

Austria 2008

Initiatives by the social partners for improving the labour market access of disadvantaged groups

Minutes



On behalf of the
European Commission DG Employment, Social Affairs and Equal Opportunities



Peer Review: Initiatives by the social partners for improving the labour market access of disadvantaged groups Vienna, 24-25 April 2008

The Peer Review was hosted by the Federal Ministry of Social Affairs and Consumer Protection and the Federal Chamber of Labour.

Day 1

Welcome address

Hans Steiner (Federal Ministry of Social Affairs and Consumer Protection, Principal social policy issues and research), welcomed the participants, saying that such a comprehensive group of people from different countries presented an opportunity for an excellent exchange of views.

He believed that the main reason this topic had been chosen for the Peer Review was because of the important role that Austrian social partnership plays in labour market policies and in the fight against poverty. This framework for social partnership has a long, important tradition.

Norman Wagner (Federal Chamber of Labour, Social Policy), welcoming participants on behalf of the Austrian Chamber of Labour, explained that the Chamber was part of the system of Austrian social partnership, similar institutions exist only in Luxembourg and parts of Germany.

Established in 1920, the Federal Chamber of Labour represents workers' social, economic and professional interests, and cooperates with Works Councils and Trade Unions. It is divided into nine regional chambers, and has a total of three point two million members. Membership is compulsory among Austrian employees, and there is a membership fee.

The Chamber's function is to give advice and legal protection for its members, and it has extensive experience in economic and social policy, consumer protection and in training those on Works Councils and trade union officials. It comments on Austrian law and directives, carries out background research and holds public events.

Michele Calandrino (Unit E.2: Inclusion, Social Policy Aspects of Migration, Streamlining of Social Policies, Directorate-General for Employment, Social Affairs and Equal Opportunities, European Commission) welcomed peer reviewers, and the hosts.

He explained that the Peer Review system had been established in 2004, and this year there will be eight Peer Reviews. These are an important element of the EU Open Method of Coordination (OMC) on Social Protection and Social Inclusion, and their objectives are:

- to contribute to a better understanding of the Member State policies, as laid down in their National Reports on Strategies for social protection and social inclusion and of their impact;
- to improve the efficiency and effectiveness of the policies; and

- to facilitate the transfer of key components of policies or of institutional arrangements, which have proved effective in their original context and are relevant to other contexts.

The European Commission is always striving to improve these policy tools and a new Peer Review website will soon be launched. It is essential that participants report back to their Member States on the results, to help make better use of the Peer Review as a resource for policy makers. The aim is also to improve the synergies with other resources under the PROGRESS programme, such as the network of independent experts.

Mr Calandrino welcomed Austria's choice of theme for the Peer Review. The labour market access of disadvantaged groups is one of the Commission's responsibilities laid down in Article 137(h) of the EU Treaties. As announced in the Social Agenda for 2005-2010 the European Commission in 2006 launched an initiative to promote the Active Inclusion of people furthest from the labour market through integrated policies based on:

- income support;
- inclusive labour markets; and
- access to quality services.

The EU Treaty under Article 138 acknowledges the important role played by the social partners by stating that before submitting proposals in the social policy field, the Commission has to consult management and labour on the possible direction of Community action – and indeed a two stage consultation of social partners was carried on in relation to the active inclusion initiative. One of the key conclusions of the Commission's consultation is that the social partners are crucial in helping disadvantaged people to integrate into the labour market. They play a role in putting in place suitable recruitment procedures, in improving the availability of jobs, in negotiating on minimum wages and in cooperating in the design and monitoring of active labour market policies. Furthermore,

by continuing to support the disadvantaged person once he/she starts work, the social partners can avoid the 'revolving door' scenario, in which the person is forced to leave a new job because the social problems that were responsible for his/her exclusion had not been dealt with.

The Commission's proposal on Active Inclusion includes a supporting framework based on the role of Structural Funds, the launch of local observatories, and the cooperation with social partners.

For all these reasons, the Commission is looking forward to the results of this Peer Review as a new contribution on how this agenda can be taken forward.

The Austrian policy context

Hans Steiner said that one of the main messages of EU programmes dealing with social exclusion is that civil society is a key player with the state to fight marginalisation. In Austria, the social partners have a crucial input to many social and economic policies, as well as launching their own projects to improve the access of disadvantaged groups to the labour market.

Austrian unemployment rates are below the EU average, and economic growth and employment are above EU averages, which, he believed, was the result of state-social partner cooperation. Yet, despite this positive overall performance, unemployment among young people and disabled, older people is two to three times higher than the rest of the workforce.

Social partnership is based on the understanding that in democratic societies with a market economy and a social redistribution system, there will inevitably be short-term conflicts between employees and employers. While these cannot be ignored, they can be overcome through a social partnership geared to promoting strong economic growth and social redistribution.

While there are many types of this 'social compact' throughout Europe, Austria's unique approach is derived from its experience in rebuilding the state after 1945. Then, political and industrial leaders realised that the battles in the 1930s had paved the way for Austrian fascism, and they decided to bring together former political and industrial enemies to reconstruct the state and achieve independence from the occupying forces as soon as possible.

For over 30 years the social partners acted as a form of 'shadow government' in economic and social policy, with such close connections to the government that many government decisions corresponded exactly with their proposals. This approach lost ground in the 1970s with the onset of globalisation and the demise of national industries, but it still survives, as many believe it is essential to Austria's continued development.

Mr Steiner described the actors in Austria's social partnership:

- the Trade Union Federation (ÖGB);
 - the Federal Economic Chamber (WKÖ), representing the employers;
 - the Federal Chamber of Labour (BAK), representing the employees; and
 - the Chamber of Agriculture (LK).
- In addition, there is the Federation of Industry (IV), a non official employers organisation.

The three Chambers are self-administrating entities under public law, with compulsory membership (except for civil servants). While this obligatory membership has become quite controversial, their own members continue to support it for the benefits it brings.

All Chambers employ a large number of experts, who are involved in bodies which prepare political decisions or implement programmes. Links between the Chamber of Labour and the Economic Chamber and the political parties make it easier to reach common political agreements.

As well as dealing with industrial relations, Austria's social partners have the right to evaluate proposed legislation, make recommendations and draft texts for legislation, and are represented in many commissions, advisory boards and committees. Through their representation in the social insurance institutions, they play an important role in the social security system, and can nominate candidates for lay judges at labour courts and propose assessors for other courts.

The social partners have been involved in two recent programmes: one to provide more vocational training and job opportunities for young people, which was adopted by the government; and one to promote the employment opportunities for temporarily-disabled, older workers.

Austrian good practices

Karin Hinteregger (Austrian Trade Union Federation - ÖGB) described how, since World War II, the Austrian social partnership has generated economic growth and social stability. Although this is a *voluntary*, informal agreement, it has fostered a system of social and economic cooperation between the major economic interest groups and between them and the government.

This partnership is based on Austria's four large representative organisations, 'anchored' into the political system. As mentioned above they are: the Trade Union Federation; the Federal Economic Chamber; the Federal Chamber of Labour; and the Chamber of Agriculture. In addition, the Federation of Industry, an employers organisation on a voluntary basis, is often involved in processes as a social partner.

The social partnership works through dialogue and cooperation, rather than conflict, balancing contradictory, economic and social interests to reach solutions that benefit society's long-term interests, she said.

