).

In general, the labour force has grown since the 1960s, which is mainly due to the increase in the participation rates of women in their prime.<sup>7</sup> However, the activity rate of young men has declined, due to longer periods of education, along with that of men over 55 years of age. In general the activity rate of older workers is much lower in Austria than in most other countries of the EU. The employment rate among 55-to 64-year-olds in Austria is almost 6 % and the activity rate in the 55-to 64-age group in Austria is almost 10% lower than the total figure of the EU. Consequently, the rate of unemployment in Austria in this age group was not even half as high as the EU average. Related to this observation is the fact that the average retirement age in Austria is rather low international the speaking. The average retirement age (excluding public servants) was 58 on average for men and 56,5 for women in 1996. Since the mid-1970s, the average retirement age has declined by roughly three years. The number of retirements is, to a certain extent, merely a reflection of the situation on the labour market for older workers and plays quite a significant role in relieving the pressure on the market. If the reduction in the labour force due to early retirement were mechanically translated into an increase in unemployment on a one-to-one basis, the latter would, indeed, have been almost 50% higher than it actually was in 1996.<sup>8</sup> Nonetheless, it is meanwhile the generally accepted goal to move the actual age of retirement closer to the statutory retirement age, and a series of policy measures has therefore been implemented.

Over the last 30 years, roughly two thirds of total employment was represented by dependent employment in the private sector. This share has risen slightly during the last decade and now (1998) ranks at 68,9%. However, regarding government employment and self-employment, remarkable shifts have occurred since the 1960s: in 1998, the proportion of

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<sup>6</sup> National method: Registered unemployed per sum of dependent employed and unemployed persons. EUROSTAT-method: A more narrow definition of unemployed persons per sum of total employment (including self-employment).

<sup>7</sup> This trend can be attributed to the higher degree of education, the lower fertility rates and the changed role perception of the role of women in society.

<sup>8</sup> However, this mechanical approach strongly overestimates the amelioration effect of early retirement in the medium and long terms. See Pichelmann et al 1996, on this issue.

self-employed persons sunk from a quarter in 1965 down to 11% mainly due to the shrinking number of farmers. However, employment within the public sphere rose from a share of 12% of total employment in 1965 up to 20,8% in 1998 (with a peak of 22,5% in 1994–1996). With other words: A fifth of all employment in Austria is government employment and only every tenth person is self-employed (see Table 12, annex). Due to a phase of budgetary consolidation, employment in the government sector will shrink even further.

Regarding the Austrian labour market by sector, the most striking aspect is the still quite high proportion of the primary sector in Austria of about 8% of total employment in 1996. The secondary sector contributes, with 30% of total employment, more or less the same amount as in the EU average. However, the international trend towards the tertiary sector is also visible in Austria. Due to breaks in the series, only data from 1995 on are available on this, but even since then the share of the tertiary sector has risen by nearly 2 percent of all dependent employees in Austria (see Table 13, annex).<sup>9</sup>

The same picture can be observed in the structure of employment by industry: Nearly 21% of all dependent employees work in the production industry, another 9% in construction (more or less the secondary sector). 16% are employed in public administration, another 5% in health care and 4% in education (more or less the government sector). In the trading and retail industries, 16% are employed and in hotels and restaurants (the for Austria so important tourism industry) another 5% of all dependent employees work. Real estate and business services (with 7% of all employees) are growing quite fast, as well as other services, whereas the shares of industrial production and the primary sector among total dependent employment are shrinking further (see Table 14, annex).

Also evident is the segregation of the labour market by gender. In transport, construction, electricity/gas and water supply and mining the sectors, more than 80% of all dependent employees are male, whereas in health care, education, hotels and restaurants and in other services the proportion of women among all dependent employees is higher than 60%. The averages of all industries are 60% male versus 40% women.

However, the average growth in employment within the service sector is not represented by all professions. A recent forecast for the regional labour market of Vienna (Prenner et al 1999) shows a clear trend towards an increasing segregation by the level of qualification. Highly qualified professions in the service sector did, and will, expand most, but also professions with a low level of initial qualification will grow slightly in the service and the production (construction) sectors. In comparison employment in professions that require a medium level of qualification did and will shrink. A division by sector, where the service sector is divided into primary (lower average qualifications required) and secondary services

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<sup>9</sup> Note: this table shows only the dependent employees and does therefore not include self-employed farmers which are responsible for the higher share of the primary sector in general.

(higher average qualifications required), shows these trends even more clearly (see Figure 4, Figure 5 and Figure 6, annex). The differentiation of the two segments of the service sector can also be described as the primary segment that uses very much the new information and communication technologies and the secondary segment that is not so directly involved in these developments. As far as the labour market is concerned, one of the main problems of parts of the primary segment (telecommunication, new media and EDP-businesses) is the lack of adequately qualified persons on the labour market. The number of open positions quite often exceeds the number of job seekers. This fact is regarded as one of the most important obstacles of further growth in these industries.

Very obvious is the trend towards a higher qualification level in employment if one differentiates the unemployment rate by initial education. The overall unemployment rate was – according to the national counting method – 7,2% in 1998. By comparison, the unemployment rate of higher education graduates was only 2,4% but the unemployment rate of graduates from compulsory schools amounts to 13,8% – nearly double as high as the overall average (see Table 15, annex). All other qualification levels are still below the average of the total unemployment rate, but apprentices are already reaching 6,5%.

Although apprenticeship (the so called dual system) slightly loses importance in favour of higher levels of qualification it still plays a very important role in vocational training in Austria and may therefore have contributed to the comparatively low rates of unemployment of youth (see above). In 1998 40% of all 15-year-olds attended the first year of an apprenticeship (see Table 16, annex). Between 1975 and 1990 this rate remained more or less constantly at 47% and decreased during the last decade due to structural changes in the economy. The participation rate among young men fell during the last 25 years by around 10 percentage points. However, the rate is still much higher for men (51%) than for women (29%). The balance of apprenticeship positions offered versus the demand for them fell quite dramatically from the beginning of the 1990s on, so that it has been negative since 1995. This is, in general, recognised as a severe problem and policy measures have been intensified since 1996 to turn that development around (see Figure 7, annex).

Another point that is said to contribute to decreasing unemployment rates in other countries is the expansion of part-time employment. In Austria part-time employment plays a minor role compared to other European countries and reached a proportion of 15% of total employment in 1997. Only 4% of male workers are employed part-time and this figure did not vary significantly during the last decade. It is women that are mainly employed part-time, and their number is also increasing. In 1997 were nearly 30% of all working women in Austria part-time employed.

In summary the Austrian labour market, during the last decades, was in a more favourable situation than the labour markets of other Western European countries. This is still the fact even if unemployment rates in Austria have risen. One can diagnose an increasing

participation rate of women and a strong trend towards early retirement. The Austrian labour market came under pressure at the end of the 1970s as a consequence of the oil crisis, during the 1980s mainly as a consequence of productivity problems within the state owned industry, and recently as a consequence of growing internationalisation, competition and technological developments accompanied by pressures on the productivity (and therefore the wages) and an increasing mismatch between demanded and offered qualifications on the labour market. Austrian policies try to answer these problems with reforms that aim to bring (higher) education closer to industrial demands and with active labour market programmes, such as the National Action Plan for Employment (NAP) that focus especially on risk groups.

### 2.3 VET provision in Austria

The Austrian VET- system is described in great detail elsewhere (Piskaty et al. 1998), so we can focus on some of its crucial dimensions. The system can be broken down into the following basic components, which are more or less separate:

1. The initial VET-system (IVT-system, see Figure 3, annex) comprising the medium level vocational schools, the vocational and technical colleges, the apprenticeship system, the polytechnical institutes (“Fachhochschulen”) and the non-degree tertiary and technical colleges<sup>10</sup>.
2. The system of continuing vocational education and training (CVT) provided by education and training institutions, comprising non-degree university courses, the training institutions run by the social partners, a variety of private CVT providers, the training and re-training measures initiated by the public employment service.
3. The widespread system of informal enterprise training, which predominantly takes the form of on-the-job activities and to some extent, is combined to formal activities in training institutions. This system is “invisible” in the sense that those measures are difficult to observe by the traditional information systems. Consequently, information even on such simple things as participation rates, or structures of supply is not easily available.<sup>11</sup>

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<sup>10</sup> Referring to law FH study programmes aim at providing students with a ‘*scientific based vocational training*’ while universities aim at providing with ‘*scientific career-preparatory education*’ (*wissenschaftliche Berufsvorbildung*). Since the priority of university education lies on providing scientific qualifications they normally are not labelled as vocational institutions (see also Piskaty et al. 1998). However, in certain fields especially with respect to applied economic and technical study programmes at universities the difference to the “Fachhochschulen” may be difficult to draw in practice.

<sup>11</sup> Cf. WIFO/IHS 2000, EC-DG XXII 1998.

Considering their respective weights, and the relationships among those parts of the system, the highly formalised IVT-system clearly is the most developed one. The public education budget is mostly spent on the IVT-system. The following features, issues and frictions are characteristic of and crucial for the performance of the Austrian IVT-system.

- Compared to most EU and OECD countries the Austrian IVT-system is providing medium level vocational qualifications to a high proportion of the population. The proportion of the vocational tracks (apprenticeship, schools and colleges) at the upper secondary level of the initial education system is about 70% (OECD 1998). Consequently more than 70% of the labour force have completed vocational education and training (including the comparatively low proportion of university graduates (OECD 1998, Piskaty et al. 1998, p.19).
- Austria exhibits a very favourable position concerning the widespread problem of youth unemployment. The measures are at the lowest levels in comparison to other countries, and the concerted action of the several involved players (government, parliament, social partners, AMS, schools, training enterprises) since 1996, which had been included into the NAP 1998, could so far manage to stop the increase of unemployment at the apprenticeship market, which had been especially severe among young women (Lassnigg 1999, Lassnigg/Schneeberger 1997).
- The participation of young people in IVT has gradually emerged during decades, therefore the qualification structure of the younger population is more advanced than that of the older population (among the 55 – 65 age group the proportion of people which have not completed a minimal vocational education is between 40% and 50%, among the cohorts below the age of 30 that proportion is about 20%), those disparities are more marked among women than among men, leaving a higher proportion of young women without vocational credentials until today (see Lassnigg/Paseka 1997, Prenner et al 2000).
- At the upper secondary level the Austrian IVT-system has both a strong apprenticeship sector (40% of young people at the 10<sup>th</sup> year of their educational career) and a strong system of vocational and technical schooling.<sup>12</sup> The rise of the participation rate in education and training occurred subsequently in different parts of the system, during the period until the 1960s the apprenticeship system expanded markedly, during a following short period the academic track of general education took over the expansion, and since the 1970s the expansion has been mainly carried on by the technical and vocational colleges (WIFO/IHS 1998, p.85–91; Lassnigg 1997). The

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<sup>12</sup> That structure points to a marked difference to the well known German dual system, as well as to the Swiss apprenticeship system, as there exists a strong alternative to apprenticeship in Austria at the upper secondary level which brings about strong pressures for competition in terms of students' educational choices as well as in terms of the recruiting behaviour of the enterprises.

latter are also estimated to grow further in the future (Lassnigg 1998b, Lassnigg/Nemeth 1999), a development that may lead in the longer term to a change in the leading position within IVT from apprenticeship to the TVCs.

- According to the marked expansion of educational participation the official statistics demonstrated that very few young people (1–3%) were out of education and training in the 10<sup>th</sup> grade, the share of young people leaving the educational system after the end of compulsory education (9<sup>th</sup> grade, at the age of 15) showing a decrease of about 10% points during the last two decades<sup>13</sup>. However, the empirical basis of those statistics is increasingly doubted and alternative calculations point to a rate of about 8% drop outs at the end of compulsory schooling; the rate even pointing to a slight tendency to rise (Steiner/Lassnigg 2000, WIFO/IHS 2000). Among the 18 – 24 age group of young people who have left education and training, the proportion of persons having completed no more than the lower secondary level is about 12% (European indicator, WIFO/ IHS 2000, p.93), so there much is left to do to achieve the European target of that proportion reaching the zero-level.
  
- Piskaty et al. (1998, p.29) point to the historical legacy of “heterogeneity” within the Austrian education and training system, which has left remaining “separating factors” within the “comprehensive” structure, both in “vertical” and “horizontal” terms. Within the IVT system several studies and comments have pointed to a rather stratified and specialized and also a highly regulated structure (CEDEFOP 1995, Brünner 1991)<sup>14</sup>, that issue being one of the most severely contested terrains in the Austrian education and training policy field. The significance of that basic structure for today’s main challenges is rather clear in general terms<sup>15</sup> – be it the structural matching to social demand as well as to manpower demand, or the mechanisms bringing about the flow dynamics within the system (including the foundation for life long learning attitudes and behaviour), or the potential of the system to develop the appropriate learning environments, or the outcomes of education and training pathways in terms of higher order skills and knowledge. However, in terms of more concrete policy design, not only the actions to be taken for meeting the challenges have remained much less clear, the ground for a thorough assessment is rather deep and swampy also. Consequently, the

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<sup>13</sup> Data from Lassnigg/ Schneeberger 1997, p.13.

<sup>14</sup> A comprehensive analysis of the whole system including higher education some years ago (Lassnigg 1989, Lassnigg 1998b) observed a high number of study lines (65 in the advanced technical and vocational college, 110 in the medium-level vocational schools and 243 in the apprenticeship system. In sum, at the upper secondary level about 420 courses were estimated) showing the high degree of specialization within the the system. In the whole system, the tertiary level included, at least 670 different courses were counted, each of them regulated by detailed legal curricula. Broken down into subjects (about 15 per course), whose content is specified for each grade of the courses, the study found a very complex system of regulations. On the whole the regulations which indicate the content of the curricula may be estimated on a scale of at least a quarter of a million items, a degree of complexity which hardly allowed for keeping prospectus without the implementation of a developed system of knowledge management.

<sup>15</sup> Cf. Nijhof/Brandsma 1999, OECD 1996.

appraisal of several basic assets of the system differs among political actors as well as among researchers, examples being the proposed solutions concerning specialization and flexibility, to the enduring barriers for permeability (opportunities for upward mobility) within the system.

- Despite several pronounced statements in favour for a strengthening of permeability since the 1970s, that aim has only been met to a limited degree until recently. The overall opportunities for access to more advanced educational pathways have expanded markedly on average; however, the mechanisms of social selection were not outpaced by that process, and mobility within in the upper secondary sector mostly remained to be downward flexibility,<sup>16</sup> often combined with failure at school (most frequent transitions occur: Advanced technical and vocational colleges<sup>17</sup> ⇔ Medium-level vocational schools<sup>18</sup> ⇔ Apprenticeship<sup>19</sup>) Re-entering the schooling sector or higher education especially from apprenticeship is only possible at high costs, even if several policy measures and initiatives have been set for improvement during the 1990s (Piskaty et al. 1998, p.41–45) whose effects remain to be seen in the future. The apprenticeship system has been moved more closely towards the school sector by some of the changes which include a gradual introduction of general subjects, the pathways within the school sector have been made more flexible, and since 1997 the new opportunity of a “Vocational Matura” opens up a formal pathway into higher education from apprenticeship.
- The reforms, which have been amended at several aspects of the Austrian IVT-system during the 1990s, are bound to make its performance more flexible due to changes of the highly regulated and specialized basic structure. Since 1994 studies in the new institutional setting of the Fachhochschule are provided. The Fachhochschule framework rests on a completely different institutional setting as compared to the traditional structure of the Austrian IVT-system<sup>20</sup>. In the course of steps towards more autonomy of the educational institutions the regulations of the technical and vocational schools concerning curricula, financing and students’ progression rules were gradually loosened. The degree of specialization was reduced in the IVT-schools. The regulation of higher education was broadly reformed towards more autonomy of the institutions, and tightening of the management structure including the establishment of more direct links to the economy and working life.

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<sup>16</sup> Lassnigg 1998b, Lassnigg 1997, also cited in Blumberger/Markowitsch et al. 1998.

<sup>17</sup> With a drop out rate of at about 17% from the first to the second class (Steiner/ Lassnigg 2000).

<sup>18</sup> With a drop out rate of at about 30% from the first to the second class (Steiner/ Lassnigg 2000).

<sup>19</sup> Cf. Brandel et al 1994.

<sup>20</sup> The FHS-framework is managed by a professional accreditation body, the regulation is bound towards outcomes and evaluation, the providers are given high autonomy in shaping their study supply, etc.

- Compared to other European countries the Austrian system does not provide open credit points, which the pupil can strive for and accumulate. It rather provides second-best alternatives in the case of failure within the area of first choice. Consequently the Austrian IVT-system is characterised by a low degree of modularisation, but by a high degree of segmentation.
- The occupational profiles are rather narrow from a general point of view. The overall degree of curricular specialisation decreases from apprenticeship to every higher level of education, which are even providing for more general education. And specialisation is higher in crafts engineering and production oriented study lines than in other sectors (administration, services). Especially the basic structure of apprenticeship occupations has been highly disputed since decades, resulting in some gradual steps towards more combined occupations (Gruppenlehrberufe).
- The formal certification system is almost comprehensive, with most of the credentials tied together in a framework of exchange relationships. The institutional structure bears a resemblance to the bureaucratic model.

Whereas both the public budgets and the political attention have been focused mainly on the IVT system we can hardly speak of a system in the area of continuing vocational training (CVT). The predominant and highly regulated IVT system is complemented by a CVT-sector, which is mainly based on private activities, exhibiting salient structural weaknesses and deficiencies. It has not been until recently that the development of a system comprising further training, CVT and company development of human resources (HRD) would have been a point of reference for policy debates and programmes in Austria. Ofner/Wimmer (1998) give a comprehensive account of the policy debates concerning that sector which shows rather deep cleavages among the involved actors, especially the role to be taken by the state being highly contested. In terms of historical development, education for adults emerged due to private initiatives, such as the religious communities, trade unions, the forerunners of the chambers and political parties, at a time when the public sector expressed no particular interest. Remarkably, those major social forces have largely retained their predominance in adult education, the state rather taking a moderating role. In the course of intensifying adult education during the 1960s, the parliament passed the Promotion of Adult Education Act in 1973. In this federal law the funding of adult education and public libraries from government budgets is regulated. Adult education deriving from this strand was mainly related to general education, partly to “second chance” education within the formal education sector, but normally not to vocational education and training. Furthermore this act does not regulate any responsibilities and competencies for CVT, it just regulates the expense of few public money for mainly general adult education. As a result the realm of continuing vocational education and training can be characterised by a market model which is only weakly embedded in a legal framework. This organisational mode of CVT in Austria causes salient problems and respective criticism highlighting especially the point that markets need

bodies of co-ordination and regulation<sup>21</sup> to enable effective competition and efficient supply (Chang 1997). This state of affairs was commented by the OECD with the remark: “*Nobody really feels responsible for promoting and boosting CVT*” (OECD 1995, p.85) and – following the argument of the OECD – in consequence, CVT particularly for engineers, technicians and managers who have acquired a few years of professional experience is still patchy, segmented, not well organised and without an overall response to current and foreseeable needs (OECD 1995, p.85). The Austrian CVT system exhibits the following features, issues and frictions.

- Based on the employment strategy a priority for the development of life long learning has been developed in the first Austrian NAP which gives a rather general outline for steps towards a policy strategy for life long learning.
- As in many other countries, there is a lack of clearly defined definitions and quality criteria. The issue of identification, assessment and recognition of informal qualifications is also observed as a new and unresolved one (Bjornavold 1999, p.2).
- The lack of information even on such simple things as participation rates, or structures of supply, has been somewhat alleviated by the information from the European labour force survey only recently. The figures point to participation rates next to the European average, and to a moderate prevalence of the well known disparities concerning access based on social traits as gender, education, age, occupation, etc. to CVT (O’Connell 1999). An easily accessible information system about CVT supply has been under construction for some time, those activities have been strengthened recently with assistance from the ESF. The existing information about funding of CVT is based on rather weak estimates so far, however, the figures show clearly the predominance of IVT in that respect (CEDEFOP-Panorama 1998). That issue has caused discussions about the further development of the financial relations among the sectors of the Austrian education and training system (Riemer 1999).
- Based on responsibilities for continuing professional development a small number of institutes mainly owned by the social partners are the dominating providers of CVT (Piskaty et al. 1998, p.58), especially WIFI and BFI, one belonging to the employers’ organisations and the other one to the employees’ organisations. The Austrian NAP considers those providers as the most competent ones, deserving further promotion on grounds of effectiveness and efficiency. As about two thirds of participation is already covered by those institutions, the market seems monopolized to a certain degree

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<sup>21</sup> Regulation in this respect means not to strengthen the density of bills and ordinances. It is rather directed towards government activity that is intended to affect directly the behaviours of private sector agents in order to align them with the ‘public interest’ without operating as a public enterprise. Consequently regulation is directed towards an effective framework of the market and towards effective incentives to increase participation in the market.

(WIFO/IHS 2000, OECD 1997), that figure posing at least some puzzles to the strong rhetoric of market.

- The Public Employment Services (AMS), which is providing training measures as a main domain of active labour market policy, is the big customer on the CVT market. Labour market training is the main public source for continuing education and training, the CVT providers having to tender for that sources.<sup>22</sup> As the social partners are involved in the supervisory boards of the AMS at national, regional and local levels (see also chapter 4.2.3) that structure implies at least indirect ties between their further training institutes as suppliers on the CVT market and the AMS as a customer on this market<sup>23</sup>.
- Apart from those networks, the CVT market has evolved strongly during the last decade, and there is high competition<sup>24</sup> among many other market providers, some observers also pointing to rising prices on that market. A lack of market transparency for the customers is widely seen as a deficiency. This scarcity of market transparency might lead to an imbalance and as a consequence to uncertainty and a reduction of investments (Kramarsch 1995, p.9/10)
- A low degree of professionalization is highlighted by some analysts (Lenz 1997, Ofner/Wimmer 1998) that issue being taken up by the Austrian NAP in projecting the promotion of full time employment in the adult education sector.
- The prevailing weak co-ordination of public activities (the involved federal departments are acting virtually without co-ordination) due to the lacking overall framework is addressed to some extent by the Austrian NAP.

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<sup>22</sup> There are some differences concerning the funding structure of the institutes, the BFI raising a higher proportion of its funding from labour market policy, see chapter 4.2.3.

<sup>23</sup> In the analyses of the OECD this issue is formulated even more pointed: *‘Overall, the market for providing training services is not very competitive: local markets for adult training are dominated by a few big providers (the unions and the employers’ federation). Moreover, the same organisations are also represented on the decision making boards of the labour office which, in addition to contracting out training, also provide the investment capital for many centres. Although this might facilitate efficient planning of training programmes, there is nevertheless a risk of conflict of interest as the social partners are involved in funding decisions affecting their own training facilities. In addition, the development of effective competition might remain restricted’* (OECD 1997, p.147f.). See also OECD 1995, p.25.

<sup>24</sup> Despite the organisational ties between the AMS and the social partners the social partner’s institutes are involved in the market competition since the AMS of course has to do an invitation to tender; moreover in each federal country the AMS has between 40 and 100 partners.

### 2.3.1 Legal and administrative foundations and political decision making<sup>25</sup>

The main legal basis of the school-based sectors of education, but excluding universities and other higher education colleges, is the Austrian education law, which consists of different acts, like the *Organisation of Schooling Act* or the *School Instruction Act*. For universities and other higher education colleges, the corresponding acts are the *University Organisation Act (1993)* and the *University Studies Study Act (1997)*. The *Fachhochschule Studies Act* of 1993 established the prerequisites and the procedures for the recognition of Fachhochschule programmes as well as the conditions of awarding the institutional designation “Fachhochschule.” Given the major importance of apprentice training within the initial vocational training sector, the sixth main legal pillar of the Austrian education and training system is the *Vocational Training Act*.<sup>26</sup> As already mentioned above, the legal foundation of adult training can be found in the *Adult Education Act* of 1973 (see also above). Training and re-training in the responsibility of the Public Employment Service is based on the *Labour Market Promotion Act of 1969*.

All these legal regimes have one thing in common: starting at the highest level of Austria’s federal structure, each of them defines areas of autonomy and devolved competencies for each of the lower levels. Where competence is devolved, the subordinate level is accountable to the superior level, whereas where the competence is autonomous, each level can act independently and is responsible only to itself. Another typical feature of the education and training administration is the existence of collegiate bodies at various levels, which, wherever possible, bring together as full voting members representatives of all the social forces relevant to the field of policy-making.

The two main policy-making institutions in the field of education and training, which together form the *Federal Parliament*, are the *National Assembly*, which is the more important chamber in this bi-cameral system, and the *Federal Assembly*, which represents the federal provinces. Draft legislation is usually submitted to Parliament by the Federal Government on the basis of a unanimous vote. A two-thirds majority in the National Assembly is required for passing legislation on matters concerning the organisation of education.

Before the submission to the Federal Parliament, draft legislation and draft regulations are commented on by the federal ministries concerned, the provincial governments, and to the extent to which their field of competence, is concerned relevant by statutory special interest bodies. Also consulted in this procedure are relevant non-statutory special interest associations, in particular those representing the interests of employers and employees. In the matters concerning education, the consultation procedure as well involves teachers’

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<sup>25</sup> The following section heavily draws on: KulturKontakt 1996, p.129f; cf. also Piskaty et al. 1998.

