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Continuing Vocational Training in Austria

1. Introduction

Overview

The public system of continuing vocational training (CVT):

- The Austrian CVT system mainly draws on public management and financing provided by the public employment service (OECD 2003: 16; CEDEFOP 2008; CEDEFOP 2009: 10; EIRO 2009), with collective agreements (CLAs) playing virtually no role in this domain.
- Interestingly, both social partners are very important actors in providing CVT measures which are paid by the public employment service (CEDEFOP 2008: 45).
- Furthermore, CVT is firm based or negotiated at the company level (CEDEFOP 2008; EIRO 2009), which makes CVT a special case in the landscape of Austrian national and sectoral collective negotiations because, on other issues, bargaining mainly takes place.

The role of collective labor agreements in CVT:

- CVT remains virtually outside sectoral CLAs (Schleinbach 05.03.2010, interview; Grammelhofer 25.03.2010, interview).

- There is only one collectively negotiated sectoral fund that finances CVT, which was recently concluded (in 2005, effective from 2006) in the temporary work sector (Schleinbach 05.03.2010, interview; Grammelhofer 25.03.2010, interview) and which covers about 45,000 employees (Grammelhofer 25.03.2010, interview).
- According to one of our experts, apart from this fund, CVT by sectoral CLAs in Austria is 'toothless' (Grammelhofer 25.03.2010, interview).
- Besides the fund in the temporary work sector, there are only a few collectively negotiated requirements on CVT, such as those found in the chemical industry, the metal industry, and the electro and electronics industry (Schneider/Völkerer 2009: 212; Rahmenkollektivvertrag für Angestellte der Industrie, Elektro- und Elektronikindustrie, FEEI 2001), which mainly regulate unpaid leave for the trainees and its duration (the exception being the metal industry, where paid leave is regulated; Schneider/Völkerer 2009: 211).
- A survey conducted in 2000 found out that only 33 out of 1,400 agreements in Austria had 'specific arrangements' on CVT (OECD 2003: 16).

Levels of Bargaining

- If there is bargaining it takes place at the sectoral level.
- However, sectoral CLAs play only a minor role in financing CVT (EIRO 2009: Sectoral Level). Some agreements have regulations on CVT, for example providing paid or unpaid educational leaves for exams and training aims (Schleinbach 09.04.2010, interview).
- In Austria, there exists only one training fund (temporary work sector). Besides that, there barely is collectively negotiated financing of CVT (EIRO 2009: The Role of Social Dialogue and Collective Bargaining in the CVT System).
- In other branches than the temporary worker sector, financing CVT by CLA is often 'toothless' (Grammelhofer 25.03.2010, interview).

Actors

There are three major unions involved in negotiations on CVT in Austria:

- Federation of Austrian Trade Unions (*Österreichischen Gewerkschaftsbund*, ÖGB): It is the most important union and concludes all the agreements through their according divisions which are responsible for the sector. It concluded for example the CLA in the temporary work sector, the CLA of the chemical industry and the CLA in the electro and electronic industry.
- Austrian Union of Metal and Textile Workers (*Gewerkschaft Metall-Textil*): Today, the union merged with the nutrition sector and is now called Industrial Manufacturing Union

(*Produktionsgewerkschaft, PRO-GE*). It concluded the CLA in the temporary work sector together with the ÖGB.

- Austrian Union of Chemical Workers (*Gewerkschaft der Chemiewerke*): it is a division of the ÖGB and concluded the CLA in the chemical sector.

There are four major employers' organizations involved in negotiations on CVT in Austria:

- The Economic Chamber of Austria (*Wirtschaftskammer Österreich, WKÖ*) is the umbrella organisation for the employers' organizations in Austria. It concludes CLAs together with its divisions responsible for the sectors.
- *Fachverband des Gewerbes* (Employer Organization of the Craft): concluded the CLA in the temporary work sector together with the WKO.
- The Association of the Austrian Chemical Industry (*Fachverband der Chemischen Industrie Österreichs, FCIO*): concluded the CLA in the chemical industry.
- The Austrian Chamber of Commerce and Industry (*Bundeskammer der Gewerblichen Wirtschaft*), its division for the industry sector concluded the CLA in the electro and electronic industry. The Austrian Chamber of Commerce and Industry is itself a division of the WKO.

Critical junctures

Definition: Critical junctures are time periods or years when important decisions on the development of the collectively negotiated CVT scheme were made.

There are two critical junctures: 2002 and 2004.

