

Republic of Austria
Federal Ministry for Economic Affairs and Labour



Implementation Report 2000

on the

National Action Plan for Employment

AUSTRIA

1 May 2000

CONTENTS

I.	IMPLEMENTATION OF THE NAP 1999	1
I.1.	The economic and employment policy situation	1
I.2.	Overall employment strategy and main objectives	2
I.3.	Implementation of the NAP 1999 – effects of measures	4
I.3.1.	Pillar I. IMPROVING EMPLOYABILITY	4
GL 1	- New start for young people	4
GL 2	- Fresh start for long-term unemployed adults	5
GL 3	- Increasing the number of people benefiting from active labour market measures	7
GL 4	- Reviewing the incentive effect of tax and benefit systems	
GL 5	- Agreements between the social partners for training, work experience, traineeships or other measures likely to promote employability	9
GL 6	- Lifelong learning	9
GL 7	- Improving the quality of school systems	10
GL 8	- Adaptability of young people	11
GL 9	- Integration of the disabled, ethnic minorities and other disadvantaged groups	13
I.3.2.	Pillar II. DEVELOPING ENTREPRENEURSHIP	15
GL 10	- Reducing overheads and administrative burdens for businesses	
15	GL 11 - Reducing obstacles to self-employment	
16	GL 12 - Creating new jobs in the social, health and cultural sectors and at local level	17
GL 13	- Fully exploiting the employment potential of the services sector	18
GL 14	- Reducing taxes and fiscal pressures on labour and non-wage labour costs	18
I.3.3.	Pillar III. ENCOURAGING ADAPTABILITY OF BUSINESSES AND THEIR EMPLOYEES	19
GL 15	- Social partners' agreement on modernising the organisation of work	19
GL 16	- Reform of employment contracts	19
GL 17	- Investment in human resources	20
I.3.4.	Pillar IV. STRENGTHENING EQUAL OPPORTUNITIES FOR WOMEN AND MEN	21
GL 18	- Adopting a gender-mainstreaming approach	21
GL 19	- Tackling gender gaps in the labour market	21
GL 20	- Providing care services, parental leave schemes and family-friendly working hours	23
GL 21	- Easing return to working life	24
I.3.5.	Horizontal issues	25
	The social partners' contribution to implementing the NAP	25
	The ESF's contribution to implementing the NAP	25
II.	NEW INITIATIVES OF THE NAP 2000	27

II

II.1. Initiatives in response to the Council recommendations for Austria	27
II.1.1. Recommendation on the participation of older workers in employment	27
II.1.2. Recommendation on narrowing the gender gap	27
II.1.3. Recommendation on reducing the tax burden on labour	29
II.2. New measures for implementing the guidelines 2000 and new policy initiatives	30
III. STATISTICAL ANNEXES	32
III.1. Annex 1: Statistical data and indicators	32
III.2. Annex 2: Budgetary information	54

I. IMPLEMENTATION OF THE NAP 1999

I.1. The economic and employment policy situation

Overall, the economic development and labour market situation in 1999 was very positive, and so are the forecasts for 2000.

At an **economic growth** of 2.2% in 1999, Austria was slightly above the EU's average, and the projections for 2000 expect growth to reach around 3% (2.8% to 3.1%). In the first half of 1999, it was primarily domestic demand that contributed to this development; in the second half of 1999, this positive development was joined by an improving export and industrial situation.

Accelerated economic growth in 1999 resulted in an **increase in employment**. At roughly 3,108,000 dependent workers, a new record high could be achieved in 1999. The number of employees rose by more than 31,200 across the entire year as compared to 1998. Of these, roughly two thirds were women who could benefit from this rise in employment (cf. Annex 1, Table 1a). Broken down by sectors, this employment situation reveals to be due to accelerated growth in the tertiary sector: here the number of employees increased by 44,000, whereas the secondary sector registered losses of around 7,300 employees. However, growing employment figures mainly concerned areas with a high share of part-time jobs.

For the first time since 1994, there was a **decline in unemployment** in 1999: the register-based unemployment rate was 6.7% in 1999, i.e. it was 0.5 percentage points below that of the previous year; under the Eurostat method, Austria's 1999 unemployment rate was 3.7% (1998: 4.5%). Austria thus ranks third within the EU after Luxembourg and the Netherlands.

For a disaggregated analysis, the unemployment rate based on the number of unemployed registered in the unemployment register is used (cf. Annex 1, Tables 1a and 1b): although the unemployment rate of women declined more than that of men in 1999, it is still higher (6.9%) than that of men (6.5%).

If we differentiate by age groups, we see that Austria has the lowest youth unemployment rate by EU standards: according to Eurostat calculations, it reached 5.0% in 1999 (national method 5.8%). On the other hand, the labour market situation of people in the mid-years and later years of active life developed unsatisfactorily as the labour market situation of older persons continued to develop less positively than overall unemployment. The register-based unemployment rate of over 50 year olds was 10.4% in 1999, thus exceeding the 10% threshold.

The proportion of the long-term unemployed (out of work for more than 12 months) in total unemployment was comparatively low; in 1998, it was 29.2%, i.e. far below the EU-wide average of 49.4% (1998 Labour Force Survey). The number of registered long-term unemployed could be reduced by 16.3% in 1999 as compared to 1998.

A break-down by sectors indicates that unemployment declined in all sectors, especially so in the tertiary one. Upgraded and extended active labour market policies contributed to this positive development.

Labour market projections for 2000 assume that employment will continue to grow (by around 1%) and the (register-based) unemployment rate will drop to 6.3%. A prerequisite for such a favourable development, according to the Austrian Institute of Economic Research (*WIFO*), is ongoing employment growth plus a continuation of active labour market measures at the 1999 or even a higher level.

I.2. Overall employment strategy and main objectives

Just as the other member states of the European Union, Austria is committed to the objective of fighting unemployment within the framework of the European employment policy. The priorities of the policy of fighting unemployment are defined in the National Action Plan for Employment. The target set by Austria in the 1998 NAP to generate **100,000 new jobs** in between 1998 and 2002 is likely to be achieved two years earlier. Due to the positive development of economic data and the situation in the labour market the creation of another 100,000 new jobs by 2003 is a realistic assumption. A further target is to reduce the **unemployment rate down to around 3.5%**.

The following areas may be regarded as **key areas** of Austria's employment policy in **1999**:

- Alongside active labour market programmes for young people, Austria's policy of **fighting youth unemployment** includes the safety net (*Auffangnetz*) for apprenticeship-seekers, which is to be continued for the 1999/2000 training year. Moreover, in 1999 24 new apprenticed trades were established and additional tax incentives created for employers to train apprentices (GL 1, 8).
- Extended **active labour market policies** resulted in more than 48,300 people participating in measures across 1999 (the 1998 average was 38,400 people). The funds spent on such measures amounted to ATS 10.5 bn in 1999 (€ 763 m). This signifies an increase by 28% versus 1998 (when expenditures reached ATS 8.2 bn, or € 596 m). In addition to new skills training measures in information and communication technology, it was the upgraded "ComeBack 99" action (fixed-term subsidies to the recruitment of long-term unemployed and disadvantaged persons) that created new impulses (cf. GL 2, 3).
- With a view to improving **women's labour market situation**, Austria fulfilled the target quotas for women within labour market measures and achieved the labour market policy objective of the AMS (Austria's public employment service) for 1999 of "improving women's labour market opportunities through skills training". In addition, a number of flanking measures were taken, such as extending institutional child care or introducing new parental leave regulations. The gender mainstreaming approach was further improved and strengthened by the NAP 1999 (cf. GL 1-3, pillar IV). A significant characteristic of women's employment situation is a strong growth in part-time jobs.
- The difficult situation for **older workers** in the labour market was the reason for introducing the "policy package for older workers" in March 1999. The measures introduced by this policy package regarding working hours, partial pensions, efficient use of the early warning system (when dismissals are pending) and a wider assessment basis for older jobless were implemented, but have not yet had the desired result. (cf. GL 4).
- Moreover, the **tax reform 2000** introduced a number of policies designed to foster employment and investment in human resources (cf. GL 11, 14, 18).

