Main features of the Austrian training and apprentice scheme:

- Vocational Education and Training (VET) and apprenticeship training in Austria works well thanks to strong governance and partnership with companies.

- The Europe 2020 strategy foresees attaining a target of 40% university-graduates by 2020; many in Austria believe that this target is too short-sighted (some Member States have even decided on achieving a higher proportion of graduates), because you need good people with a variety of qualifications on the labour market.

- The business model of VET for companies is quite positive, as the investment that the employer must make in an apprentice during the first two years of his/her traineeship starts to pay back in years 3 & 4 as the trainee gradually becomes more productive.

- The VET system is completely demand-driven, which means that the training is defined by the needs of the respective sector. Training regulations and framework curricula are elaborated by education research institutes on demand of a specific sector, discussed among social partners on expert level and submitted to the Federal Ministry of Economy, which, after consultation of all stakeholders issues the training regulation for each apprenticeship. That is why the system has evolved over the years, reacting to the requirements of the market.

- Austria invests a lot of money in education and training to keep unemployment low and preserve social stability. In 2012 350 million euro were spent for young people. That is nearly 40% of the whole active labour market budget.
The EU Danube macro-regional strategy – how can Employers contribute to its success?

The importance of macro-regional cooperation for Europe:

As the crisis continues, Europe, but also Austria face some severe challenges: unemployment including youth unemployment; the need to train and educate people to a higher level. European youth needs perspectives and effective measures!

The level of unemployment is directly related to the degree of education that people have received. Throughout the crisis, unemployment of qualified professionals, high-school leavers and university graduates has increased slightly, but remained stable in relation to each other. However, there has been a significant increase in the number of unemployed people in Austria who are completely unskilled. Our modern, developed economies are slowly losing what few jobs that remained for unskilled workers! That is why VET remains so vitally important.

Austria has no legal minimum wage; but so-called tariff agreements cover 98% of employees and workers. These agreements contain provisions for minimum wages, which vary according to experience and qualifications. Younger people get lower wages, which facilitates their entry into the job market; a high degree of labour flexibility also encourages employers to hire more easily.

Macro-regional strategies are an excellent tool for bringing people in Europe together. In the case of the Danube, closer cooperation is helped by a common culture, a common history, a common religion, or a common way of working, as e.g. in agriculture. One issue to deal with today is the self-centredness of the young “me” generation; we need to offer pragmatic common language courses to the young to maintain a sense of commonality so as also to improve the competitiveness of Europe in today’s global market.

The EU surprised us with its three NOs for macro-regional strategies: no new legislation, bodies, or funding. What we see, however, is that existing legislation and funding are not used properly, and that opportunities are thus missed! We need to ensure that funding is spent, and is spent more efficiently!

Achieving results in macro-regional strategies takes time – but it is working, slowly but surely.

The Danube as a transport vector for the region: the river has great potential, but much of the riverside infrastructure is outmoded. We need to invest in multimodal transport, the modernisation of river infrastructure and the design of ships using the river, with a view to reducing the ever-increasing pressure on road infrastructure.

Youth unemployment in Europe – what works?

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Austria is getting a lot of attention internationally for the good performance of its labour market and its vocational training system. Nevertheless, even the Austrian system contains several weaknesses. The number of unemployed unskilled labourers has nearly doubled between 1990 and 2012. It is therefore a priority to advise and support young people when they decide on their future career and to avoid school dropouts.

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The involvement of organised civil society

The Danube Strategy is still very much a “top down” project. Public authorities in the region are suffering from cutbacks, leading to services being increasingly overburdened as civil servants leave the public service in search of private sector jobs.

The EU funding that is available for capacity building in the region to improve civil society involvement in the strategy is ill adapted to real needs. Yet civil society’s involvement is key in achieving success of the Danube Strategy.

The Danube strategy represents a renewed EU partnership with neighbouring regions, allowing the Union to strengthen its relationship with the Western Balkans. Cooperation can happen in many areas, e.g. water and flood management; adapting the skills of the workers of the Danube basin to reflect the real needs and requirements of the European market; to develop smart specialisation strategies bringing together business, academia and the educational system; bottlenecks in transportation policies and border regions.

Since the outbreak of the crisis, access to finance, especially for SMEs has become extremely difficult. The Danube Financial Dialogue seeks to bring together SMEs and key financial stakeholders, including national banks with a view to identifying innovative business opportunities, discussing financing models and financial instruments, and facilitating access to, as well as efficient use of funding available in the region. The coordinators behind this initiative are not looking for a “big bang”, but for a slow yet sure implementation of the Building Prosperity priority of the Danube Strategy.

A useful forum to build relationships between businesses in the Danube Region Business Forum in which the WKÖ plays an active role. The aim of this annual forum is to stimulate business opportunities in promising sectors; this year that is the ICT sector.

Business and civil society need to gear up and participate fully to make the most of the new opportunities and growth in the next programming period 2014-20.
The discussion took place during the Extraordinary Meeting of the Employers’ Group Bureau in Vienna, Austria on 22nd October 2013. The EESC Employers’ Group wishes to thank the WKÖ for its kind hosting of this meeting at its premises.

About the Employers’ Group
The Employers’ Group brings together entrepreneurs and representatives of entrepreneur associations working in industry, commerce, services and agriculture in the 28 Member States of the European Union. Our members are genuinely committed to putting their own experiences to good use to further the European venture.

The European Economic and Social Committee is the only European institution that brings together entrepreneurs and people fully involved in the economic and social life of their home country. We make the voice of business heard at European level.

About the WKÖ:
The Austrian Federal Economic Chamber, WKÖ – the umbrella organization of the nine Regional Economic Chambers - represents the interest of some 400,000 Austrian member companies. As the active voice of Austrian business, the WKÖ is committed to developing and lobbying forward-looking policies which benefit the economy e.g. tax relief, cutting red tape, subsidies, both at national, at EU and international level.

Through its activities and comprehensive services to member companies, the WKÖ seeks to boost the economy; the Chambers are modern service providers and offer fast and relevant expert advice on topics ranging from labour laws to customs information.