<sup>26</sup> The complexity of the regulation of the apprenticeship system is underlined by the fact that the law concerning *Employment Protection of Young People* and the *basic economic regulation* (Gewerbeordnung) also include important issues for that system.

associations and the apex organisations of parents' associations, youth associations, other educational bodies, the most important religious associations and other groups.

### 3 The Social Partners' involvement in the process of policy development: history and problem outline

We firstly describe the actors, the organisational and institutional set-ups of social partnership in Austria. Secondly we give a short outline regarding the mode of function and the main fields of activity of the Austrian Social Partnership in the post-war period. In this part we also will consider the changes in the involvement of social partners in the process of policy development in the 1980s and 1990s.

#### 3.1 Actors, organisational and institutional set-ups of Social Partnership in Austria<sup>27</sup>

The term social partnership embraces quite wide ranging forms of collaboration between employers and employees or the associations and interest groups representing them. In Austria this collaboration is particularly pronounced and can be regarded as a decisive element of the political system (KulturKontakt 1996, p.127). Co-operation between the social partners and their influence on politics has become institutionalised to a greater extent than in virtually any other democratic state. It can be stated that with respect to the economic policy, labour market policy and social policy Austria represents a corporatist model of interest intermediation<sup>28</sup>. Apart from the state the main actors in this model are:

- The Federation of Austrian Trade Unions (Österreichischer Gewerkschaftsbund, ÖGB);
- The Austrian Federal Chamber of Labour (Bundesarbeitskammer, BAK);
- The Federal Economic Chamber (Wirtschaftskammer Österreich, WKÖ);
- The Chambers of Agriculture and Forestry (Landwirtschaftskammern);
- The Federation of Austrian Industry (Industriellenvereinigung, VÖI).

The Federation of Austrian Trade Unions and the Austrian Federal Chamber of Labour are representing the employees. The Federal Economic Chamber, the Federation of Austrian Industry and the Chambers of Agriculture and Forestry are representing businesses and those independently employed on the land.

While the membership in the Federation of Austrian Trade Unions and also in the Federation of Austrian Industry is voluntary, the chambers are public corporations installed by law, have compulsory membership and have the right to comment on government proposals before

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<sup>27</sup> The following section on actors in the Austrian social partnership draws on Pichelmann/Hofer 1999, p.44–47 and on KulturKontakt 1996, p.127f.

<sup>28</sup> This model has some specificities being unique to the Austrian economy. Following an OECD analysis *"on both sides of the labour market, there exists a parallel set of voluntary organisations (trade unions, industrial associations etc.) and self-governing incorporated bodies called chambers (Kammer) ....The chambers on each side of the labour market are hierarchically organised with two central chambers for, respectively, workers and employers. In addition farmers have a separate chamber"* (OECD 1997, p.128).

these are forwarded to parliament (Kittel 2000). Consequently the financial resources of the chambers are legally guaranteed by means of compulsory dues. As statutory corporations the chambers are entitled to represent their members' interests intensively, internally they rest on democratic representation and include extensive mechanisms of interest intermediation among the various subgroups. Their sphere of influence includes the self-governance of the social security system, formal involvement in social and economic legislation, representation in an immense number of tripartite advisory boards (Karlhofer 1996, p.121f.) We will give a short description of these organisations in the following.

The *Federation of Austrian Trade Unions* (ÖGB) differs from most trade union organisations in other democratic countries in that it is non-party and highly centralised. Its main tasks consist of the representation of the social as well as of the economic interests of its members and of employees in general in their working life. Different political directions are represented by individual sections within the organisation, the biggest being the social-democratic section. The Federation of Austrian Trade Unions is more than just an umbrella organisation like Germany's DGB or England's TUC. It was founded before the individual trade unions and it is still the main body representing workers retaining power of the purse and personnel over the specific trade unions to this day. Referring to the organisational set-up the ÖGB combines a differentiation into initially sixteen (today fourteen) trade unions.

*The Austrian Chamber of Labour* is the statutory interest group organisation of dependent employees with compulsory membership. Particularly important among their duties is the participation in all measures and organizations, which affect employment or the economic and social situation of blue and white collar workers (KulturKontakt 1996, p.128) Chambers of Labour are constructed in all nine Federal Laender of Austria. Members are fundamentally all employees except public servants and white collar workers belonging to the management. The Austrian Chamber of Labour is working close to the Federation of Austrian Trade Unions, leaving the responsibility for collective bargaining with the ÖGB,<sup>29</sup> and performing among its several functions also as an important intelligence staff unit. It employs a large number of specialists capable of playing a decisive role in economic and social policy.

The *Austrian Federal Economic Chamber* is as the statutory interest association of employers based as well on compulsory membership and appointed to defend the common interests of all independent entrepreneurs. Like the Chambers of Labour also the economic chambers are constructed in all nine Federal Laender of Austria. The organization of the Chambers of the economy is formed in all nine Federal Laender of Austria by a range of highly differentiated organizations to represent the different branches of the economy (business and trades, industry, commerce, finance, tourism, credit and insurance). As well as the Chamber of Labour the Federal Economic Chamber employs a large number of

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<sup>29</sup> The development of the relations among the employees' organizations are analyzed more detailed in Klenner/Pellar 1999.

specialists capable of playing a decisive role in the economic and social policy discussion. Due to the structure of Austrian enterprises, small and medium-size businesses dominate the Federal Economic Chamber.

The *Federation of Austrian Industry* comprises the rather large industrial enterprises but as well companies from the services and many SMEs. Membership in this group is voluntary. Even if this association is not a formal part of the Austrian social partnership<sup>30</sup> in order to do justice to the often divergent interests held by trade and industry, a representative of the Federation of Austrian Industry is always included on the employer's negotiating team in social partnership negotiations. And the Federation of Austrian Industry especially is involved in the formation of new innovative regional production and learning networks (e.g. the automotive cluster Styria).

The *Chambers of Agriculture and Forestry* represent the interests of those independently employed on the land. They exist only at provincial level but there is central representation however at the Presidential Conference of Chambers of Agriculture and Forestry.

### **The Parity Commission**

The Parity Commission forms the core organisation of the economic and social partnership. The Parity Commission consists of four sub-committees:

- The Sub-Committee for Prices (since 1957)
- The Sub-Committee for Wages (since 1957)
- The Advisory Board for Economic and Social Affairs (since 1963)
- The Sub-Committee for International Issues (since 1992)

Since the Parity Commission has no legal foundation, its basis consists of a non-binding understanding between the parties, according to a form of gentlemen's agreement. This commission works under the chairmanship of the Federal Chancellor and with the participation of relevant Federal Ministers, but only the four main interest groups are entitled to vote.

- The Federation of Austrian Trade Unions (Österreichischer Gewerkschaftsbund, ÖGB);
- The Austrian Federal Chamber of Labour (Bundesarbeitskammer, BAK);
- The Federal Economic Chamber (Wirtschaftskammer Österreich, WKÖ);
- The Chambers of Agriculture and Forestry (Landwirtschaftskammern);

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<sup>30</sup> There is some debate among experts if the Federation of Austrian Industry should be counted as a 'social partner'. Arguing with their account about its anti – union or even anti – social-partnership orientation Kittel/Tálos (1999) would hesitate to do this. Nevertheless the Federation of Austrian Industry plays an important role especially on the political or 'macro' layer of interest intermediation towards which this rather general chapter is directed. Since the main European interest organizations do not accept statutory membership the Federation plays an important role at the European level (Falkner 1999, p.229).

The Commission's decisions must be approved unanimously, consequently reinforcing the process of compromise. This commission never had any recourse to direct legal sanction possibilities, it rather expects that those associations concerned with it will maintain a conciliatory attitude by virtue of the authority of their members. However in the 1990s the *Parity Commission* has lost its coordinating function and currently only serves as a discussion forum between the interest associations and government (Kittel / Tálós 1999). Of the two traditional subcommittees (prices and wages), only the wage commission still functions in that it formally has to consent to bargaining over collective agreements. Price regulation is practically irrelevant. On the other hand since internationalisation has increasingly become a challenge for national economic policy in 1992 a new sub – committee for international issues has been established. In the course of Austria's entry to the EU and the opening of the Eastern market the primary task of this sub – committee has become to evaluate the current international process and to submit expertise and proposals to the Parity Commission (Karlhofer 1996, p.126).

To make the process of collective bargaining and overall decision-making in the broader field of economic and social policies work, the *Advisory Council for Economic and Social Affairs* (Beirat für Wirtschafts- und Sozialfragen) is playing a major role. Since 1963 the Council as a kind of joint 'brain trust' of employees' side and employers' side has been responsible for carrying out research on social and economic policy issues. To accomplish this, the board calls upon specialists from research institutes and universities. The board's aim is to arrive at a consensus on the perception of economic and policy issues. Both sides accept the recommendations of the studies as correct data resulting in a binding interpretation. Since in the 1990s the government has taken a more active role in policy formation in socio-economic issues the Advisory Council could even increase its position within the Parity Commission. The Council developed to a significant consultant of the government but is also a forum for interest intermediation in terms of establishing a common understanding of problems and issues, which is laid down in joint reports.<sup>31</sup>

*The Social Partners' responsibility for the wide field of economic and social policy*

The original aim of the Parity Commission was above all to keep inflationary price and wage developments in check. Later in addition to income policy, the social partners were increasingly incorporated in the economic and social policy decision-making process. It was not only accepted, but also often explicitly requested that decisions be taken by the social partners and then passed along the responsible state bodies – parliament and government – for the corresponding resolutions to be passed after further discussion and concretisation.

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<sup>31</sup> The Council (Beirat für Wirtschafts-, und Sozialfragen) has produced about three studies per year, including periodic mid-term projections of the public budget, more recent topics have been for example: *Wirtschaftspolitische Handlungsspielräume* (Room for Manoeuvring in Economic Policy, 1998); *Beschäftigungspolitik* (Employment Policy, 1997); *Europäische Wirtschafts-, und Währungsunion – Neue Rahmenbedingungen für die österreichische Wirtschafts-, und Finanzpolitik* (New Conditions based on the European Monetary Union, 1994), *Wirtschaftsstandort Österreich* (Austria as a Business Location, 1994).

This particularly applies to social policy. As changes in social policy, like determining incomes, were increasingly seen as a conflict between labour and management, it was perfectly natural to consent to a consensus of these groups at the state level. This applies to both employment regulations and statutory social insurance arrangements. The major interest groups were also included in other areas of economic policy, where they represented the specific interests of their members in dealing with the state agencies without committing the state agency to an agreement in advance. Fifty percent of the central bank (OeNB) is owned by institutions that are close to the major interest groups. The social partners also hold seats and voting rights in the General Council of the OeNB and are consequently included in the ongoing debate on monetary policy (Pichelmann/ Hofer 1999, p.46).

Generally, the establishment of *advisory boards* whose task is to give advice to administrative authorities and the presentation of expert reports by the interest groups within the framework of a number of committees and commissions (European Commission 1997, p.65), is an instrument widely used in Austria for the preparation of the consensus-building process in the administration. Advisory councils are one of the institutional forms mirroring the strong influence of the social partners over the Austrian economic, labour market and social policies. Between 1971 and 1987, the interest associations were represented in 223 of such institutions (Bulda et al. 1990). These advisory boards, which were set up on the basis of special laws, are to provide their expert knowledge and experience in advising the authorities and fulfil the function of explaining and balancing the interests involved in the process.

In sum, the social partners have been included in a variety of channels of the social dialogue to promote the interests of their members, to provide their expertise, and to shape political decision making (Seidel 1996, Tálos 1996, European Commission 1997)

1. Parity Commission for Prices and Wages (as mentioned above).
2. The Advisory Council for Economic and Social Affairs (as mentioned above).
3. Advisory Councils, commissions and subcommittees (as mentioned above).
4. *The pre-parliamentary stage.* At this stage the interest groups have a basic policy shaping tool allowing them to put forward proposals on economic and social-political matters (European Commission 1997, p.65).
5. *Evaluation of bills.* In the Federal Administration, the opinions of the social partners are sought before ministerial drafts are drawn up.
6. *The parliamentary level.* A great amount of parliamentary work takes place in parliamentary committees and subcommittees in which experts representing the

interest groups are involved. In parallel to this committee work, the social partners hold meetings amongst themselves, which then contribute to concrete work.

7. *Personal interlocking with political parties.* Throughout the Second Republic in Austria the dominant political parties SPÖ (Sozialdemokratische Partei Österreichs, Austrian Social Democratic Party) and ÖVP (Österreichische Volkspartei, Austrian People's Party) formed ideological camps<sup>32</sup> ("Lager") along the class cleavages and other structural features. Hence the predominant interest groups have been supported by the Lager (camp) parties, the former holding the majority in the Associations of Employees (Chambers of Labour, Trade Unions) and the latter holding the majority in employers' organisations (Economic Chambers, Chambers of Agriculture). The close ties between associations and political parties have been conducive to the efficiency of the social partnership. To emphasise the striking peculiarities of the Austrian political system, scholars coined the terms Kammerstaat (also Verbändestaat, chamberstate) and Parteienstaat (partystate) (Karlhofer 1996, p.122 and p.127).
8. *Personal interlocking with government and parliament.* According to the Lager mentality it was also once common to find a large number of representatives of the interest associations in the government as well as among the deputies to the Austrian parliament (51,4 percent in 1973). Nevertheless, since the 1970s we can find a crucial withdrawal of the associational representatives from these bodies, which also mirrors the changes in the performance of social partners since the 1980s (see Table 18, annex).

Summarising these points, we can state that from the 1950s to the beginning of the 1980s the Austrian system has been characterised by a division of labour between the social partners on the one hand and the parliament, the parties, and the government on the other.

### **3.2 Austrian Social Partnership, its mode of function, its main fields of activity, and some recent challenges<sup>33</sup>**

Social partnership in Austria has often been seen as a model for social partnership in general (Pelinka 1991, Lang 1981). The corporatist division of labour and sometimes mutual penetration of governmental and social partners' organisations since World War 2 are both key factors of the success of the Austrian economy and social safety and has contributed to the economic stability and wealth of Austria in the second half of the 20th century (Gerlich et al. 1985).

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<sup>32</sup> The term 'political camp (Lager)' in this meaning refers to a certain type of network encompassing ideological, social and in particular political configurations.

<sup>33</sup> The analyses of recent developments stops with december 1999.

In Austria the collaboration of the social partners is particularly pronounced and can be regarded as a decisive element of the political system. Till the beginning of the 1980s government left most of the issues related to economic and social policies to the interest associations to resolve conflicting points before it submitted a draft proposal to parliament. Policy making in these areas has been the prerogative of the social partners. The central objective of the economic and social partnership in Austria has been to secure social peace through the raising of the standard of living further for all wage and salary earners as well as to strengthen the competitiveness of the Austrian economy: till the beginning of the 1980s the values of full employment and economic growth have been the undisputed binding links of the Austrian Social Partnership (Mayer 1994).

For the economic interest groups, the social partners' co-operation meant that the trade unions had accepted the necessity of profits and business had accepted that workers should participate in the increasing wealth. Accepting an existing income distribution,<sup>34</sup> collective bargaining with respect to income policy via wage regulation on the one hand and price regulation on the other hand has been the core activity of the Social Partners. The institutional framework for those processes of collective bargaining has been the Parity Commission of wage and price issues established in 1957 (see above).

Despite its undoubted success the system of social partnership has also caused criticism. Criticism concerning the economic efficiency on the one hand and criticism regarding issues of legitimacy, transparency and democracy, on the other hand. This criticism has amplified since the mid of the 1970s, when a long-term period of stable economic growth came to its end and this development was mirrored in the continuous rise of unemployment since the beginning of the 1980s. As discussed in chapter 2 the traditional socio-economic system was increasingly challenged by pressures of globalisation, increased market competition and new information and communication technologies (ICT). The loss of autonomy in general economic policy, in monetary policy and in finance policy as a consequence of these developments was inseparable related to a loss of significance of the social partners with respect to the process of policy shaping. In more concrete terms the following economic, political and socio-cultural developments and trends have affected the political role of social partnership:

- In the course of the general political tendencies of the 1980s towards deregulation, flexibilisation, rising unemployment and the move away from the state driven demand management (see Tálos 1987, p.118ff.) the employees' side lost power and consequently the incentives for the employers to co-operate were shrinking (Unger 1999, p.173f., Tálos 1991, p.407f., Tálos 1999, p.280ff., Kittel/ Tálos 1999 p.105f., Biffi 1999, p.208, especially Karlhofer 1999, p.39ff.)

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<sup>34</sup> In contrast to standard assumptions in the economic discourse, which expect an even income distribution in corporatist systems, the Austrian income distribution is estimated rather uneven (Unger 1997, p.138).

- Changes in the economic climate and the political options (budget consolidation, departure from Keynesian demand management, prioritisation of supply) have made collaboration between associations and the harmonisation of interests within associations more difficult (Unger 1999, p.173f., Tálos 1991, p.407f., Tálos 1999, p.280ff., Kittel/ Tálos 1999 p.105f., Biffi 1999, p.208).
- The increasing emergence of new occupations and jobs spreading beyond the traditional schemes of employees and employers (new self-employed, portfolio workers, under-employed, unemployed) challenged social partners foundations on stable and traditional occupations (Kittel/ Tálos 1999, p.102).
- In the political system the voting behaviour of Austrian voters changed dramatically (increasing ‘issue voting’, increasing ‘late deciders’, increasing changing voters, increasing amount of voters voting for a certain personality but not for a party). Moreover, new parties emerged and the strength of the opposition parties rose (Plasser 1990, Plasser 1999). And NGOs (Non Governmental Organisations) increasingly began to play a role in the policy process (Lauber 1996).
- These processes of decentralisation and emergence of a multitude of actors has reinforced the decomposition of the ideological camps by loosening the relationships between the associations and the respective parties they are close to (Pelinka 1993, p.69ff).
- Furthermore, since the late 1970s the values of economic growth and full employment were complemented by the “new” values like quality of life, healthy environment etc. (Brand 1982, Brandstätter/ Grosser/ Werthner 1984).

Taken together, these developments are analysed in the political and social science discourse as main factors contributing to the well established phenomenon that in the party system the competition for voters increased, and that the attitudes of the Austrians towards the social partners changed (Kittel/ Tálos 1999, p.102ff.). Criticism with regard to the social partners and the whole above-mentioned mode of running the system was related to the following issues, brought forward by a broad range of researchers:

- inefficient governance in the agricultural sector and the principle of compulsory membership in the chamber system (Tálos 1991; see also Traxler 1995, p.271)
- hierarchical decision making procedures within the system of interest intermediation and a corresponding tendency to suppress minority positions<sup>35</sup>

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<sup>35</sup> “As a whole, the Austrian system of interest representation is determined by the delegation of decisions to the top. This results in a tendency to suppress minority positions in the process of aggregation. This structure enables the leadership to select their goals and strategies relatively independent of the rank and file and to

- too stable centralised procedures “now troubled with ‘oversteering’ and major difficulties in regaining the balance” (Karlhofer 1996, p.132; see also Traxler 1995, p.271ff.; similar Schienstock 1993, p.63f.)
- being a system of male power (“Androkratie”) continually reinforcing the production and perpetuation of segregation and suppression of women both on the labour market and in the organisational set-ups of the interest associations (Neyer 1996, p.95ff., Appelt 1993, p.243 ff.)
- “being too bureaucratic”, perpetuating “sluggishness and lack of innovation” (Tálos 1996, p.118), and as well technocratic rigidity and a tendency for conserving traditional structures (Nowotny 1989)
- a reduced learning capability of interest organisations compared to political parties, the rationale of which is directed towards a quick adaptation to changing political decisions (Pelinka 1993, p.76)
- a decreasing participation in the elections of the chambers and a declining membership in the ÖGB (Federation of Austrian Trade Unions), which is mirroring a decreasing legitimacy of the social partners’ institutions (Karlhofer 1999, p.17f., Tálos 1996a, p.6f., Kittel/ Tálos 1999, p.105f.)

Without preliminary consensus of social partnership, although lacking transparency and a constitutional or legal basis, economic and social policy decisions have hardly been discussed in parliament. The pre-agreement of the social partners has eased the acceptance even of uncomfortable decisions, and the degree of the workers’ agitation has been amongst the lowest world-wide (expressed in e.g. minutes/seconds of strike per worker per year). This is still considered a comparative advantage of Austria as a location for business and industry. Furthermore, it can be stated that despite all the challenges mentioned above social partnership as a process of achieving agreement between the interest associations and the government in the 1980s has proved useful in working out a number of important laws (Sickness Benefits Act 1977, Amendment to Works Constitution Bargaining Act 1986). And apart from some urgent modifications also the 1990s have been a period of rather unbroken institutional stability. (Karlhofer and Tálos 1999).

With regards to the legitimacy of social partnership as an institution of cooperation of the main interest associations we can state that throughout the 1980 and 1990s this institutional set-up had almost undiminished high acceptance in the Austrian population. The issues of legitimacy and the criticism on compulsory membership were rather related to the individual interest associations (Ulram 1993, p.131ff.). But also in this respect the chambers can exhibit a major success in the mid of the 1990s: In member ballots asking for the opinion about the continuation of the chambers as public interest corporations established by law the

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*introduce them as the organizations’ single opinion into the political process of decision making” (Tálos/ Kittel 1996, p.33; see also Marko 1992).*

chambers achieved high approval<sup>36</sup>. Undoubtedly these results have weakened criticism from the opposition parties, however, these results could not impede, that “*criticism of bureaucracy and ponderousness especially of the Federal Economic Chamber and in combination with compulsory membership flared up again and again*” (Kittel/ Tálos 1999, p.106; translation done by the authors).

Nevertheless, in the 1990s the social partners have also been able to retort the criticism with organisational reforms. In the Social Partner Agreement of 1992 the institutions of social partnership were modified as follows (see Karlhofer 1996, p.125f.):

- The minister of finance became a permanent member of the parity commission (see above).
- Since internationalisation has increasingly become a challenge for national economic policy in 1992 a new sub – committee for international issues has been established.
- The field of activity of the sub-committee of prices was altered towards focusing on questions of competitive trade and on the observation of developments in the economic sector.
- A permanent working group for environmental questions was established within the Advisory Board for Economic and Social Affairs.
- A comprehensive reform already started in 1990 by the WKÖ was aimed at a number of changes, especially in the fields of chamber finances, offers, personnel development, corporate design, outward appearance and making the work of the associations more professional. The *Wirtschaftskammergesetz* 1998 (Law of the Economic Chamber) is a manifestation of possibilities for a more flexible allocation of organisational units (e.g. through more flexible units § 16) and also for a wider competence of the federal chamber (see Karlhofer 1999, p.39).

Yet, in the recent years in the face of these developments social partnership has altered its overall image considerably, as compared to the postwar years. Today's alternatives to social partnership are no longer major distribution conflicts and state-controlled income policy, but rather allowing incomes to be determined on competitive markets (Pichelmann/ Hofer 1999, p.47). As indicated above the manoeuvring room for regulation of any sort has actually been reduced by integrating the Austrian economy more closely into the international division of labour. Competition has greatly increased on the goods markets and consequently on factor markets as well. And price regulation has become practically meaningless, which is why the Parity Commission hardly regulates prices anymore. Moreover, much of the regulation is not done in Austria, but rather is taken care of in international agreements in a broader context (ibid). Due to changes in the political behaviour in the course of increased competition for

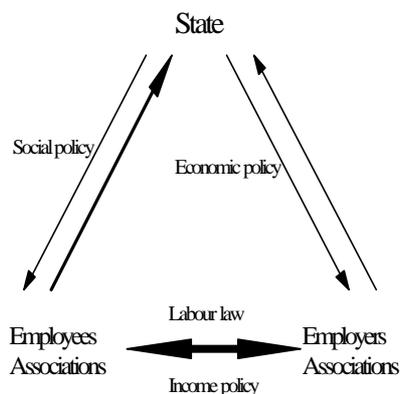
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<sup>36</sup> Based on a turn-out of 66,6% of the members of the Chambers of Labour and 36,4% of the members of the Economic Chambers the approval amounted to 90,6% regarding the Chambers of Labour and 81,7% regarding the Economic Chambers (Kittel/ Tálos 1999, p.106).

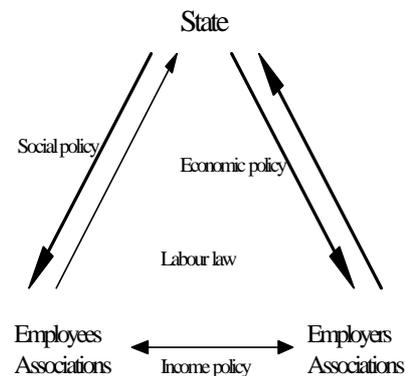
voters the government increasingly tried to take a more active role in policy making and to take decisions from the social partners (Kittel/ Tálos 1999, p.102ff.). Examples for the tendency to elaborate and to design policy concepts without inclusion of the social partners – even if the interest associations of course commented on these laws – can be found in the reforms of the Austrian tax system in the 1990s, in the establishment of a care assurance system in the beginning of the 1990s and in environment policies. With regard to the rationale of social partnership, the most important consequence of the increased pressures at the macro level is that it forces the interest associations to put more emphasis on the dimension of membership requirements to the detriment of both their political influence and their ability to convene on compromises (Kittel/ Tálos 1999). Against this background Kittel and Tálos tried to summarise their view about the major changes in the policy network of social partnership in the following diagram, which compares some basic structures of policy making in the 1990s as compared to the 1970s. According to that analysis the strong impact of incomes policy has been reduced, changes in labour law has moved closer to the states' activity, and the weight as well as the relationships concerning social and economic policy have changed, reversing the direction of influence in social policy, and strengthening the interaction of the state and the employers in economic policy. Traxler (1996) has characterized the Austrian social partnership as being at the “crossroads” between continuity of corporatism on the one hand and change towards neoliberalism on the other. The changes at the political level are highlighted as crucial factors for the future development, namely the relationships of the interest organizations to their members, and the linkages to the political system.