In 2000, measures are being continued, while it will also be necessary to provide new stimuli to achieve further structural improvements in the labour market. Policies in **2000** include the following **priorities**:

- A new "**policy package for older workers**" has been devised for 2000 in co-operation with federal, *laender*, local agencies, the social partners, the AMS and social insurance institutions; it is supposed to enter into force by 1 October 2000 at the latest. Its objective is to enhance the employment opportunities of older workers (cf. "recommendation on the participation of older workers in employment").
- Austria intends to raise **active labour market funds** to ATS 11.1 bn (€ 806 m) for 2000, up 5.7% from 1999. The new **project "Integra"** is being developed to help integrate the long-term unemployed into the labour market by providing job openings in the public and semi-public sector. Another focus are **skills training measures** – especially in the IT and communications

sector – to ensure that new employment opportunities are actually used (cf. "new measures for implementing the guidelines 2000 and new policy initiatives").

- Initiatives are stepped up to improve **women's labour market** situation. Specific (upskilling) measures targeted on women and young women of all educational backgrounds are taken to avoid any risk of unemployment. Another target is to **raise female employment** through numerous policies in the most different areas (cf. "recommendation on narrowing the gender gap").
- To **ensure youth employment** future-oriented vocational training will continue to be an essential element of Austria's employment policy. New, demand-oriented apprenticed trades and a modernisation of existing apprenticed trades are intended to contribute to the future success of the dual training system. The safety net for young people will be adjusted to new demands and continued for those young men and women of the 1999/2000 training courses who cannot find a regular apprenticeship place. In school education a special focus will be IT and communications technology training (cf. "new measures for implementing the guidelines 2000 and new policy initiatives").
- **Developing entrepreneurship** is another policy issue and will be tackled by easing access conditions and administrative procedures (unified plant law, one-stop-shop, electronic application procedure for business start-ups), and by strengthening the equity position of entrepreneurs (venture capital, tax concessions). Reducing non-wage labour costs is another central component of the Austrian government's policy drive.

I.3. Implementation of the NAP 1999 – effects of measures

I.3.1. PILLAR I. IMPROVING EMPLOYABILITY

GL1 - New start for young people

Labour market situation of young people

Preventing youth unemployment can be regarded as an essential component of the Austrian employment strategy. Alongside an adequate school education and the dual training system (cf. guidelines 7 and 8), labour market intervention – especially by the *AMS* – plays an important role. The current employment situation of youth, i.e. of up to 25 year olds, reflects this policy focus (cf. Annex 1, Tables 2a to 3b): in 1999, the unemployment rate of registered unemployed young people dropped from the already low 1998 level of 6.6% to 5.8% in 1999, i.e. by 0.8 percentage points. If calculated according to the Eurostat method, the youth unemployment rate for 1999 would be 5% and the lowest EU-wide.

The situation of apprenticeship-seekers also improved: in 1999 an average of 3,800 instantly available registered apprenticeship-seekers, i.e. 900 or 19.9% less than in the previous year, could choose from 2,200 instantly available apprenticeship vacancies, i.e. 60 or 2.5% less than in the previous year. Hence the average number of apprenticeship-seekers was 1.7 times as much as the number of apprenticeship vacancies versus a ratio of 2.1 in the previous year.

Implementation of the NAP 1999

In addition to specific programmes to prevent youth unemployment, young job-seekers, just as adult job-seekers, may rely on the entire range of labour market tools available in Austria.

The **point of departure** is the **individualised action plan leading (back) to work**. Following an analysis of the individual problems, the action plan will be defined by the *AMS* counsellor and the client together. It includes the targets to be achieved and the corresponding approaches. The ultimate aim is to get formal-sector jobs for the clients. If this is not possible, various measures will be offered depending on the length of an individual's unemployment spell and his/her specific situation. Such policies would range from vocational guidance and assistance regarding the proper job search techniques to skills training and other placement-supporting measures (cf. Annex 1, Table 13).

Across 1999, an average of 7,809 young people (4,174 women and 3,635 men) participated in **skills training programmes** and 12,272 young people (5,423 women and 6,849 men) in **employability and apprenticeship training measures**. In sum 40,299 young people entered both types of measure in 1999 (cf. Annex 1, Tables 4a-4c).

Under the 1999 special government programme (*Bundessonderprogramm*), young job-seekers constituted a major priority area. The **Job Coaching** initiative, launched in April 1999, uses early intervention to enable people to return to the labour market soon. Training in job search techniques and assistance with individual application strategies are the focus of this programme. Between April 1999 and the beginning of this year 5,770 people under 25 out of a total of 32,400 enrolled in this programme.

Another priority area for the 1998/1999 training year was the newly created **safety net** (*Auffangnetz*) designed ensure a sufficient supply of vocational training options for young people (cf. GL 8).

Development of central NAP indicators

Under the NAP two targets have been set:

- (1) In compliance with the employment guidelines, every unemployed young person has to be offered a new start before reaching six months of unemployment (**input indicator**).
- (2) As an addition national target, Austria will halve, by 2002, the flow of young people into long-term unemployment (**output indicator**).

re (1): Almost all young people have received a concrete offer, at least in the form of an individualised (back-to-work) action plan, before flowing into long-term unemployment. The AMS's skills training and employability measures are also important tools used for unemployed young people (cf. Annex 1, Tables 5a and 5b).

re (2): As a national output indicator under guideline 1, Austria has decided to halve the "flow of under 25s into long-term unemployment (more than six months)" by 2002. This corresponds to a target value of 4.5% (4.7% for women and 4.3% for men) for 2002. As illustrated by Table 1, this target was almost reached in 1999 when the total flow rate was 4.6%. If differentiated by gender, the figures show that for men the 2002 target value was even underrun, whereas the flow rate for women was still 5.2%, i.e. above the 2002 target and generally higher than that of men. However, the gender gap narrowed as compared to 1998.

Table 1: Development of the output indicator for GL 1

Austrian output indicator	1996 base year	1997	1998	1999	2002 target value
flow rate GL 1 total	9.0%	8.7%	7.9%	4.6%	4.5%
flow rate GL 1 men	7.9%	7.7%	6.9%	4.1%	4.3%
flow rate GL 1 women	10.5%	10.0%	9.2%	5.2%	4.7%

GL2 - Fresh start for long-term unemployed adults

Employment situation of adults

Also the adults' labour market situation improved greatly in 1999 versus 1998. For the first time since 1994, there was a decline in unemployment by 16,000 people in 1999. The total unemployment rate of the registered unemployed thus dropped by 0.5 percentage points to 6.7% (Eurostat method: 3.7%). The unemployment rate of women was 6.9%, i.e. still higher than that of men (6.5%), but female unemployment declined slightly more than male unemployment. If broken down by age, the registered unemployment rate of older workers (50 years and over) was clearly higher (10.4%) than that of the 25-49 year age group, which reached 6.1% (cf. Annex 1, Tables 1a, 2a and 2b).

Also the proportion of the long-duration unemployed (out of work for more than 12 months) in total unemployment was comparatively low. In 1998, it was 29.2% (women 33%, men 27.1%) and far below the EU average. In 1999, the stock of long-term unemployed persons could be reduced by more than 6,000, or 16.3%, to 31,700 versus 1998.

On an annual average, 221,700 people were registered as unemployed in Austria (down 6.8% from 1998); overall, roughly 695,000 persons had at least one unemployment spell in 1999 (approximately 21,000 less than in the previous year), whereas the proportion of notified vacancies rose by 45,000 to 299,000 (annual total) in 1999 versus 1998.

Implementation of the NAP 1999

In 1999, the AMS filled roughly **230,000 vacancies**, which corresponds to an increase of approximately 12% over 1998. If expressed by the number of persons placed in jobs, the figures are the following: in 1999, a total of 728,600 people (calculated by cases) were registered as unemployed, 806,300 terminated their unemployment spells during this year. **431,500 persons** registered as unemployed with the AMS could **take up a job** in 1999, 90% of them within 6 months. On average, these people were out of work for 125 days, i.e. 2 days less than in the previous year. Among those re-entering the labour market we find 41,900 long-term unemployed (cf. Annex 1, Tables 6 and 7).