The social partners are involved in the legislative process - including having the right to evaluate proposed legislation, make recommendations to law-making bodies, and draft texts relevant to their interests, such as social welfare or labour law. Their involvement in informal negotiating and problem-solving paves the way to solutions at the political level. The Austrian social partners play a role in the social security system by maintaining representatives in the social insurance institutions and other relevant commissions and advisory boards. They can make recommendations to the Advisory Council for Economic and Social Affairs, and nominate lay judges for panels.

Ms Hinteregger described Austrian good practices - initiatives taken by the social partners to improve disadvantaged groups' access to the labour market:

Projects aimed at older workers with occupational disabilities and long-term unemployed young people

- **'Health Foundations'** – mainly aimed at older workers, this network of advisory bodies on work capacity and health and job retention, works to prevent employees with health problems giving up work and to support unemployed people, who have recently lost their job due to health problems, by suggesting early measures to rehabilitate or retrain them.

It informs employers about subsidies for wages and workplace adaptations and helps workers avoid the 'jungle of competences' of all the different forms of social and financial support.

There are pilot projects in Vienna, Lower Austria and Styria, run by Public Employment Services (AMS), supported by the social partners.

- **‘Give youth a chance’** – a project to get long-term unemployed young people (aged 15-25) into work through using a ‘personal coach’, who accompanies the young person to job-interviews, negotiates job openings with employers, enlists support from local and national authorities, and supports young people when they start work.
It is run by AUFLEB (agency for unemployed people), with the Public Employment Service (AMS), WKÖ.

Internet platforms

- **‘Work and Age’** – This provides both an Internet platform: www.arbeitundalter.at and is a think-tank, which seeks out good practices to keep people at work, and offers ‘virtual counselling’ for employers.
It is run by the ÖGB, WKÖ, BAK and IV.
- **‘Work and Disability’** – this offers an Internet platform: www.arbeitundbehinderung.at, and promotes the integration of people with disabilities into the workplace by providing examples of good practice and information about obtaining support and advice.
It is run by ÖGB, WKÖ, BAK, IV, AMS, Austrian Social Insurance for Occupational Risks (AUVA), Main Association of Austrian Social Security Institutions (HV), Federal Social Office (BASB), Austrian national Council of Disabled Persons (ÖAR), Federal Ministry of Social Affairs and Consumer Protection (BMSK), and Federal Ministry of Economics and Labour (BMWA).
- **‘Work and Health’** – this provides an Internet platform: www.arbeitundgesundheit.at and promotes health and safety at work by offering good practices, recommendations for implementation and advice services, and raises employers’ awareness of the benefits.
Run by ÖGB, WKÖ, BAK, IV and supported by Pfizer Corporation Austria, AUVA, and the Main Association of Austrian Society Security Institutions.

‘Give youth a chance’ - Austrian job coaching project for long-term unemployed young people

Margit Kreuzhuber (Social Policy and Health, Federal Economic Chamber, WKÖ) presented this innovative project to get long-term unemployed young people into work.

She said that in 2007, 3.9 million (14.7%) of young people were out of work EU 27. In Austria this figure is 8%, the third lowest rate in the EU, after the Netherlands (5.5%) and Slovenia (7.9%).

While much has already been done to combat youth unemployment in Austria, the President of the Federal Chamber of Commerce, Christoph Leitl had been so shocked by the images of young people burning cars outside Paris, joined forces with the Austrian Public Employment Services to sponsor a €4 million project run by AUFLEB (an agency for unemployed people).

Over a two-year period, AUFLEB worked with 2000 young people, who had been unemployed for at least six months, giving them an individual ‘coach’ for a nine-month period to help them get a job, and supported them once they started work. The project worked as follows:

- During the first eight weeks, the young participants take part in professional orientation, becoming acclimatised to a regular daily routine, regaining their self confidence, and building a relationship with their 'coach'. They are offered numeracy and literacy classes and young migrants are offered language classes. They learn computer skills, and are taught to build their own webpage so they become fully computer literate.
- During the next stage, the coach takes responsibility for finding job opportunities, acting as a link between the young person and the company. For example, if the young person fails to arrive at a job interview, the coach accompanies him/her to the next one, and offers other positive support. The coach also works with employers to introduce non-binding traineeships.
- The coach continues to support the young person during their first two months of employment, and to offer assistance when necessary to the employer. The local corporation partners receive a €250 placement fee if the participant is continuously employed for four months.

The project has achieved good results, particularly given the difficult target group – 49% of participants were still employed after five months, and is now in its second phase to run until the end of 2008. Ms Kreuzhuber believed the keys to its success were: the intensive coaching support, including during the first months of work, the employer-placement fees, and the publicity used to persuade employers to participate.

Bojana Bozovic (Team4 Projektmanagement GmbH), who has been both a participant and a trainer on the project, followed up with more concrete details.

The essential contact between the coach and the young person begins on the first day, with an in-depth interview. This is followed by two months of daily preparatory training on basic skills, designed to motivate and stabilise the young person, who may not be used to regular work patterns. Participants are given guidance on completing job applications, and taught basic IT skills, as well as building their own web page.

This is the most important period of the project, as participants get used to working in groups, and sharing their experiences, with the coach providing constant, background support. During the third stage, the coach seeks out possible jobs and suitable employers, and learns the company's working atmosphere, so that he/she can help the young person to adapt to it.

Ms Bozavic described the experience of one young participant, who after being briefly employed in a supermarket, lost his job. Being unemployed he turned to drugs and stayed out all night, so his mother finally threw him out and he finished living on the street. However, thanks to an intensive coaching session, the coach was able to find out his problems in just one session, and eventually got him placed as a supermarket salesman.

Discussion

Asked how many people participated in the scheme, and the success rate Margit Kreuzhuber said altogether 2012 people had participated, and of these 49% were in work at the end of the project. A 'success fee' is given to the local corporation partner if the young person is employed

for four months.

Asked about a person 'restarting' if they dropped out of the job, she said that as every person was in the project for nine months, if they dropped out during this period they could try again.

Responding to a question about project financing, she said, that it was financed by the Federal Economic Chamber, WKÖ, and the Public Employment Service

Recent trends in youth employment – vocational training

Rolf Gleissner (Social Policy and Health, Federal Economic Chamber (WKÖ)) said that Austria's unemployment levels were comparatively low, including among young people. While unemployment levels among young people now stand at 15% in EU 27, in Austria they stand at just over 8%.

One reason is the country's system of vocational training, taken up by 40% of Austrian teenagers. This three-year training combines vocational school and practical training in a company - each year 40,000 companies train 130,000 apprentices. Regrettably, girls stick to the traditional, less-paid careers such as retailing, hairdressing and clerical work, while boys prefer to train to become mechanics, electricians or retailers, which perpetuates the gender pay-gap.

Despite a relatively positive picture, the Austrian labour market is still having difficulties, as declining birth rates make it difficult for companies to recruit skilled labour. In addition, the trend to go for higher degrees has reduced the pool of potential apprentices, leaving many companies to take on migrants or low achievers to fill training vacancies. *Numbers have fallen from 200,000 apprentices in 1980 to 130,000 in 2007, and a further reason for the declining numbers is that companies have withdrawn because of the strict laws that prevent them from dismissing apprentices unless under extreme circumstances.*

In order to correct current problems, and encourage companies to train more young people, *a new Action Plan for youth employment or 'Jugendbeschäftigungspaket' has been negotiated between the social partners, he said. This plan:*

- streamlines the current bonus system, so in addition to offering flat rate bonuses, new companies will receive a special bonus for taking on apprentices, or for training low achievers;
- offers the young participants a range of new bonuses, such as one for an excellent final exam result, or one for women who choose apprenticeships in traditional 'male' professions;
- emphasises 'flexicurity';
- includes an education guarantee for teenagers;
- allows companies to terminate apprenticeships, provided this is accompanied by a mediation procedure;

- young people who leave the company halfway through training are given the opportunity to complete the apprenticeship with another employer or at a special training institution.