**Figure 1: Changes in the decision making network**

Social Partnership in the 1970s



Social Partnership in the 1990s



In 1999, the discussions on the role of the social partners were additionally stoked because of the impending elections, which were to some extent highlighted as a kind of verdict about the “Austrian system”. They took place on October 3, 1999, giving to the right wing populist Freedom Party (Freiheitliche Partei, FPÖ) the second position with 26.9% of the votes, for the first time in the Second Republic. Against the background of the overwhelming predominance of the two traditional *Lagerparties*, (the Social Democrats and the Peoples’ party) during the last 50 years, this can be labelled as a “tectonic dislocation”. The right-wing Freedom party has a strong drive against the “chamber system” and the “chamber state”, and what they call “political patronage”. The consequences of that change at the political level for the system of social partnership cannot be directly foreseen. During spring of 2000 the internal elections of the representatives in the two main chambers will take place, which also can be considered of high importance for the further development of the social dialogue in Austria.

In line with the analyses, which point to the alternative of neoliberalism as opposed to supply-side corporatism, there are signs in different directions. Several analysts are pointing to a gradually changing distribution of the potentials for power and control between the two sides of the labour market, with the employees’ potentials coming under pressure by several trends of the economic, the social and the political development. The employees’ organizations have to cope with the challenges of finding new solutions for the system of social security allowing for extended flexibility. To a considerable extent they are confronted with pressures from the populist forces, as is the case on the employers’ side. Following the results of the election for parliament, an influential player from the industrialists interpreted the results of the elections as a vote against social partnership<sup>37</sup>, this statement being in line with several other events.<sup>38</sup>

At present it seems that, faced with increased competition on the global market, especially the employers’ side of social partnership might be inclined to withdraw from the collective

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<sup>37</sup> Der Standard, 6<sup>th</sup> October 1999. Furthermore, results of opinion polls made during October and November 1999 have been published through press release, indicating a high amount of criticism of members towards the Federal Economic Chamber, and also the rising pressures by competition. According to that polls a high acceptance of the right wing anti-chamber oriented Freedom party among the business community was also reported (Der Standard, 18th October 1999 and 22nd November 1999).

<sup>38</sup> Some other well-known Austrian industrialists demanded a fundamental reform of the Austrian Economic Chamber: a radical trimming of the system as well as a radical down-sizing of the contributions (Der Standard, 6<sup>th</sup> October 1999). Since the second half of the nineties the pressures on the institutions of social partnership have been reinforced through criticism by influential industrialists representing a definite anti-social-partnership position towards the economic chamber. „The managers of the large industries, especially those of the former state industries, are not happy with the economic chamber with its focus on the majority of its members, the small businesses and their policies. A very influential group of the Federation of Austrian Industry, integrated into the system of social partnership as a voluntary representative of the employers’ interests from the very beginning, sharply attacked the economic chamber in the second half of the nineties and especially 1999 in a way hitherto unknown: ‘We’ve had enough of a system that costs much and yields no benefits to us.’” (quoted from Klenner/ Pellar 1999, p.767; translation by the authors).

mechanisms<sup>39</sup>, trying to increase the pressures to implement new technologies and to innovate in a way more guided by neoliberal ideas. That signals point to the question of how the positive assets of the centralized system of negotiations at the level of a moderate and productivity related incomes policy oriented towards the export sector which is named the “masterpiece” of the Austrian system (Traxler 1996, p.17) are to be balanced against the rather hierarchical and rigid laws governing trade and industry which are also strongly related to the social partners, especially the Economic Chamber which is increasingly supposed by many entrepreneurs to be a barrier for the success on global markets, and that is why they may be looking for new coalitions with the populist right.<sup>40</sup>

Despite the rather populist orientation of the public discussions about the social partnership, the existence of Austrian social partnership cannot be expected to be in danger, how the future government coalition may ever be constructed. As mentioned before, the political influence of the social partners was reduced in the nineties, also reinforced through the shift of competencies towards the European Union, but the social partners are still a force to be reckoned with in the areas of wage politics, labour market politics, labour rights and the politics of vocational education, with high national and social acceptance. Even in the case of the FPÖ participating in the government, this could lead even to a greater importance of social partnership in Austria. Should the new government try to oust the social partners from their positions, the latter could, in turn, get their own way with the help of demonstrations and strikes. On the one hand, this could heighten the demand for social partnership. On the other hand, it is clear that the Austrian social partnership model can only endure if the associations in question manage to keep the faith of their members through comprehensive reforms.

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<sup>39</sup> See especially Karlhofer 1999, p.39f.: In 1996, during the single table bargaining of the metal industry, the employers' representatives were refused their elected offices at a federal level by the regional guilds. Since the metal unions' representatives did not want to start single negotiations with each of the 81 regional guilds, a broad mobilisation of all members was initiated to force the counterpart to resume a central collective bargaining. A manifestation of 6000 workers in front of the building of the WKÖ in Vienna followed the slogan: “We want social peace, but we need a partner.” Similar problems occurred during the single table bargaining of the metal industry in 1998. Furthermore also Klenner/ Pellar argue that: „This conflict among the associations of business people shows where the real danger for a specialised form of economic and social partnership lies: in a change of attitude on the side of the employers, if they reach the conclusion that a comprehensive and serious model of resolving conflicts does not meet their requirements (Klenner/ Pellar 1999, p.767).

<sup>40</sup> The OECD is commenting these laws in the following way: “*Entrance to the trades needs to be liberalised and the procedures for founding a new enterprise simplified.....Although competition has increased and competition policy is more rigorous with entry into the EU, much still needs to be done to promote competitive behaviour. In particular market competition needs to be improved: the provision of services by communes and Länder needs to be made more competitive through a more stringent application of public tendering provisions. All enterprises – profit or non-profit, public- or privately owned – need to be placed on a common basis. In the view of the changing international environment, consideration also needs to be given to creating an independent competition authority.*” (OECD 1997, p.166) “*Although the liberalisation of the trades law (Gewerbeordnung) in 1997 was an advance, further liberalisation remains necessary, and the number of partly-regulated trades could be radically increased – a proposal rejected by the social partners in 1997. The concern to avoid a dilution of the training system is legitimate but the value of qualifications to those receiving them – and the returns to those giving the training – can and should be protected in other ways than through reducing entry*” (OECD 1999, p.112) “*The “one-stop-shop” approach to approvals of business places needs to be implemented, but to be fully effective it would also need a substantial decline in regulatory barriers and procedures more generally*” (ibid.).

Concerning the interrelation of the Austrian social partnership with the European social dialogue, recent analyses (Falkner 1999) show certain effects concerning the relations among the Austrian organizations as the Federation of Austrian Industry and the Federation of Austrian Trade Unions as voluntary organizations are represented in the main European associations UNICE and ETUC. Direct negative effects are not expected from the integration in the European social dialogue, rather a process of osmosis will probably develop in the longer term. The interrelations are seen as depending on the structure of policy making in the various policy fields, whether a pluralist or a corporatist pattern will prevail at the European level. During the first period rather small effects for the core areas were estimated by the Austrian experts, however, a rising impact on the differentiation of policy fields, and on the respective influence of the employers' vs. the employees' sides may be effected from the interaction on the community level.

## 4 Social Dialogue on Training in Austria

As discussed in chapter 2 in Austria the main focus of VET policies has been on the IVT system. An assessment of VET policy in Austria has to highlight the strong IVT system and the comparatively good functioning of transition into working life. Austria has high rates of qualifications at upper secondary level, low rates of youth unemployment and low rates of total unemployment compared to the average of the EU countries (see also chapter 2.2).

This is doubtlessly based mainly on the functioning of the *institutional system*, especially the apprenticeship system that includes a large part of young people, among them many who had rather bad records at school. The parallel system of full-time schools is an important factor too, because it has the capacity to integrate another large part of young people, which has increased strongly during the last two decades. In times of tension, e.g. when demographic pressure coincided with an economic recession in the early eighties, both systems took up the challenge.

As an important asset the inclusion of the social partners as a part of that institutional system via several channels of the social dialogue has to be mentioned. That inclusion means that the actors who are representing social partnership and therefore the main forces of working life and economic practice are integrated into the process of policy formation as well as into policy implementation in the field of VET. As the main channels of the social dialogue in the VET field the following may be distinguished:<sup>41</sup> participation in legislation by the right of appraisal of new laws and based on that responsibility the opportunity of the chambers to pass an expert opinion on legislative matters in the very initial stages of legislation; the involvement in the legislative process through interlocking memberships in political parties and in parliament; participation in the administration and supervision of apprenticeship by the delegation of certain tasks to the apprenticeship offices with the Economic Chamber, supported by the Chamber of Labour; the right to propose members of the examination bodies; the representation in advisory boards for the development of apprenticeship and in various coordinating bodies, committees and commissions;<sup>42</sup> several opportunities have emerged during the 1990s to initiate and influence policy in higher education and the post-secondary sector.<sup>43</sup>

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<sup>41</sup> For a more formal description see KulturKontakt 1996, Piskaty et al. 1998.

<sup>42</sup> Especially in the district education authority, in school committees at vocational schools, and in coordinating bodies at vocational and technical secondary schools and colleges.

<sup>43</sup> The possibility to provide courses which may be accredited in the Fachhochschule framework; the right to propose professional representatives for the accreditation body of that framework (Fachhochschulrat); the new laws for the university sector also give room for improved representation of working life and the economy in several respects, e.g. being included in a new buffer organization, or commenting on new study regulations.

Another aspect, which must be noted, is the *high political commitment* among the involved actors to provide favourable conditions for the integration of young people into education, training and employment. This we can observe on the occasion of the recent policy reactions to the shift on the apprenticeship market (see also chapter 4.3). The signs of crisis have quickly brought the principal actors to action, the government, the social partners, and the involved institutions.

A deeper analysis of the issues of youth labour market policy, including the reform of apprenticeship, can add to the understanding of why youth unemployment in Austria has remained comparatively low. The main conclusion seems to be that *a combination of factors*, rather than one specific asset of the Austrian system alone, has caused its successful performance. The following factors have been observed as important causes for the low measures of youth unemployment in Austria (Lassnigg 1999):

- The existence of the apprenticeship system, which builds a direct bridge between training and employment, and opens up a training option for young people who failed at school.
- The parallel existence and broadening of a system of upper secondary schools, which provide a broad and diverse supply of vocational education and training.
- The inclusion of the apprenticeship system in the system of labour exchange as a basis for a quick signalling of problems, which can serve as an alarming point, and also has the potential for the provision of a broad supply of labour market policy measures for young people.
- A very strong priority for combating youth unemployment among the political actors and the social partners who have been determined to prevent its rising as first signs are observable.

The analysis shows that the existing institutional framework is providing various options for young people, which are activated very quickly in case of first signs for arising problems. It seems to be that combination *of varied opportunities* to take up young people on the one hand, with the sensible *alarming mechanisms and the willingness to take action* on the other hand, which is crucial for the functioning of the system. No one actor has to bear the burden alone, and some lack of co-ordination may be an asset of the system because each of the system elements cannot rely on the other actors.

As we will explain below in more detail employer and worker organisations intervene in many different ways in young people's preparation for working life and in organising the interface between education and the labour market. The range of positions regarding general assessment of the social partners' activities in this area oscillates between two poles, which

are similar to the recent debate regarding social partnership at the macro level (see chapter 3). Supporters of the system point to the undoubted success of the Austrian system, to the good chances to find qualified employment, to the benefits of common action since agreements negotiated by all involved actors have an obligatory nature and to the high degree of social cohesion. Critics point to the rigidity of the social partners' interventions, to slow processes of innovation in VET policies and to slowness of system development in general. Nevertheless – despite a complex dynamic of disagreement and conflict resolution especially in the field of apprenticeship (see chapter 4.3) – the social partners' activities in the VET system generally ought still be judged in a positive way. To illustrate these arguments we will quote from a recent OECD country note:

*“The review team has heard many critical remarks with regard to the ‘rigidities’ inherent in social partnership. We are convinced, however, that social partnership is a fundamental ingredient of the comparatively successful transition arrangements in Austria, and that it seems extremely difficult to achieve similarly positive results without the institutional frameworks (especially the chambers) and common action, which characterise both employers and unions. While they may contribute to (sometimes unnecessarily) slow processes of innovation, the value of such frameworks should be appreciated not only with a view to the complexities of the system. More important seems to be the relative ease with which most young Austrians have so far moved from initial education to employment; their chances hitherto of finding qualified employment; and the degree of social cohesion in Austria compared to many countries not ‘suffering’ from the ‘rigidities’ deplored in Austria.*

*Negotiated agreements oblige all the players (the social partners as well as public administrations) to clarify their objectives and strategies first of all within their own organisations and then to argue with the others. All proposals, wherever they come from, are being challenged and negotiation processes thus tend to scrutinise and expose possible consequences of proposed action and innovation for all the parties involved. This does take time, but in many cases it may also help to avoid equally lengthy and potentially more onerous reform procedures of trial and error, which tend to characterise purely administrative decisions. And perhaps most important: once agreements have been reached, they tend to be adhered by all the actors.”* (OECD 1999a, p.30f.)

#### **4.1 Social Partners and VET: a general overview**

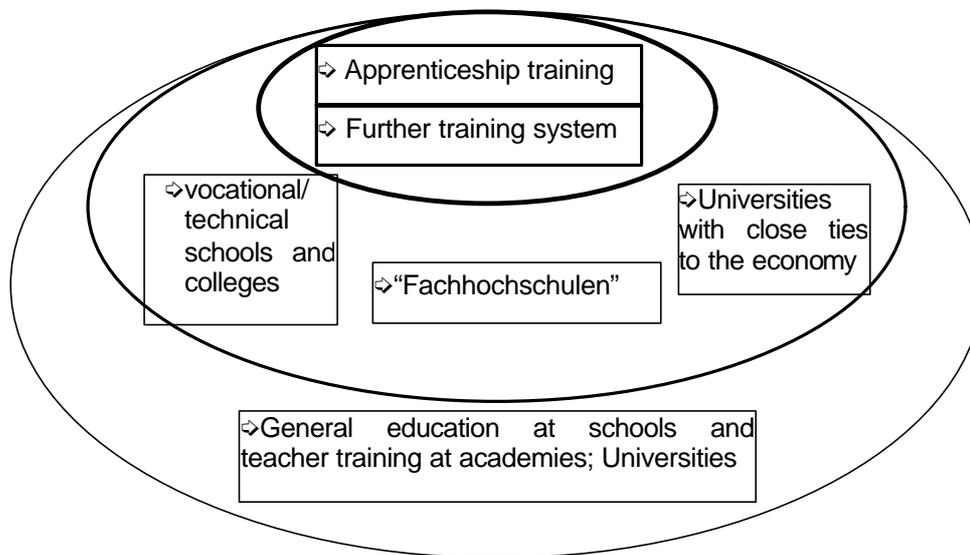
In Austria the division of labour between governmental and social partners' roles gives the social partners' organisations national and regional competencies in the field of vocational education and training. Today, organisations of both employers and employees offer an impressive set of organisational set-ups and opportunities for initial training, re-training, continuing training, etc. (see also below, chapter 4.2). Furthermore the social partners' associations agree on proposals and demands in VET policy (e.g. the “Vocational Matura”).

The scope and subject matter of the role of the Austrian social partners can be illustrated by an image of three concentric circles (see Piskaty 1996, p.48): The innermost circle is formed by apprenticeship training and vocational further education (CVT), which may be termed the key fields of VET activities for the economic and social partners. This places special demands on them as the representatives of the practical interests linked to vocational training. The next concentric circle comprises the other sectors related to vocational training: the technical and vocational schools and colleges including the respective teacher training institutions, the “Fachhochschulen”, and those universities studies which more closely related to the economy (e.g., science and engineering, business studies). The social partners have some influence on vocational schools, “Fachhochschulen” and universities with close ties to the economy. Concerning the sector of full-time schooling the social partners’ organizations have been on the one hand involved in the policy process by contributing ideas for reform and by commenting on the several proposed materials for reforms during the policy formation stage, on the other hand the have also contributed to policy implementation by their membership on various boards and committees. Particularly, their proposals and comments concerning reform of curricula, the inclusion and organisation of mandatory periods of practical training into full time schooling careers, widening of vocational orientation at school, and the development of training firms have been main concerns of the social partners in that sector. Concerning higher education reforms during the 1990s have to some extent widened the involvement of the social partners. They sometimes have initiated the debates and participated to a great extent in the discussions contributing statements and proposals for solutions and improvement. The outermost circle includes general education at schools and teacher training at academies and universities. The social partners have least influence on general education at schools and teacher training at academies and universities.

**Table 1: Main VET activities of the social partners at different levels of society**

<i>local level</i>	<ul style="list-style-type: none"> <li>the support of schools and apex associations and the offer of practical courses and tours of factories;</li> <li>shop stewards have participatory rights in all matters of VET in the companies;</li> </ul>
<i>regional level</i>	<ul style="list-style-type: none"> <li>social partners are represented in the provincial and legislative bodies as elected delegates. They appraise bills of law and co-operate in co-ordinating bodies and advisory committees, e.g. at vocational and technical colleges;</li> <li>they are involved in the creation of new curricula and in the updating of old curricula especially in the apprenticeship system;</li> <li>the chambers also offer training in their own further vocational training institutions and are partly also the owners of vocational and technical colleges;</li> </ul>
<i>national level</i>	<ul style="list-style-type: none"> <li>social partners are represented in the Parliament through elected members of Parliament. They appraise government bills and participate in commissions set up by the ministries;</li> <li>they further draw up opinions on questions pertaining to vocational training policy and take part in vocational training research through their own institutes.</li> </ul>

Source: Own scheme based on KulturKontakt 1996, p.127ff.

**Figure 2: The social dialogue on VET in Austria – from key areas to marginal areas**

Source: Own drawing based on Piskaty 1996, p.48.

The existing Austrian system of vocational education has a long tradition, which can be seen among other things in the high degree of continuity and complexity of the institutions established for its administration. Both the public sector and the economic and social partners, as representatives of practical interest groups with ties to vocational training, participate in its administration. The object of this chapter is to present the function of the social partners in the various regulative areas and on the various regulative levels. Emphasis is given on the role of the economic and social partners in vocational training as laid out by statutory regulation. Special attention will be given to the area of CVT and apprenticeship training.

## 4.2 Social Partners and the actor network of VET

### 4.2.1 The Social Partners' organisations in the field of apprenticeship training<sup>44</sup>

The existence of the apprenticeship system<sup>45</sup> is generally regarded to be a main reason for the comparatively good working of the VET-labour market transition in Austria (Lassnigg 1999, Lassnigg/Schneeberger 1997). The social partners are strongly involved in the steering of the apprenticeship system. At this stage we want to describe the legal framework of apprenticeship in Austria against the background of the social partners involvement in the

<sup>44</sup> This section was contributed by B. Seyr; see also KulturKontakt 1996, Piskaty et al. 1998.

<sup>45</sup> To get a clear impression of the organisational-set up of the Austrian apprenticeship system see table 22 in the annex.

process of updating the apprenticeship curricula and initiating new apprenticeship occupations.<sup>46</sup>

The *list of apprenticeship occupations* contains all apprenticeship occupations and indicates the duration of each apprenticeship occupation. The decisive factor for including an apprenticeship occupation in the list depends on the question whether the respective apprenticeship occupation corresponds to the legislation (see § 5 BAG), while the expected number of apprentices should not be taken into account.

§ 5 BAG contains the following conditions:

- a) Apprenticeship occupations are occupations, which are regulated in the “Gewerbeordnung” (law concerning trade and crafts), being an own, definable profession. The apprenticeship must have a training period of at least two years.
- b) Crafts are automatically apprenticeship occupations. An apprenticeship occupation has to be created if there exists no comparable apprenticeship.

The skills and knowledge required for a particular apprenticeship occupation are laid down in the job profile for every year of apprenticeship, which is published as an ordinance by the Ministry for Economic Affairs for each apprenticeship occupation. The job profiles (the ordinances) are determined by the Ministry for Economic Affairs mostly on the basis of recommendations of the Federal Advisory Board. Sometimes the civil servants of the Ministry are determining the job profiles by “their own best knowledge”, without taking into account the recommendations of the Federal Advisory Board. According to an expert-interview with a responsible civil servant the job profiles are changed once in five years on average.

The Institute for Educational Research for Industry draws up additional “*Comments*” on the various job profiles. These Comments are not mandatory for the employer but provide mainly suggestions and support for on-the-job training activities.

#### *The Apprenticeship Offices (“Lehrlingsstellen”)*

The legal grounds are fixed in the *Berufsausbildungsgesetz (BAG) §§ 19 – 20* (federal law for vocational education). As mentioned above, the Apprenticeship Offices are established at the provincial Economic Chambers. They are enabled to carry out governmental powers concerning administration of vocational education within the dual system.

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<sup>46</sup> The description heavily draws on KulturKontakt 1996; see also Piskaty et al. 1998.

The appointment of the head of the Apprenticeship Office in a province is competence of the provincial Economic Chamber. The appointment of the head has to be confirmed by the provincial governor if the candidate meets the essential qualifications being mentioned in the BAG.

*Responsibilities of the Apprenticeship Offices include*

- the registration of the apprenticeship contracts (between the employer and the apprentice or his other legal guardian or parent) if the contracts correspond to the regarding regulations',
- the organisation of the final exams and establishment of boards of examiners;
- the observation of VET at the places of work concerning the fulfilling of the relevant regulations;
- the initiation, promotion and observation of apprenticeships which are organised in more than one company in case of possibility and effectiveness (*Ausbildungsverbund*);
- the support of the apprentices in matters of VET, e.g. in finding suitable places of apprenticeship in understanding with the employment office;
- allowing interested persons to have a look at the laws and ordinances concerning VET as well as regarding the final exam and informing the apprentices about the regulations.

For decisions being in contrast to the interests of apprentices the Apprenticeship Office is forced to inform the relevant (provincial) Chamber of Labour. If the Apprenticeship Office does not, the decision will be invalid. The Chamber of Labour has the competence to make a statement. Then, the Apprenticeship Office creates a notification. If it is in contrast to the statement of the Chamber of Labour, the Chamber of Labour has the possibility of filing an appeal. Once a year, the Apprenticeship Office has to inform the relevant Provincial Advisory Board on Apprenticeship (*Landes-Berufsausbildungsbeirat*) about the situation of vocational education and the taken measures. Moreover, the Apprenticeship Office must inform the Provincial Advisory Board on Apprenticeship about the dates of final exams, if demanded.

Stages of appeal: The Apprenticeship Offices are responsible to the provincial governor, and in matters of vocational education he or she is responsible to the Ministry for Economic Affairs.

*Final exams and boards of examiners (regulated in §§ 21 – 27 BAG)*

The purpose of the final exam is to check the skills, which the apprentice has acquired during his or her vocational education within the dual system. The Apprenticeship Office is responsible for providing that all apprentices are in the position to take part in final exams. The Apprenticeship Offices have to set up the boards of examiners, which consist of a president and two co-examiners. The presidents of the boards have to be appointed by the provincial governor on account of a proposal of the Provincial Advisory Board on Apprenticeship. The appointment is valid for five years. One co-examiner has to be appointed by the Apprenticeship Office on account to a proposal given by the concerned professional department of the relevant provincial Economic Chamber. The second co-examiner has to be appointed on account of a proposal given by the relevant provincial Chamber of Labour. For each examination date the Apprenticeship Office has to fix the co-examiners according to lists of examiners that are valid for five years. The provincial governor and the Ministry for Economic Affairs have the right to observe the exams. The exam regulations for the final exams of apprenticeship have to be enacted by the Ministry for Economic Affairs for each profession. After the final exam each apprentice has the right to get a certificate signed by the president of the examination board and sealed by the Apprenticeship Office.

The initiatives for new regulations and also for new apprenticeship trades usually come from the economic and social partners of whom the advisory boards on apprenticeship consist. It is part of the main tasks of these boards to give recommendations concerning the list of apprenticeship occupations, to give impulses to update training regulations and to arrange experimental training schemes. Given these tasks the advisory boards have to take into account the results of research on vocational training as a basis for making decisions and submitting opinions.

*Provincial Advisory Boards on Apprenticeship (Landes-Berufsausbildungsbeiräte, regulated in § 31a BAG)*

Attached to every Apprenticeship Office a Provincial Advisory Board on Apprenticeship has to be established. It consists of four members entitled to vote. According to the presentations of the provincial Economic Chamber the head of the provincial government (governor, *Landeshauptmann*) has to appoint two members. The other two members have to be appointed by the governor according to the presentations of the provincial Chamber of Labour. One of two presidents has to be appointed according to the presentations of the provincial Economic Chamber, the other president must be appointed by the governor according to the presentations of the Chamber of Labour. During the procedure of a president's appointment the other social partner has the right to be heard. The office administration belongs to the responsibilities of the respective Apprenticeship Office of the province.