Just as for young people, the **individual back-to-work action plan** constitutes a central component of labour market interventions for adults (cf. GL 1 and Annex 1, Table 13). If the job-seeker fails to take up a formal-sector job, active labour market measures will be taken depending on the specific needs of the unemployed and the regional labour market conditions. The measures will be defined in a binding manner in the individualised action plan.

In addition to new targeted programmes, the whole toolkit of active labour market programmes, as listed in the NAP 1999, was used in response to the specific needs of job-seekers: **skills training measures** are an important approach in this context. On an annual average, 26,608 people (13,916 women and 12,692 men) participated in training programmes. This was an increase by 5,678 persons over 1998. However, there was a growing need for **employability measures**. Authorisations for enrolment in employability measures doubled in 1999 versus 1998. In sum, 24,881 employability measures, 13,086 for women and 11,795 for men, were authorised in 1999. Another contribution towards enhancing employability is made by measures aimed at removing employment handicaps. Especially women with care duties may be in a comparatively unfavourable labour market position. This is why the AMS grants **support** (childcare subsidies) to enable women to take up jobs. Here, too, the number of subsidies granted was higher than in 1998: 15,468 new grants versus 10,733 in 1998. The proportion of men applying for such a subsidy is comparatively low, i.e. 328 cases versus 15,140 among women. It is worth mentioning that for all 1999 measures the planned target values were more than exceeded (cf. Annex 1, Tables 11 and 12).

The **1999 special government programme (it.basics, tele.soft, Job Coaching, Come Back 99)** referred to in the NAP 1999 and introducing a number of new measures is now in full swing (cf. Annex 1, Table 8):

The "**it.basics**" programme provides basic IT know-how and knowledge for beginners based on expanded versions of tried and tested training measures for IT users (office packages, Internet/e-mail, SAP, etc.). Between April and October 1999, roughly 3,500 people were enrolled in this programme. The women's share was 71%.

The "**tele.soft**" programme is aimed at filling new vacancies with registered unemployed following the latter's job-specific skills training in such areas as telecommunications, software development and multimedia/Internet. Within "**tele.soft 1**" already existing training measures were adapted and conducted at regional levels in the period from April to September 1999. The "**tele.soft 2**" training programme launched in October 1999 focuses on concrete personnel and skills requirements defined in co-operation with 60 IT companies. The participants singled out to fill the available training places are selected in a special screening process. Under tele.soft 2 roughly 900 participants are trained in 50 training modules, the average training period being more than 5 months. In the April to December 1999 period, approximately 2,700 persons participated in tele.soft training courses. The female share was 52%.

15,749 people participated in the **Come Back 99** action, which grants employment subsidies to the long-term unemployed, to those at risk of becoming long-term unemployed, and to older job-seekers. The subsidy is in the amount of the unemployment benefit or the unemployment assistance benefit. Private-sector enterprises accounted for 82% of subsidised employment, private-sector non-profit organisations for 12% and *laender*, local and public agencies for 6%.

The female share was 51%. At a share of 35%, over 45 year old jobless people were a special priority group within the programme.

The "**Job Coaching**" initiative mentioned under GL 1 was attended by roughly 32,400 persons from April to December 1999. 49.4% of them were women.

Development of central NAP indicators

Under the Austrian NAP two targets have been defined:

(1) In compliance with the employment guidelines every unemployed adult is to be offered a fresh start before reaching twelve months of unemployment (**input indicator**)

(2) As an addition national target, Austria will halve, by 2002, the flow of adults into long-term unemployment (**output indicator**).

re (1): Almost all adults have received a concrete offer, at least in the form of an individualised back-to-work action plan, before flowing into long-term unemployment, whereas active labour market measures are becoming increasingly important (cf. Annex 1, Tables 9a and 9b).

re (2): As a national output indicator (target), Austria has decided to halve the "flow of over 25s into long-term unemployment (more than 12 months)" by 2002. In 2002, the total rate of flow is to be reduced to 3.4% (3.7% for women and 3.2% for men). The target value for 1999 was 5.8%. As illustrated by Table 2, this target was underrun by far with a total flow rate of 4.7%. If broken down by gender, this value was 4.4% for men and 5.1% for women in 1999. Although it continued to exist, the gender gap was much narrower than in 1998.

Table 2: Development of the output indicator for GL 2

Austrian output indicator	1996 base year	1997	1998	1999	2002 target value
Flow rate GL 2 total	6.9%	7.4%	6.6%	4.7%	3.4%
Flow rate GL 2 men	5.9%	6.5%	5.9%	4.4%	3.2%
Flow rate GL 2 women	8.3%	8.6%	7.6%	5.1%	3.7%

GL3 - Increasing the number of people benefiting from active labour market measures

Starting situation and implementation of guideline requirements

The proportion of unemployed people in active labour market measures – the so-called participation rate – was around 10% in 1996. Under the Austrian NAP the requirement of GL 3, namely to increase the number of unemployed who are offered training or any similar measure, has been fixed to reach at least 20% by 2002. In compliance with the equal opportunities objective, this participation rate is to be higher for women (22.8%) than for men (18%).

This participation rate largely corresponds to the definition of the EU-wide input indicator adopted for GL 3 (for further details see Annex 1, Table 10). Active labour market measures primarily refer to skills training measures, subsidised jobs and apprenticeships, as well as employability measures.

Table 3 clearly illustrates the rising numbers of participants in active labour market measures in 1999 over 1998. The target value for 1999 was 15.7% and, at an **actual participation rate of 17.7%**, was exceeded by far. A particularly encouraging fact is that, at 20.6%, the rate of female participants could be greatly increased and rose much more than that of men, which was 15.5%.

Table 3: Development of the output indicator for GL 3

Austrian output indicator	1996 base year	1997	1998	1999	2002 target value

Participation rate GL 3 total	10.1%	13.7%	13.7%	17.7%	20.0%
Participation rate GL 3 men	9.0%	12.0%	12.0%	15.5%	18.0%
Participation rate GL 3 women	11.4%	15.6%	15.6%	20.6%	22.8%

As Tables 11 and 12 in Annex 1 show, an average of 48,356 people (26,525 women, 21,830 men) participated in active labour market measures in 1999 as compared to 38,402 people (20,525 women, 17,877 men) in 1998.

In line with this policy, the **1999 budget for active labour market policies** (which was also the first budget year to introduce new financial impulses) was substantially increased. Whereas the 1998 federal budget set aside ATS 8.2 bn (€ 596.21 m), the 1999 budget earmarked ATS 10.5 bn (€ 763.13 m), which corresponds to an increase of 28%.

A breakdown by major areas shows that the additional funds made available to Austrian NAP activities were substantial, and that the "activation approach", i.e. reallocating funds from passive to active measures, was taken into account. For instance, the "special integration subsidy" (*besondere Eingliederungsbeihilfe, BESEB*) alone – passive benefits used as wage subsidies to encourage the recruitment of long-term unemployed or people with employment handicaps – required ATS 1 bn (€ 72.7 m). Another ATS 1.48 bn (€ 107.1 m) in passive funds were spent on such active policies as foundations, training benefits, etc. The money spent on Job Coaching was ATS 160 m (€ 11.6 m), that on it.basics ATS 66 m (€ 4.8 m), that on tele.soft ATS 100 m (€ 7.3 m), and that on New Start ATS 147 m (€ 10.7 m). The safety net for young people accounted for ATS 435 m (€ 31.6 m).

For 2000, another increase in earmarked funds is planned. They are to be raised by 5.7% to ATS 11.1 bn (€ 806.8 m). This is to ensure that the targets set in the NAP and the employment guidelines will be achieved (cf. Annex 2, Table 20).

GL4 - Reviewing the incentive effect of tax and benefit systems

The Austrian government continues its efforts to reduce the comparatively high fiscal pressure on labour. The tax reform 2000 eased the situation in some respects, which will be discussed later.

Regarding the incentive effect of benefit systems, Austria ranks in the lower mid-range when compared with other EU countries. The issues of Austria's low employment rate for 50 to 64 year olds and of raising the generally low effective age of retirement are to be addressed by the pending pension reform.