- In 2002, the first CLA on CVT in the temporary work sector was established (Grammelhofer 25.03.2010, interview).
- In 2006, the first and only CVT fund in the temporary work sector was established (in use since 2007). This process had already been initiated in the 2004 CLA. It mentioned that '[t]he negotiation partners decide to set up a working group that checks and prepares the foundation of a fund dedicated to CVT in the temporary work sector' (Kollektivvertrag für das Gewerbe der Arbeitskräfteüberlassung: 43; translation by the author).

2. Important Collective Agreements (Examples)

- The CLA in the metal industry serves as a model for CVT, because it guarantees the employees one week of paid educational leave to prepare for exams (*Lehrabschluss, Reifeprüfungen*) (Schneider/Völkerer 2009: 211).
- The CLA in the chemical industry gives employees the right to take two weeks of unpaid educational leave in order to prepare for examinations. Employees who are training to become foreman receive up to three days of paid educational leave (Kollektivvertrag Arbeiter der Chemischen Industrie, 2007).
- The electro and electronic industry guarantees their employees 2 weeks of unpaid educational leave in order to prepare for exams within further training (Rahmenkollektivvertrag für Angestellte der Industrie, Elektro- und Elektronikindustrie FEEI: 2001).
- The 2006 CLA in the temporary work sector mentions for the first time a training fund, which was activated in 2007 (Kollektivvertrag für das Gewerbe der Arbeitskräfteüberlassung: Protokoll vom 27.11.2006: 44; Grammelhofer 25.03.2010, interview).

3. Important Sectors

- The temporary work sector is the only one that has created a sectoral training fund based on a CLA (Grammelhofer 25.03.2010, interview).
- CLAs on CVT occur in the oil industry, telecommunication sector, the private adult education sector or the manufacturing industry. They provide unpaid educational leaves (typically one week per year) (EIRO 2009: Social Dialogue and Intersectoral Agreements at National Level). The agreement in the metal industry (*Kollektivvertrag der Metallverarbeitenden Industrie*) is considered as a model, as it enables one week paid educational leave (Schneider/Völkerer: 211).

4. Structure, Organization, and Mode of Administration

- The CVT fund of the temporary work sector is integrated in the foundation called *AUFLEB*. *AUFLEB* was created for the nutrition branch in 1995 because the branch feared increasing unemployment rates connected to the country's joining of the European Union (EU) in the same year. The idea was to fight unemployment by creating a 'positive'

framework for employability. Since 2007, the foundation also provides the fund for the temporary work sector (Grammelhofer 25.03.2010, interview).

- The foundation *AUFLEB* is run by representatives of the WKÖ and the ÖGB. *AUFLEB* administers the fund (Grammelhofer 25.03.2010, interview).

5. Role of the State: Financial Support, Legislation, and Extension

- The Austrian system mainly draws on public initiatives and the provision of courses by the social partners through their respective learning centres (chambers of commerce and chambers of labor). There is no public support for CVT regulation through CLAs but only some fiscal support for promoting company-based CVT measures (Wirtschaftskammer Tirol 2007). A recent CEDEFOP report argues that the state's role in negotiations on CVT issues is limited, as there are no tax deductions or lower taxation in Austria (CEDEFOP 2009: 19; Schneider/Völkerer 2009: 202, 212). Tellingly, both social partners agree on the fact that the state is too passive in CVT (Schneider/Völkerer 2009: 202).
- Public support is available for company-based CVT (Wirtschaftskammer Tirol 2007).

6. Financial Structure of the Collectively Negotiated Schemes

- The CVT fund in the temporary work sector is financed by employers and employees. The employers have to invest 2.50 EUR per blue-collar worker (white-collar workers are not included in the CLA) and month for CVT. If they do not reach the complete amount at the end of the year they have to pay the difference to the fund. The employees pay 66 cents per month to the fund (Grammelhofer 25.03.2010, interview). Before the employees' contribution was implemented, the employers had to pay two EUR per worker and month (Grammelhofer 25.03.2010, interview).
- The fund also pays for on-top investments for general skill CVT if the course lasts more than two days. In this case, *AUFLEB* pays for half of the working time salary (Grammelhofer 25.03.2010, interview).
- Also, the Labor Market Service (*Arbeitsmarktservice*, AMS) financially contributes to the temporary work sector fund (Grammelhofer 25.03.2010, interview).

7. Benefits and Measures of the Collectively Negotiated Schemes

- Some CLAs include benefits on (paid) training leave, which is often one week per year (EIRO 2009: Main Features of the National Continuous Vocational Training System).

- In some sectors (manufacturing industry, oil), white collar employees are entitled to unpaid educational leave to prepare for examinations in external training institutions (EIRO 2009: The Role of Social Dialogue and Collective Bargaining in the CVT System, 4).
- In the temporary worker branch, the blue-collar workers have the right on two days of paid educational leave (Grammelhofer 25.03.2010, interview).