*The responsibilities of the provincial boards on apprenticeship*

- Creating experts' opinions, suggestions and encouragement especially concerning
  - the administration and execution of responsibilities of the Apprenticeship Office
  - the organisation of final exams and exams for the educational staff in the companies
  - vocational education in more than one company ("composite apprenticeship", *Ausbildungsverbund*) and its promotion in the respective province
  - the financial promotion of vocational education
  - the realisation and surveillance of experimental apprenticeships in the respective province
  - regulations concerning vocational education in the companies
  - the recognition of periods of apprenticeship which a candidate has spent in foreign countries
  - the substitution of apprenticeship periods
  - complaints about training companies
  - the authorisation to organise training courses for the educational staff in the companies (creation of experts' opinions to Apprenticeship Offices)
- Filing applications and creating experts' opinions to the Federal Advisory Board on Apprenticeship in its matters and regarding experimental apprenticeships
- Presentation of candidates for the presidents of examination boards
- Presentation of suggestions to the provincial school boards
- Surveillance concerning the registration of apprenticeship contracts at the Apprenticeship Offices

Experts' opinions and suggestions of the Council have to be respected in later decisions. The members of the Council have the right to attend examinations in the field of the dual vocational education.

*The Federal Advisory Board on Apprenticeship (Bundes-Berufsausbildungsbeirat, regulated in § 31 BAG)*

Attached to the Federal Economic Chamber, the Federal Advisory Board on Apprenticeship consists of 12 members entitled to vote and 2 consulting members. The Federal Minister for Economic Affairs has to appoint 6 of 12 members according to the presentations of the Austrian Federal Economic Chamber, the other 6 members are appointed according to the presentations of the Austrian Federal Chamber of Labour (*Bundesarbeitskammer*). The two consulting members have to be appointed according to the presentations of the Federal Minister for Education. These members have to be teachers at vocational schools. The two presidents of the Federal Advisory Board on Apprenticeship have to be appointed by the Federal Minister for Economic Affairs according to suggestions of the Federal Economic

Chamber and the Federal Chamber of Labour. During the procedure of a president's appointment the opposite social partner has the right to be heard. The office administration of the Council is part of the competence of the Federal Economic Chamber.

Responsibilities of the Federal Advisory Board on Apprenticeship:

- Creating experts' opinions regarding
  - the necessity of the enactment or alteration of ordinances
  - the announcement and argumentation of bills that should become ordinances
  - suggestions to the Federal Minister for Economic Affairs and Federal School Boards concerning vocational education
  - the procedure of recognition of foreign exams and certificates regarding vocational education and skills
  - the permission to educate persons in special organisations in the field of dual vocational education
  - petitions about honouring companies being excellent in the field of vocational education

When creating experts' opinions the Federal Advisory Board on Apprenticeship has to respect the results of the research in the sector of VET. The Federal Minister for Economic Affairs has to ask for an experts' opinion at the Federal Advisory Board on Apprenticeship, which he has to consider when deciding about the creation or alteration of ordinances. If his decision is in contrast to this experts' opinion, he has to give reasons for this. The members of the Council have the right to attend examinations in the field of the dual vocational education.

**Table 2: Competencies and authorities in the apprenticeship system**

	in company			in school		
	A	B	C	A	B	C
<b>enterprise-level</b> corporate training providers employees (as social partners)		X Y				
<b>regional-level</b> schools and regional school authorities provincial advisory boards on apprenticeship apprenticeship offices	Y	Y	Y X		X	X
<b>national level</b> federal advisory board on apprenticeship Federal Ministry for Economic Affairs Federal Ministry for Education and Cultural Affairs	Y X	Y	Y		X	

A: training ordinances/ vocational education curriculum X: deciding competence  
 B: implementation Y: advising competence  
 C: examination  
 Source: Own scheme.

Summarising for the specific questions of CEDEFOP we can find at the level of the apprenticeship system 10 bodies (9 provincial advisory boards of apprenticeship and one federal advisory board of apprenticeship). These advisory boards have only advising competence, even if the federal advisory board – at least till the beginning of the 1990s (see chapter 4) – is having a respectable influence on curriculum development and steering of apprenticeship. The reason is the almost far-reaching acceptance of its expert opinions by the government. Furthermore in the form of the apprenticeship offices we can find 9 more bodies (one in each federal state) with also deciding competence with respect to examination.

#### 4.2.2 Actors of Social Partnership in the field of CVT provision<sup>47</sup>

The most important extra-company providers of vocational continuing training measures are the institutes of the economic and social partners. In Austria three institutes for vocational training have been initiated by the social partners for the promotion of the professional interests of their members: the *Wirtschaftsförderungsinstitut – WIFI* (Economic promotion Institute) which was founded in 1946 by the Federal Economic Chamber; the *Berufsförderungsinstitut – BFI* (Institute for vocational development), established by the Chamber of Labour during the 1960s; and the Institute for Adult Education in Rural Areas – LFI. Those institutes have played a pioneering role in the development of CVT in Austria. Their market share in CVT is rather high (WIFI and BFI together serve for about two thirds of

<sup>47</sup> The following section strongly draws on: KulturKontakt 1996, p.140f.

participation, WIFI being almost four times larger than BFI in that terms; WIFO/IHS 2000, p.146).

The dominating role of those institutes in the CVT market may change in the future; private organisations might get a larger share of the market. The market in the field of vocational training is expanding, however, problems for newcomers and for smaller private institutes working in the sector of vocational training, and being in competition to WIFI or BFI could be the following: Private institutes do not have the competence to issue official certificates (in contrast to the WIFI or the BFI being attached to the chambers; see KulturKontakt 1996). As the Economic Chamber, for example, organises examinations concerning a wide range of special skills, the trainees rather attend the courses at the WIFI, which offer preparation for the regarding exam. On the other hand, as already mentioned above, the social partners' institutes, especially the BFI, via the existing ties to the administration and the supervisory boards of the Public Employment Service (AMS) may have better access to the big market for the training and re-training of the unemployed.

### **Economic Promotion Institute (WIFI)**

The *Wirtschaftsförderungsinstitut* (WIFI), the Economic Promotion Institute of the Economic Chambers, is the largest institute for further vocational education in Austria. An Economic Promotion Institute has been established in each provincial chamber as well as in the Federal Economic Chamber, all of which are run by a co-ordinating body (elected functionaries) with a curator in the chair. The responsibilities of these institutes consist of promoting the economy in general and the individual companies in particular, employing a series of suitable measures. Certificates of WIFI don't have an official character but a high recognition on the market. Several hundreds of thousands of people a year, of whom 80% are employees, participate in the courses, lessons, seminars and lectures organised by the Economic Promotion Institutes, for all branches of the economy. In the academic year 1998/99, for example, about 299 073 participants attended more than 23 492 events spending there 1 000 875 training hours<sup>48</sup>. The opportunities for initial and further training offered by the Economic Promotion Institutes include events from the fields of personality training, foreign languages, management, business management, law, organisation, computer sciences, marketing including foreign trade, environmental protection as well as production and technology. Within these subject areas specialised events are organised for nearly all branches of the economy-courses are put for graduates, young entrepreneurs and foremen. One priority concerns preparing people for career-directed examinations, like the examination to qualify a person to start a business, the instructor examination and the final apprentice examination. In addition, the Economic Chambers direct and maintain their own commercial schools, commercial colleges and hotel and catering colleges. The subsidisation of vocational schools and hostels for apprentices helps to train a new generation of workers.

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<sup>48</sup> Source: ibw.

The number of vocational training units delivered by WIFI has been increased by 55,14% from 1991 to 1999<sup>49</sup>.

### **Institute for the Development of Vocational Education (BFI)**

The *Berufsförderungsinstitut* (Institute for the Development of Vocational Education) was founded in 1959 by the Chamber of Labour (AK) and the Federation of Austrian Trade Unions (ÖGB). Its aim is to improve the mobility of employees and to enhance their professional and personal development. The offer of BFI comprises courses of general and vocational education and training. They range from intensive courses for skilled workers, additional qualification measures, or tailor-made training for specific firms to school-like or course-based offers of second education paths or tertiary education offers.

A significant part of the BFI courses is carried out on behalf and financed by the Public Employment Service (AMS). They focus on educational and occupational measures for unemployed (or employees in danger of unemployment). 74,1% of the income is generated through the courses run for the Public Employment Service. 22% consist of adult education, and 3.9% are other courses being offered. The subsidies for BFI account for only 4,3% of the income. They stem from state, Land or local authorities, and from the mother organisations AK, ÖGB and branch unions. Finally, international co-operation is also taking place in the framework of EU-financed projects such as Leonardo, Petra or Force, and result in a bi-directional know-how-transfer.

### **Institute for Adult Education in Rural Areas (LFI)**

The Chambers of Agriculture are also very active in the field of education and training. The institution for further training in the field of Austrian agriculture and forestry is the Institute for Adult Education in Rural Areas (LFI), which is organised in the form of an association. It is the LFI's objective to provide a modern range of training courses for persons in rural areas, particularly farmers. The most important target group of the LFI are the families of farmers and the employees in agriculture and forestry in their different socio-economic branches and areas of production. The courses centre on personality training, health awareness, training in communication skills, managerial training, organisation in agriculture and forestry as well as production, marketing and business management in agriculture and forestry. 663 372 participants took part in the 13 171 events in the year 1999, mostly short events with up to eight teaching hours<sup>50</sup>.

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<sup>49</sup> Source: ibw.

<sup>50</sup> Source: LFI.

### 4.2.3 Social Partners in the field of labour market training and re-training

As mentioned in chapter 2, the Public Employment Service (AMS) is the main customer on the CVT market. And the supervisory boards of the Public Employment Services<sup>51</sup> at the federal, the regional and the local level, which are responsible for both submitting resolutions on labour market policy and for approving employment programmes, mainly consist of the social partners.

The *Supervisory Board at federal level* consists of altogether 9 members: 3 members from the Ministry for Labour, Health and Social Affairs, 2 members from the Federal Economic Chamber, one member from the Federation of Austrian Industry, 3 members from the employees' organisations of social partnership.

The *Supervisory Boards at provincial level* consist of 6 members: the manager and his deputy and 4 from social partners.

The *Supervisory Boards at local level* consist of 5 members: the manager and 4 from social partners.

In Austria, labour market education and training programmes are one of the most important strategic instruments used to find solutions to labour market problems. In 1996 roughly 70% of the budget for subsidies were spent on such measures. The number of entrants into training programmes was almost 58 000; the average annual number of persons in training programmes was roughly 18 000. In addition to assistance to individuals, AMS also subsidises training facilities in general and training activities on the enterprise level. An area that is rapidly gaining significance is represented by the assistance granted for apprenticeship training and occupational preparation of youths. Consequently, there is not only an intersection of social partners in the Public Employment Service and the CVT training provision (Pichelmann/ Hofer 1999, p.56). There are as well intersections between the social partners' activities in the Public Employment Service, the further training institutes run by the social partners and the social partners' agreements on new ways of supporting the apprenticeship system by establishing a safety net for young people (see also chapter 4.2.1). Hence in this constellation a deep penetration of Austrian training policies by the social partners becomes obvious.

### 4.2.4 The Social Partners' involvement in higher education policy

The social partners are less directly involved in higher education tasks than in other fields of education and training policy. However, the reforms of the 1990s have to some extent

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<sup>51</sup> To get a clear impression of the organisational-set up of the Austrian Public Employment Services (AMS) see table 24 in the annex.

widened their involvement. In general their involvement corresponds more or less with the proximity of the respective activity towards the labour market and the economy.<sup>52</sup>

Higher education policy has gained much attention during the last decade. Several factors may have contributed to that: Be it because of the broadly discussed reforms concerning the introduction of the Fachhochschule or the organization and studies at universities; the growing importance of a higher qualification in nearly all business areas and for all classes of the society, the question of mismatch between supply and demand of graduates in many fields (teachers, doctors, engineers ...); the social situation of students (increased living cost, increased proportion of students that have to work to finance their study); or the – compared to other OECD countries – long duration of studies and the high drop-out rates in Austria, etc. The social partners sometimes have initiated the debates and participate to a great extent in the discussions contributing statements and proposals for solutions and improvement. The both sides of the social partnership are far away from having always the same opinion on these topics. A further discussion of that would go much beyond this study. However, we may roughly accentuate the overall lines of attitudes of the employers' and the employees' organisations concerning higher education policy as follows:

- The employers' organisations focus especially on the qualification of the graduates (the "output" of the system). They demand a consideration of the needs of the business community concerning the content of studies, and organisational reforms that allow for a decrease of the graduates' age and a decrease of drop-out-rates. They pay also attention on the reduction of costs, a more efficient use of the budget and the possibilities of raising additional sources, e.g., by the introduction of tuition fees.
- The employees' organisations give in particular attention to the social role of education. They take for example the students' interests and their social situation into account and focus more on the openness of the whole system and on the abolishment of entrance barriers to higher education. They demand the maintenance of the free access policy and the improvement of mobility between the various education and training pathways<sup>53</sup>. A very important point for them is the advancement of equality of opportunity. For that reason they are opting against tuition fees, are demanding better social benefits (Studienförderung) for participation in higher education and better conditions for working students. In addition, they also sponsor scholarships and offer various other forms of financial help for the higher education of their members or their members' children.

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<sup>52</sup> The Fachhochschulen may be seen as being tied much closer to the labour market and the business community as compared to the universities.

<sup>53</sup> For example a wider opening of the universities for graduates of all types of schools and apprentices (that is possible with special entrance exams and professional experiences), or the possibility for Fachhochschul graduates to attend a doctoral programme at the universities (that is possible but lasts two semesters longer).

Both sides see great chances that the new Fachhochschulen fulfil their demands. They attract more students from a less favoured social background and give access for students who do not hold a traditional Matura certificate, or have completed an apprenticeship programme, as compared to the universities and thus contribute to a social advancement of their students (Pechar/Wroblewski 1998). And they offer more strict studies, which are completed in shorter study periods than the universities, consequently their graduates are younger and hold also some practical experience.

The governments' efforts to bring the higher education institutions more closely to working life and the economy (e.g., by considering the chances of their graduates on the labour market to a greater extent than before), are pushing them in charge of finding partners for a dialogue between higher education and the economy on every level (national, regional, institutional) and for every single study. The only competent institutions for such a dialogue that have enough resources and are independent enough (compared to single firms for example) are the social partners and hence they add important points of view and expertise to the discussions and become more and more concerned with higher education in Austria.

**Table 3: Overview of the social partners' involvement in higher education as of 1999**

Field of involvement	Who ?	How ?
Initiate or participate in public discussion of higher education policy.	Single social partners' organisations, Advisory Council for Economic and Social Affairs	Statements and expert reports on Higher Education policy. E.g. Beirat für Wirtschafts- und Sozialfragen (1988, 1989, 1991), Industriellenvereinigung (1998)
Scientific studies on higher education tasks	IBW, ÖIBF	Research
Public examination of laws and decrees	All social partners	Commenting the proposals.
Public examination of proposals for the range of studies and their location	The Ministry of Higher Education has to invite (among others) also the social partners and other representatives of the respective labour market to give a statement concerning the proposal (UniStG, §11).	Commenting the proposals.
Introduction of Bakkalaureat Studies	Ministry of Higher Education must at least request an expert's report from the Austrian Social Partner's Advisory Council (UniStG, §11a).	Opinion report concerned with the relevance of the Bakkalaureat study to the labour market (Arbeitsmarktrelevanz).
University advisory board at each university	Members are among others: "Representatives of the business community, taking into account the representative bodies of employees and employers" (UOG 93, §56). Among the latter may be (and are) representatives of the social partners.	Advising the rector and senate of a university. Among other things on the allocation of personnel and budget within the university, the evaluation of teaching and research and the co-operation of the university with the society and the business community.
Enacting or changing a Study plan	Intention must be communicated (among others) to the social partners  Draft of the study plan together with the draft of the "qualification profile" must undergo a public assessment to which also the social partners must be invited to give a statement (UniStG, §12, §14).	Possibility to submit proposals what contents the new plan should include. These proposals must be documented.  Commenting the proposals.
Council for Fachhochschulen	Four from 16 members are appointed upon the basis of recommendations by the Advisory Council for Economic and Social Affairs	Accreditation (provided so that the Ministry agrees to fund the programme) and evaluation of Fachhochschule programmes.
Providers of Fachhochschule programmes or partners of a providing limited company or association	Single or more social partners' organisations (mostly their regional or local divisions).	Providing and organising a Fachhochschule programme according to the FHStG. Contribution to the funding of some programmes.
Initiatives "Academics for the Economy" (Wissenschaftler für die Wirtschaft) and "Academics found firms" (Wissenschaftler gründen Firmen)	Joint initiatives of the Federal Economic Chamber, the National Conference of junior faculty members and the Ministry of Higher Education.	Giving junior faculty members an uncomplicated possibility to work for a maximum of two years in a private firm without quitting their university job.  Providing a start-up help for young academics funding a company.

Source: own scheme.

## The Universities

A first major wave of reform in Austrian higher education took place during the late 1960s and was finished by the social democratic government of the 1970s. That reform was driven on the one hand by the aim of expanding the capacities of higher education to increase the participation rate, and on the other hand by the objective of the improvement of social equality of opportunity. The reforms of that period can therefore be characterised with the keywords opening and democratisation of the universities. “The metaphor of opening (...) relates to increased participation of students from a certain social background who formerly had no access to higher education; it relates to new fields of content, new fields of study which formerly have not been regarded as ‘respectable’ in academic terms; and it relates to new forms of decision making which distribute academic authority more evenly between the different groups within the university.” (Pechar/ Pellert 1997). Part of that opening of the universities was also the abolition of tuition fees for Austrian students in 1972. Democratisation refers first of all to increased participation rights of students and junior faculty members in the decision processes of a university. The aims of the reforms of the 1970s were accompanied with increased centralisation: a new Ministry, the Ministry of Higher Education<sup>54</sup>, had been founded in 1970 and the autonomy of the universities had been restricted in favour of the steering capacity of that Ministry.

The reforms culminated in a new organisation of the universities, based on the University Organisation Act (UOG 1975), which was also the most debated reform of that period. Critics were directed mainly against the democratisation of the universities, the overloading of the academic institutions with legal rules and the accompanying increased bureaucracy, and, in general against the modernisation forced by the state in a centralist top-down approach (Pechar et al 1999, p.17ff).

As in most other countries (OECD 1998a) the rapid expansion of student numbers was not accompanied by the appropriate resources, thus the positive results of the reform were increasingly shadowed by signs of overcrowding and questions about quality and appropriateness of the reforms. Discussion about “overeducation” developed during the late 1970s and the 1980s, and were brought forward especially among the business community. As higher education was then increasingly seen as an investment in personnel career chances, the idea came to the fore, that at least a part of the costs of a study should be paid by the students as beneficiaries of higher education. The employees’ organisations on the other side demanded improvements in the access policy for students without a traditional Matura, for working students and for students from socially disadvantaged classes.

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<sup>54</sup> This Ministry changed its name several times since then. We use the general (and legally not correct) term “Ministry of Higher Education” instead of the accurate terms in each period to avoid misunderstandings. At the end of 1999, the Ministry was called “Ministry for Science and Transport”.

At the end of the 1980s issues of efficiency came into focus of the discussion. The government of ÖVP and SPÖ (that agreed in its coalition treatment of 1990 to organise the universities more efficiently<sup>55</sup>) started a new wave of reform of the whole system. The keywords of those (still continuing) reforms are now decentralisation, deregulation, autonomy and orientation towards the labour market for graduates. Among a big number of new directives or laws<sup>56</sup> the reform cycle so far culminated in the making of three laws: a new University Organisation Act (UOG 1993), the University Studies Study Act (UniStG 1997) and the creation of a new system of polytechnics by the Fachhochschule Studies Act (1993).<sup>57</sup> Especially the first ministerial plans for the UOG had been opposed by a great number of actors (among them all groups within the universities (professors, junior faculty and student union)) and had been revised several times. Concerning their responsibility in the appraisal of new laws, the social partners were involved in the origin of those laws and their controversial discussion, be it by invitation to criticise the drafts, by their membership in different committees or by invitation to expert bodies for special details.

Among the social partners, but also within the society (universities, students, media etc.), one major point in the debate was the question, what a university education should be about. Should it be a general education in the sense of Humboldt or a vocational training? This conflict was resolved with a compromise: according to the corresponding laws the responsibility of the universities is to provide scientific pre-vocational training and for Fachhochschulen to offer a vocational training. The same conflict occurred when the idea of a “profile of use” (Verwendungsprofil) came up for universities’ graduates. The term of this outline has then changed to “qualification profile” (Qualifikationsprofil) to avoid a) the term “use” which by some academics was felt to be humiliating and b) the necessity to document the concrete “use” of a study on the labour market. Each study has now to prescribe the qualifications a student should be able to acquire during his or her study. This qualification profile should be the basis for the study plan and it should consider in a special way the application of this qualification, but it may also include general qualifications not convertible into a direct “use” on the labour market.

The new laws allocate either directly several roles to the social partners or establish various committees or procedures where the social partners are either members or might be asked to collaborate. The University Organisation Act for example demands the establishment of an expert committee (the Universitätsbeirat) to advise the rector and senate of each university. Members of these committees are selected by the universities themselves (by the university senate) and have to be (among others) “representatives of the business community, taking

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<sup>55</sup> Reprinted in: BMWF, 1993b, p.47.

<sup>56</sup> E.g., the introduction of evaluation methods for universities, the possibility to establish private universities, the law about a “vocational certificate” (Berufsreifeprüfung), a new civil service law for professors and university teachers.

<sup>57</sup> For an overview of these laws in English see: <http://www.bmwf.gv.at/en/univ/unisyse/index.htm>. The full version is available in German at: <http://www.bmwf.gv.at/3uniwes/03unirecht/index.htm> (both links as of 4/12/99).

into account the representative bodies of employees and employers" (UOG 93, §56). Among the latter may be (and are) representatives of the social partners. The tasks of the Universitätsbeirat cover among other things the allocation of personnel and budget within the university, the evaluation of teaching and research and the co-operation of the university with the society and the business community. The enacting process of this new law took several years, because many new committees and bodies had to be established and many new officials had to be elected. The two largest universities (the ones of Vienna and Graz) started only in the year 2000 to operate according to the new law. That is why it is too early to analyse the work of the Universitätsbeiräte and the concrete contribution of the social partners to it.

The University Studies Study Act on the other side settles the involvement of the social partners in the decisions about which studies, which kind of studies (short term/ long term) and where they should be offered. After a change of the law in 1999, shorter Bakkalaureat studies followed by a Magister (or master) study maybe offered by the universities instead of the existing Diploma-studies. Before the introduction of such a Bakkalaureat Study the Ministry of Higher Education must at least request an expert's report from the Austrian Social Partner's Advisory Council which is concerned with the graduates' chances on the labour market (Arbeitsmarktrelevanz). Proposals for the range of studies and the location where the studies should be offered must furthermore undergo a public assessment. The Ministry of Higher Education has to invite (among others) also the social partners and other representatives of the respective labour market to give a statement concerning the proposal (UniStG, §11, §11a).

The social partners are twice involved in the process of enacting or changing a concrete study plan: at first when a study commission has the intention to enact or to change a study plan. This intention must be communicated (among others) to the social partners and they must get the possibility to submit proposals about contents the new plan should include. These proposals must be documented. In a second step the draft of the study plan together with the newly demanded "qualification profile" (see above) must undergo a public examination to which also the social partners must be invited to give a statement (UniStG, §12, §14). At the end of 1999 just a few study plans have been changed (and qualification profiles developed) under this new law, and it seems too early to make a statement about the evolving practice. It can be stated, however, that this procedure will set high demands on the involved actors, the social partners included. On the one hand it is a new exercise for the academics. On the other hand does the new law not demand nation-wide core curricula nor nation-wide study commissions and it does not provide any standardised criteria for a study plan. The range of studies is also very broad and makes it complicated to give detailed statements to every single study plan. However, what in any case can be expected by the social partners in that process is to provide a more general view about the world of work and its demands for special qualifications of graduates. This is an important point of view, because without the social partners' involvement, one might receive only specific statements

by professional associations, like e.g., the specific interests of judges, lawyers or notaries to a new study plan in law.

### **The Fachhochschulen**

The social partners are more directly involved in the 1993 established Fachhochschulen compared to their involvement in universities; first of all during its foundation stage but also within the new system on a national, regional and local level. Their engagement reaches from consultation as experts up to providing single programmes.

The development of the new higher education sector goes back on different initiatives. Among them was a study conducted by the OECD 1987 about the non-university sector, which pointed out that the weak (Austrian) non-university sector could neither satisfy the needs of recurrent education, nor could it satisfy regional demands.<sup>58</sup> The Advisory Council for Economic and Social Affairs stated 1989 in its report “Qualification 2000” that it should be considered if an extension of vocational or university short studies or the establishment of technical and/or business academies could be an alternative to the universities and a useful step towards an adjustment of the education system and the labour market<sup>59</sup>. Also the individual social partners’ organisations engaged themselves to a great extent in the discussions. Their opinions concerning a new higher education sector can be summarised as follows (for a documentation of the statements see: ÖJ 1992):

- The employers’ organisations stated that the decision during the 1970s not to establish a non-university sector (in contrast to most other European countries) had been right but should be corrected on certain grounds: the qualification demands of enterprises had increased, European integration required a modernisation of the education system, the trend to higher education would lack some adequate alternatives, and the industry would need the Fachhochschul graduates. A Fachhochschul study must therefore be “short, tight and demand-orientated” but the existing system of vocational and technical colleges should not be destroyed.
- The employees’ organisations supported the proposal of Fachhochschulen but demanded broad entrance opportunities for graduates of all types of schools as well as the possibility for students to change from a Fachhochschule to a university. The regional labour demand should be considered in any case. A mere orientation towards the demands of employers, however, was seen as a clearly restricted viewpoint. Through the establishment of Fachhochschulen the whole education and training system appeared to be affected, thus additional reforms were claimed.