Regarding Austria's **unemployment insurance (UI) system**, income from temporary work has been only partially credited towards unemployment benefit or unemployment assistance since 1 January 1998 (amendment to the Unemployment Insurance Act, or *A/VG*: newly added section 21a). This ensures that any temporary job with an income above the marginal earnings threshold will not automatically result in the complete loss of unemployment or assistance benefits for the entire month. This new regulation has put an end to formerly existing problems and provides an incentive for taking up short temporary work. Between January and September 1999, 2,230 jobless people benefited from this new regulation; if extrapolated for the whole of 1999, the figure would be an estimated 3,000 cases.

In future, the minimum part-time pension benefit should be 50% of the "full pension". Once active work is discontinued, the beneficiary will move from part-time pension to a partial pension (up to 80% of the "full pension") until the end of the respective calendar year under section 253c7 (section 276c7) of the general social security legislation, or *ASVG*. The new regulation also provides for early old age pension benefits to be paid immediately upon termination of employment participation if the beneficiary has a long insurance record. This measure entered

into force on 1 January 2000.

Adjustments made in dismissal protection legislation and in the early warning system for older workers provide that any intended dismissal of an older worker must be reported and the affected worker must get job transfer counselling, whereas changes in pension law are intended to raise the de facto retirement age by measures aimed at retaining older workers in the workforce longer. Within this context, Austria also intends to improve dismissal protection. Under the "pact for older workers" the minimum period for taking up educational leave has been reduced from 6 to 3 months for older workers. The changes in educational leave provisions took effect on 1 January 2000 only. This why we cannot yet report on any effects.

GL5 – Agreements between the social partners for training, work experience, traineeships, or other measures likely to promote employability

This guideline is covered by a text jointly drafted by Austria's social partners. The implementation of the measures listed in this text is pursued not only by the social partners but also in cooperation with the federal government. Examples within this policy drive would be the safety net for young people, which is based on a law devised by the competent ministries and the social partners, the adoption of new apprenticed trades and the introduction of the so-called pre-apprenticeship as a form of special-needs training (cf. GL 8). Another result of the social partners' joint efforts is the "policy package for older workers" (cf. GL 4).

The social partners' proposals are also mentioned under other relevant guidelines. In accordance with the issues raised, the present implementation report refers to them under guidelines 1, 2, 3, 6 and 8.

GL6 – Lifelong learning

Within the framework of "lifelong learning" Austria has set itself the **target of raising** the proportion of **low-skilled workers** in skills training and continuing training programmes per year **to that** of participants with **medium-level qualifications** (in 1997, their share was roughly 8%). Participation-boosting policies are to be increasingly targeted on women and older workers. For this purpose, measures have been launched in various areas of continuing training.

The option for school drop-outs to **complete compulsory education later** was further extended in 1999. This programme now includes 23 courses attended by 450 participants and various forms of individual learning assistance involving 150 participants. The federal funds made available for this programme amounted to ATS 50 m (€ 3.63 m) in 1999.

There were also **special pilot projects** in compulsory secondary schools and pre-vocational year courses **to improve diagnostic and counselling structures** (targeted preparation for exams, individual groups getting additional learning assistance so as to limit the number of youths without completed compulsory education). The pilot projects included roughly 350 pupils in the 1998/99 school year.

The concept of developing inter-disciplinary forms of **distance teaching and learning** at universities, schools (for persons in work) and adult education institutions has been upgraded. The choice of regional facilities to service distance learners has been extended to four. For this purpose, schools are being used as regional learning and knowledge centres under the new partial legal capacity for such educational establishments. The offer is constantly being updated and extended; correspondence course and ODL (open and distance learning) schemes have been developed for adult education.

To foster the use of new media in apprenticeships and also correspondence courses, the

government introduced a two-year promotion programme for multimedia education materials. Ten projects have already received grants, six more are currently being negotiated. For adult education special self-instructional materials have been developed, used and tested in preparatory courses for the wider-access certificate (*Berufsreifepfprüfung*).

The concept for drafting a documentation on how schools could use their partial legal capacity in the **adult education** field has now been completed. First reports by the school inspectors of the *laender* (provinces) regarding existing institutions with partial legal capacity have already been submitted. The second phase of this project will involve direct contacts with the institutions.

A survey of the existing approaches to adult education has been made followed by the creation of an "education database". Moreover, the ADAPT programme (takes stock of the education counselling options outside schools to provide a basis for improvements) now also caters to the "adult education information online" project, which was launched in May 1999 and will expire in June 2000.

To improve access to adult education for disadvantaged geographic areas and groups of people the "Upper Waldviertel education co-operative" (*Bildungskooperative oberes Waldviertel*) and the "Mafalda goes rural" (*Mafalda geht aufs Land*) projects were implemented. Owing to the great demand we plan to continue these projects in 2000. The "TELMA" and "Teletutorium" projects, which are co-financed by ESF funds, are running successfully and will be completed by June 2000. They are aimed at improving women's access to education with a focus on new technologies. Except for the Upper Waldviertel education co-operative (90%) all four projects are exclusively attended by female participants.

In future people may take up **educational leave** for three to twelve months, the lower minimum period having been introduced to foster also shorter education or training programmes. In addition, for people having completed their 45th year the period in which they draw further education benefits (*Weiterbildungsgeld*) is considered a fictitious qualifying period for the statutory pension scheme.

GL7 - Improving the quality of school systems

Measures targeted on schools

In implementing education and active labour market policies, Austria has stepped up efforts to enhance schooling in **information technology** in recent years. The measures taken in this area include appropriately redesigned curricula, additional training in technical computer applications, business-related computer applications, media technology, etc., or the creation of special schools for data processing, post-matriculation IT courses and commercial schools having an IT focus.

These initiatives have been accompanied by in-service teacher training programmes and extracurricular IT skills training for teachers. However, an Austria-wide and/or regional delivery of these new education options has not yet been implemented.

The current level of the school's Internet access is 100% for federal schools and 43% for *laender* schools. Around 50% of the teachers are by now trained to handle the new media. In addition, there is an in-service teacher training offensive, and teacher training colleges have introduced special courses in co-operation with industry.

Another focus is the **European economy** programme (e.g. pilot project at one higher-level secondary school for domestic occupations beginning in the 1999/2000 school year). For the 2000/2001 school year another pilot project ("international economy") will be launched at the post-matriculation course for domestic occupations. Moreover, commercial schools offer specialised training within curricula, such as training in "marketing and international business", "economics, computer science and organisation" and "business start-up and management".

Several seminars (for teachers) and workshops for pupils on the issue of "**girls/women in technology**" were conducted.

In addition, in-service training courses for teachers and further education officers were held on such issues as "gender sensitivity" and "gender mainstreaming", while special gender task forces have been established by teachers. Moreover, a guide on how to represent women and men in teaching media has been devised and will be issued this year.

Regarding technical schools, Austria uses the *MiT* action (*MiT*, German acronym for girls/women in technology) to encourage girls to attend such schools. The range of this action is to be extended to other schools as well. An accompanying documentation on the action's first phase has meanwhile been completed.

A nation-wide course on "women's career development in schools" targeted on female teachers has been initiated and/or is being implemented in 2 of Austria's *laender*.

A promotion concept for girls in their pre-vocational year provides (as from the 1999/2000 school year) that special surveys are to be conducted regarding the female share in such schools and the (apprenticed) trades or occupations chosen by female pupils following completion of this last year of compulsory schooling. In addition, special vocational guidance measures are taken for girls in technical occupations and work practice days are held for girls in atypical apprenticed trades. A currently developed amendment to the curriculum will introduce a new subject area designed to facilitate preparation for the new apprenticed trades in information and communication technology. This subject area is to be targeted especially on girls.

Measures at polytechnic and university levels

Polytechnic courses for persons in work have been in place since the 1998/99 winter semester. The courses offer roughly 1,000 study places for beginners per year, while their number has risen from 14 to 19.

To improve working people's opportunities one fourth of the study places and one third of the beginners' places (1998: one fourth of the beginners' places) of the polytechnic courses for people in work are subsidised in the 1999/2000 study year. This one third quota reached in the current college year is to be maintained till 2005.

Within the ongoing reorganisation of all university courses under the University Studies Act (German acronym: *UniSTG*) numerous courses have been adjusted and 22 syllabuses of doctor's diploma courses have been redesigned.