The updated Plan is designed to ensure that every young person has either a complete education or an apprenticeship, and to encourage more companies to train young apprentices. As well as cutting youth unemployment, its aim is to guarantee Austria a long-term supply of skilled labour.

Discussion

Asked about *bonuses for companies which offer apprenticeships to low achievers*, **Rolf Gleissner** said this had not yet been finalised. **Silvia Hofbauer** added that the previous, outdated system was being streamlined as it was becoming ineffective, difficult to control, and did not encourage companies to take on apprentices. The new approach emphasises quality as well as quantity.

Questioned on *why financial incentives are given to companies, and not to young people to become apprentices rather than to attend further education*, Mr Gleissner said that young apprentices already receive remuneration for working, so the project must focus on encouraging more companies to train young people. Ms Hofbauer added that girls who take up technical apprenticeships are given a bonus, and older apprentices are paid by the Public Employment Services.

Responding to a question about *what happens to apprentices who drop out of the scheme* **Gernot Mitter** said they have the opportunity to get further training. However, as this 'dual-system' does not provide enough skilled labour, the social partners agreed that 10,000 further traineeships are required this year, further 17,000 people until 2010 need to be trained to cope with the huge inflow of young people into the labour market until 2015 in Austria. In Vienna the number of young people seeking apprenticeships will increase until 2020 because of the high number of migrants (second generation). The social partners have made an agreement with the government to provide traineeships as listed above.

Asked *how companies that offer apprenticeships are chosen*, Mr Gleissner said they have to meet strict criteria and abide by strict legal obligations. Apprentices spent 40% of their time working in the companies, and the rest at the vocational institute.

When he was asked *whether employers are obliged to take on apprentices as full workers when their apprenticeship finishes*, Mr Gleissner said that at the end of the training period, 40% of apprentices stay in the company where they were trained, while most of the remaining 60% soon find work elsewhere. Those who do not, can take up further training at a specialised centre. He added that several years ago, there was a shortage of companies to take on apprentices, but with changes in the labour market, demand has picked up.

Mr Mitter said that of the 50,000 people who leave school every year, 40% take up apprenticeships, but the social partners still need to offer additional training for half of these in apprenticeship schemes, as this dual system does not provide all the answers.

Asked whether *there were bonuses for companies which take on disabled young workers*, Mr Gleissner said that there was a comprehensive package of Public Employment Services

subsidies for companies which train teenagers with handicaps. Mr Mitter added that there was a special training scheme, which allows disabled people more time to pass the final exam.

Responding to a question *about state involvement*, Mr Mitter said there was a tripartite system of training in Austria, as the government is involved through the Public Employment Services. This costs about €100 million a year, paid through the Public Employment Services, and with the additional training schemes, support will rise to €230 million per annum. Other enterprises can also offer training schemes, provided they fulfil the requirements.

Questioned on *whether companies get a bonus for retaining apprentices after training*, Mr Gleissner said that all employers are obliged to keep apprentices on for three to six months, for which they receive a bonus. Many companies wish to keep people they have trained as they know the company culture and will work more effectively.

Karin Heitzmann pointed out that the 40% who take up the apprenticeships tend to come from the lower strata of society. Programmes to fight poverty and social exclusion are geared to this group, not to the better-off 60%, most of whom go to university.

Zdenka Wltavsky (Institute for Rehabilitation, Slovenia) remarked that it was difficult to get young people in Slovenia to take up apprenticeships in technical subjects as these professions are considered to be too lowly paid. Mr Mitter reminded the audience that while all apprenticeships do not lead to dream jobs, some people do not have the opportunity of a highly paid job.

In a general remark about compulsory membership of the Austrian Economic Chamber, **Vladimir Tkalec** (Confederation of Trade Union in the Public Sector, Slovenia), said that Slovenia had been obliged to drop this obligation as it was against a European Council recommendation, and membership had dropped by 50%. Mr Gleissner responded that between 70-80% of the members of Austria's Economic Chamber were happy to have compulsory membership because of the services it provides. For example it has negotiated a tariff agreement, which covers 95% of employers, so Austria does not need a legal minimum wage.

Presentation of the Internet Platforms by the Austrian social partners

'Work and disability' and 'Work and age'

Ursula Filipič (Social Policy Department, Federal Chamber of Labour) said the Internet platforms on 'Work and disability' (www.arbeitundbehinderung.at) and 'Work and age' (www.arbeitundalter.at) which were set up in 2002/2003 are joint employer/employee organisation initiatives: the Federation of Austrian Industry; Federal Chamber of Labour; Austrian Trade Union Federation and the Federal Economic Chamber.

Both websites are going through a technical relaunch with new material, and the 'Work and disability' will shortly include information in sign language.

The **'Work and disability'** website is unique because of the large number of partners involved: ÖGB, WKÖ, BAK, IV, Public Employment Service (AMS), Austrian Social Insurance for Occupational Risks (AUVA), Main Association of Austrian Social Security Institutions (HV), Federal Social Office (BASB), Austrian national Council of Disabled Persons (ÖAR) Federal

Ministry of Social Affairs and Consumer Protection (BMSK), and Federal Ministry of Economics and Labour (BMWA).

The website is designed:

- to promote inclusion in the labour market and society as a whole;
- help fight discrimination and reduce prejudices;
- reduce the information deficit, and
- give access to support services for people with disabilities and employers.

It offers information on:

- laws regulating the inclusion of people with disabilities;
- how to obtain support and advice from external partners, like BASB and AMS, with links to them;
- information on good practice on successful employment, covering as many different fields, and regions as possible.

The **'Work and age'** website was set up to cater for the problems surrounding an aging workforce, and to provide general information and Austrian models of good practice. Its main target groups are: older workers, companies, managers, Works Councils, experts and consultants

It is financed and managed by the social partners, and has developed into an excellent communication platform between them, so that it now holds fact-finding missions, workshops and conferences. The results of these can be found on the website:

- 'Work and age – Experiences and Good Practice' (2005);
- 'Work and age – Qualifications in the Labour Market' (2006);
- Details of a fact-finding mission to Finland and Sweden (2007);
- 'Work needs Age – Aging Workers as Factors of Success' (2008).

'Work and health'

Gabriele Straßegger (Social Policy and Health, Federal Economic Chamber) described the **'Work and health'** working group and Internet platform (www.arbeitundgesundheit.at), which is jointly organised by the social partners to promote workplace and occupational health. It was created after research showed that companies were unaware of all the bodies that provide information about health in the workplace and is targeted at employees, employers, managers, Works Council and employees.

Based on the precept that 'a company is as healthy as its employees', it is geared to improving health conditions at work:

- its content focuses on showing both employees and employers the benefits of promoting a healthy workforce, and improving well-being at work;
- it includes information about keeping healthy, including internal and external health resources;
- advice on reducing employees' workloads, and improving their working situation;
- information about the quality of work;
- advice on building cooperation between management, the Works Council and the staff,
- an overview on the Betriebliche Gesundheitsförderung (BGF, Workplace Health Promotion) Charter, which promotes healthy workplaces;
- information on funds to support companies that create more healthy workplaces;
- includes a best practice database of companies which have taken measures to improve their working environment;
- has a list of relevant publications and experts.

