



Peer Review in Social Protection and Social Inclusion and Assessment in Social Inclusion

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Austria 2008

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

Short Report



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



The Peer Review took place in Vienna, Austria, on 24-25 April 2008, hosted by the Federal Ministry of Social Affairs and Consumer Protection, and the Federal Chamber of Labour. In addition to the host country, six peer countries took part: Finland, Ireland, Norway, Slovenia, Spain and the UK. There were contributions from two thematic experts from the Ev. Fachhochschule Bochum / University of Gießen, together with a stakeholder representative from Mental Health Europe, and a paper from BUSINESSEUROPE. Representatives of the European Commission's DG for Employment, Social Affairs and Equal Opportunities also contributed to the Peer Review.

1. The policy under review

Austria's National Report on Strategies for Social Protection and Social Inclusion 2006-2008 underlines the strategic approach of working with the country's social partners to improve labour market access for disadvantaged groups. The targeted groups are: unemployed young people (15-25) – particularly the long-term unemployed, as Austrian youth unemployment stands at 4%; the elderly – only 30.7% of those aged 55-64 are in work, those who give up work because of occupational ill health, and those with disabilities.

Austria has a well-developed system of cooperation between its social partners. These are the Trade Union Federation (ÖGB); the Federal Economic Chamber (WKÖ; representing employers); the Federal Chamber of Labour (BAK; representing employees); and the Chamber of Agriculture (LK), and between these partners and the government. Membership in the BAK and the WKÖ is compulsory which gives those organisations a quasi-governmental status and an exceptional capacity to deliver policies.

Over a long period of time, these social partners have worked together and also with the Federation of Industry (IV), an employers organisation on a voluntary basis, on initiatives to improve labour market access for disadvantaged and vulnerable groups. The initiatives, which were discussed during the Peer Review, fall into three categories:

■ Internet platforms:

- **Work and Age** (www.arbeitundalter.at) a website catering for the problems facing an ageing workforce. It provides general information and outlines Austrian models of good practice and acts as a communication platform between the social partners.

Partners: ÖGB, WKÖ, BAK, IV.

- **Work and disability** (www.arbeitundbehinderung.at) a website to promote inclusion in the labour market and society. It gives advice on support services for employers and people with disabilities.

Partners: ÖGB, WKÖ, BAK, IV, Public Employment Service (AMS), Social Insurance for Occupational Risks (AUVA), Main Association of Austrian Social Security Institutions (HV), Bundessozialamt (BASB), Austrian national Council of Disabled Persons (ÖAR), BMSK, BMWA¹.

¹ AMS - Public Employment Service; AUVA - Social Insurance for Occupational Risks; HV - Main Association of Austrian Social Security Institutions; BASB - the Federal Social Office; ÖAR - Austrian national Council of

- **Work and health** (www.arbeitundgesundheit.at) a website promoting health and safety at work by offering good practices and links to advice services. Its objective is to raise employers' awareness of the advantages of promoting healthy working practices.

Partners: ÖGB, WKÖ, BAK, IV; supported by Pfizer Corporation Austria, Social Insurance for Occupational Risks (AUVA), and the Main Association of Austrian Society Security Institutions (HV).

- **Special programmes for young unemployed people and for older, disabled workers:**

- **Give youth a chance** – a project for long-term unemployed young people (aged 15-25), giving support using a “personal coach” who accompanies the young person to job interviews, and acts as the interface with companies and new employers.

- **Health Foundations** – a network of advisory bodies on work capacity, health and job retention, to help employees with health problems remain at work and unemployed people, who have recently lost their job due to health problems. In particular the Peer Review looked at the activities of ‘Service Work and Health’, carried out by BBRZ Vienna (Centre for Vocational Education and Rehabilitation).

2. Key lessons and aspects of transferability

The peer reviewers divided into two working groups to discuss the main lessons to be learnt from the Austrian experience, and to identify aspects that could be transferred to other countries.