JobNET Austria was launched in July 1999 to network the **graduates' placement and career services** of six participating universities. The project will run until December 2000 and has been subsidised with ATS 1.5 m (€ 109,000).

"*F.I.T.*" (German acronym for "women in technology") is a several-day information event aimed at making female pupils familiar with atypical university courses (electrical engineering, civil engineering, telematics) and giving them some insight into these courses. Beginning with the 1999/2000 university year *F.I.T.* projects have been introduced at universities with technical and natural science courses and have so far been attended by 722 young women.

Adult education

The issue of adult education is incorporated in the basic training, policy decrees and information materials of pupil and education counsellors. A "week of adult education" designed to raise people's awareness for their personal responsibility for further education and training was conducted. Another such week is scheduled for September 2000.

Moreover, a study on "Abstinence from education. Reasons for the adults' non-participation in organised learning and education" has been commissioned. It will serve as a basis for future education planning.

The policy of enhancing the practical element in vocational schools will be continued by extending and upgrading **training firms** and commercial or technical centres. Since 1 September 1999, training firms have become an integral part of the autonomous portion of curricula of vocational schools with a human occupation bias. This policy is to be extended to all parts of curricula as from the 2000/2001 school year. The range of services delivered by the Austrian Centre for Training Firms (ACT) is being extended, and the creation of an ACT-based own model training firm and targeted research into such a training firm to test and develop new strategies in education as from 2000/2001 is being planned. This model training firm is also designed to detect trends and developments in skills demand in due time. The school-based training firms are to be assisted in their search for partner firms in industry. We expect these measures to have concrete effects in 2001 only.

Curricula have been adjusted to include the teaching of **key skills**. The new curricula will be applicable beginning in the 2000/2001 school year. They provide for the introduction of core areas and options, have a greater focus on the development of dynamic skills (such as social and own competencies), and pay greater attention to the interfaces to the business world. With the support of regional school authorities and in-service teacher training institutions, a number of schools have geared instruction to this new approach in the current (1999/2000) school year already.

Wider-access certificate (*Berufsreifeprüfung, BRP*)

The amendment to the *BRP* legislation is in preparation and will be submitted by summer 2000. The teaching materials for German and English courses are already available and being tried out. A study and a brochure on the current delivery of courses for obtaining the wider-access certificate were completed in September 1999. Additional grants by the Federal Ministry of Education and Cultural Affairs enable an expansion of the range of courses on offer (approx. 4,500 participants were enrolled as at the end of the 1998/99 year). Preparatory courses at vocational schools and medium-level or higher-level vocational training colleges were attended by roughly 120 persons at the end of the 1998/99 school year.

Apprenticeship training

The development of **new apprenticed trades** has been stepped up to respond to current trends in the labour market. In 1999, the following 24 apprenticed trades were newly established and/or regulated: electric plant engineering; electric plant operation engineering – with a focus on process control engineering; electric energy engineering; electric installations engineering; electro-mechanical engineering; electronics; system-built housing construction; information technology; IT electronics; IT office clerks; car body construction engineering; plastics processing; mechanical engineering; mechanical production engineering; mechatronics; micronics; reproduction graphics; sign(board) production; textile mechanics; textile engineering – knitting technology; textile engineering – weaving technology; vulcanisation; tool manufacturing technology, machining operator.

Till 31-12-1999 a total of 4,255 apprenticeship contracts were concluded in the new apprenticed trades (since 1997). The share of male apprentices was 2,505 (58.9%) and that of female apprentices was 1,750 (41.1%). 2,136 additional companies could be won to train apprentices in the newly introduced or modernised apprenticed trades (as at 31-12-1999).

As an incentive for enhanced apprenticeship training a **tax-free allowance** of ATS 20,000 (€ 1,453.46) was introduced for an apprentice's first year of training. Under the most recent tax reform, this allowance was extended to a total of ATS 60,000 (€ 4,360.37), i.e. for the beginning of an apprenticeship, for the completion of an apprenticeship and for the successful final apprenticeship exam a tax-free allowance of ATS 20,000 each is now granted.

The amendment to the general social security legislation (*ASVG*) also includes some financial relief for companies training apprentices: for the first two years of an apprentice's training neither the employer nor the apprentice need pay any **public health insurance contributions**, while in an apprentice's third year of apprenticeship only the apprentice's half of the contribution is to be

paid. The employer's contribution is provisionally suspended. In addition, the employer's contribution to work accident insurance has been dropped.

The **safety net** (*Auffangnetz*) newly created in 1998 to secure sufficient vocational training options for young people on the basis of the Youth Training Consolidation Act (*Jugendausbildungssicherungsgesetz*) was continued in 1999. Throughout Austria a total of 4,206 young people participated in safety net measures in the 1998/99 training year. Of these 1,666 (893 young women, 773 young men) were enrolled in foundations (these are particularly independent training institutions within the meaning of section 30 of the Vocational Training Act, or *Berufsausbildungsgesetz*) and 2,540 (1,595 young women, 945 young men) in training courses. Around 60% of the foundation participants continued their training in the following year, and for 16% of training course participants courses were prolonged for varying periods of time (as at December 1999).

Regarding the 1999/2000 training year, Austria provided 2,500 places in training courses and 1,500 places in apprenticeship foundations within the safety net programme for roughly 4,000 apprenticeship-seekers unable to find apprenticeship places by 15 November 1999. However, the situation for young people seeking apprenticeship contracts has improved, i.e. the above measures are now primarily targeted on underachievers who are not yet ready for an apprenticeship. As at December 1999, the new safety net training year involved 2,989 youths, 1,797 of them being enrolled in training courses (1,081 females, 716 males) and 1,192 in foundations (631 females, 561 males).

To improve the labour market integration of disadvantaged youth with individual placement handicaps, it is possible for such young people to receive the first year of training in an apprenticed trade within a so-called **pre-apprenticeship** (lasting 2 years at most). This pre-apprenticeship has been introduced under an amendment to the Vocational Training Act. However, the corresponding AMS directive is to be evaluated as pre-apprenticeships are hardly used (as at the end of 1999: 100 pre-apprenticeships).

Regarding **active outreach to get apprenticeship places**, there are a number of good approaches, such as the one in Salzburg where vocational school teachers seek direct contacts with employers to encourage them to take on apprentices.

GL 9 - Integration of the disabled, ethnic minorities and other disadvantaged groups

Disabled people and ethnic minorities are particularly affected by negative developments in the labour market. The number of people deemed hard to place because of some disability has continuously risen in Austria in recent years. 1999 was the first year to see a slight drop in the number of registered jobless disabled, whereas the total unemployment rate declined much more. On a 1999 average, 39,378 disabled (proportion of women: 36.6%) were registered as unemployed with the AMS, i.e. down 2.9% from 1998. The number of job take-ups by unemployed people with physical or psychological employment handicaps could be raised in 1999 (cf. Annex 1, Tables 14 and 15).

Measures taken by the federal social welfare offices for the disabled (BSB):

One of the most important and essential tools of accompanying assistance to the disabled is the **work adjustment backup system** (*Arbeitsassistenz*), a successful means of supporting the creation and maintenance of jobs for the disabled. Just as in the years before, the work adjustment backup system was extended in 1999. 83 projects were subsidised in 1999. For this purpose, the equalisation tax fund contributed ATS 22.1 m (€ 1.6 m) and the ESF ATS 32.3 m (€ 2.3 m).

In recent years, the measures of the federal social welfare offices aimed at **(re-)integrating** disabled people into the labour market have been greatly enlarged with the help of ESF funding.

In 1999, the hitherto greatest amount of subsidies was spent on this policy. In sum, ATS 998 m (€ 72.5 m) were spent on measures supporting the labour market integration of disabled people in 1999. Of these, ATS 770.3 m (€ 55.9 m) came from the equalisation tax fund and ATS 227.7 m (€ 16.5 m) from the European Social Fund (cf. Annex 2, Table 21a).

Under the **new objective 3 (2000-2006 ESF programming period)**, the use of preventive measures, raising the public's awareness in general and that of employers in particular, and the issue of discrimination against disabled women constitute novel approaches. As from this year, contracts between the federal social welfare offices and the project carriers will contain special references to the integration of women into the labour market.