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<sup>58</sup> See Lassnigg L./ Pechar H. (1989), *Alternatives to Universities in Higher Education. Country Study: Austria*, OECD, Paris.

<sup>59</sup> *Beirat für Wirtschafts- und Sozialfragen* 1989, p.26.

The establishment of a completely new higher education sector offered the possibility to realise planned reforms in a more concrete manner than via a reorganisation of existing institutions with a very strong own tradition. That is why Fachhochschulen and universities differ in many ways. We will focus here only on the main differences that concern the social partners' involvement:<sup>60</sup>

- The first distinction between Fachhochschulen and universities is that the Fachhochschule Studies Act follows no top-down approach. The federal government does not develop a global concept regarding Fachhochschulen. It establishes general condition, which should encourage different initiatives – even private ones.
- Secondly, quality control is not a direct responsibility of the state but of a professional quality control body: the development of curricula lies in the responsibility of the providers of a programme. An accreditation in the sense of a protection of basic standards is done by a body of experts (provided so that the Ministry agrees to fund the programme – see below): the Fachhochschulrat (Council for Fachhochschulen). In addition to that, the Fachhochschulrat prescribes the academic degrees and regularly evaluates the whole Fachhochschul sector. Members of the Fachhochschulrat are appointed by the Ministry of Higher Education for three years (a re-election for a second term is possible). The Fachhochschulrat consists of sixteen members, including a minimum of four women. Four members are appointed upon the basis of recommendations by the Advisory Council for Economic and Social Affairs and twelve in agreement with the Ministry of Education and Cultural Affairs. The members of the Fachhochschulrat are not bound by any directives. This kind of a quality assessment and evaluation so far has not existed at the universities.
- The financing of the Fachhochschulen is completely different from the financing of the universities (universities are completely funded by the national state. Austrian students are not charged any tuition fees): While the Fachhochschulrat decides on the academic quality of a programme, the federal government decides on the assignments of funds thus settling criteria of the educational policy.<sup>61</sup> The federal government pays so-called standard costs for an agreed number of places at a Fachhochschul programme and not the overall costs in a lump sum. Standard costs for a specific place are based on model calculations and vary between the types of programmes. However, the federal government funds only 90% of the calculated costs. The provider has to look after the rest of the *real* costs.<sup>62</sup> The government signs a five year contract

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<sup>60</sup> See Pechar et al. 1999, on this issue.

<sup>61</sup> These criteria are: innovative character, supraregional adjustment, a long-time development concept, reduction of regional disparities, clarification of educational structures, opening towards new target groups, offers for working students, use of existing resources, private co-financing and international co-operation.

<sup>62</sup> Tuition fees are not excluded by law, but so far politically not accepted with a few exemptions (e.g. for some foreign students).

with the providers for that purpose. Its renewal depends on the results of the evaluation done by the Fachhochschulrat. A mixed-funding from different sources should be made possible by this proceeding as well as the inclusion of other beneficiaries of the Fachhochschul programmes (business sector, regional governments etc.).

- An intended difference to the universities is the regional diversification of the Fachhochschul programmes. Already in 1996 were Fachhochschul programmes established in all provinces whereas in three (from nine) provinces exists no university.
- Fachhochschul studies last between six and eight semesters<sup>63</sup>, and a practical training semester is part of the most programmes. A Fachhochschul programme offers its students less freedom than a university concerning the timetable and the limited alternatives for optional subjects. Therefore, the organisation of a Fachhochschul programme is rather comparable to a school than to a university and its graduates are mostly expected to finish their study in the minimum time.

At the end of 1999 45 Fachhochschul programmes exist, provided by 19 different institutions. These institutions may be private associations, limited companies or public authorities such as a federal Ministry. It is not very easy to find an accurate list of all members of the associations or partners of the companies. However, in many providing organisations are social partners involved. Sometimes they are indirectly (but then exclusively) involved via their institutes for vocational training, the WIFI and BFI, sometimes they are directly partners of a providing company together with for example regional or local governments. Notable is that here the regional divisions of the social partners are engaged and not their national institutions. That is because the main objective for them to participate in a providing organisation is the chance to push the development of the local or regional business structure or labour market. This chance was never given at a university so far, apart from the fact that the universities are only located in the bigger cities. And that is, on the other hand, also the reason why some local or regional governments try to include the social partners if they plan to form a providing institution. Another reason are the practical training semesters and the necessity to find enough companies that offer places for the student trainees.<sup>64</sup>

The provider of a Fachhochschule must raise around 10% of the required money for a Fachhochschul programme, as described above. To what extend the social partners are therefore also financially involved in the Fachhochschulen varies also very much. If WIFI or BFI provides a Fachhochschule exclusively they must also provide the necessary money not covered by the Ministry. If the social partners are partners among others in a limited

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<sup>63</sup> For working students sometimes 10 semester.

<sup>64</sup> But there exists also the contrary position. Some providers avoid the involvement of the social partners because they prefer a direct engagement from firms. They want to cause firms that benefit from the new educational institution in their neighbourhood to feel responsible for the new institution via a direct engagement (that includes also a small financial commitment) in the providing institution.

company that provides a Fachhochschule, they own mostly a minor share of 1% or 2% of that company. However, the ownership structure of a provider might differ from the financial commitment of the partners. The biggest share of the required money is usually provided by the involved regional governments, private firms do nearly not contribute to the financing of Fachhochschulen, yet.

#### 4.2.5 Actors of Social Partnership in the field of VET research

As to a scientific knowledge basis in the field of research in vocational education and training, the Austrian Social Partners originally had established three major institutions, which enabled them to underpin their policy proposals with research and to strengthen their influence on the social dialogue on VET. Those institutions have dominated the process of knowledge creation until the 1980s, subsequently however, a broader market for research in that field has emerged.

The representatives of employers and employees acting in the respective advisory committees rely on the *Advisory Council for Economic and Social Affairs* (see page 21) as a major “think tank”. Since 1989 the Advisory Council has carried out three research projects within which vocational training policy was a main or at least an important topic. The three studies “Qualification 2000 (1989)”, “Austria’s Competitive Position as an Industrial Location (1994)” and “Employment Policies” (1996) recommended the following proposals to be treated urgently by the Austrian government:

- to foster the significance of key or core qualifications to increase labour market flexibility and mobility;
- to enhance the free interchange between the apprenticeship system and higher education and to push ahead the implementation of a Vocational „Matura” (“Berufsunreifeprüfung”) to improve access to higher education
- to enhance the establishment of basic instruction instead of narrow and too specific apprenticeship courses;
- to push ahead the extension of vocational guidance especially within and after the post-secondary level of education;
- to support the establishment of a “Fachhochschul” sector as a vocational oriented alternative to university education;
- to reform university education.

In the field of vocational education and training research in the social partners’ context the following institutes have been for a certain period carrying out the main activities: The *Austrian Institute for Vocational Training Research (ÖIBF)* and the *Institute for Education Research (ibw)*. The first to be set up of these institutes was the ÖIBF, which was established in 1970 as a private institute with a strong affiliation to the trade union

movement. The ibw was established in 1975 and is run by the Federal Economic Chamber and the Federation of Austrian Industry.

Those institutes reflected the traditional predominance of the Austrian Social Partnership in the area of vocational training research as well as the traditional rationale of running the whole system. For a long time that structure simultaneously has been a pre-condition and a consequence of the Austrian way of decision making in educational and labour market policies: Each of the Social Partners had its relationship to an institute sustaining the respective priorities, interests and positions by the means of research<sup>65</sup>. An analysis of educational research and development in Austria (Lassnigg/Pechar/Huber 1994) has shown a segmented structure of that research field, and a rather marked separation of VET research from academic research, the former also being restricted to small studies addressing a narrow range of questions, and using rather simple methodology, often with little reference to the broader academic discourse.

Several proposals for change of that situation have been discussed: The labour-related institutions have supported a proposal to found a federal institute for R&D in vocational education and labour market, which would have been more or less a combination of the two main institutes (ÖIBF, ibw). This plan, however, was not supported by employer organisations. A somewhat modified proposal was brought forward to group a broader range of institutions and researchers into a network, which should be funded by federal money. An alternative plan wanted to establish a research council which would be headed by a distinguished member of the scientific community and which would commission research projects on a peer review basis (Lassnigg/ Pechar 1995, p.36f.). However none of those proposals has found agreement of both the authorities and the social partners. On the other hand also the OECD in the Austrian country note on "Transition from Initial Education to Working Life" supported the creation of "*an institute for vocational training similar to the German Institute for Vocational Training (BIBB) which, under the responsibility of a tri-partite governing board, analyses changing occupational profiles and the need for new skills and competences and on this basis proposes for new training regulations*" (OECD 1999a, p.42)

Nevertheless also in this area the dynamic movement of the traditional Austrian system based on social partnership is mirrored. During the last 15 years major changes in the field of VET research can be observed: a variety of new players entered the scenery<sup>66</sup> and well established players in the field of economic research and labour market research extended

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<sup>65</sup> On no account this argument wants to undermine the scientific honesty of the respective studies, it should rather both refer to the different viewpoints which on the one hand have been the interests of the employers and on the other hand the interests of the employees and as well highlighting that this is also reflecting a situation of polarisation. "*As a result, the notion of a purely professional, expert viewpoint on educational matters is not considered tenable. Statements by education experts tend to be attributed a priori to a particular political position and consequently devalued*" (Lassnigg/ Pechar 1995, p.36).

<sup>66</sup> The ibe (Institute of vocational education and adult education) established in 1980 and the iwi (Institute for Industrial Sciences) established in 1987 are only the two most prominent examples.

their topics to VET. Consequently competition inflamed, a market appeared and a research community based on commissioned research with respect to VET emerged. The former two-player system built by the institutes related to the social partners has turned into a mainly market based system with a multitude of actors, including changing cooperations and alliances among them. That development has been reinforced by the integration process into the European Community, as the demand for research widened, e.g., by the request for evaluation exercise in the field of the ESF-assistance, and by the opportunity to participate in international programmes and research projects.

#### 4.2.6 The Social Partners' specialized staff on VET issues

In the large chamber organisations as well as in the Federation of Austrian Trade Unions and the Federation of Austrian Industry departments working on issues of VET policies and administration are established. These educational units for the most part concerned with questions of VET have an influence on the political parties that are advised by them. Furthermore they prepare the crucial arguments for the bargaining processes in the respective advisory boards, so they try to ensure the appropriate emphasis of social partnership interests. Furthermore at the provincial level the major part of the VET staff of the provincial Economic Chambers is concerned with the administration of the apprenticeship offices (see also above). It is widely acknowledged that this VET staff plays an important role in the social dialogue as well as in the process of policy development with respect to VET (Pelinka 1996, p.33), nevertheless it is hard to give an objective measure of this impact.

This has two major reasons: Firstly the data listed in the tables below only mirror the core of the VET staff of the social partners' interest associations, a large part of the social partners' VET activities can't be reflected in that kind of data<sup>67</sup> Secondly since the social partners' VET activities concern very complex, different and informal channels it is hard to give a measurable assessment of this overall impact.<sup>68</sup>

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<sup>67</sup> Note: Although the quantitative data regarding Table 4 and Table 5 seem to be quite clear it has to be stated that they have some vagaries:

In some Federal Laender the interest associations have outsourced their activities with regards to vocational guidance, some have own staff for vocational guidance which is included in the figured above (for example: The Economic Chamber of Vorarlberg has outsourced these activities to a private institute but the Economic Chamber of Vienna has employed eight person for vocational guidance issues which are included in the eleven persons cited above.

Especially in the economic chambers some other staff partly is involved in issues of VET dialogue and VET policies. This refers to both the respective sections of the economic chambers (business and trades, industry, commerce, finance, tourism, credit and insurance) and the level of the trade guilds where also persons responsible for VET can be found.

Staff responsible for VET issues and VET policies is in some Federal Laender also involved in the steering of apprenticeship offices, but in some Laender not.

<sup>68</sup> Some of the basic problems involved in quantitative measures for assessing policies in the area of VET have been adressed by Colin Crouch 1995, p.287f.

**Table 4: Staff of interest associations involved in VET issues and VET policies at Federal Level**

Federal Level	Chamber of Labour	Economic Chamber	Trade Unions	Federation of Industry
Total:	10 <sup>69</sup>	12	15	5

Source: Own survey.

**Table 5: Staff of interest associations involved in VET issues and VET policies at the Provincial Level**

Provincial Level	Chambers of Labour	Economic Chambers	
	Staff for VET issues and VET policies		Apprenticeship offices
Vienna	10 <sup>70</sup>	11	23
Burgenland	2	2	5
Lower Austria	6	4	20
Upper Austria	10	5	15
Salzburg	1	2	6
Styria	6	5	15
Carinthia	4	1	11
Tyrol	4	2	9
Vorarlberg	4	1	5
Total	47	33	109

Source: Own survey.

### 4.3 Social dialogue on training: apprenticeship in the 1990s

As outlined before (see chapter 2.3 and the introductory remarks in chapter 1 and chapter 4.2) the apprenticeship system is a core section of the Austrian IVT system and one of the core activities of the social partners in their VET policy. Clearly, Austria is one of the countries, which have developed a *cooperative* training system (ILO 1998, p.69–71). However, some special features of the Austrian system differ from the other well-known examples of cooperative systems. The main point to be mentioned is that Austria has both a strong apprenticeship system *and* a strong system of technical and vocational schools at the upper secondary level. That means the emergence of some degree of competition between those two sectors with respect to the education and training decisions of the young. The development of participation in education and training during the last decades shows that at least since the 1990s the participation has shifted to the school sector, especially to the technical and vocational colleges. That issue has been noticed to some extent in the policy debates, however, a common understanding about the causes and the implications of that trends has not been developed so far.

<sup>69</sup> This staff of 10 people is working for the Chamber of Labour at the federal level as well as for the Viennese Chamber of Labour.

<sup>70</sup> See footnote 69 above.

The underlying assumption for the following analysis is that the future perspectives of the Austrian apprenticeship system will depend on the pattern of incentives the opportunity structure of the overall system is providing in that competition among sectors. More direct competition among systems compared to past times would mean that the various actors involved may have to review and to revise the relationships among each other. Accordingly, new weights and balances may be necessary to be developed among the different parts of the system.

We are not in the position to give a solution for those challenges, and the scope of the project does in any case not allow for a thorough analysis of all the implications involved. The actors in the system do not perceive the challenges in the same way, and they also do not agree to the weight given to the aspect of conflictual positions and strategies as compared to the cooperative aspect. The difference in the interpretation between the researchers and the actors seems to concern mainly the questions of how severe the challenges, and of how urgent and far reaching the demanded solutions are. Social partnership and the social dialogue as a whole are built on an ever shifting distribution of conflict and cooperation, negotiations embedded in certain patterns of rules being a central element of conflict resolution. An external observer is automatically to some extent included as a part of the game, without being part of the core activities. Thus, we can expect on the one hand the prevalence of some strategic behaviour in the observed material (i.e. the expert interviews), on the other hand it will be difficult to objectively evaluate the “real” distribution of both sides of the coin. It seems to be clear, however, that severe challenges, which may demand a rather high amount of change in the system, will need a high amount of cooperation among the actors. That is another basic assumption at the background of our research exercise, which maybe has inclined us to overstate the degree of conflict in the system.

#### **4.3.1 The main actors in the system and their policy strategies**

The apprenticeship system is organised in a very complex manner, involving three major legal frameworks (the laws which regulate schools, the law which regulates the work-based part of the system, and the law which regulates the basic structural features of economic activity), and many different institutional actors (the Ministry for Economic Affairs, the Ministry of Education, the Institutions of Social Partnership: Trade Unions, Employers Organisations, the Chamber of Labour and the Economic Chamber). As indicated above in the context of the regulation of the apprenticeship system in Austria, the *social partners' organisations* have a consultative position which is functioning on an informal as well as on a formalised basis; in addition, regarding the Apprenticeship Offices the employers' organisations are also involved in the administration of the system (that means that there is some imbalance left concerning the influence of the social partners in the system, giving the employers' side more say than the employees' – this is to be mentioned because it has been frequently a

source of political conflict and dispute and may be judged as an important factor which undermines trust among those parties). It should be mentioned that some important aspects concerning the apprenticeship system, especially the financial compensation for the apprentices (their “wage”) and some aspects concerning the employment conditions, are part of the responsibilities of the social partners due to the collective bargaining process.

Another principal actor in the system is the *Ministry for Economic Affairs*, which is mainly responsible for the regulation of the enterprise part of the system, containing also the classification of the principal occupational units (*Lehrberufe*). In several aspects the Minister for Economic Affairs is advised by the proposals of the social partners, however, he is free to base his decisions on them or not.

A third principal actor is the *Ministry for Education*, which is – partly in combination with the *Länder-Authorities* – responsible for the part-time vocationals for apprentices (*Berufsschule*).

The main regulations of the system are based on law, so that *the political parties* have to take the decisions via the legislative process. Some of the crucial decisions, especially concerning the schooling issues, have to be taken by qualified majority, so that a broad consensus is necessary for taking the decisions.

As a fourth actor which is actually involved in the functioning of the system we have to mention *the institutions responsible for the labour market (the AMS and the Ministry of Labour which is going to be merged to the Ministry of Economic Affairs)*. Those organisations have to manage and monitor the apprenticeship market, and the transition process into employment after completion of apprenticeship as well as mobility during apprenticeship, including the services of vocational orientation and counselling and the provision of labour market policies. However, those institutions, which are to some extent directly confronted with the outcomes of the system, do not have much say in the decision making process about the shaping of its structural traits.

Referring to the main organization models in social theory the apprenticeship system is an outstanding case, in crosscutting the bureaucratic, the corporatist, and the market coordination modes, and in being at the same time centrally regulated and highly decentralized. In many policy documents the consensual manner of running the system is emphasised. However, there has also been a long-standing struggle going on about reform of the system, without reaching a consensus about those matters. Three structural elements of the apprenticeship system have been debated most fiercely:

- first, the number and breadth of occupational categories;
- second, the proportion of mandatory part-time schooling, and who has to pay for it;
- third, the mandatory use of additional teaching/learning institutions if the environment of an enterprise turns out to be not sufficient in providing the demanded qualifications.

In addition, the system of quality assurance – concerning the indicators to be used as well as the power of involved actors in these processes – and, more recently with gaining interest, the mechanism of funding the enterprise part of training has been considered an important issue.

For decades there have been political links constituting the so called “political camps”, which have tied the *Österreichische Volkspartei* (ÖVP) to the employers’ organisations, and the *Sozialdemokratische Partei* (SPÖ) to the employees’ organisations. Concerning the strategic orientations for political choices the above mentioned political camps linked to the social partners have certain preferences for solutions. That means that each of the social partners, and their attached chains of actors, are systematically tied to one of the sides of the dual system: the employers’ side is opting for solutions in the *enterprise part* of the system, including deregulation and especially lowering costs for firms – the employees’ side is opting for solutions in the *public and institutional part* of the system, including regulation and control over enterprises’ activities. Thus, during the course of an enduring process of political conflict and conflict resolution, each of the two sides has developed its own programme for reform, the employees’ camp trying to get its share of control in the system and opting for change, the employers’ camp very much defending the status quo.<sup>71</sup> Those programmes, however, have pointed to opposite directions. A stylised and somewhat “overstated” picture is given in Table 6.<sup>72</sup>

Those opposing basic positions and strategies of the social partners have to be understood in their interplay with their institutional embeddedness in the consensus driven system of negotiations and responsibilities social partnership and the social dialogue. The policy process might appear as a succession of periods with struggle and conflict, time and again even culminating in destructive opposition, followed by productive compromise among the principal actors. Of course the attitudes within the political camps have not been monolithic, however, the process of policy formation was remarkably guided by that opposing programmes. To understand those mechanisms we must take into account the problems of aggregation of the political will on the background of the complexity of the system, both in terms of the regulations and of the regulators, which are interacting with the high degree of diversity in terms of training enterprises. Special features to be mentioned refer to the differences between the sector of crafts and small trades on the one hand and manufacturing industries on the other hand, thus the industrialists’ organization has frequently taken a more compromising position towards the employees’ positions than the

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<sup>71</sup> That process has been analyzed for the time period since the 1950s by a thorough and detailed study: Kittel 1997.

<sup>72</sup> The table gives an overview about the most significant and in the longer run persisting dimensions of opposite positions among employers and employees. It has to be specified firstly, that the significance of those dimensions, and the more concrete positions taken by the involved organisations have varied in time (e.g., more recently, the issue of containing costs for good training has been agreed by both sides); secondly, there are differences among the involved organisations at either side concerning at least some of those items (e.g., the Federation of Austrian Industry takes a more open position towards changing occupational structures).

Federal Economic Chamber; furthermore, part-time vocational schools for apprentices do have a special position within the education system,<sup>73</sup> which causes several barriers for a more comprehensive policy in the school sector.

**Table 6: Stylized opposites in the social dialogue on the apprenticeship system**

<i>Employers</i>	<i>Employees</i>
Apprenticeship training as a <b>service</b> for economy and society	Apprenticeship training as a <b>duty</b>
Pointing to <b>costs and investments</b> of training	pointing to <b>returns</b> from apprentices' work
judging apprenticeship as <b>career opportunity</b>	judging apprenticeship as <b>dead-end street</b> *
policy should be built on <b>trust</b> in enterprises	policy should be built on <b>accountability, control and evaluation</b>
additional funds to be raised by <b>cost cutting</b> or from the <b>public</b>	additional funds from the <b>enterprise sector</b> , especially from non-training enterprises
<b>flexibility and deregulation</b> of provision of training, and of work regulation	<b>regulation</b> of provision, <b>legal entitlements</b> for apprentices
extending <b>enterprises' authority</b> about training	extending <b>public authority</b> about training
judging enterprises' practices as <b>adaptive/innovative</b>	judging enterprises practices as <b>traditionalistic</b>
<b>maintaining</b> the principal occupational structure, or making rather small and incremental changes **	<b>changing</b> the occupational structure
defending, and with some respect extending apprentices' <b>time in enterprise</b> ***	extending <b>time at school</b> or in intermediate training institutions
containing costs connected to apprentices' compensation to <b>loosen the burden</b> for enterprises ****	rising, or at least defending compensation to make apprenticeship <b>more attractive</b>

Source: Own scheme, based on Lassnigg 1999.

\* Due to the recent reform of the Vocational Matura (*Berufsreifeprüfung*) the opportunities for the progression of apprentices have been widened, however, practice will show the actual effects.

\*\* Some changes of the occupational structure have been made by recent reforms (new occupations, possible combinations of occupations), however, the differences concerning that have not been resolved.

\*\*\* The dispute about apprentices' time has been connected to the relationship of time spent in enterprise and apprentices' time for compensation; in some trades regulations of working time for young people has been discussed too.

\*\*\*\* The debate about costs relates to direct (apprentices "wages" which are part of collective bargaining) and indirect (e.g., social security contributions) costs.

The longer term policy process has been described by a dynamic of the employees' side pressing for change and equal representation in the system (Kittel 1997). High pressures for reform were initiated by the youth section of the Federation of Austrian Trade Unions in the mid 1970s, charging strong steps towards expansion of the public elements in the system. The heated debates were resolved by an amendment to the Vocational Training Act in 1978, which included some modest changes as compared to the original charges. The participation of the employees' side in the steering system was strengthened, and some mechanisms aiming at quality assurance were introduced. The basic positions have prevailed after the compromise, however, it was not until 1993, that a new amendment added some steps for reform. In that period several signs pointed to prevailing difficulties in conflict resolution.

<sup>73</sup> Access to that schools is conditional on an apprenticeship position, participation is compulsory, school for apprentices are separated in administrative terms from full-time vocational schools and colleges, the Laender are involved in financing and controlling the system, a separate category of teachers is employed, etc.

Some important issues, which certainly have stressed the climate in the policy process, are associated with the following events:

- negotiations among the social partners concerning reform of occupational profiles have not been adopted to law even though they had brought about consensual results;
- decision making in that area of vocational policy appeared as a very involved and protracted process;<sup>74</sup>
- the time for part-time vocational schooling has been extended one-sidedly by the education authority to provide more general subjects (language, new technologies) without giving a financial compensation to the enterprises;
- a radically deregulated draft for reforming the Vocational Education Law had been brought into the process;
- negotiations among social partners about the set-up of training funds have not been successful.

In sum, there has been a situation with the employers' side opting for a strategy, which may reduce costs and increase discretion and control for the enterprises, including deregulation and reducing "bureaucracy" – whereas on the opposite the employees' side has been opting for reforms, which may require additional funds to be raised by the non-training enterprises. The respective strategies also include opposing positions concerning the location of apprenticeship in the overall education and training system: on the employers' side the overall incentive structure for educational choices is judged as being distorted towards careers in full-time school and university, thus seeing a systemic solution in an increase of the incentives to choose an apprenticeship programme by posing higher prices to the alternative programmes – on the employees' side the apprenticeship system should be made more attractive by an overall qualitative improvement raising its status in the system, including broader profiles, mechanisms of quality control for enterprise training, increasing the non-enterprise components of training, etc.