Discussion

Asked *whether the Internet platforms were being evaluated*, and their sources of finance, **Ursula Filipič** said they were not as costly when compared to other measures and projects - costing about €20,000-€30,000 per annum, and they were financed by the social partners, with support from other partners.

Questioned about *'best practices' on the websites*, she said that those featured on the 'Work and age' website were based on their network of contacts and on discussions with managers and Works Council. They also included enterprises which had been awarded the Ministry prize for best 'active age management'.

Steinar Widding (Work Research Institute, Norway) commented that Norwegian sites include best practices which on closer examination are not so good, and **Ingrid Faerden** (Ministry of Labour and Social Inclusion, Department of Welfare Policy, Norway) agreed that when some of these 'best practices' were followed up, they did not deserve this accolade. **Karin Hinteregger** agreed that more evaluation was needed as often companies with 'best-practices' were self-selected.

Elisabeth Muschik (Mental Health Europe) asked *whether users and other NGOs had been involved in developing the websites*, pointing out that many NGOs had considerable experience in these fields, and had developed similar internet platforms.

Ms Filipič responded that while these home pages were social-partner initiatives, they had had some input from NGOs, so for example NGOs are involved in “work and disability” via their umbrella organisation ÖAR; furthermore NGOs were supplying information for the relaunched websites. These websites are certainly not ‘closed shops’, she stressed, as the social partners welcome NGO input. In addition to these websites, the projects hold workshops and conferences where NGOs are invited to participate.

‘Health Foundations’ – a special programme for older workers

‘Service Arbeit und Gesundheit’ – a new approach to prevent disability

Gernot Mitter (Social Policy Department, Federal Chamber of Labour) began his presentation saying that he had just received the good news that the social partners had launched an Action Plan for older workers.

This Action Plan, which is based on three pilot projects carried out over the last five years, develops a new form of subsidised part-time work, and subsidised low income work. It will also formalise the pilot project ‘Service Arbeit und Gesundheit’, which has run counselling centres for employed or unemployed people with health problems, and for their employers.

He said that ‘Service Arbeit und Gesundheit’ had run three pilot projects to get people back into work: one in Lower Austria focusing on unemployed people; one in Styria concentrating on disabled people, and the one in Vienna focusing on both unemployed and employed people with work-induced illness.

Mr Mitter explained the thinking behind the ‘Service Arbeit und Gesundheit’ project:

- the high national rate of disability, which also poses a heavy burden on the country’s disability pension scheme;
- a shortage of occupational health care;
- ‘the missing link’ - a lack of early intervention when health problems begin to emerge, which could prevent the symptoms developing;
- the lack of a cooperation between the different health, social security and pension institutions.

Workers’ invalidity threatens workers, businesses and the social system, he said. In 2007, a total of 76,000 people stopped work and started receiving pensions: 50,000 people took their retirement pension, and 26,000 took an invalidity pension, so one third of all those who take up pensions each year do so for health reasons.

For the individual concerned it means endless years of suffering, and a loss of the quality of life, and it is calculated that disabled people die ten years earlier those who are able-bodied. It also means a severe loss of long-term income – the person who retires through ill-health will lose €1,000 a month on his/her pension for the rest of his/her life. For employers it means the loss of skilled, experienced labour. For the government it means a drain on national budgets through payment of disability pensions of nearly €3 billion annually and the loss of a pool of skilled labour

– which is labour the country needs, he stressed.

Disability that begins at the workplace is caused by institutional malfunction, said Mr Mitter. People are just beginning to understand the long-term benefits of a healthy workplace, and conditions at some of the country's small and medium-sized enterprises are in particular need of improvement. The government is starting to examine ways of financing improvements in the country's workplaces, and the social partners have started pilot projects on promoting healthy workplaces.

One shortcoming of current provision is the lack of an 'early warning system' against disability. It takes an average of ten years before occupational ill-health forces people to give up work, and normally the warning signs begin after eight years, so there are ample opportunities to identify the problem and take measures to rectify it. Unfortunately, by the time the individual admits that their work is making them ill, it is usually too late.

Another problem for both the employee and the employer is the lack of a 'joined-up' approach between provision, which can encompass social security support, health insurance, unemployment insurance and pension insurance. This is compounded by the incompatibility of the legal statutes concerning 'workability' between the bodies responsible for unemployment and pension insurance. Often people are defined as too sick for the labour market, but too healthy to receive a disability pension.

The pilot project in Vienna, run by Centre for Vocational Education and Rehabilitation (Berufliches Bildungs-und Rehabilitationszentrum, BBRZ) which is a market leader in the occupational health field, treats both employed and unemployed workers with health problems, said Mr Mitter. When it started work, it focused on unemployed workers, but soon realised that the health needs of those currently employed are equally important, as people need to be cured from minor illnesses before they become too ill to work.

The project's aim is to prevent on-going damage to employee's health, which it does either by alleviating the causes of their ill-health, helping them transfer to another job within the company, or being retrained for another career. Project workers take responsibility for searching out new employment or retraining possibilities for their clients, and work with companies to adapt the workplace to cater for the employee's needs.

'Service Arbeit und Gesundheit' (SAG) uses a 'case-management approach', offering a 'One-Stop-Shop' to bring together all the existing provision and providing a 'round table' for labour market and health care institutions. Its budget for the project is €600,000, based on 600 cases – 400 employed and 200 unemployed, i.e. €2,000 a case. Mr Mitter said that at this cost per client, he foresaw it would be possible to extend the project to cover 10,000 people, since the required budget of €20 million (€2,000 x 10,000) could be financed out of the country's health insurance, pension insurance and labour market insurance budgets.

Describing the results, he said that 50% of the project's clients were in work, either in the company where they became ill, or in a new workplace. He believed that given the severe levels of illness some people exhibited: some have cancer, some are very depressed, and others are on the edge of being disabled - this was a very high success rate.

The lessons learned for the future are:

- early intervention in health care can create 'win-win' situations for employer and employees;
- Austrian-wide coverage would be affordable, and is financially beneficial;
- changes need to be made in the legal system to make the eligibility criteria compatible between the different services;
- there should be more cooperation between people in the different social institutions, with one person to take responsibility for coordinating all these services for each individual.

Discussion

Questioned on *what responsibility employers have for ensuring that their workplaces or working practices do not damage their employees' health*, **Gernot Mitter** said there are national laws concerning the 'technical' protection of workers, and employers have to pay 1.5% of their gross income into an insurance scheme to cover occupational ill-health. He felt that one short-coming with the current system is that as government agencies pay out disability benefits, companies do not have a strong financial incentive to protect their workers' health.

Questioned *about the age of the 'Service Arbeit und Gesundheit' (SAG) participants*, Mr Mitter responded that the project had initially focused on those aged 40+, but after discovering that health problems start at 30 to 35, it has lowered the age limit, although the main age group is aged 45-50. He mentioned that there are projects in Finland which have found that if one invests in workers in their 30s, they will be fit enough to work until 65.

Asked how clients are selected, he said the Viennese health insurance agency writes to those who have been off sick for three months about the service, and they also advertise through the mass media. Employers are also becoming increasingly interested in the service, as they want to solve the health problems of valued employees.