AMS measures targeted on the disabled:

To counteract (long-term) unemployment and lead people with disabilities into the labour market, Austria's public employment service (*AMS*) helped an annual average of 5,438 disabled persons to get involved in **skills training measures** and 2,351 disabled persons to get involved in **employability measures** (cf. Annex 1, Table 16a). The *AMS*'s target for the disabled in 1999 was achieved a 131% (annual average stock of 1,873 people). In 1999, the *AMS* also increased its subsidy volume. ATS 980.9 m (€ 71.3 m) were spent on the integration of the disabled into the labour market, ATS 623.1 (€ 45.3 m) of these were used for skills training measures and ATS 357.8 m (€ 26 m) for employability measures (cf. Annex 2, Table 21 a).

Measures targeted on ethnic minorities:

The vocational and social integration of ethnic minorities has been supported for years by offering **German courses, vocational integration measures** and **active labour market counselling** for migrants and autochthonous Roma in regions where they reside. Since 1999, the Vienna social service has provided counselling and assistance in difficult personal situations to Roma and Sinti living in Vienna, Lower Austria and the Burgenland. Beginning in April 2000, an additional **international networking programme** will be started. A few examples regarding its targets:

- * Supporting the establishment of work and training projects for Roma in Austria and the neighbouring reform states
- * Creating the right framework for improving the co-ordination of all projects aimed at fighting unemployment among Roma
- * Establishing an information centre to prepare successful employability and training initiatives modelled after best practice examples.

For members of the Jewish community, most of whom live in Vienna, the "**Jewish Vocational Training Centre**" (*Jüdisches Berufsbildungszentrum, JBBZ*) was established with *AMS* funds. The *JBBZ* completed its first year of full operation in 1999 and offers 60 training places for apprentices and 78 training places for the vocational training of adults.

I.3.2. PILLAR II. DEVELOPING ENTREPRENEURSHIP

GL10 - Reducing overheads and administrative burdens for businesses

To implement NAP measures designed to **avoid any golden plating** and entertain closer contacts with private-sector companies regarding their ideas about a reduction of overhead costs and administrative burdens Austria appointed an "economic law commission". The involvement of this commission in, inter alia, the legal preparations for the one-stop-shop will ensure a largely unbureaucratic implementation and avoid any golden plating.

Within the tax reform 2000, a **lump-sum taxation** has been introduced for smaller enterprises and the stock exchange transfer tax has been abolished, two measures that also help reduce the overheads for businesses.

Export promotion

The policy package introduced under the export offensive will primarily improve the framework for SMEs' export opportunities by a **clusters policy** (i.e. strategic company co-operations). Until the end of 1999, ATS 16.4 m (€ 1.19 m) were spent on the formation of clusters. In addition to the existing 16 active clusters with an allocatable turnover of more than ATS 50 m (€ 3.63 m) the Federal Ministry of Science and Transport launched three new clusters (outside the promotion agreement between the Federal Ministry for Economic Affairs and the Austrian Economic Chamber).

In 1999, 19 applications with a volume of ATS 12.0 m (€ 0.87 m) were filed with the *Bürges* bank for the promotion of government-subsidised soft loans to **assist SMEs in their efforts to enter new export markets** outside the European Union. Of these, 9 applications with a volume of roughly ATS 5.0 m (€ 0.36 m) were accepted.

Technology

The tax reform 2000 has raised the **research allowance** to 25% and 35% respectively, thus creating more incentives for research activities by companies. This will generate jobs in the research field directly, while it will also create and/or secure jobs indirectly by enhancing companies' competitive strength.

The multi-annual programmes for establishing **competence centres** (K Plus; K_{ind} and K_{net}) designed to encourage the co-operation between science and business and expand industrial competence centres and networks will continue to be of utmost importance. For K_{ind} and K_{net} the regulations have already been adopted and the programme has taken up operation. Regarding the K Plus programme a further invitation to submit applications to complement the existing 5 competence centres was made. The applications are currently being screened.

In support of the applied research institutions, which are close to industry and central suppliers of technology for Austria's SME-based economy, a new **subsidy programme** has been designed. Under this programme, the subsidy is a performance-related basic funding concept tied to the R&D growth within institutions and industry. ATS 50 m (€ 3.63 m) of the so-called technology billion (*Technologiemilliarde*) have been earmarked for this purpose.

Another programme is the growth subsidy designed to support co-operative applied research institutions with close ties to the business community. This programme has been launched with the aim of raising the R&D capacities of these institutions and thus their R&D achievements for companies, in particular SMEs. The Federal Ministry for Economic Affairs provides ATS 20 m (€ 1.45 m) every year for this programme. The first filed projects are currently being evaluated by the

research promotion fund for businesses (*Forschungsförderungsfonds für die gewerbliche Wirtschaft, FFF*).

GL11 - Reducing obstacles to self-employment

The data compiled by the Austrian Economic Chamber illustrate that the number of new business start-ups continues to grow and reached a peak level in 1999 when 22,459 new firms were created (cf. Annex 1, Table 17).

The **tax reform 2000**, which was adopted in August 1999 and entered into force on 1 January 2000, introduced a great number of support measures for businesses. For instance, the **transfer of an enterprise** has been facilitated by introducing a **tax allowance** of ATS 5 m (€ 0.36 m) per enterprise, i.e. roughly 90% of all business transfers have now become tax-free. Other results of the tax reform 2000 are the **abolishment of application charges** and 7% less non-wage labour cost (employers' contributions to family fund [*FLAF*], employers' contributions to the housing promotion fund and to the respective chambers) for fresh businesses in their start-up year (Business Start-up Promotion Act, *NEUFÖG*), and the creation of incentives for more equity capital input via fictitious interest. A fixed-term initiative by Austrian notaries public of September 1999, which offers reduced charges for executing articles of association and similar agreements, will reduce business start-up costs even further.

New forms of outside and participatory financing will be created by a new **participating capital model** by the *Bürges* bank for the promotion of government-subsidised soft loans. Currently two participating capital issues are being prepared at two banks.

A chair for innovation management and business start-up at the University of Klagenfurt has already been established. Invitations to submit applications for a **chair for business start-ups** at the Vienna University of Economics and Business Administration and for a chair for foundations at the University of Linz have just been issued.

Since 1 September 1999, the **business start-up initiative of the free professions** (in co-operation with the Federal Ministry for Economic Affairs) has been in place. Under this initiative notaries public or tax consultants offer free first-time counselling to would-be entrepreneurs. In addition, the notaries public offer, as mentioned above, reduced charges for executing articles of association and similar agreements.

Business plan competitions have already been conducted at regional level. For instance, the Salzburg business plan competition was concluded in September 1999. The nation-wide business plan competition of the savings bank sector was launched in September 1999 at regional level and will reach national level and the finish line in May 2000.

The European Union's **UNIUN** project supported by the Federal Ministry for Economic Affairs and designed to qualify university graduates and students to start up their own businesses was completed in December 1999. 110 students/university graduates were chosen from more than 300 applicants for UNIUN. To promote women specifically, one female-only group was established.

Other efforts to foster business start-ups by **women** are information and PR targeted on potential female entrepreneurs in the Business-Guide 2000 published by the business start-up service of the Federal Ministry for Economic Affairs and the new business start-up centre for women (*Gründerinnen-Zentrum*) in Styria to be launched in 2000. Another such centre was established in Wels (Upper Austria) in 1999.

The activities of the Austrian Business Agency (ABA) were mentioned under the "other types of measures – **business location**" section of the 1999 NAP, but they also fit guideline 11 as their objective is to site foreign companies in Austria and build up a proper locational image. In 1999, a total of 118 investment projects of foreign investors in Austria were realised. Companies under ABA mentoring generated roughly 6,800 new jobs in 1998 and 1999.

GL12 - Creating new jobs in the social, health and cultural sectors and at local level

Within the so-called new services, the positive trends in overall employment development have been superproportional and continue to rise. The job areas that are of particular relevance to this guideline, i.e. social, care and medical services and culture, sports and entertainment, registered an **additional growth** of dependent workers of between 3.9% and 6.5% across the 1998-1999 period (cf. Annex 1, Chart 1). This coincides with a rise of marginal jobs in these segments.