#### **4.3.2 The policy initiative of 1997**

In 1996 the system has run into a severe problems on the apprenticeship market, and policy action has been taken by the Austrian government. During 1996 and 1997 a broad programme of reform of the apprenticeship system has been developed, to be implemented in 1997 and 1998. The government, the departments of education, science, labour, and economic affairs, and the social partners have been included in that process. The following broad range of dimensions were addressed by that programme:<sup>75</sup>

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<sup>74</sup> As a maybe somewhat extreme example one of our interview partners expressed that the installation of a new vocational trade took up to a twelve years' process, to bring the matter from the level of a provincial advisory board to the federal level, and was not quite finished yet.

<sup>75</sup> Cf. Gittenberger 1997, Gerstbauer 1997, Schedler 1997, Blumberger/Markowitsch et al 1998.

- Amendment to the Vocational Training Act (loosening of employment protection of certain kinds of apprentices, easier access to exit examinations, change of requirements for trainers' qualifications to open up certain professional services for apprenticeships)
- A task force for the development of broader profiles of apprenticeship training, and for finding new solutions for the regulation of the numbers of apprentices in relation to the number of employees
- A task force for the development of new apprenticeship trades for the future trades and occupations
- A task force for the development of strategies for the acquisition of additional training slots, and for the improvement of the promotion strategies, including mechanisms for re-allocation of funds for training
- Promotion of training equipment and establishments, as well as of further education and training of apprentices
- Changes of outdated restrictions for youth in employment protection laws and regulations (especially concerning working time restrictions)
- Redistribution of social security payments of the employers from apprentices wages to salaried employees' wages, thus reducing non-wage labour costs for apprentices;
- Implementation of compulsory educational and vocational information in the lower secondary school;
- Improvement of co-operation between schools and enterprises;
- Reform of the Pre-Vocational Year at the 9<sup>th</sup> grade of compulsory school;
- Implementation of a Vocational Matura ("Berufsreifeprüfung") to improve access to higher education, and development of additional preparatory courses in the TVE sector;
- Reform of the structure of the part-time VSA towards a block release system instead of a day release system.;
- Councils for the implementation of quality management in apprenticeship training should be nominated by the social partners;
- The fragmentation of responsibilities among the various institutions should be analysed and solved by a proposed co-ordination mechanism.

The programme shows a complex structure which involves a broad array of measures which have mostly a long history in the Austrian debate, some of them having been on the agenda in a similar manner for decades. Because of the high commitment in the political system to provide favourable conditions for transition of youth to education, training and employment, the signs of crisis have quickly brought the principal actors to action: the government, the social partners, and the involved institutions.

Concerning the mechanisms of policy formation, the evolvement of the programme is interesting. In the course of three or four months some task forces designed by the Chancellor had to provide solutions to long-standing problems. The programme therefore

was designed in the policy system in a highly ad hoc manner. Research was not involved, although the programme was based on some strong assumptions about the causes of the crisis, which give room to doubts about its efficacy.

Against this background the governments' initiative formulated a broad and potentially compromising programme for reform, which took up most of the contested issues. Some measures have been implemented rather quickly, and the situation on the apprenticeship market could be improved for 1997. However, a rather high input of money, especially from labour market policy<sup>76</sup> for the provision of alternative training opportunities, was necessary to bring about rather short-time effects.

The policy debate about the reform of apprenticeship has been carried further in the framework of the National Plan for Employment (NAP), which was delivered to the European institutions in April 1998. Several points of the above mentioned government programme were included and further developed in that channel of the European employment policy. The social partners have developed an agreement, which was included in the Austrian NAP, a main measure being the creation of a safety net for young people in charge to find an apprenticeship position.

The involvement of the social partners in drawing up and implementing the NAP can be assessed as comprehensive. Beyond their role in modernising work organisation, with a view to responding to structural changes, the social partners contributed to the development of framework conditions and training curricula for apprenticeship occupations. They have been actively involved in the implementation of the safety net scheme for the young (European Commission 1998, p.2, p.51). The agreements concerning that safety net and additional courses and foundations set up under the National Action Plan for employment may in fact be seen as a step towards a tripartite system where (in addition to the school and the enterprise) a third intermediate provider will complement vocational education. Since that type of solution does not fit the basic strategy of the employers' side a rather complex set of regulations for the safety net has been developed through extended negotiations.

Further important actions included in the NAP were a priority for the design of new apprenticeship occupations, especially for employment in the new technology area and in the service sector, and the provision of further education and training opportunities for disadvantaged young people.

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<sup>76</sup> Some estimates show that about 20% of the means for active labour market policy have been spent for measure to improve the situation on the apprenticeship market.

### 4.3.3 Recent proposals and future perspectives

The main measures from the 1997 government initiative and from the NAP have been implemented during 1997–99, and as they are actually under a process of evaluation, an assessment is not possible at the time of preparing the report. Concerning the future perspectives, signs for a more long-term systemic and sustainable perspective concerning reform came to the foreground more recently.<sup>77</sup> Whether the opposing policy strategies sketched above will be resolved towards new solutions, cannot be said at the moment. The Ministry of Economic Affairs in its 1999 VET-Report (BMWA 1999, p.69f.) points mainly to the challenge of creating new apprenticeship occupations and new areas for training and employment. Short apprenticeships which possibly can be continued in full occupations, loosening of the assessment procedure for new training enterprises, and measures for the strengthening of modular structures among existing occupations and training offers, are mentioned as the future policy tasks.

Beneath the attempts of making accessible new training and employment areas, the employers' organisations (*Wirtschaftskammer Österreich*) put their emphasis especially on cost cutting, deregulation, and the issue of the abilities of the applicants for apprenticeship. The crisis is seen to a high extent as caused by individual traits: the applicants who remained unemployed would lack the necessary abilities and habits for an apprenticeship. That problem would be reinforced by the high level of employment protection and the rising costs for apprenticeship.

Consequently, the following proposals are central for the employers' side:

- measures to increase the abilities of the applicants by preparatory courses and the development of new apprenticeships for the remaining “low-ability” group;
- loosening of the employment protection of apprentices, so that the contract could be skipped after half of the time, possibly assessed by some kind of achievement tests;
- cutting the enterprises' costs by shifting the financial compensation (wage) for the time consumed by the part-time vocational school to the public budget (in fact about 20% of the wage costs would be affected by that proposal).

The employees' organisations put their emphasis on the provision of alternatives to apprenticeship if the enterprise sector is not able to provide a sufficient number of training places at a certain level of quality. One aspect of quality is to what extent the overall conditions of apprenticeship are providing an attractive alternative to full-time schooling. About half of the apprentices are estimated to have a low income social background, so that the wage is not the only but at least one important incentive for that group – that means that

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<sup>77</sup> See Blumberger et al 1998, Schneeberger/Kastnerhuber 1999.

the other half could potentially apply to full-time schooling if the conditions would be worsened. Another aspect is quality of training, which is meant to be controlled by the system of regulations. Deregulation at cost of quality is rejected as a strategy to provide more training places.

The employees' organisations have delivered a proposal to build up a kind of vocational school providing an alternative to enterprise training. The resources of the part-time vocational school for apprentices should be used for that school. That school should ideally provide the qualification of an apprenticeship, so that a 1:1 transition was possible if one can find a training place – if not, in last resort that school should keep on until a full apprenticeship qualification is acquired. Several pilot programmes using a new setting for apprenticeship, which is not fixed to a certain enterprise but uses mixed settings, e.g., short-time training spells in various enterprises, intermediate training workshops, schools or institutions for adult education, have been set up in parallel in the area of labour market policy.

The underlying strategy for those programmes may be named as a proceeding from the *dual* system to a *trial* system, which is built on the three learning and training environments: enterprise, school, and intermediate institutions. That strategy to build an alternative source for training is to some extent based on the expectation that structural forces on the demand side may lead to a further decline of apprenticeship to about 30% of an age group. The employers' organisations have heavily opposed the proposals to build up an alternative path to apprenticeship credentials. Their strategy resembles to reducing costs and regulations and giving more room to the selection among apprentices, e.g., to develop credentials which cover only parts of an apprenticeship occupation (*Anlehre*, *Stufenlehre*, etc.).

Concerning the aspect of costs the employees' organisations have proposed for several years some mechanisms, which would redistribute financial means from the non-training enterprises to the training enterprises. It is pointed out that the main financial factor is the apprentices' compensation, which is part of the responsibilities of the social partners, by the collective bargaining mechanisms. In addition, for structural and quality reasons, a fixed level of financial compensations to all enterprises is seen as a second best alternative.

Referring to the above mentioned basic strategies of the social partners, strengthening the enterprise part vs. strengthening the public elements of the system, we can make some rather speculative concluding remarks. There seems to be an opening up of the debate, paying attention to the more systemic relations between apprenticeship and full-time schooling. On the one hand the issue of improvement of the basic knowledge provided in compulsory school, and the transfer elements between compulsory school and

apprenticeship is scrutinized.<sup>78</sup> On the other hand, attention is given to the potentials of the intermediate technical and vocational schools, which may be developed to some extent towards a cooperative mode of education. The above mentioned projects including elements of a trial system seem to get more ambiguous views.<sup>79</sup> Concerning the enterprise part of the system, the main attention seems to be given to the issues of deregulation and cost reduction. Issues of innovation and improvement of the enterprises' training practices are less prominent in the debate. As the production of collective goods is seen as the main asset of the corporative mode of coordination and policy making, the question may be posed whether new modes of that production, including the development of new intermediary structures will have to be found to develop the system towards a sustainable system of life long learning.<sup>80</sup>

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<sup>78</sup> Schneeberger/Kasthuber (1999, p.46) have recently posed the question if there may be a need for a new basic education.

<sup>79</sup> According to Blumberger/Dornmayr (1997; see also Blumberger/Markowitsch et al. 1998), positive values were attributed among both sides of the expert community to those concepts in their analysis about the positions and priorities concerning "alternative" VET reforms.

<sup>80</sup> Kittel (1997) in his general conclusion, argues that the Austrian system has only partly developed a collective mode of training provision so far: Whereas collective mechanisms have been developed at the organizational level, the issues of financing and of training delivery have been left solely or mainly on the enterprise level.

## 5 Summary and Conclusions

1. The economic development of post-war Austria can be characterised as a constant process of catching-up. Austria has overcome the evident war damages and now ranks among the highly developed welfare states of the Western world. Two figures will illustrate the process: In 1954, Austria's domestic gross product per capita (valued at 1990 prices in US dollars) was only 55% of the US-figure, but by 1995 it had already reached 90%. In the mid-1950s, Austria's per capita national product (at current exchange rates) at 17% still lagged behind that of today's EU-Members, but in 1996 Austria surpassed this figure by 24%.<sup>81</sup> The Austrian economy has clearly succeeded in catching up. This growth was driven by a continually opening-up of Austria's economy<sup>82</sup> and by a dynamic growth of foreign investment in Austria.<sup>83</sup> This success was made possible by the high degree of political and social stability, predictable wage cost trends and the well-trained and motivated workforce.
  
2. The present situation on the Austrian labour market is very good from an international point of view. Of all EU countries, only Luxembourg has a lower level of unemployment and the level of unemployment among young people is even the lowest in the EU. But also with respect to employment, Austria ranks among the forerunners. The labour-force participation rate (measured in % of working-age population or in full-time equivalents) is around 70% (65% respective) and, thus, about 10 percent higher than the EU average. However, the labour-force and the working population grew during the 1990s, so did unemployment in Austria – contrary to several other EU countries. Only in 1999 a slight reversal of that trend occurred. The Austrian labour market came under pressure at the end of the 1970s as a consequence of the oil crisis, during the 1980s mainly as a consequence of productivity problems within the state owned industry, and recently as a consequence of growing internationalisation, competition and technological developments accompanied by pressures on the productivity (and therefore the wages) and an increasing mismatch between demanded and offered qualifications on the labour market. Austrian policies try to answer these problems with reforms that aim to bring (higher) education closer to industrial demands and with active labour market programmes, such as the National Action Plan for Employment (NAP) that focus especially on risk groups.
  
3. The Austrian VET-system can be broken down into three basic components which are more or less separate: The initial VET-system (IVT), the system of continuing

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<sup>81</sup> This overview mainly follows Pichelmann et al 1998; see also Pichelmann/Hofer 1999, Lassnigg/ Schneeberger 1997, OECD 1997, OECD 1999, IHS 1999a, HIS 1999b, WIFO/ IHS 1999.

<sup>82</sup> Which led to a rapid increase in productivity through cost-cutting technological progress and to a change in the structure of the economy.

<sup>83</sup> Austria was able to introduce and spread new business practices and modern technology mainly by attracting foreign investment and importing advanced capital goods.

vocational education and training (CVT), and the widespread system of informal enterprise training.

- The highly formalised IVT-system clearly is the most developed one. Compared to most EU and OECD countries the Austrian IVT-system is providing medium level vocational qualifications to a high proportion of the population. Austria exhibits a very favourable position concerning the widespread problem of youth unemployment. The participation of young people in IVT has gradually emerged during decades, however, the qualification structure of the younger population is more advanced than that of the older population, and even among the younger cohorts disparities are more marked among women than among men. At the upper secondary level the Austrian IVT-system has both a strong apprenticeship sector (40% of young people at the 10<sup>th</sup> year of their educational career) and a strong system of vocational and technical schooling. Since the 1970s the rise of the participation rate has been mainly carried by the technical and vocational colleges, which are also estimated to grow further in the future. Among the 18 – 24 age group of young people who have left education and training, the proportion of persons having completed no more than the lower secondary level is about 12% (European indicator). Despite several pronounced statements in favour for a strengthening of permeability since the 1970s, that aim has only been met to a limited degree until recently. The reforms, which have been amended at several aspects of the Austrian IVT-system during the 1990s, are bound to make its performance more flexible due to changes of the highly regulated and specialized basic structure. Since 1994 studies in the new institutional setting of the Fachhochschule are provided which rests on a completely different institutional setting as compared to the traditional structure of the Austrian IVT-system<sup>84</sup>.
- The predominant and highly regulated IVT system is complemented by a CVT-sector, which is mainly based on private activities, exhibiting salient structural weaknesses and deficiencies. It has not been until recently that the development of a system comprising further training, CVT and company development of human resources (HRD) would have been a point of reference for policy debates and programmes in Austria. Based on the employment strategy a priority for the development of life long learning has been developed in the first Austrian NAP which gives a rather general outline for steps towards a policy strategy for life long learning. As in many other countries, there is a lack of clearly defined definitions and quality criteria. Recent figures point to participation rates in CVT next to the European average, and to a moderate prevalence of the well known disparities concerning access based on social traits as gender, education, age, occupation, etc. to CVT. Based on responsibilities for continuing professional development a small number of institutes mainly owned by the

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<sup>84</sup> The FHS-framework is managed by a professional accreditation body, the regulation is bound towards outcomes and evaluation, the providers are given high autonomy in shaping their study supply, etc.

social partners are the dominating providers of CVT (Piskaty et al. 1998, p.58), especially WIFI and BFI, one belonging to the employers' organisations and the other one to the employees' organisations. Labour market training is the main public source for continuing education and training, the CVT providers having to tender for that sources. The prevailing weak co-ordination of public activities (the involved federal departments are acting virtually without co-ordination) due to the lacking overall framework is addressed to some extent by the Austrian NAP.

4. The social dialogue on training is embedded in the institutional and organisational set-ups of social partnership in Austria. Social partnership and the co-operation of the institutions representing the interests of employers and employees complementing the political institutions (government, parliament) as defined by the constitution has been the second pillar of political decision-making in Austria since World War II. The Austrian model of social-partnership has for a long time been "*widely regarded as the 'paradigm case' of corporatism*" (Ljiphart/Crepaz 1991, p.241) and, despite all the current changes, it is still supposed to be "*the most stable form of European corporatism*" (Tálos 1996, p.103).
5. The 'social partnership' model of economic interest representation and intermediation is comprised of chambers as public corporations with compulsory membership established by law, the trade unions, business associations and government (Tálos 1996, p.103). This institutional set-up mirrors the predomination of "*highly concentrated, centrally organised and quasi-monopolistic interest organisations*", which are a salient part of the political decision-making structure. Their activities are determined primarily by a spirit of co-operation and the desire to establish a balance of interests (ibid.). The social partners have been shaping and influencing the political decision-making process via different channels: the evaluation of bills; participation in advisory councils, commissions and subcommittees; the "Parity Commission concerning Wages and Prices" as the organisational core of Austrian corporatism; and via personal interlocking with political parties, parliament and government (Seidel 1996, Tálos 1996, European Commission 1997). Since the late 1950s this involvement in the policy process has not been restricted to issues of wage and price negotiations, but covered a broad range of policy fields, based on a high degree of responsibility for the whole economy. Given these various activities of social partners regarding political decision-making, the conclusion has been drawn that in "*strongly corporatist countries with pronounced concertation the large interest associations tend to be involved, at least formally, in all important regulations in every political field*" (Lehmbruch 1985, p.94; Tálos 1996, p.114).
6. The corporatist division of labour and sometimes mutual penetration of governmental and social partners' organisations since World War 2 are both key factors of the success of the Austrian economy and social safety and has contributed to the

economic stability and wealth of Austria in the second half of the 20th century (Gerlich et al. 1985). Till the beginning of the 1980s government left most of the issues related to economic and social policies to the interest associations to resolve conflicting points before it submitted a draft proposal to parliament. The central objective of the economic and social partnership in Austria has been to secure social peace through the raising of the standard of living further for all wage and salary earners as well as to strengthen the competitiveness of the Austrian economy: till the beginning of the 1980s the values of full employment and economic growth have been the undisputed binding links of the Austrian Social Partnership (Mayer 1994). The social partners' co-operation meant that the trade unions had accepted the necessity of profits and business had accepted that workers should participate in the increasing wealth. Accepting an existing income distribution,<sup>85</sup> collective bargaining with respect to income policy via wage regulation on the one hand and price regulation on the other hand has been the core activity of the Social Partners. The institutional framework for those processes of collective bargaining has been the Parity Commission of wage and price issues established in 1957.

7. Despite its undoubted success the system of social partnership has also caused criticism. Criticism concerning the economic efficiency on the one hand and criticism regarding issues of legitimacy, transparency and democracy, on the other hand. This criticism has amplified since the mid of the 1970s, as the long-term period of stable economic growth came to its end and unemployment started to rise at the beginning of the 1980s. The traditional socio-economic system was increasingly challenged by pressures of globalisation, increased market competition and new information and communication technologies (ICT). The loss of autonomy in economic policy, in monetary policy and in finance policy as a consequence of these developments was related to a gradual loss of significance of the social partners with respect to the process of policy shaping. In the political system the competition for voters among parties increased, and the attitudes of the Austrians towards the social partners changed (Kittel/ Tálos 1999, p.102ff.) Throughout the 1980 and 1990s this institutional set-up had almost undiminished high acceptance in the Austrian population. The issues of legitimacy and the criticism on compulsory membership was rather related to the individual interest associations (Ulram 1993, p.131ff.) Despite the criticism, the chambers gained a major success as they achieved high approval in member ballots asking for the opinion about the continuation of the chambers performing as public interest corporations established by law.<sup>86</sup> The social partners have also been able to retort the criticism with organisational reforms. It has to be said, however, that in recent

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<sup>85</sup> In contrast to standard assumptions in the economic discourse, which expect an even income distribution in corporatist systems, the Austrian income distribution is estimated rather uneven (Unger 1997, p.138).

<sup>86</sup> Based on a turn-out of 66,6% of the members of the Chambers of Labour and 36,4% of the members of the Economic Chambers the approval amounted to 90,6% regarding the Chambers of Labour and 81,7% regarding the Economic Chambers (Kittel/ Tálos 1999, p.106).

years in the face of these developments social partnership has altered its overall image considerably, as compared to the post-war years. Today's alternatives to social partnership are no longer major distribution conflicts and state-controlled income policy, but rather allowing incomes to be determined on competitive markets (Pichelmann/ Hofer 1999, p.47). As indicated above the manoeuvring room for regulation of any sort has actually been reduced by integrating the Austrian economy more closely into the international division of labour. Competition has greatly increased on the goods markets and consequently on factor markets as well. And price regulation has become practically meaningless, which is why the Parity Commission hardly regulates prices anymore. Moreover, much of the regulation is not done in Austria, but rather is taken care of in international agreements in a broader context (ibid). Due to changes in the political behaviour in the course of increased competition for voters the government increasingly tried to take a more active role in policy making and to take decisions from the social partners (Kittel/ Tálos 1999, p.102ff.). The consequences of the change of the political landscape by the 1999 parliamentary elections for the system of social partnership cannot be directly foreseen. The employees' organizations have to cope with the challenges of finding new solutions for the system of social security allowing for extended flexibility. To a considerable extent they are confronted with pressures from the anti-social partnership populist forces, as is the case on the employers' side. At present it seems that, faced with increased competition on the global market, especially the employers' side of social partnership might be inclined to withdraw from the collective mechanisms, and may try to increase pressure to implement new technologies and to innovate in a way more guided by neoliberal ideas. Overall, despite the rather populist orientation of the public discussions about the social partnership, the existence of Austrian social partnership cannot be expected to be in danger, how the future government coalition may ever be constructed. The participation of the right-wing populist FPÖ in the government could lead even to a greater importance of social partnership in Austria. Concerning the interrelation of the Austrian social partnership with the European social dialogue, direct negative effects are not expected from the integration in the European social dialogue, rather a process of osmosis will probably develop in the longer term.

8. The recent report gives an overview regarding social partners' involvement in VET and is analysing the role of the social partners in the actor network of VET in a more detailed way, related to six main issues: 1) apprenticeship training, 2) Continuing Vocational Training, 3) Labour Market Training and Re-Training, 4) Higher Education Policy and, 5) the field of VET research 6) the vocational training issues departments. The social dialogue on training in the apprenticeship system during the 1990s shows some problems arising from the principal way of social partners' policy involvement against the background of increased change. Educational policy had not been considered as core issue of social partnership in previous research. Reflection of Austrian social sciences was rather focus on prices and incomes policy, economic

policy, labour market policy and social welfare policy, but the activities of social partners in education and training policies have until recently not been a main topic of research about the functioning of that mode of policy making.

9. The scope and subject matter of the role of the Austrian social partners can be illustrated by an image of three concentric circles (see Piskaty 1996, p.48): The innermost circle is formed by apprenticeship training and vocational further education (CVT). This places special demands on the economic and social partners as the representatives of the practical interests linked to vocational training. The next concentric circle comprises the other sectors related to vocational training: the technical and vocational schools and colleges including the respective teacher training institutions, the “Fachhochschulen”, and those universities studies which more closely related to the economy (e.g., science and engineering, business studies). The outermost circle includes general education at schools and teacher training at academies and universities.
  
10. An assessment of VET policy in Austria has to highlight the strong IVT system and the comparatively good functioning of transition into working life. Austria has high rates of qualifications at upper secondary level, low rates of youth unemployment and low rates of total unemployment compared to the average of the EU countries. This is doubtlessly based mainly on the functioning of the *institutional system*, especially the apprenticeship system that includes a large part of young people, among them many who had rather bad records at school. The parallel system of full-time schools is an important factor too, because it has the capacity to integrate another large part of young people, which has increased strongly during the last two decades. In times of tension, e.g. when demographic pressure coincided with an economic recession in the early eighties, both systems took up the challenge. Another aspect, which must be noted, is the *high political commitment* among the involved actors to provide favourable conditions for the integration of young people into education, training and employment. This we can observe on the occasion of the performed policy reactions to the signs of crisis on the apprenticeship market in 1996. A deeper analysis of the issues of youth labour market policy has concluded that a *combination of factors*, rather than one specific asset of the Austrian system alone, has caused its successful performance. The following factors have been observed as important causes for the low measures of youth unemployment in Austria (Lassnigg 1999): the existence of the apprenticeship system; the parallel existence and broadening of a system of upper secondary schools which provide a broad and diverse supply of vocational education and training; the inclusion of the apprenticeship system in the system of labour exchange as a basis for a quick signalling of problems; a very strong priority for combating youth unemployment among the political actors and the social partners who have been determined to prevent its rising as first signs are observable. No one actor has to bear the burden alone, and some lack of co-ordination may be an asset of the system

because each of the system elements cannot rely on the other actors. The range of positions regarding general assessment of the social partners' activities in this area oscillates between two poles which are similar to the recent debate regarding social partnership at the macro level. Supporters of the system point to the undoubted success of the Austrian system, to the good chances to find qualified employment, to the benefits of common action since agreements negotiated by all involved actors have an obligatory nature and to the high degree of social cohesion. Critics point to the rigidity of the social partners' interventions, to slow processes of innovation in VET policies and to slowness of system development in general. Nevertheless – despite a complex dynamic of disagreement and conflict resolution especially in the field of apprenticeship – the social partners' activities in the VET system generally ought to be judged in a positive way (OECD 1999a, p.30f.).