Questioned about *funding for the project*, Mr Mitter said it came from the Viennese Public Employment Services, the health insurance agencies, the Viennese government and the Federal Social Office. He believed the health and pension insurance services and the employers should have a legal duty to work together to prevent people leaving work because of occupational ill health.

Questioned on *how the project encourages all the different agencies to work together*, he stressed that they should be encouraged to talk about a person's 'workability', rather than about their being 'permanently ill', or in a state of 'transition'.

Judith Pühringer (Armutskonferenz) was concerned about the high numbers of people deemed too sick to work, yet too healthy to receive disability allowance, and believed that a broadened labour market would handle this. However, she regretted that funding is being reduced for this sector, instead of putting more emphasis on employment opportunities connected to the means-tested minimum income.

While 'Service Arbeit und Gesundheit' (SAG) talks about encouraging cooperation this should include NGOs, she said, pointing out that they are responsible for a number of similar social projects. The Commission's EQUAL programme, which funded a number of projects demonstrates how broad social partnership could work in practice.

Mr Mitter agreed that an intermediate labour market would help more vulnerable groups, as the Public Employment Services do not operate for the most vulnerable groups, and there should be more innovative thinking on how to address their needs. In Austria the most vulnerable groups are ignored, when they should be reintegrated through a combination of labour market and social policies, supported by social assistance.

Responding to an enquiry about *the re-employment of the unemployed clients*, Mr Mitter agreed that this was rather low. However, he pointed out that many of these were older workers, who were already too sick to work, but too healthy to be eligible for a disability pension. Through its counselling, 'Service Arbeit und Gesundheit' (SAG) had given them a clearer perspective on the available options, such as retraining or retirement.

Michele Calandrino commented that the project mainly involved health and employment services, and wondered if there could be a role for social services more broadly to also support social inclusion objectives.

Mr Mitter responded that the Viennese government and other federal services provide social assistance, and the project's aim is to get concrete help for individuals. One of the biggest tasks for the case managers is to gain an overview of the whole range of support available.

Asked *who used the project's services*, Mr Mitter said there were more women than men, as the project attracts those in the medium- to high-skilled category, where most women work. The project did not reach the low-skilled 'hire and fire' workers, partly because employers are not concerned about their health needs, as they can be easily replaced, and also because these workers do not respond to letters from the health services. 'Service Arbeit und Gesundheit' (SAG) was unclear how to reach them.

Asked about *companies' reaction to the project*, he said that people came from companies of all sizes, and the project worked with them to change the company culture. He believed that the main solutions are to retrain people or to manage a period of reintegration into the company. There are wage subsidies for companies to encourage them to reintegrate people, which compensate for their lack of productivity. This is also a reason for the project's success.

The project builds up strong links with companies to encourage them to adapt their working environment, for which they can receive a grant from the occupational health services. It also requests them to transfer people to different jobs when they return to work.

Visit to Health foundations – ‘Service Arbeit und Gesundheit’ – a new approach to prevent disability, run by Centre for Vocational Education and Rehabilitation (Berufliches Bildungs-und Rehabilitationszentrum, BBRZ) Vienna

Barbara Haider-Novak (Centre for Vocational Education and Rehabilitation, BBRZ) described the *Service Arbeit und Gesundheit* (Service for Work and Health and new solutions for health-related problems at work). She said that BBRZ’s main activities are in the field of rehabilitation, and it also works in the fields of vocational diagnosis assessment, early rehabilitation and secondary prevention. It current runs three centres: one in Vienna, one in Lower Austria and one in Styria.

A pioneer in health provision, BBRZ has carried out various vocational prevention programmes in Austria, including: Workability (2001); Service Arbeit und Gesundheit (220-2005); Horizonte 40+ (2005-2007); Roomy workplace (2005-2007); and Service Arbeit und Gesundheit 40+ (2005-2007).

The current Vocational Prevention Programme has been running since 2007, with funding from the Viennese Public Employment Services, the health insurance services, the Viennese government and the branch of the Federal Social Office. It is targeted at people who have lost their jobs within the last three months because of occupational health problems; employees who can not continue to work because of a work-related accident or disease and the companies which employ them.

She described in the beginning the process of vocational rehabilitation.

The client goes through a four-stage programme:

- 1) Diagnosis - on arrival the client is given a medical, psychological and intellectual assessment;
- 2) Rehabilitation scheduling – the clients employment options are discussed;
- 3) Stabilisation, training and qualification – as a result of the needs’ assessment the client is either given a standardised commercial or technical training programme, or a ‘bespoke’ training programme;
- 4) The client is re-integrated into his/her previous labour force and/or company.

The BBRZ learned that rehabilitation is much easier if intervention starts earlier, while the client is still employed, rather than after they have been forced to stop work because of occupational illness. They realised that this will happen more frequently as people are required to retire later, and an older workforce will mean that there will be more workers with health problems. To cope with this, the projects of vocational prevention were started to handle enquiries from people who were still at work.

Occupational disability develops slowly, said Ms Haider-Novak, and those who seek their services have usually had health problems for a number of years, although they may have tried to hide this from their employers, for fear of loosing their job. This is a short-sighted approach as it means that companies will not realise there are problems and take action to solve the cause of them. At times, when companies or medical staff are informed, they may give a limited form of secondary medical treatment, tranquilisers, sick leave, etc., which will not solve the long-term

problem either.

The programme works to maintain employees' 'workability' - to keep them in employment or where they have lost their jobs to help them to a quick re-entry into the labour force. For companies, the aim is to prevent employees leaving the company because of ill health; to ensure that all employees work as productively as possible and to reduce the amount of employees' sick leave.

BBRZ works with individuals using a 'case management' approach. This involves:

- Carrying out a medical and psychological assessment of a client's opportunities;
- health consultations – explaining how to become healthier, by taking more exercise or giving up smoking, or suggesting specialised therapies;
- career planning and job coaching;
- advice about retraining or gaining new qualifications, either in the current or a future job;.
- advice to both the employees and their employers about the subsidies available;
- advice to companies on adapting the workplace to the client's needs;
- guiding their clients and their employers through 'the jungle of possibilities' – i.e. all the available services;
- building networks with the relevant public health and social service agencies, to improve contacts when dealing with new clients.

The project also:

- gives the client support for accompanying problems like family difficulties;
- functions as a turntable for communication;
- acts as the central contact partner for all participants either through one-to-one contacts or round tables;
- gives clients constant feed back to enable them to adjust their rehabilitation process.

Between 2005 and 2007, the Centre:

- received 754 enquiries from employees and companies;
- carried out 521 consultations and case managements;
- achieved a 65% success rate: 327 have either returned to previous jobs or found new ones;

- 12% are retraining or taking new qualifications;
- 6% are seeking work;
- only 9% applied for retirement.

As Ms Haider-Novak pointed out, previously many of these people would have taken up an invalidity pension.

Of those applying to the Centre, 62% were women. 34% of the clients who came to the Centre had muscular or skeletal problems (from lifting), and 27% had psychological problems (stress, etc).

Discussion

Responding to a question on *how people were referred to the Centre* **Ms Haider-Novak** said that there is a cooperation with the health insurance companies who inform people who are on sick leave for more than 6 weeks about the Service Centre; others were referred by medical centres or other counselling services and some saw adverts in the media. She stressed as it is voluntary service 'It is useless to help people who don't want to be helped'.