An essential approach to enlarging the employment potential in social, care and medical services is to raise demand, while creating full-fledged jobs that enjoy labour and social law protection. In addition to a number of (legal) measures, mention ought to be made of the **amendment to the Long-term Care Benefit Act** (*Bundespflegegeldgesetz*), which entered into force on 1 January 1999. People in need of much care (benefit category 4) will now receive more money (since the beginning of 1999 there have been roughly 15,000 beneficiaries) to enable them to rely more on social services. Moreover, care-givers who care for a close relative (on benefits of categories 5, 6 or 7) will now be included in a statutory pension insurance scheme; in the first half of 1999, this new regulation involved 232 persons.

The **employment subsidies of the AMS** are another important tool in Austria's efforts to foster social and care services: out of a total of 26,465 newly granted employment subsidies in 1999 (including subsidies to child care facilities) health, social and other public and private services accounted for roughly 25% (6,611, of these 2,374 men and 4,264 women). If related to the ATS 2,142.43 m (€ 155.70 m) spent on all employment subsidies (including subsidies to child care facilities) these areas accounted for around 38% of the appropriated funds.

Another contribution towards opening up new job areas was made by the "**New Start**" programme; at the end of 1999, it expired and with it the possibility of getting programme subsidies for the recruitment of unemployed people. The number of people actually employed under this programme was 811. 75% of the jobs involve higher qualifications, 40% are in the health and social sectors. The programme's 1999 budget was ATS 147 m (€ 10.7 m).

To secure and create jobs at local level, all Austrian *laender* (provinces) worked on the ongoing development and implementation of **territorial employment pacts** (TEP). Efforts involve players at federal, *laender* and local levels, and a nation-wide co-ordination office has been established to provide organisational and contents assistance.

The contents, partners and regional scope of TEPs differ greatly (cf. Annex 1, Survey 1). No matter what pact, the provincial government, the public employment service and the social partners are involved. It is common to all TEPs that they targeted last year's measures specifically on women and older unemployed people.

Involving consultancy firms in support structures is designed to provide an appropriate infrastructure to would-be entrepreneurs. Alongside the assistance offered by business start-up and innovation centres (cf. GL 11), special emphasis is placed on **environmental projects** and social service projects. Three major projects with a total volume of ATS 5.5 m (€ 399,701) could be implemented. For biomass initiatives a competence network has been in operation since mid-1999, which so far has created 18 new jobs. Incentives to create new jobs, inter alia, in the social services sector are offered by an "ideas award 2000" (*Ideenpreis 2000*) for Vienna-based business consultants. The Federal Chancellery subsidises facilities that impart media skills to

cultural workers and generate jobs in the **arts and cultural sector**. In 1999, approximately ATS 3.6 m (€ 261,622) were used to create 11 new jobs; other projects are being planned.

GL13 - Fully exploiting the employment potential of the services sector

The measures under this guideline are aimed at improving the development opportunities of the services sector and, in so doing, fully exploiting its employment and innovation potential. Within the business- and industry-related services, the focus will mainly be on technological and innovative fields of activity.

The scientific evaluation¹ of the measures taken describes them as "... **positive, target-compliant and employment effective...**" so that the "... existing extraordinarily high employment potential of this segment has been largely exploited". The above average job growth within the service-sector segments addressed by this guideline is expected to continue. When taking a closer look at the employment pattern of the past twelve months, we realise that the new services accounted for almost two thirds of the additional employment contracts concluded in the tertiary sector.

In the **biotechnology segment**, we find three policy programmes that are of relevance: the biotechnology impulse programme has been implemented by establishing a service centre and an assistance and funding network. Safety research is supported by commissioning research projects. The bio-energy cluster has been expanded (meanwhile to 47 companies) and consolidated.

Regarding **information and communication services**, the corresponding *ITF* (innovation and technology fund) has been used to foster research into "information technologies for the information society", or the development and dissemination of new information and communication technologies. The "multimedia business Austria" programme has been widely accepted by companies (and has meanwhile been subject to a first evaluation).

Additional supporting measures have been implemented at provincial level (Lower Austria) to tap the energy savings potential in housing construction. Also, energy contracting models at plant level are being supported.

GL14 - Reducing taxes and fiscal pressure on labour and non-wage labour costs

The **tax reform 2000** introduced a number of improvements regarding apprentices (allowance for apprentices, GL 8), companies (e.g. more options for lump-sum taxation, allowance for inheritance and gift tax in case of enterprise transfers, incentives for annual equity capital input, GL 10 and 11), employee training (GL 18) and investments in R&D to create and secure jobs and raise the attractiveness of the Austrian business location (GL 10).

Regarding income tax rates, the tax reform 2000 has brought about a certain **reduction in the general tax wedge** (lower income tax, i.e. tax wedge approx. 1.6% down from previously 43%, and 3% for lower incomes).

¹ cf. WIFO/IHS, *Begleitende Bewertung der Umsetzung des Nationalen Aktionsplanes für Beschäftigung im Jahr 1999* (accompanying assessment of the implementation of the NAP in 1999); February 2000; p. 183f

I.3.3. PILLAR III. ENCOURAGING ADAPTABILITY OF BUSINESSES AND THEIR EMPLOYEES

GL15 - Social partners' agreement on modernising the organisation of work

The most important NAP target under this guideline is to encourage innovative working time models which do not only meet the company-specific interests of employers and employees within a given legal framework, but which also have positive effects on the labour market.

The **educational leave scheme** (*Bildungskarenz*) and the **solidarity bonus model** (*Solidaritatspramienmodell*) link flexible working time models with the recruitment of unemployed people. On average, 1,426 people (of these 190 men and 1,236 women) took up educational leave in 1999, and another 31 persons took up unpaid leave thus creating job openings for 31 unemployment benefit claimants. The solidarity bonus model was used by an average of 153 persons in 1999. Of these 122 persons reduced their working hours to such an extent that they made room for the simultaneous recruitment of 31 formerly unemployed people.

Regarding **working time models** which are designed to prolong employment periods in **seasonal industries**, positive effects on seasonal unemployment could be registered in the building industry in winter 1999/2000 despite the below average level of business activity in this industry. Unemployment in the November 1999 to February 2000 period (with employment almost stagnating: -988) dropped 4.3% (-2,800) as compared to previous season's figures. Since the introduction of newly regulated working hours winter season unemployment has declined by 9.8%. This corresponds to budgetary savings in unemployment cash benefits (including social insurance contributions) of roughly ATS 155 m (€ 11.264 m). Considerations are being made to extend these working time models to ancillary and subcontracting businesses of the building industry.

The implementation of statutory framework arrangements for **greater working time flexibility through collective agreements** is being continued: the collective agreements of some industries have adopted greater working time flexibility by extending the periods for averaging working time (these would be the collective agreements for the iron and metal producing and processing industry, wood-working industry, glassworks, banks, foreign airlines in Austria, forwarding industry, non-profit housing industry, agriculture and forestry, the Vienna-based harbour, warehousing and handling company). The collective agreement for telecommunication companies now has a period of three years for averaging normal working time on which a sabbatical may follow.

The collective agreements for commercial employees (mail order business), white-collar workers of large-size bakeries and employees of the luggage (leather articles) industry have incorporated exemptions from the ban on women's night work.

GL16 - Reform of employment contracts

The objective of measures planned under this guideline is to enhance resource input by boosting flexibility of work organisation while meeting employees' needs and improving their social protection.

Part-time work in the public sector has been encouraged: civil servants have always had the legal entitlement to halve their weekly hours until their children enter school (section 50b of the

Civil Service Act, or *Beamtendienstrechtsgesetz/BDG*). With the reform of legislation for federal-sector employees who are not civil servants (*Vertragsbedienstetenreformgesetz*, Federal Law Gazette No. 10/1999) this legal claim has been extended to such employees. It also includes the right to return to full-time work and/or to the previously agreed working hours. The share of part-time work in the federal sector (part-time being very generously interpreted as any working time below 40 hours a week) was 11.2% of all employees in 1998 (women 24.2%, men 3.9%). In 1999, this share rose slightly to 12.1%, whereas the ratio between men and women remained roughly the same.