8. Coverage Rates of the Collectively Negotiated Schemes

- A survey conducted in 2000 found out that only 33 out of 1,400 agreements in Austria had 'specific arrangements' on CVT (OECD 2003: 16).
- The sectoral training fund in the temporary workers' branch covers around 45,000 blue-collar workers (Grammelhofer 25.03.2010, interview).
- No further data on coverage rates is available.

9. The Politics around the Collectively Negotiated Schemes

Linkages to Wage Agreements and Wage Policy (e.g. Wage Restraint, Tripartite Agreements) and Other Agreements

- In Austria we have not found any evidence that wage bargaining and CVT are interrelated. We assume that it is a logical consequence of the relative weakness of negotiations on this subject.

Actors' Strategies and Conflicts among and between Them (State, Political Parties, Employers, Trade Unions)

- Both unions and employers mainly agree that the improvement of CVT provision in Austria should take a legal path. There is hardly any interest from the actors' perspective to conclude more agreements including CVT. Actors have their schools (unions and employers), have influence through tripartite bodies and do not seem to be too interested in concluding agreements in such domains (Schneider/Völkerer 2009: 211; EIRO 2009). At the moment, the creation of further CVT funds is not a big issue for trade unions (Schleinbach 09.04.2010, interview).

10. Recent Developments and Other Interesting Information

Recent developments:

- Even if still marginal, the number of agreements (sectoral) including provisions on educational leaves and time for training 'has increased since 2002' (EIRO 2009: Collective Bargaining on CVT).
- Because of the latest economic crisis, the amount of covered workers (fund of the temporal workers) has decreased. However, experts now count on increasing numbers as companies might prefer contract workers rather than permanent ones (Grammelhofer 25.03.2010, interview).
- The employees' contribution to the fund of the temporary work sector was a request of the employers and was discussed in the collective bargaining round of December 2009. The employees' contribution has been implemented from 1st January 2010 on (Grammelhofer 25.3.2010, interview).

Other interesting information

- At company level, the unions pursue to integrate CVT in the working conditions. The key factor in this issue is working time, because many CVT courses that individuals attend take place during free time. If there is not too much work, a worker may compensate over hours in form of further training. Such regulations have to be negotiated between the social partners (Schneider/Völkerer 2009: 201).
- Austrian unions are rather supportive of a legislative solution (Schneider/Völkerer 2009: 202). Unions support a legislative solution that would establish a right to training of 35 hours a year (Schneider/Völkerer 2009: 211), and, currently, they do not demand further CVT funds (Schleinbach 05.03.2010, interview). It is reasonable to argue that the labor chambers' (*Arbeitskammern*, AK) position is strongly influenced by the employers' position. The regulation in the metal industry, which provides employees with one week paid leave a year to pass certain certificated exams, is a general objective of the labor chambers. However, 'as it is not certain that dispositions giving (such a right) in every CLA will be introduced in all the contracts', labor chambers pursue the objective of implementation by law (Schneider/Völkerer 2009: 211).

11. Contacted Experts

We thank the following experts and colleagues for providing information and answering very specific questions:

- Grammelhofer, Thomas, 25.03.2010, Branch Secretary, Temporary Work Sector, Member of the Governing Body of AUFLEB, telephone interview.
- Schleinbach, Peter, 05.03.2010 and 09.04.2010, Wirtschaftsbereichssekretär at the trade union pro.ge, telephone and e-mail interview.

12. List of Abbreviations

- AK: *Arbeiterkammer* (Chamber for Labor)
- AMG: *Arbeitsmarktförderungsgesetz* (Labor Market Promotion Act)
- AMS: *Arbeitsmarktservice* (Labor Market Service)
- AMMSG: *Arbeitsmarktservicegesetz* (Labor Market Service Act)
- CB: Collective Bargaining
- CEDEFOP: European Centre for the Development of Vocational Training
- CLA: Collective Labor Agreement
- CVT: Continuing Vocational Training
- EIRO: European Industrial Relations Observatory
- EU: European Union
- EUR: Euro
- FCIO: *Fachverband der Chemischen Industrie Österreichs* (The Association of the Austrian Chemical Industry)
- FEEI: *Rahmenkollektivvertrag für Angestellte der Industrie, Elektro- und Elektronikindustrie* (CLA for the employees of the industry, electro and electronics sector)
- ÖGB: *Österreichischer Gewerkschaftsbund* (Austrian Trade Union Federation)
- PRO-GE: Industrial Manufacturing Union (*Produktionsgewerkschaft*)
- WKÖ: *Wirtschaftskammer Österreich* (Austrian Federal Economic Chamber)

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