11. An important asset of that institutional system is the inclusion of the social partners as a part of it via several channels of the social dialogue. That inclusion means that the actors who are representing social partnership and therefore the main forces of working life and economic practice are integrated into the process of policy formation as well as into policy implementation in the field of VET. The following main channels of the social dialogue in the VET field should be distinguished:<sup>87</sup> participation in legislation by the right of appraisal of new laws, and based on that responsibility the opportunity of the chambers to pass an expert opinion on legislative matters in the very initial stages of legislation; the involvement in the legislative process through interlocking memberships in political parties and in parliament; participation in the administration and supervision of apprenticeship by the delegation of certain tasks to the apprenticeship offices with the Economic Chamber, supported by the Chamber of Labour; the right to propose members of the examination bodies; the representation in advisory boards for the development of apprenticeship and in various coordinating bodies, committees and commissions;<sup>88</sup> several opportunities have emerged during the 1990s to initiate and influence policy in higher education and the post-secondary sector.<sup>89</sup>
  
12. *Apprenticeship.* The apprenticeship system is organised in a very complex manner, involving three major legal frameworks (the laws which regulate schools, the law which regulates the work-based part of the system, and the law which regulates the basic structural features of economic activity), and many different institutional actors (the Ministry for Economic Affairs, the Ministry of Education, the Institutions of Social

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<sup>87</sup> For a more formal description see KulturKontakt 1996, Piskaty et al. 1998.

<sup>88</sup> Especially in the district education authority, in school committees at vocational schools, and in coordinating bodies at vocational and technical secondary schools and colleges.

<sup>89</sup> The possibility to provide courses which may be accredited in the Fachhochschule framework; the right to propose professional representatives for the accreditation body of that framework (Fachhochschulrat); the new laws for the university sector also give room for improved representation of working life and the economy in several respects, e.g. being included in a new buffer organization, or commenting on new study regulations.

Partnership: Trade Unions, Employers Organisations, the Chamber of Labour and the Economic Chamber). The *social partners' organisations* have a consultative position, which is functioning on an informal as well as on a formalised basis; in addition, regarding the Apprenticeship Offices the employers' organisations are also involved in the administration of the system, giving the employers' side more say than the employees'. Some important aspects concerning the apprenticeship system, especially the financial compensation for the apprentices (their "wage") and some aspects concerning the employment conditions, are part of the responsibilities of the social partners due to the collective bargaining process. For decades there have been political links constituting the so called "political camps", which have tied the *Österreichische Volkspartei* (ÖVP) to the employers' organisations, and the *Sozialdemokratische Partei* (SPÖ) to the employees' organisations. Concerning the strategic orientations for political choices the above mentioned political camps linked to the social partners have certain preferences for solutions. That means that each of the social partners, and their attached chains of actors, are systematically tied to one of the sides of the dual system: the employers' side is opting for solutions in the *enterprise part* of the system, including deregulation and especially lowering costs for firms – the employees' side is opting for solutions in the *public and institutional part* of the system, including regulation and control over enterprises' activities. Thus, each of the two sides has developed its own programme for reform, those programmes pointing to opposite directions. Those opposing basic positions and strategies of the social partners have to be understood in their interplay with their institutional embeddedness in the consensus driven system of negotiations and responsibilities social partnership and the social dialogue. The policy process might appear as a succession of periods with struggle and conflict, time and again even culminating in destructive opposition, followed by productive compromise among the principal actors. In 1996 the system has run into a severe problems on the apprenticeship market, and policy action has been taken by the Austrian government. The governments' initiative formulated a broad and potentially compromising programme for reform, which took up most of the contested issues. Some measures have been implemented rather quickly, and the situation on the apprenticeship market could be improved for 1997. The policy debate about the reform of apprenticeship has been carried further in the framework of the National Plan for Employment (NAP), which was delivered to the European institutions in April 1998. The social partners have developed an agreement, which was included in the Austrian NAP, a main measure being the creation of a safety net for young people in charge to find an apprenticeship position. The main measures from the 1997 government initiative and from the NAP have been implemented during 1997–99, and as they are actually under a process of evaluation, an assessment is not possible at the time of preparing the report. Concerning the future perspectives, signs for a more long-term systemic and sustainable perspective concerning reform came to

the foreground more recently.<sup>90</sup> Whether the opposing policy strategies of the social partners will be resolved towards new solutions, cannot be said at the moment. There seems to be an opening up of the debate, paying attention to the more systemic relations between apprenticeship and full-time schooling. On the one hand the issue of improvement of the basic knowledge provided in compulsory school, and the transfer elements between compulsory school and apprenticeship is scrutinized.<sup>91</sup> On the other hand, attention is given to the potentials of the intermediate technical and vocational schools, which may be developed to some extent towards a cooperative mode of education. Ongoing projects including elements of a trial system, that means to combine enterprise training, school, and a third cooperative setting, seem to get more ambiguous views.<sup>92</sup> Concerning the enterprise part of the system, the main attention seems to be given to the issues of deregulation and cost reduction. Issues of innovation and improvement of the enterprises' training practices are less prominent in the debate. As the production of collective goods is seen as the main asset of the corporative mode of coordination and policy making, the question may be posed whether new modes of that production, including the development of new intermediary structures will have to be found to develop the system towards a sustainable system of life long learning.<sup>93</sup>

13. CVT. The most important extra-company providers of vocational continuing training measures are the institutes of the economic and social partners. In Austria three institutes for vocational training have been initiated by the social partners for the promotion of the professional interests of their members: the *Wirtschaftsförderungs-institut – WIFI* (Economic promotion Institute) which was founded in 1946 by the Economic Chamber; the *Berufsförderungsinstitut – BFI* (Institute for vocational development), established by the Chamber of Labour during the 1960s; and the Institute for Adult Education in Rural Areas – LFI. Those institutes have played a pioneering role in the development of CVT in Austria. Their market share in CVT is rather high, WIFI and BFI together serve for about two thirds of participation (WIFO/IHS 2000, p.146). The dominating role of those institutes in the CVT market may change in the future; private organisations might get a larger share of the market. The market in the field of vocational training is expanding, however, it may not be easy to compete for newcomers and for smaller private institutes working in the sector of vocational training in that kind of market. In Austria, labour market education and

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<sup>90</sup> See Blumberger et al 1998, Schneeberger/Kasthuber 1999.

<sup>91</sup> Schneeberger/Kasthuber (1999, p.46) have recently posed the question if there may be a need for a new basic education.

<sup>92</sup> According to Blumberger/Dornmayr (1997; see also Blumberger/Markowitsch et al. 1998), positive values were attributed among both sides of the expert community to those concepts in their analysis about the positions and priorities concerning "alternative" VET reforms.

<sup>93</sup> Kittel (1997) in his general conclusion, argues that the Austrian system has only partly developed a collective mode of training provision so far: Whereas collective mechanisms have been developed at the organizational level, the issues of financing and of training delivery have been left solely or mainly on the enterprise level.

training programmes are one of the most important strategic instruments used to find solutions to labour market problems. The Public Employment Service (AMS) is the main customer on the CVT market. And the supervisory boards of the Public Employment Services<sup>94</sup> at the federal, the regional and the local level, which are responsible for both submitting resolutions on labour market policy and for approving employment programmes, mainly consist of the social partners. In a social partners' agreement included in the NAP 1998 a broad basic outline for the development of a strategy for life long learning was given, that underlined the strong position of the social partners' institutes in Austrian CVT, and beside a wide range of actions also pointed to the necessity of equity measures to increase participation of the less qualified to CVT.

14. *Schools and higher education.* Concerning the sector of full-time schooling the social partners' organizations have been on the one hand involved in the policy process by contributing ideas for reform and by commenting on the several proposed materials for reforms during the policy formation stage, on the other hand they have also contributed to policy implementation by their membership on various boards and committees. Particularly, their proposals and comments concerning reform of curricula, the inclusion and organisation of mandatory periods of practical training into full time schooling careers, widening of vocational orientation at school, and the development of training firms have been main concerns of the social partners in that sector. By running institutes for research in vocational education, and by giving broad common expert statements to basic questions of VET through publications of their main advisory council (*Beirat für Wirtschafts-, und Sozialfragen*)<sup>95</sup>, the social partners have played an important role in VET research, which had been rather neglected by the academic community. Reforms in higher education during the 1990s have widened the involvement of the social partners. In general their involvement corresponds more or less with the proximity of the respective activity towards the labour market and the economy.<sup>96</sup> The social partners sometimes have initiated the debates and participate to a great extent in the discussions contributing statements and proposals for solutions and improvement. The employers' organisations focus especially on the qualification of the graduates (the "output" of the system). They demand a consideration of the needs of the business community concerning the content of studies, and organisational reforms that allow for a decrease of the graduates' age and a decrease of drop-out-rates. They pay also attention on the reduction of costs, a more efficient use of the budget and the possibilities of raising additional sources, e.g., by the introduction of tuition fees. The employees' organisations give in particular attention to the social role

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<sup>94</sup> To get a clear impression of the organisational-set up of the Austrian Public Employment Services (AMS) see table 24 in the annex.

<sup>95</sup> E.g.: Room for Manoeuvring in Economic Policy (1998), Austria's Competitive Position as an Industrial Location (1994), Qualification 2000 (1989).

<sup>96</sup> The Fachhochschulen may be seen as being tied much closer to the labour market and the business community as compared to the universities; or as another example, a proposed study plan concerning a technical study may get more detailed statements from the social partners than a study plan for the humanities.

of education. They take for example the students' interests and their social situation into account and focus more on the openness of the whole system and on the abolishment of entrance barriers to higher education. They demand the maintenance of the free access policy and the improvement of mobility between the various education and training pathways<sup>97</sup>. A very important point for them is the advancement of equality of opportunity. For that reason they are opting against tuition fees, are demanding better social benefits (Studienförderung) for participation in higher education and better conditions for working students. In addition, they also sponsor scholarships and offer various other forms of financial help for the higher education of their members or their members' children. Both sides see great chances that the Fachhochschulen fulfil their demands. The new institutions both provide flexible studies in new fields which are in demand by the economy and attract more students from a less favoured social background and give access for students who do not hold a traditional Matura certificate, or have completed an apprenticeship programme, as compared to the universities and thus contribute to a social advancement of their students (Pechar/Wroblewski 1998). Moreover, they offer more strict studies, which are completed in shorter study periods than the universities, consequently their graduates are younger and hold also some practical experience. The governments' efforts to bring the higher education institutions more closely to working life and the economy (e.g., by considering the chances of their graduates on the labour market to a greater extent than before), are pushing them in charge of finding partners for a dialogue between higher education and the economy on every level (national, regional, institutional) and for every single study. The only competent institutions for such a dialogue that have enough resources and are independent enough (compared to single firms for example) are the social partners and hence they add important points of view and expertise to the discussions and become more and more concerned with higher education in Austria.

15. Whereas policy changes due to globalisation, increased innovation and increased market competition are widely expected to result in a loss of autonomy in general economic policy at the national level (trade policy, budgetary policy, finance policy, monetary policy, price regulation), labour market policies, social policies, education policies and innovation policies at the national and at the regional level are attributed to gain a more important role (Lundvall/ Borrás 1999). This thesis is extremely estimable for the Austrian social dialogue on training. On the one hand we can observe that a decline of the social partners' power is strongly connected to the shrinking power of the nation state in Keynesian demand orientated economic steering policies, on the other hand we can observe that the protagonists of the Austrian social dialogue have

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<sup>97</sup> For example a wider opening of the universities for graduates of all types of schools and apprentices (that is possible with special entrance exams and professional experiences), or the possibility for Fachhochschul graduates to attend a doctoral programme at the universities (that is possible but lasts two semesters longer).

increasingly realised the importance of VET.<sup>98</sup> The reason for an increasing influence of the social partners on the social dialogue on training brought into play by some of our interview partners and confirmed by Pelinka (1996, p.33) may be seen in the impact of education on policies in general. VET activities are one means to participate in social policies. Qualification as a 'mega-trend' in a learning economy is a deciding factor of placing the people in a basically unequal society; consequently the social partners may be inclined to have their stake in education as an instrument of social structuring as well as an instrument of strengthening competitiveness<sup>99</sup>. Hence VET is an increasingly essential part of the social partners' activities. As another strand for increasing involvement of the social partners, the regional level may gain significance. The new forms of regional development differ markedly between different regions, and the organisational set-ups and pathways for the new forms of involvement and co-operation are not set in advance, but will highly depend on regional traditions and regional developments. The automobile cluster in Styria is one example for this. The regional association of industrial enterprises has been in charge of the initiation process of this cluster and other social partners' associations are part of the consultative and advising committees of the cluster. The future prospects for the social partners in this respect may also be related to the establishment of 'Fachhochschulen', which could play the role of an innovative core and a key station for the economy-research relationships of the respective technological region. This perspective is reinforced by the argument that the quality of CVT – a domain with high engagement of social partners – and its influence on high-quality production are decisive factors to achieve and ensure comparative advantage (economic development, FDI) over other regions. CVT are increasingly recognised as key for regional development, and educational institutions function as "motors of territorial development". In the regions, the know-how and experience of social partnership can compensate for a loss of influence at the national level. Consequently in such regional networks the social partners could play the role of innovators (by initiating or establishing appropriate Fachhochschul programmes, or qualification networks between firms, or by implementing organisational set-ups for life-long-learning) or the role of mediators among the new multitude of actors (regional entities, vocational schools, training associations, research institutes etc.) in emerging regional/ local level governance systems of the new economy.

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<sup>98</sup> This is also confirmed by a recent Austrian "Delphi" study: Its thesis 22 states that social partners have redefined in terms of content and engage predominantly in areas such as VET, qualification, environmentally friendly production, European and SME networking.

<sup>99</sup> For example the following statement by an employee of the Chamber of Labour: *"For the chamber of labour, education and qualification is becoming increasingly important.....A modern education system (...) must offer Austria's employees the opportunity to strengthen and develop their personality as well as providing a well-established vocational qualification."* (Schöberl 1996, p.43).

## 6 Annexes and Bibliography

### 6.1 Economic and social committees with social partners participation

#### National Level

Body	No. of bodies	ad hoc/ permanent	advisory / decision making	No. of seats	bipartite / tripartite	comments
The Advisory Council for Social and Economic Affairs	1	Ad hoc	advisory		B	See page 21.

#### 6.1.1 Economic and social committees with social partners participation in the Higher Education System

Body	No. of bodies	ad hoc/ permanent	advisory / decision making	No. of seats	bipartite / tripartite	comments
<b>University advisory<sup>1</sup> boards</b>						<b>according to Organisation of University Act 1993</b>
18 advisory boards (for each university)	18	permanent at least two times a year	advisory		Multipartite <sup>1</sup>	
<i>for example:</i>						
University Advisory Board of the University of Vienna	1	permanent	advisory	8	Multipartite <sup>1</sup>	
University Advisory Board of the University of Innsbruck	1	permanent	advisory	14	Multipartite <sup>1</sup>	
University Advisory Board of the Technical University of Vienna	1	permanent	advisory	9	Multipartite <sup>1</sup>	
University Advisory Board of the Business University of Vienna	1	permanent	advisory	8	Multipartite <sup>1</sup>	

<sup>1</sup> University advisory boards support universities by their expert knowledge on questions of estimates for long term requirements, evaluation measures, the election of the vice chancellor as well as the distribution of the budget and intra university personnel and further acts as the link between the university on the one side and the economy and society on the other. The advisory board, whose members are appointed by the supreme collegiate body, is composed of 1) representatives of the universities concerned, 2) representatives of the respective municipality and province, 3) representatives of the economy and those involved in fields covered by the university 4) representatives of the graduates of this university (see KulturKontakt 1996, p.131).

Body	No. of bodies	ad hoc/ permanent	advisory / decision making	No. of seats	bipartite / tripartite	comments
The Council for <i>Fachhochschulen</i>	1	permanent	decision making:	14	T	See chapter 4.2.4.

### 6.1.2 Economic and social committees with social partners participation in the School System

#### National Level

Body	No. of bodies	ad hoc/ permanent	advisory / decision making	No. of seats	bipartite / tripartite	comments
School reform commission <sup>1</sup>	1	ad hoc, last time 1994	decision making:	35 decision making + about 13 advisory	T	The interest associations are only advisory members, except teachers' TU

<sup>1</sup> The school reform commission was established 1969 aiming at evaluating the goals of the school system and developing proposals for reforms. The commission consists of five groups of people: 1) members of parliament, 2) civil servants, 3) the teachers' interest associations, 4) the parents' and pupils' interest associations and educational experts.

### 6.1.3 Economic and social committees with social partners participation in the Apprenticeship System

#### National Level

Body	No. of bodies	ad hoc/ permanent	advisory / decision making	No. of seats	bipartite / tripartite	comments
Federal Advisory Board on apprenticeship	1	Ad hoc	Advisory	14	T	See chapter 4.2.1.

#### Regional Level

Body	No. of bodies	ad hoc/ permanent	advisory / decision making	No. of seats	bipartite / tripartite	comments
Provincial Advisory Boards on Apprenticeship (in each province one)	9	ad hoc	advisory	4 x9	T	See chapter 4.2.1.

### 6.1.4 Economic and social committees with social partners participation in Labour Market Policies

#### National Level

Body	No. of bodies	ad hoc/ permanent	advisory / decision making	No. of seats	bipartite / tripartite	comments
The Employment Services Supervisory board at federal level	1	permanent	decision making:	9	T	See chapter 4.2.3.

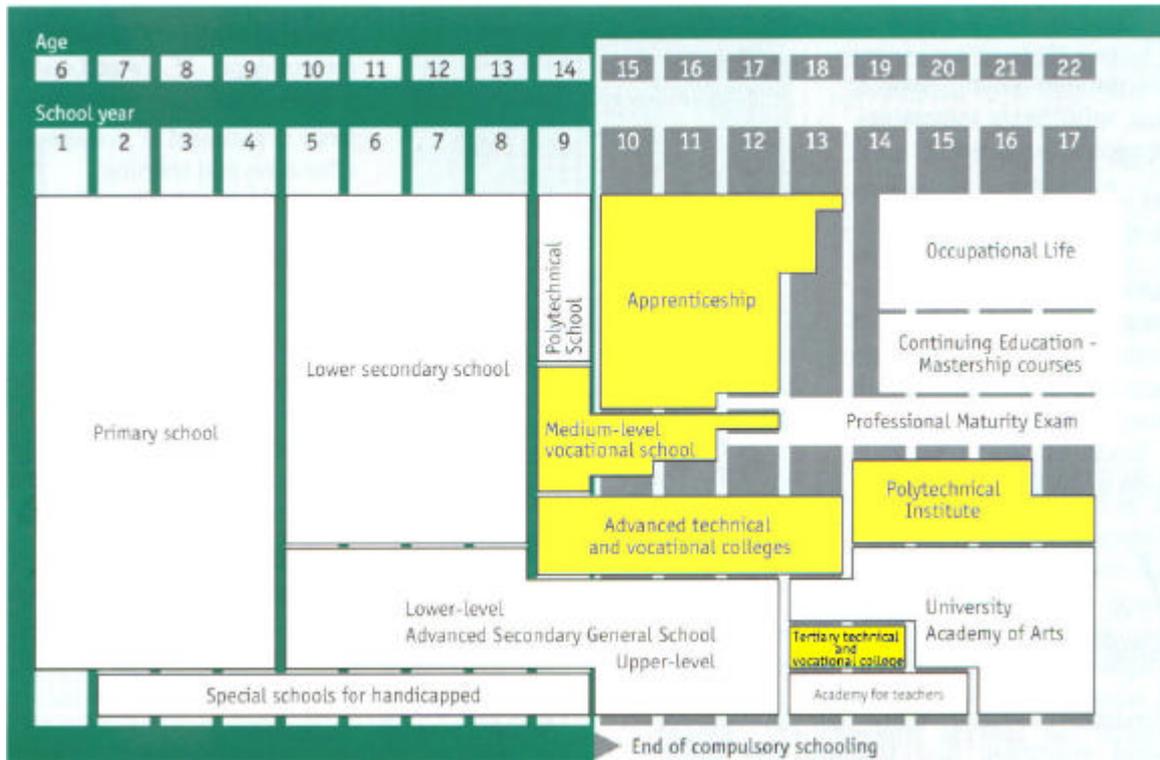
#### Regional Level

Body	No. of bodies	ad hoc/ permanent	advisory / decision making	No. of seats	bipartite / tripartite	comments
The Employment Services Supervisory boards at provincial level ((in each province one)	9	permanent	decision making:	6 x 9	T	See chapter 4.2.3.

Body	No. of bodies	ad hoc/ permanent	advisory / decision making	No. of seats	bipartite / tripartite	comments
The Employment Services Supervisory boards at local level	101	permanent	decision making:	5 x 101	T	See chapter 4.2.3.

## 6.2 Statistical Annex and Tables

Figure 3: Vocational education and training in the Austrian IVT-system



Source: BMWA 1998, p.5.

**Table 7: Unemployment rate (EU counting) in the EU countries, 1975 – 1997**

	1975	1985	1990	1991	1994	1995	1996	1997
Luxembourg	1,1%	2,9%	1,7%	1,7%	3,2%	2,9%	3,0%	2,6%
<b>Austria</b>	<b>1,7%</b>	<b>3,6%</b>	<b>3,2%</b>	<b>3,4%</b>	<b>3,8%</b>	<b>3,9%</b>	<b>4,3%</b>	<b>4,4%</b>
Netherlands	4,3%	8,3%	6,2%	5,8%	7,1%	6,9%	6,3%	5,2%
Denmark	3,9%	7,1%	7,7%	8,4%	8,2%	7,2%	6,8%	5,5%
Portugal	4,4%	8,7%	4,6%	4,0%	7,0%	7,3%	7,3%	6,8%
UK	3,2%	11,5%	7,1%	8,8%	9,6%	8,7%	8,2%	7,0%
Belgium	3,8%	10,3%	6,7%	6,6%	10,0%	9,9%	9,7%	9,2%
Greece	1,5%	7,0%	6,4%	7,0%	8,9%	9,2%	9,6%	9,6%
Sweden	1,7%	2,9%	1,7%	3,1%	9,4%	8,8%	9,6%	9,9%
Germany *	3,5%	7,2%	4,8%	5,6%	8,4%	8,2%	8,9%	10,0%
Ireland	7,3%	16,9%	13,4%	14,8%	14,3%	12,3%	11,6%	10,1%
Italy	4,8%	8,4%	9,1%	8,8%	11,4%	11,9%	12,0%	12,1%
France	3,9%	10,1%	8,9%	9,5%	12,3%	11,7%	12,4%	12,4%
Finland	2,4%	6,0%	3,3%	7,0%	17,4%	16,2%	15,3%	13,1%
Spain	4,4%	21,6%	16,2%	16,4%	24,1%	22,9%	22,2%	20,8%
EU 15 Total *	3,7%	9,9%	7,7%	8,2%	11,1%	10,7%	10,8%	10,7%

\* From 1991 on inclusive Eastern Germany.  
Source: European Commission 1998.

**Table 8: Unemployment rate (EU counting) among youths (15–24) in the EU countries, 1985 – 1997**

	1985	1990	1991	1994	1995	1996	1997
<b>Austria</b>	<b>n.a.</b>	<b>n.a.</b>	<b>5,5%</b>	<b>5,7%</b>	<b>5,5%</b>	<b>6,2%</b>	<b>6,7%</b>
Luxembourg	6,7%	3,8%	3,2%	7,3%	7,4%	8,5%	7,7%
Denmark	11,1%	11,4%	11,6%	11,0%	10,6%	10,6%	8,3%
Netherlands	13,1%	8,6%	8,3%	11,4%	12,0%	11,7%	9,2%
Germany *	10,3%	4,5%	5,9%	8,7%	8,8%	10,0%	11,0%
Finland	18,5%	10,8%	14,3%	17,0%	15,9%	15,5%	14,2%
Portugal	20,0%	10,0%	8,8%	15,1%	16,6%	16,8%	15,0%
Ireland	24,2%	19,4%	22,4%	22,8%	19,4%	18,2%	15,7%
Sweden	6,9%	4,4%	7,6%	22,0%	19,1%	20,5%	20,6%
Belgium	23,0%	15,3%	14,9%	24,2%	23,9%	23,1%	23,0%
UK	10,0%	9,7%	17,0%	35,1%	32,0%	28,9%	25,7%
France	25,4%	19,3%	21,5%	29,0%	27,5%	29,2%	29,1%
Greece	21,9%	21,5%	22,9%	27,7%	28,5%	31,0%	31,0%
Italy	29,4%	27,4%	26,0%	32,3%	33,3%	33,5%	33,0%
Spain	47,8%	32,2%	31,1%	45,0%	42,5%	41,9%	39,1%
EU 15 Total *	21,9%	15,6%	16,2%	22,0%	21,5%	22,0%	21,2%

\* From 1991 on inclusive Eastern Germany.  
Source: European Commission 1998.

**Table 9: Youth unemployment rate and total unemployment rate (national counting), 1983–1998**

Year	15 – 24 years	Total unemployment
1983	4,3%	4,4%
1984	4,6%	4,5%
1985	5,0%	4,8%
1986	5,5%	5,2%
1987	5,7%	5,6%
1988	5,2%	5,3%
1989	4,9%	5,0%
1990	5,2%	5,4%
1991	5,5%	5,8%
1992	5,3%	5,9%
1993	6,2%	6,8%
1994	5,8%	6,5%
1995	5,9%	6,6%
1996	6,7%	7,0%
1997	6,7%	7,1%
1998	6,6%	7,2%

Unemployment rate: Registered unemployed per sum of dependent employed and unemployed.  
Source: AMS 1999.