Only 10% of those who came had an acknowledged handicap, as the law in Austria prevents them losing their job, which may explain why people continue to work, although they suffer a verifiable handicap. **Zdenka Witavsky** responded to this remark, saying that in Slovenia, companies have to employ a quota of people with handicaps.

Asked what happens to the *long-term unemployed people, who do not use the centre*, Ms Haider-Novak said the Public Employment Services refers them to special courses in a more structured setting. The BBRZ offers for example also special courses for unemployed people who suffered from a mental illness or a psychological impairment.

Questioned on how the Centre *encourages companies to employ people who have been through its services*, **Alexandra Wunderl** (Centre for Vocational Education and Rehabilitation, BBRZ, staff member) said that they explain the benefits of having a diverse group of employees, and of keeping experienced staff who know the company culture. They also point out the economic benefits, as companies receive a subsidy for employing men over 50, and women over 45.

Responding to a question about *companies' reaction to the project*, Ms Haider-Novak found they have been very positive, as often they have not known how to deal with employees with occupational illnesses. Most were very open to welcoming people back as often it costs less to keep trained staff than to train new ones. Smaller companies were particularly receptive, she said, while large organisations, such as hospitals, have often formal structures that prevent them reintegrating staff.

Asked how companies fared if they take back an employee who is less productive while he/she readjusts to work, Ms Haider-Novak described the case of a woman who had returned to work in a new post within the same company after a brain haemorrhage. BBRZ found that the company

could receive a year-long 50% subsidy from the pension insurance for 'new training on the job', which helped to compensate for her initial lower productivity. Unfortunately, the employee found she could not cope with the new position, and discussed the issue with BBRZ, who then went back to the company, which moved her to a different post, where she is now fully productive.

Asked *how many people worked in the project*, Ms Haider-Novak said there were eight people, seven of whom were case managers. One third of their clients are sent by the Public Employment Services, having recently lost their jobs. Their target is to counsel 900 people, of which 50% will then move on to the case-management stage and of these 40% will return to work.

She stressed that early recognition of their problems produces the most positive results. Cooperation with employers – for example supported by the Economic Chamber would be very helpful. Gabriele Straßegger (Federal Economic Chamber) is interested in a cooperation. Barbara Haider-Novak will contact her department.

Day 2

NGO Statements

Mental Health Europe

Elisabeth Muschik (Mental Health Europe) explained that MHE Europe and its member organisations have developed a *Social Inclusion Policy* for people with mental health problems at work.

Social exclusion is a multi-dimensional problem, she said, which if not dealt with can increase disability and impede recovery. The ability to recover from mental ill-health is linked both to the availability of social and economic opportunities and to treatment and support.

People with long-term mental disabilities constitute 1.4% of the total European population, and more than 27% of European adults experience some form of mental ill-health, such as schizophrenia, anxiety, burn-out, and depression, each year. Given the ageing of Europe's population, there are now more older people with depression and this is likely to be the main cause of ill-health in the Western world by 2020.

The 2007- 2012 'Community Strategy on Health and Safety at Work' stresses that the workplace can be the most appropriate place to prevent psychological problems and promote better mental health. In 2007, MHE carried out its programme 'From Exclusion to Inclusion', and analysed the needs of people with mental health problems in all 27 EU countries¹, and presented its recommendations on social inclusion and employment.

People with mental health problems have the lowest employment rates across Europe, said Ms Muschik, which is three times as high as those without mental health problems. Often social exclusion for reasons of mental ill-health begins in childhood – as in some European countries children cannot attend primary school because of the lack of support facilities.

¹ www.mhe-sme.org

Many people leave school without any qualifications, and employers and employment agencies are often unwilling to employ them. Even when they find work, their earnings are lower: in Germany 35% lower, in Ireland 20% lower, and in Sweden 6%. In addition, 9% of disabled people of working age do not receive an income or benefits,

People with mental health problems also suffer financially as well. They receive sickness or incapacity benefits, rather than unemployment benefits, and this classifies them as economically inactive. They face falling into the benefit trap, as if they find a job, they lose their benefits, and so if they then lose their job, they have to go through the lengthy process of reapplying for benefits. In 2000, in the UK there was a clear correlation between severe mental disorder and poverty – those earning under £100 were 35 times more likely to be suffering from mental disorders than those earning over more than £500 a week.

There have been some positive moves, however. In the Czech Republic, people with mental health problems are allowed to receive a salary and disability benefits, and in Denmark private companies provide vulnerable people with job opportunities.

Many people with mental health problems work in sheltered workplaces, where salaries are low, often below the accepted minimum wage, and very few move on to employment in the open labour market. However, there are some positive examples. In France, Greece, Italy, Poland and Portugal, people with mental health problems are employed in cooperative structures where they are economically productive. In Malta a state employment agency-NGO partnership agreement provides training and support services for people with mental health problems who register for employment.

MHE's recommends:

- raise awareness among employers about the employment potential of people with mental ill health;
- create decent job opportunities in sheltered, adapted employment or social firms and in the open job market;
- ensure a decent minimum income, and compatibility between work and social benefits;
- involve people with mental ill-health in policy and decision-making, and ensure that NGOs in this field are involved at national, region and local levels;
- help those with mental health problems to build up their own organisations;
- strengthen and ensure cooperation between the social, health, justice, financial and economic sectors who work with them.

BUSINESSEUROPE

BUSINESSEUROPE contributed a paper, in which it argued that market integration is the best way to fight social exclusion. Encourage those on social benefits to move into work, and break down the existing barriers to their full participation in the labour market through demand and supply side measures. As part of a 'flexicurity' approach, employers need to receive concrete

support and financial incentives to hire disadvantaged people, indirect labour costs for low-skilled workers must be reduced and employers must be allowed to introduce flexible working arrangements.

Europe's social partners have an important role to play in integrating disadvantaged groups, and BUSINESSEUROPE recommends the following measures:

- provide support and incentives to both unemployed people and to companies to move people from social benefits into work;
- provide tailor-made education and training to develop or upgrade skills, and address educational disadvantage;
- ensure equal access to health, education, housing, social security services and basic utilities;
- enforce European and national anti-discrimination legislation;
- use financial instruments, notably the European Social Fund, to promote and fund policies.

BUSINESSEUROPE says employment rates in Europe, particularly of under-represented groups in the labour market must be increased as this will raise GDP growth and improve the long-term sustainability of public finances. The Austrian experience has provided relevant examples of how this could be achieved.

BUSINESSEUROPE welcomes the involvement of social partners, which it believes are best-placed to find solutions that reconcile the economic and social needs of labour market players and can produce concrete arrangements that benefit both companies and employees.

The paper finished by asking the following questions:

- how can employers and trade unions best contribute to reintegrating disadvantaged groups?
- What interventions are most effective in supporting people to get back to work?
- How far are the social partners involved in the design and management of initiatives in every country, and what role do they play in evaluating these? and
- How is the effectiveness of the schemes being measures?

Presentation of Discussion Paper by the thematic expert

Ernst-Ulrich Huster (Ev. Fachhochschule Bochum/University of Gießen) began by giving the background to the current EU policies. In 2000, the Lisbon Summit outlined that the EU was to become the 'most competitive, knowledge-based economy in the world, capable of sustainable

economic growth with more and better jobs and greater social cohesion². This Strategy was revised in 2005, with the addition of the stipulation that it should be carried out in conjunction with promoting Europe's social and environmental aspects³.