- **Distinctive Austrian context.** There was general agreement that the Austrian approach based on a consensual social model with the different bodies (ÖGB, WKÖ, BAK, LK, and the IV), was so country-specific that it could not be applied to other countries. However, the contact, coordination and agreements between ministries and social partners provided a good model. Social partners know best the reality of the work place and they can increase the commitment of companies and works councils/trade union representatives
- **Alternative types of agreements between non-statutory organisations.** A number of countries such as Finland, Ireland, Norway and Slovenia involve NGOs in partnerships with employers and government. There was an agreement that NGOs can play a major role in offering services and expertise about needs of the target groups.
- **All countries in the Peer Review share a holistic approach to social inclusion.** However, it was acknowledged that each country defines ‘old age’ or ‘disability’ in a different way and this will determine the type of services that are offered. The participants debated whether common definitions would be useful.

Disabled Persons; BMSK - Federal Ministry of Social Affairs and Consumer Protection; BMWA -Federal Ministry of Economics and Labour.

- **Importance of a long-term approach within established structures.** Projects and pilot schemes should not divert the attention away from reliable structures that are known to and used by all stakeholders and that are evaluated regularly.
- Some peer countries took an interest in **Austria's Apprenticeship schemes for young people**. These play a large part to help young people into work, although it does not belong to the genuine social partner initiatives presented at the peer review. The schemes provide vocational training and are taken up by 40% of Austrian teenagers. In this **dual system** a three-year training period combines vocational school and practical company experience, training 130,000 apprentices in 40,000 companies annually. It offers bonuses to companies, and targeted bonuses for apprentices. A lack of apprentice places has created the need for a parallel, public system; the current challenge is to ensure relevant vocational training in this system. But the low Austrian youth unemployment rates are a success that can be attributed to the dual system.
- **Other countries ran similar schemes successfully.** A number of countries reported similar schemes – e.g. Internet-based platforms in Norway, Spain and the UK. Ireland has a 'Back to Education Allowance' for young people, and Spain has Workshop-Schools and Occupational Centres. Finland is one of the countries developing occupational health and safety strategies, and the UK has 'New Deals for Disabled People'.
- **All delegates wanted improved provision for disabled people.** This could include company quotas to take on disabled workers (Slovenia), or providing companies with financial incentives to hire workers (Slovenia and Ireland).
- Given the social responsibility and economic necessity of increasing labour market participation in Europe, the strategies to reach this goal should be **a mix of a) giving more support and advice; and b) more emphasis on strengthening personal responsibility.**
- **Approaches in different EU Member States depend on specific social circumstances.** For example, the scope of child care will determine whether women and lone parents can enter the job market, as will the flexibility of national pension and disability arrangements, and whether early retirement is discouraged or encouraged.
- **Providing financial incentives.** A number of countries provide financial incentives either to employers to employ 'vulnerable' workers, or to the workers to remain in work. In Spain, employers pay reduced social security payments for the first four years of employing someone from a disadvantaged group. Finland, which pays disability pensions, is exploring ways for those on 50% pensions to return to the workplace.
- **Avoid the digital divide.** Although Internet Platforms have been successful, there was concern that the most vulnerable groups do not have the physical access or the skills to use these. However the Austrian platforms provide practice examples and information to entrepreneurs.
- **Migrants ignored.** These projects did not address migrants' needs to enter the workplace. Another aspect reported by some participants was that the availability of a pool of cheap migrant labour could take the pressure off employers to address the needs of disabled people.

- **Need for intermediate labour markets.** These could help the transition process from unemployment to full time, permanent employment. However, it might also be necessary to offer jobs in the intermediate labour market as permanent solutions for certain vulnerable people. The UK reported from their experience that it is necessary to ensure a minimum level of orientation towards the market and opportunities for training in sheltered workplaces. Otherwise the intermediate labour market becomes unsustainable.
- **Contradiction between strengthening economic competitiveness and integration.** The goal of economic growth can cut across that of helping initially less productive workers get back to work. The issue of balancing human and social rights with strengthening the economy has to be resolved through social dialogue.