**Table 10: Labour force participation rate and unemployment rate (national counting) by gender, 1987 – 1997**

Year	Labour force participation rate				Unemployment rate		
	Male 15 – 64	Female 15 – 59	Total 15 – 64 (59)	Total 15 – 64	Male	Female	Total
1987	78,0%	53,7%	68,3%	65,7%	5,5%	5,7%	5,6%
1988	77,8%	54,0%	68,4%	65,9%	5,1%	5,6%	5,3%
1989	77,8%	54,7%	68,7%	66,3%	4,6%	5,5%	5,0%
1990	78,6%	55,7%	69,5%	67,2%	4,9%	6,0%	5,4%
1991	79,0%	56,9%	70,3%	68,0%	5,3%	6,5%	5,8%
1992	78,5%	57,8%	70,5%	68,3%	5,7%	6,2%	5,9%
1993	77,9%	57,9%	70,2%	68,0%	6,7%	6,9%	6,8%
1994	77,4%	57,9%	69,9%	67,8%	6,4%	6,7%	6,5%
1995	77,1%	57,7%	69,5%	67,5%	6,4%	6,8%	6,6%
1996	76,6%	57,6%	69,2%	67,2%	6,9%	7,3%	7,0%
1997	76,4%	57,9%	69,2%	67,2%	6,9%	7,4%	7,1%

Labour force participation rate: proportion of labour force among resident population of same age.  
Unemployment rate: Registered unemployed in % of sum of dependent employed and unemployed.  
Source: BMAGS 1998.

**Table 11: Index of labour force, unemployed persons and persons in work by gender, 1987 – 1997 (1987 = 100)**

	Labour force			Registered Unemployed			Persons in work		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
1987	100	100	100	100	100	100	100	100	100
1988	100	100	100	95	99	96	101	101	101
1989	101	102	102	85	98	91	102	102	102
1990	104	104	104	94	111	101	104	104	104
1991	106	107	106	104	124	113	106	106	106
1992	107	110	108	113	124	117	106	109	108
1993	107	111	109	133	138	135	106	109	107
1994	107	111	109	127	136	131	106	110	107
1995	106	111	108	126	138	131	105	110	107
1996	106	111	108	135	148	140	104	109	106
1997	106	112	108	135	151	142	104	110	107

Labour force: Sum of employed, self-employed, unpaid family workers and unemployed.

Persons in work: Labour force minus unemployed persons.

Source: BMAGS 1998.

**Table 12: Structure of employment, 1965 – 1998**

Year	Dependent employment (without government employment)	Government employment	Self-employed	Total Employment
1965	63,1%	11,5%	25,4%	100%
1970	64,4%	13,3%	22,3%	100%
1975	67,4%	15,6%	17,0%	100%
1980	68,0%	17,2%	14,8%	100%
1985	66,6%	19,6%	13,8%	100%
1990	66,9%	20,7%	12,4%	100%
1991	67,1%	20,9%	12,0%	100%
1992	67,3%	21,1%	11,6%	100%
1993	66,8%	21,9%	11,3%	100%
1994	66,5%	22,5%	11,0%	100%
1995	66,7%	22,5%	10,8%	100%
1996	66,7%	22,5%	10,8%	100%
1997	68,3%	21,0%	10,8%	100%
1998	68,5%	20,8%	10,7%	100%

Note: Unpaid family workers not included.

Source: OECD ECO, own calculations.

**Table 13: Proportion of dependent employees by economic sector, January of 1995 – 1999**

	Primary Sector	Secondary Sector	Tertiary Sector	Total
1995	1,1%	30,5%	68,4%	100%
1996	1,1%	30,0%	68,9%	100%
1997	1,1%	29,6%	69,2%	100%
1998	1,1%	29,4%	69,5%	100%
1999	1,1%	28,9%	70,0%	100%

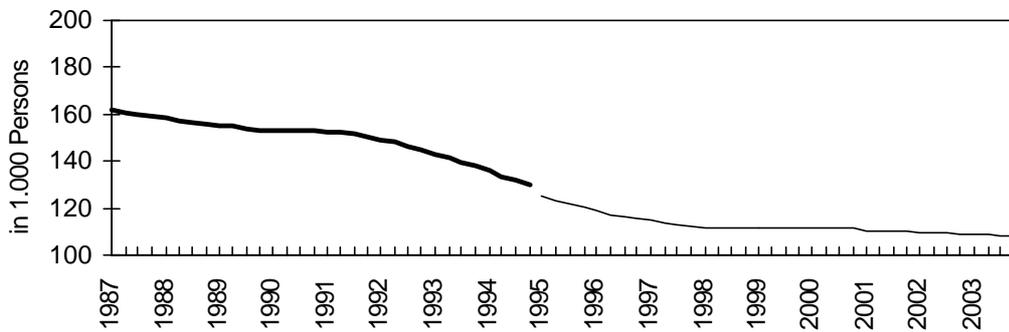
Source: Main Association of Social Insurance Institutions, own calculations.

**Table 14: Proportion of dependent employees by industry and gender, 1996 to 1997**

	1996	1997		Total	Change 1996 – 1997
	Total	Male	Female		
Agriculture, hunting, forestry, fishing	0,9%	1,0%	0,7%	0,9%	1,2%
Mining	0,5%	0,7%	0,1%	0,5%	-0,8%
Production of goods	20,7%	25,2%	14,0%	20,5%	-0,4%
Electricity, gas and water supply	1,1%	1,5%	0,4%	1,1%	0,1%
Construction	8,9%	13,6%	2,5%	9,0%	0,8%
Wholesale trade and retail	16,6%	14,4%	19,2%	16,4%	-1,2%
Restaurants and hotels	4,8%	3,3%	7,0%	4,8%	0,6%
Transport, Storage, Communication	7,6%	10,3%	3,6%	7,5%	-0,8%
Financial intermediation	3,7%	3,4%	4,1%	3,7%	-0,6%
Real estate and business services	6,5%	5,4%	9,0%	6,9%	6,1%
Education	4,0%	2,5%	6,1%	4,0%	0,5%
Health and social work	4,6%	1,7%	8,6%	4,6%	0,8%
Public administration	15,8%	14,1%	18,3%	15,9%	1,0%
Other services	4,3%	2,8%	6,5%	4,4%	2,2%
Total	100%	100%	100%	100%	0,4%

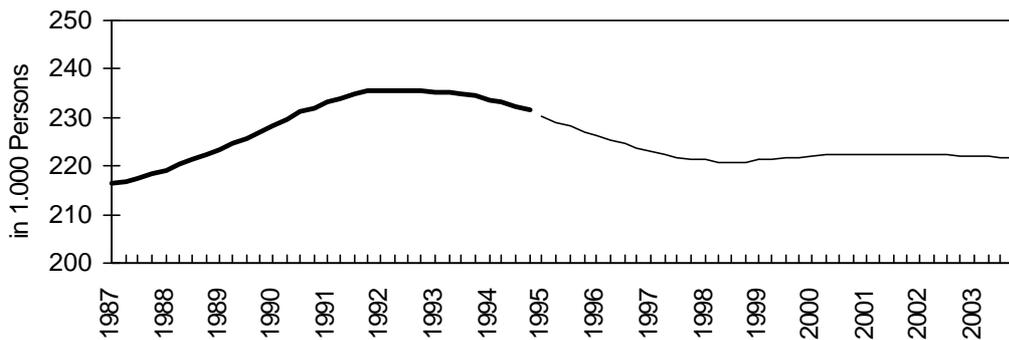
Source: BMAGS 1998, Pichelmann et al 1998, own calculations.

**Figure 4: Dependent employees in Vienna 1987–2003: Production**



Source: Prenner/ Steiner/ Jérôme 1999.

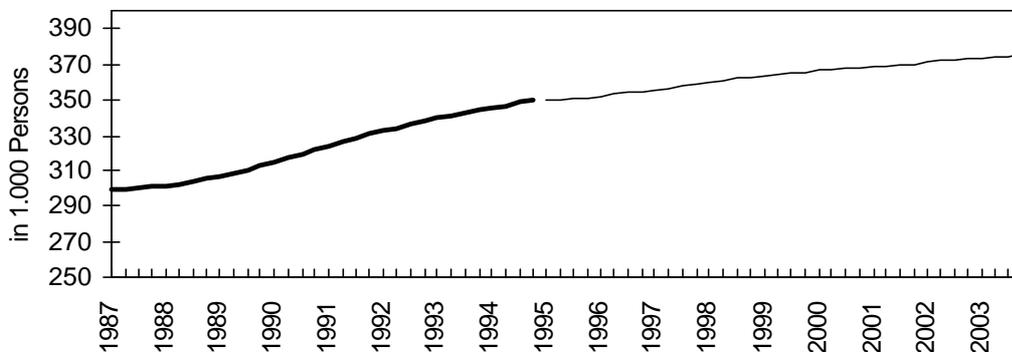
**Figure 5: Dependent employees in Vienna 1987–2003: Primary Services**



Primary Services include: Wholesale trade and retail, restaurants and hotels, Transport and storage, personal services.

Source: Prenner/ Steiner/ Jérôme 1999.

**Figure 6: Dependent employees in Vienna 1987–2003: Secondary Services**



Secondary Services include: Communication, public administration, education, research, health and social work, real estate and business services, financial intermediation, arts, entertainment and sports.

Source: Prenner/ Steiner/ Jérôme 1999.

**Table 15: Unemployment rate (national counting) by qualification, 1997–1998**

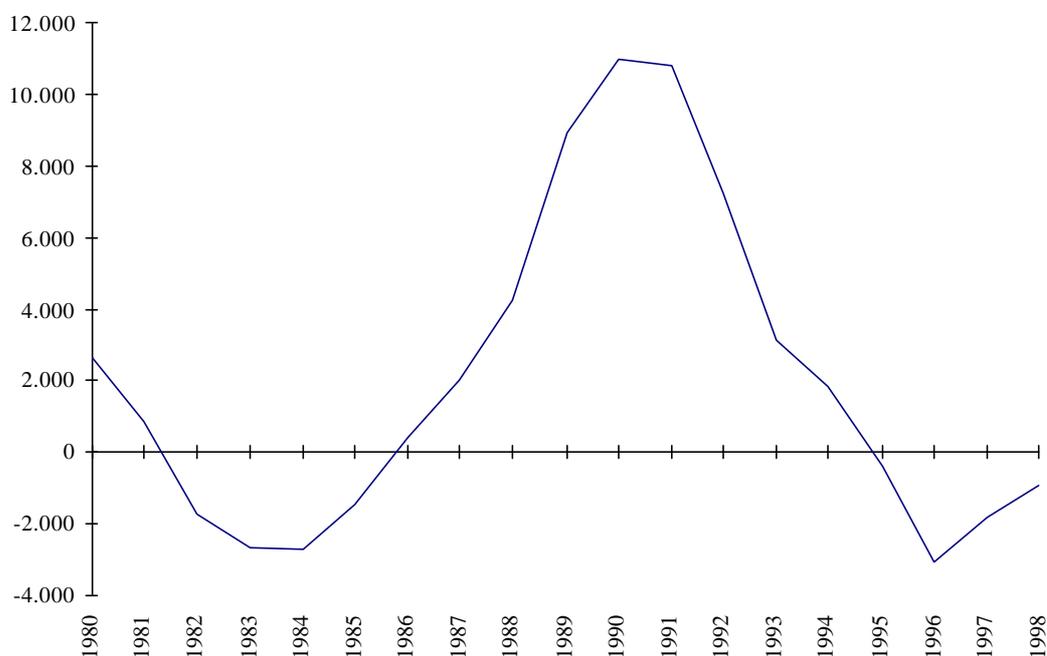
	1997	1998
Compulsory School	13,6%	13,8%
Apprenticeship	6,5%	6,5%
Secondary technical and vocational School	4,1%	4,2%
Secondary academic School	3,5%	3,7%
Secondary technical and vocational College	3,3%	3,4%
University and related higher education institutes	2,5%	2,4%
Total	7,1%	7,2%

Unemployment rate: Registered unemployed per sum of dependent employed and unemployed.  
Source: AMS 1999.

**Table 16: Proportion of apprentices (1<sup>st</sup> year) among 15 years old population, by gender, 1975–1998**

	1975	1980	1985	1990	1995	1998
Male	61,5%	60,0%	55,1%	58,3%	52,9%	51,0%
Female	30,9%	33,2%	32,3%	34,6%	28,1%	28,5%
Total	46,5%	46,8%	43,9%	46,8%	40,1%	40,0%

Source: AMS 1999.

**Figure 7: Balance of positions for apprentices (end of December), 1980 – 1998**

Source: AMS 1999.

**Table 17: Proportion of part-time employment by gender, 1985 – 1997**

	1985	1990	1991	1994	1995	1996	1997
Male	3,4%	4,3%	4,0%	4,0%	4,0%	4,2%	4,0%
Female	23,1%	25,4%	24,9%	26,9%	26,9%	28,8%	29,0%
Total	11,1%	13,3%	12,9%	13,9%	13,9%	14,9%	14,9%

Source: European Commission 1998.

**Table 18: Officials of interest associations in the Austrian parliament**

Year	SPÖ		ÖVP		FPÖ		Total	
	abs	%	abs	%	abs	%	abs	%
1973	49	52,7	43	53,8	2	20,0	94	51,4
1978	46	49,5	53	66,3	3	30,0	102	55,8
1987	35	43,8	42	54,5	3	16,7	80	43,7
1991	32	40,0	26	43,3	4	12,1	62	33,9
1998	20	28,2	13	25,0	5	9,8	38	20,8

Source: Karlhofer 1999, p.33.

**Table 19: Turn-out of elections of chambers**

Chamber of Labour		Federal Economic Chamber	
1984	63,6%	1985	70,0%
1989	48,0%	1990	61,9%
1994	31,0%	1995	51,7%
difference 1984–94	-32,6%	difference 1985–95	-18,3%

Source: Federal Chamber of Labour, Federal Economic Chamber.

**Table 20: Membership in the Federation of Austrian Trade Unions (ÖGB)**

Year	Members
1980	1.660.985
1988	1.643.586
1993	1.616.016
1998	1.480.016

Source: ÖGB.

**Table 21: Continuing Education and Training by WIFI (Total Austria, Developments 1993–98)**

	1991	1992	1993	1994	1995	1996	1997	1998
Activities	15.136	15.149	15.407	16.797	17.599	18.311	20.409	21.734
Participants	249.023	242.904	246.592	260.607	267.062	250.565	273.073	287.341
Hours/Units	780.540	735.244	716.775	764.690	778.615	775.487	848.808	888.332

Source: WK Österreich 1999.

**Table 22: The organisational set-up of apprenticeship training in Austria**

Federal Level		Provincial level		Local level	
<b>Ministry for Economic Affairs</b> <ul style="list-style-type: none"> <li>• Vocational Training Act</li> <li>• List of apprenticeship trades</li> <li>• Training and examination regulations for apprenticeship trades</li> </ul> <b>Federal Advisory Board on Apprenticeship</b> <ul style="list-style-type: none"> <li>• Preparation of regulations for each apprenticeship trade</li> <li>• Advisory work for the Ministry for Economic Affairs</li> </ul>	<b>Ministry for Economic Affairs</b> <ul style="list-style-type: none"> <li>• School Organisation Act</li> <li>• Framework syllabi for part-time vocational schools</li> <li>• School Tuition Act, Compulsory School Act, School Time Act</li> </ul>	<b>Provincial government office</b> <ul style="list-style-type: none"> <li>• Apprenticeship authority at the second level</li> <li>• Decision on appeals concerning apprenticeship training matters</li> <li>• Appointment of chairmen of final apprenticeship examination commissions</li> <li>• Nomination of commissions for apprenticeship trainer examinations</li> </ul> <b>Provincial Advisory Board on Apprenticeship</b> <ul style="list-style-type: none"> <li>• Representatives of employers' and workers' organisations</li> <li>• Advisory body on apprenticeship matters at provincial level</li> </ul>	Provinces provide half of the costs of teachers (the Federal government covers the other half)	<b>Training enterprises</b> <ul style="list-style-type: none"> <li>• Providers of apprenticeship training</li> <li>• Education and training according to apprenticeship training regulations</li> </ul> <b>Apprenticeship counsellors</b> <ul style="list-style-type: none"> <li>• Appointed for various branches to give advice to training enterprises</li> <li>• In co-operation with the Provincial Advisory Board on Apprenticeship to initiate and stimulate appropriate enterprise-based education and training programmes</li> <li>• Promote good relationships between training enterprises and part-time vocational schools</li> </ul>	<b>Part-time vocational schools</b> <ul style="list-style-type: none"> <li>• Provide tuition to supplement and promote enterprise-based training technically and theoretically</li> <li>• Deepen and complete general education</li> </ul> <b>Headmasters and teachers in part-time vocational schools</b> <ul style="list-style-type: none"> <li>• Generally holders of a mastership certificate or a leaving certificate of a full-time vocational school with additional professional experience</li> <li>• Graduates from an Academy for Vocational Pedagogy ("Berufspädagogische Akademie") (three years' course)</li> </ul>
<b>Employers' and workers' organisations</b> <ul style="list-style-type: none"> <li>• Clarify their interests within the Federal Advisory Board on Apprenticeship</li> <li>• Prepare expert opinions within the Federal Advisory Board on Apprenticeship</li> </ul>		<b>Apprenticeship offices</b> <ul style="list-style-type: none"> <li>• Set up at the Provincial Economic Chambers</li> <li>• Apprenticeship authority at the first level</li> <li>• Examination of suitability of training enterprises</li> <li>• Checking and registration of apprenticeship training-agreements</li> <li>• Secretariat of the Provincial Advisory Board on Apprenticeship</li> <li>• Advice for training enterprises and for apprentices</li> </ul>	<b>Provincial School Board</b> <ul style="list-style-type: none"> <li>• Setting up, equipping and maintaining part-time vocational schools (machines, tools, teaching aids)</li> <li>• Organising and adapting federal framework syllabi</li> <li>• Educational and technical supervision particularly by Provincial Vocational School Inspectors</li> </ul>	<b>Apprentices</b> <ul style="list-style-type: none"> <li>• The future expert workforce for the Austrian economy</li> <li>• Ensure the continuity and development of training enterprises</li> <li>• Contribute to competitiveness of Austrian economy</li> <li>• Safeguard their individual position in the economy and in society through acquiring technical and vocational skills and knowledge</li> </ul>	

Source: BMWA 1998, p.28f.

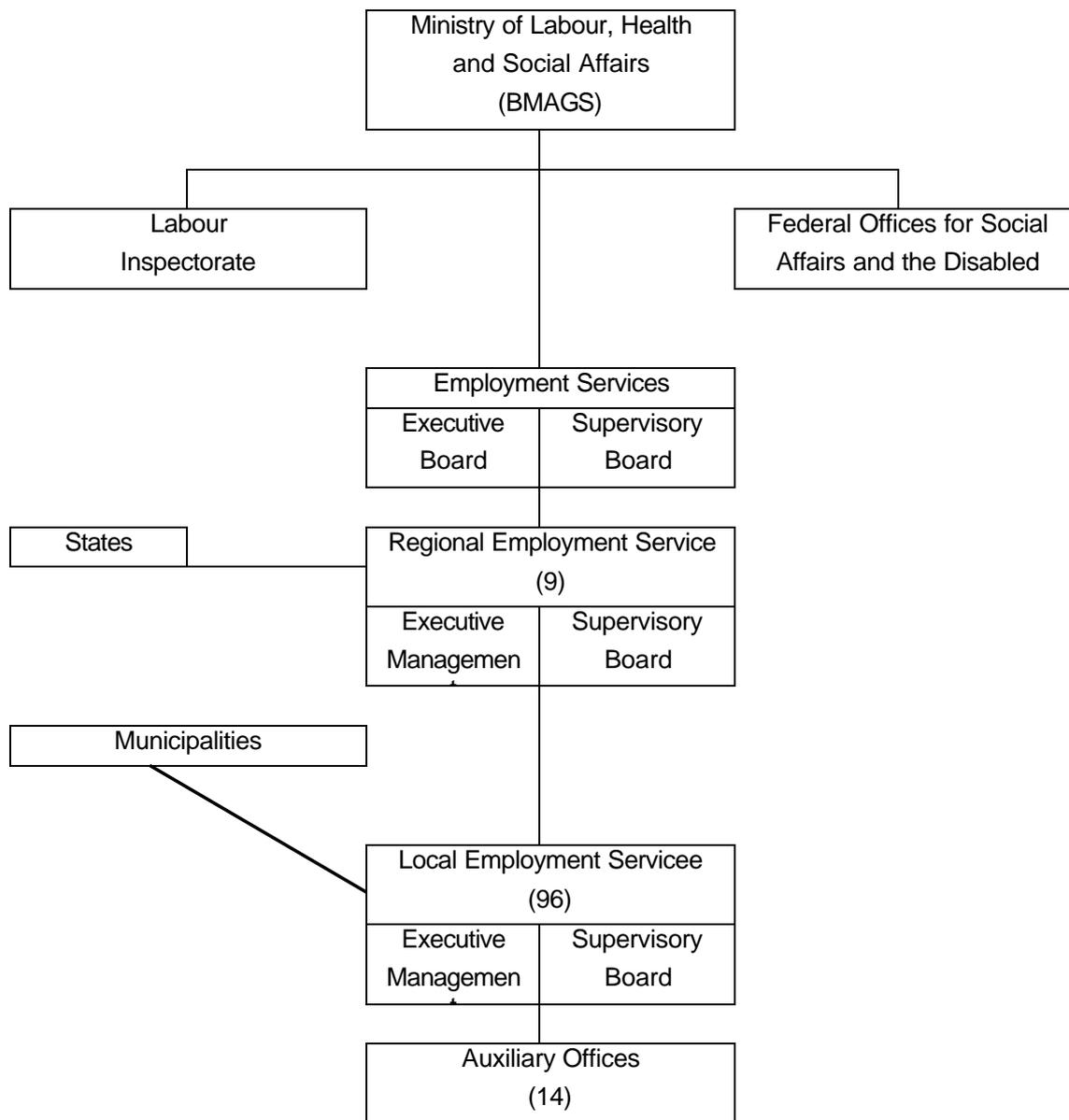
**Table 23: Participation<sup>100</sup> in CVT per year: The social partners' organisations and other providers**

Institution	Number of trainees
<b>WIFI</b>	<b>240.000</b>
<b>BFI</b>	<b>102.000</b>
Enterprise training for clients and retailers	100.000
Other training providers	50.000+
Management training	20.000
Economic societies	20.000
Volkshochschulen (sector economy and profession)	20.000+
Universities	6.500+
<b>TOTAL</b>	<b>578.500+</b>

Source: Kramarsch 1995, p.13; BFI Österreich 1998; own calculations.

<sup>100</sup> The following – approximate – numbers are given for participation in CVT activities per year (latest available numbers 1994–1998; multiple participation is not singled out; duration not regarded).

**Table 24: Labour market agencies and actors in Austria**



Source: OECD 1996.

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## 6.4 Abbreviations

BAK	Bundesarbeitskammer	Federal Chamber of Labour
BFI	Berufsförderungsinstitut	Institute for the Development of Vocational Education
BAK	Bundeskanzleramt	Federal Chancellery
BMAGS	Bundesministerium für Arbeit, Gesundheit und Soziales	Federal Ministry of Labour, Health and Social Affairs
BMLF	Bundesministerium für Land- und Forstwirtschaft	Federal Ministry of Agriculture and Forestry
BMUK	Bundesministerium für Unterricht und Kulturelle Angelegenheiten	Federal Ministry of Education and Culture
BMWA	Bundesministerium für wirtschaftliche Angelegenheiten	Federal Ministry of Economic Affairs
BUBAB	Bundesberufsausbildungsbeirat	National Advisory Board for Vocational Training
CEDEFOP		Centre pour le Developpement de la Formation Professionelle
CVT	Berufliche Weiterbildung	Continuing Vocational Education and Training (comprising adult education, and all further training outside schools and universities)
FH	Fachhochschule	Fachhochschule
lbw	Institut für Bildungsforschung der Wirtschaft	Institute for Education Research
HIS	Institut für Höhere Studien	Institute for Advanced Studies
IV	Industriellenvereinigung	Federation of Austrian Industry
IVT	Berufliche Erstausbildung	Initial vocational education and training
KEBÖ	Konferenz Erwachsenenbildung in Österreich	Conference of adult education in Austria
NAP	Nationaler Aktionsplan für Beschäftigung	National Action Plan for Employment
ÖGB	Österreichischer Gewerkschaftsbund	Austrian Federation of Trade Unions
VET	Berufsbildung	Vocational Education and Training
WIFI	Wirtschaftsförderungsinstitut	Economic Promotion Institute
WKÖ	Wirtschaftskammer Österreich	Federal Economic Chamber

## 6.5 List of Interviews and participants in the Focus group discussion

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8/9/99	Herwig Schmidbauer	Director, WIFI Ö – bw@wk.wifi.at
8/9/99	Christian Operschall	Head of Employment Policy, BMAGS – Christian.Operschall@bmags.gv.at
13/9/99	Gottfried Winkler	Professor, Universität Wien (ex Wirtschaftskammer)

Participants in the Focus-group discussion of Sept 16<sup>th</sup> at the IHS: “The Social Dialogue on Training in Austria”

Dr Klaus Schedler, Institute of vocational affairs of the Austrian employers (ibw)  
Dr Susanne Schöberl, Federal Chamber of Labour  
Dr Ludwig Roithinger, Institute for the development of vocational qualifications (BFI)  
Prof Gottfried Winkler, University of Vienna (before Federal Economic Chamber)  
Mag Bernhard Seyr, University of Salzburg  
Dr Lorenz Lassnigg, IHS  
Mag Kurt Mayer, IHS  
Mag Dr Bernd Baumgartl, Researcher