In 2006, a public consultation was launched to review how the enlarged European Union should foster labour market access for those who are currently excluded, and how their active inclusion should be promoted.

The EU policy stresses that the social partners committed themselves to making a joint analysis of the key challenges facing Europe's labour markets in order to help the integration of disadvantaged people, including the elderly, those affected by unhealthy working conditions, the disabled, young people, women, migrants and ethnic minorities. In October 2007 the social partners agreed to draw up a framework of actions and to negotiate an autonomous framework agreement to carry this out.

Mr Huster outlined the key problems facing Europe's employment policy.

General low levels of labour market participation

The EU agreed a target of 70% participation by 2010, but by 2006 only four countries: Denmark, the Netherlands, Sweden and the UK reached this target. Although Austria, the Czech Republic, Finland, Ireland, Spain, Portugal and Germany were just below this level, many of the new Member states, such as Poland, Hungary, Bulgaria, but also Italy were below 60%.

Keeping older workers in employment

The Stockholm target is to keep 50% of all workers aged 58 to 65 in work. Sweden, the UK, Denmark and Spain are above this level at 50%-70%, the Netherlands, Lithuania, Czech Republic Latvia and Spain are near this target at 40-50%, but France, Malta, Slovenia and Slovakia are below at 27-40%.

Occupational ill-health increases considerably for those aged over 45

Given Europe's ageing population, unless something is done to greatly improve older workers' physical health, extending the working age in EU 27 will mean dealing with considerably more health problems.

Youth unemployment

In EU 27, about 20% of those aged 19 to 29 are neither in education nor employment. The pattern appears to be towards more long-term youth unemployment, with only a small band of about 10% in continual employment. Looking at this by country in EU 15 in 2006, it seems that those most adversely affected are young non-EU 25 nationals. For example in Austria, 4% of Austrian nationals are unemployed compared to 15% of other EU 25 youth, and 25% of non-EU 25 young people. This pattern is repeated across France, Belgium, the Netherlands, Sweden and the UK.

Disabled workers

During the 1990s far more disabled workers were unemployed, compared to able-bodied workers. For example in the Netherlands, 87% of able-bodied workers compared to 73% of

² Lisbon European Council, 23-23 March 2000

³ European Commission 2005

disabled workers were employed, in Germany 92% of able-bodied compared to 80% of disabled workers, and in Austria 94% of able-bodied compared to 87% of disabled workers were in work.

Are Austrian policies transferable across the EU?

Mr Huster said that the Austrian 'social-partner' approach is characterised by:

- strengthening social cohesion and facilitating equal chances for everyone by sustainable, lasting social protection and social inclusion;
- overlapping economic, employment and social policies;
- cooperation between all stakeholders by formulating goals, implementing these and evaluating their success.

Using this approach, the social partners have launched three Internet platforms for the elderly; those suffering from occupational ill-health, and for disabled people, and two programmes that combine information and practical aid for special groups of disadvantaged people: older people who are forced to stop work because of occupational ill-health and long-term unemployed young people.

Mr Huster suggested seven key issues for debate by the workshop groups:

- 1) Given that the Austrian system of social inclusion is rooted in the corporate structure made up of the social partners, how far can this be applied to countries with a different system of social partnership?
- 2) What framework conditions (labour law, cost of active labour market policies) are important in helping disadvantaged groups to enter the labour markets in peer countries?
- 3) Given the social responsibility and economic necessity of integrating disadvantaged groups into the labour market, what is the proper balance between people's rights to be offered the right job, and their own responsibility for finding work?
- 4) How effective are Internet platforms in giving information to disadvantaged groups, and does this take account of the digital divide?
- 5) How can we take a more holistic approach, which includes all stakeholders, to improve working conditions and provide healthy workplaces?
- 6) Austria continues to have a large number of people who take early retirement, despite pension reforms, which is a common phenomenon throughout EU 27. Is this because employers prefer to use other sources of cheap, more productive labour, such as migrants, rather than to keep on older, possibly less productive workers?
- 7) Should there be more study on the differences in gender employment? Why are migrants not mentioned in the programmes? The social field of employment or unemployment is very complex, and requires more analysis.

Following this presentation, the group broke up into two working groups to discuss these questions.

Feedback from the working groups on the transferability aspects of the Austrian approach

Bob Pemberton (Derbyshire Unemployed Workers' Centres, UK) acted as rapporteur for Group One and **Chris Burston** (Social Inclusion Team, Department for Work and Pensions, UK government) for Group Two. They summarised the main points from the workshop discussions

The role of social partnership

With the exception of the UK, all other peer countries have formal partnerships between employers, unions and governments, although there are variations in how these operate, and many predate entry into the EU. In some countries, such as Finland, there are moves to 'roll back' this partnership, while Irish peer reviewers said that this partnership had made a fundamental positive contribution to their country's economy. In Norway, there is a formalised tripartite agreement between the government, employers and employees.

It was strongly suggested that NGOs be included in the social partnership because of their broader viewpoint and their ability to become involved in many disparate schemes.

Disabled people

All delegates wanted improved provision for disabled people, including those with mental health problems. In some countries this is a matter for law and/or financial incentives. Slovenian companies have quotas for employing disabled people backed up by financial incentives, Ireland gives subsidies, based on the level of disability, and in Spain, companies employing disabled workers pay reduced social contributions. However, Norwegian peer reviewers commented that action to increase the employment possibilities of the long-term sick had been ineffective.

Young people

It was felt that in the past there had been too much emphasis on academic rather than vocational training, and possibly vocational training should be increased. Slovenian peer reviewers mentioned that there were scholarships and learning projects for young people with problems – such as drug users, to get them to return to work or into vocational training or apprenticeships.

Gender and lone parents

Most lone parents are women, and they need adequate childcare care if they are to enter full-time employment. Employers must recognise their needs, such as having to take time off to look after sick children. It was noted that women are more likely to return to education after child rearing, while men are more likely to return to employment.

Older workers

There should be a dual approach to older workers: either to retain them or to encourage them to return to work if they have already left the labour market. Measures could include increasing the value of deferred pensions, or giving subsidies to employers who take on older workers.

Information technology

Concern was expressed that while Internet platforms perform a useful function, not everyone has physical access to Information Technology, or the knowledge about how to use it. Nevertheless there are examples of good practices:- in Austria, Finland, Ireland and the UK, where kiosks have been placed in government offices to encourage people to get information online.

Flexibility of labour

Peer reviewers felt that this was more useful to employers than employees, as having a pool of labour to draw from meant that employers did not need to address the long-term issue of social inclusion. For example in Ireland hiring people with disabilities becomes particularly challenging in the current competitive recruitment markets. High numbers of migrant recruitments by employers increase competition in the open labour market and mathematically will automatically reduce participation rates for disabled people.

Migrant groups

This issue requires more discussion. Firstly, there are criticisms about the way that employers use migrant labour instead of having to employ more difficult groups of workers (as noted above). Secondly, employers often fail to recognise and so to make use of the skills or qualifications migrant workers acquired in their native countries. It was noted that many migrants need language training.

Intermediate labour markets

There is a need for intermediate labour markets, as these could ease disadvantaged people into work, from which they would be able to progress to the open labour market. However, it might also be necessary to offer jobs in the intermediate labour market as permanent solutions for certain vulnerable people.

It was also agreed that there should be more 'joined up' provision for disadvantaged groups and to give them support once they enter the open labour market. There is also a need for 'trade offs' between mainstream and specialist provision.

Relevance and key learning elements for peer countries and stakeholder representatives

Ernst-Ulrich Huster summarised the points that had emerged from the discussion over the last two days

What chances do disadvantages groups of entering the labour market?

There are very strong differences across EU Member States in the possibilities that disadvantaged groups have to enter the labour market. This often manifests itself in countries where there is a contradiction between strengthening economic competitiveness and integrating the weakest groups into the labour market.

In all countries groups with similar types of disadvantage should all be considered eligible to receive support: the elderly, people with a physical or mental disability, those who retired early from occupational ill-health; long-term unemployed young people, those with social problems; lone parents and certain groups of immigrants with insufficient skills.

The question of how to help these people to enter the labour market must be resolved by dialogue between the social partners, such as occurs in Austria. Issues such as health and safety at work, working with disabilities and early retirement should be permanently on the agenda for discussion.

Defining the characteristics of target groups will influence how they are approached

Given the different definitions of disadvantaged people in EU Member States, it was suggested

that there should be a universal definition of people with disabilities, and other forms of disadvantage. Whether measures to integrate disadvantaged groups are successful will depend on the country's social circumstances, for example, whether there are adequate child care facilities, or how much is done to prevent occupational ill-health.

One must beware of using the definition of a target group as a pretext for socially excluding people, for example, defining people as 'physically disabled' could cut off their employment chances in the open labour market. All policies need to be carefully monitored to ensure they do not have the opposite of the desired effect.

Different countries – different target groups

Not all target groups will be the same, depending on the national context. For example, in Finland, people need to be encouraged to stay in work because of the skills shortage, not just because of concerns about social inclusion.

Keeping people in work requires a new philosophy on how work should be organised and there should be better integration between work and the health system.

There has to be an 'integrated strand' between work and the health system, which is only possible under a tripartite system and with a strategy, such as the European Commission's New Communication Process launched in 2007.

More preventive case is needed to prevent occupational ill-health, and there should be more rehabilitation.

Other countries have examples of good practice

During the Peer Review many countries gave examples of how they tackled the issue.

Norway uses Internet platforms: *idébanken – inkluderende arbeidsiv*, Spain uses also Internet platforms through the Spanish Institute for older and disabled people and social services (IMSERSO). Finland is one of the foremost countries in developing occupational health and safety strategies.

Ireland provides a 'Back to Education Allowance' for young people, and the UK has a 'New Deal for disabled people'. Finland has a 'Forum for well-being at work' and TYKES, Norway has a tripartite agreement on promoting a 'More Inclusive Working Life'.

Use a more holistic approach

All countries should take a more holistic approach that combines financial aid, service and advice, and treats each individual separately. However each country must develop its own concrete proposals geared to the national context.

Avoid the digital divide

The Internet examples offer good support to employers, but one must ensure that the most vulnerable groups can access the Internet, and have the expertise to do so.

Combine advice services with practical support

Austria's examples of services towards young people and older workers damaged by occupational illness show the importance of combining information services with personal support, on a one-to-one basis. In peer countries there are compatible schemes offering 'coaching' or 'case-management'.

Balancing rights and responsibilities

There is a tension between getting everyone into the labour market, and finding the right job, which requires a balance between rights and responsibilities. What are the conditions under which we want to integrate those furthest from the labour market, and what our expectations?

The best way to integrate people into the labour market is a combination of giving more support and advice, and helping to increase the individual's personal responsibility for getting work. At the same time, full employment must be the prerequisite of any social security system.

Outcome and consequences

While the Austrian system is too country-specific to be transferred to other peer countries, Finland, Norway, Ireland and Slovenia foresaw that social partners could be involved through tripartite agreements.

Nevertheless, the contact, coordination and agreement between Ministries and social partners in Austria on the question of labour market integration could be usefully emulated in the other countries as well.

Comments on the closing session

Heinrich Wollny (Unit F1: Social Dialogue and Industrial Relations, Directorate-General for Employment, Social Affairs and Equal Opportunities, European Commission) regretted that the European social partners representatives could not attend as foreseen, as social inclusion does not just stop at the employers' door. Social partners should play a key role in vocational and educational training and in lifelong learning, and there is evidence that the integration of young people is better in Member States where social partners are in one way or the other involved in the organisation of training.

In some countries social partners agreed 'codes of conduct', setting out minimum standards that companies must abide by for traineeships. He believed that for many disadvantaged groups, such as lone parents, relevant provisions should be negotiated in the collective agreements with regards to work-life balance. Turning to the question of pay flexibility, he said that disadvantaged groups might need different kinds of pay structures.

Mr Wollny mentioned that the European Commission had published a series of case studies where social partners had been involved in getting disadvantaged groups back into the labour market. In addition the European Social Partners will shortly be negotiating a framework agreement to ensure better access to the labour markets for disadvantaged groups.

Gabriele Straßegger said that the speciality of the Austrian social system was that both the Chamber of Labour and the Chamber of Economy were legal entities, so the agreements they negotiated had legal standing.

Ernst-Ulrich Huster said that while there were many Chambers of Economy in other countries, such as Germany as it was easier to integrate the entrepreneur, in Austria the Chamber of Labour was also a legal entity.

Turning to what the host country had learned, **Hans Steiner** said that Austrian representatives had learned that fighting marginalisation of disadvantaged groups does not depend on single measures. A holistic approach was needed, as while there are many authorities fighting for full employment, the crucial aspect is how far they operate with the social partners.

'Social partnership' can take other forms than that in Austria, he said as this depends on government will and the social partners. The NGOs should be included as a social partner because although they do not have the right to make legally-binding agreements, they carry out vital social programmes with the most disadvantaged groups.

He concluded that it is not the concrete structure but the will to cooperate that is the deciding factor, and that those countries with a functioning social partnership perform better.

Michele Calandrino thanked the host country, all those who had taken part in the Peer Review, and the ÖSB for running the two days. He then highlighted some important points:

- While Member States have different institutional settings, they share similar objectives and programmes.
- Social dialogue is important for encouraging social inclusion and this also benefits economic efficiency, as the Irish example has shown. Social dialogue is also the forum where the rights and responsibility agenda at the core of Member States' policies is shaped at the macro level.
- It is important to go beyond short-term difficulties and trade-offs and focus on the long-term shared objectives of the social partners.
- During the two days, people have seen how the programmes work on the ground, and learned of the need to go beyond the 'out of work'/'in work' dichotomy, whereby the remit of social policies ends at the doors of the enterprises. On the contrary, there is a need for continuous support to make employment a sustainable and effective solution against poverty and social exclusion. Helping people while still at work and preventing them from losing their job can also be a more cost-effective option, rather than helping them to reintegrate into the labour market once out of work.

He said that while this Peer Review was about to finish, the participants' work to report back in their Member States the lessons learnt was about to begin.

He asked those present to liaise with their Social Protection Committee (SPC) Member as this May the SPC would discuss the Peer Reviews and how to integrate them better into the Open Method of Coordination.

Hans Steiner closed the meeting, thanking the Austrian social partners for preparing the Seminar, saying that as they presented the programmes it became clear that these were not individual programmes, but a set of programmes. He mentioned that the programmes for young people and older workers gave a very important impetus to improve the situation.

He thanked the participants, and noted that while not all the good practices can be adopted in other countries, one can still learn from other people's ideas.

Norman Wagner thanked all participants, the Economic Chamber and Monika Natter and the ÖSB team for their interest in the Austrian system and their work.