A first step towards **harmonising the labour law position** of blue-collar workers and white-collar workers is supposed to be taken by the amendment to the labour law 2000 (*Arbeitsrechts-Änderungsgesetz 2000*), which is currently subject to review. It is intended to put blue-collar workers on an equal footing regarding continued pay in the event of illness or absence for other important reasons. The changes will be adopted by parliament before summer and enter into force on 1 January 2001.

In the course of the 1998 collective bargaining round for the metal industry it was possible to largely align the labour law position of manual metal workers with that of non-manual workers. Trade unions also obtained a largely equal labour law treatment of blue-collar and white-collar workers in the petroleum and natural gas extraction industry and the oil refining industry.

A **new regulation of the severance pay system** is currently under discussion. Several models were suggested and tested last year for their financial impacts versus those of the existing severance pay regulation. It is planned to devolve severance pay expectancies to independent "severance pay funds". Under this model, employers would pay uniform and regular contributions into the funds on behalf of their employees. Any kind of termination of employment, i.e. also when an employee quits voluntarily, will result in an entitlement to severance pay. Except for voluntary quits the employee may decide at the time of employment termination whether he/she wants to receive severance pay immediately or leave it in the fund until retirement

GL17 - Investment in human resources

Within the framework of the *Bürges* bank's "1996-1999 counselling and training" action, it was already possible to **subsidise training measures**. The "counselling and training" action granted subsidies to 2,220 counselling and training projects of SMEs to the value of ATS 37.6 m (€ 2.73 m) in 1999. The new subsidy guidelines for the 2000-2006 period, as well as the subsidy guidelines for such actions as "boosting the business dynamics of SMEs" and "fostering young entrepreneurs" are still in preparation.

The **participation of employees in innovation projects** is currently being supported under an *ITF* (innovation and technology fund) pilot project focusing on technology transfer and technologies for the information society. The pilot project, which was originally scheduled to end in June 1998, was prolonged till end of June 1999 and its contents were enlarged to accommodate the new *ITF* key areas: *MOVE* (mobility and traffic/transport technology) and sustainable management. *MOVE* encourages intermodal and customer-oriented projects to solve the current traffic problems such as too much traffic, negative social and environmental effects, etc. *MOVE* is scheduled to run five years (1999-2003) and will receive grants of approximately ATS 50 m (€ 3.63 m) per year. The sustainable management programme focuses on sustainable research and technological development within the context of ecological changes in society. The outcome of both programmes will be discussed in the *ITF* committee. The criteria for involving employees in innovation projects were defined in a study and tested for their practicability in "real operation" till the end of June 1999.

Under the tax reform 2000, which entered into force on 1 January 2000, an **"allowance for investment"** (9%) has been introduced for those employers who invest in the training and further

training of their employees. In addition to the existing tax deductible costs of further training, it has now become possible for employees to deduct also job-related training costs.

I.3.4. PILLAR IV. STRENGTHENING EQUAL OPPORTUNITIES POLICIES FOR WOMEN AND MEN

GL18 - Adopting a gender-mainstreaming approach

To achieve sustainable gender-mainstreaming and equal opportunities in all areas of the employment strategy, we need the willingness of policy-makers and social partners and a longer-term concept. The measures described in the NAP 1999 for appointing and training gender experts and implementing suitable structures designed to accompany and translate the process of gender mainstreaming are currently being built up but still require broader implementation. The creation of suitable instruments and methods for gender-related data collection systems and procedures is under way in some areas (such as AMS and school statistics), whereas other bodies (such as the federal computing centre, the social insurance carriers or the public work accident insurance institution) still require more fine-tuning.

Examples of how the gender-mainstreaming approach has already been implemented would be the following:

- The Austrian **public employment service (AMS)** launched a major gender mainstreaming initiative. It conducted research into the meaning, framework, necessary steps, methods and tools of gender mainstreaming. Part of the employment service's regulations, objectives, plans, guidelines, subsidy measures, reports, examination and evaluation specifications already involve equal opportunities considerations and gender mainstreaming (cf. GL 1-3 and 19-21).
- Within the **ESF**, essential strides have been made to implement gender mainstreaming. The Austrian ESF bodies have involved the Ministry for Women's Affairs from the very beginning. Special seminars for decision-makers provided information on the proper development of instruments, methods and indicators. An evaluation of how Austria implemented the equal opportunities objective of the European Social Fund was published and an international meeting on this issue was held. The results of all these efforts form the basis for the current programming period 2000-2006: gender mainstreaming is now a horizontal objective which is supplemented by a special women-specific priority area.
- In the former **Federal Ministry of Labour, Health and Social Affairs** an inter-departmental working group on gender mainstreaming was established. Among other positive action measures, the ministry conducted a mentoring project.
- The former **Federal Ministry of Education and Cultural Affairs** pursued gender mainstreaming and equal opportunities measures in teaching contents, but also in teacher training, in-service training, information and PR (cf. GL 7).
- The former **Federal Ministry of Science and Research** introduced measures to raise the proportion of women in official bodies, commissions and executive positions and measures to encourage research by, for and on women.

GL 19 - Supporting the increased employment of women, reducing female unemployment, tackling gender gaps in the labour market

The measures implemented by the NAP under this guideline include – just as in the year before – skills training and employability measures, assisting women in business start-ups (cf. GL 11) and promoting women at plant level.

An analysis of the development of gender gaps in the labour market shows that, although these gaps narrowed slightly for the 1999 employment and unemployment rates, they continue to exist: female employment – especially because of a rising trend in part-time work – increased more

than male employment figures. Overall, the number of people in employment rose by roughly 31,200 persons as compared to 1998; at 20,800 persons, the female share amounted to two thirds (however, for data methodological reasons we cannot yet differentiate between full-time and part-time jobs). Under the Eurostat method, the 1999 unemployment rate was 4.5% for women (1998: 5.4%) and 3.1% (1998: 3.8%) for men.

AMS measures and targets

The target set in the 1999 NAP of achieving at least a **50% participation of women in skills training measures** could be reached: the proportion of women in skills training programmes was 52.7% in 1999, in employability measures it was 51.3% and in support measures it was 70.9%, the 35.4% in childcare benefits and subsidies to childcare facilities not included (cf. Annex 1, Table 19). Overall, the **female share** in active labour market measures was 54%. An analysis of the gender-specific distribution of **active labour market spending** shows that 50.2% of the funds used for active labour market measures were for women. In skills training, they were almost 50% (cf. Annex 2, Table 22).

To ensure and verify both the quantity and the **quality** of measures targeted on women a special **target value** has been defined by the AMS, namely the **"flow of women into employment following skills training"**. The AMS set a target value of 15,742 women, which was clearly exceeded by the actual number (25,821) of women integrated into the labour market. The same applies to another indicator, namely that of "training courses lasting more than 3 months". The average duration of training courses totalled 72 days; men, on average, were trained 5 days longer than women (cf. Annex 1, Table 19).

The NAP 1999 target of raising the **percentage of women with only compulsory schooling (or less)** in AMS skills training measures made some progress. The proportion of women with a compulsory school background within all female skills training participants was 44.5% in 1999 and thus 0.6 percentage points above last year's value (43.9%).

The AMS also took a number of measures to foster the employment of women in **non-traditional areas** (some of them in co-operation with the former Federal Ministry of Education and Cultural Affairs). This included the promotion of 1,034 girls in apprenticed trades with a low female share in companies and vocational information centres (*BIZ*), the publication and dissemination of folders and leaflets, and the support of projects targeted on (young) women, such as "Elektra – vocational training for girls in the electricity, metal-working and environmental fields".

Training centres and women's foundations

These measures were promoted under the territorial employment pacts, which were built up or implemented in all Austrian *laender* in 1999. The general policy focus of these pacts was on women and older unemployed (labour foundations, non-profit temporary work agencies, improving the infrastructure for training and further training, etc.). For instance, in Vienna the female share in TEP participants and funds was 60%.

Plant-level promotion of equal opportunities

The **policy guidelines issued by the Federal Minister for Women's Affairs** for considering a company's promotion measures for women when commissioning public works and projects were implemented (beginning in March 1999) by the Federal Ministries of Finance, the Interior, Labour, Health and Social Affairs, Science and Transport and the Federal Chancellery. The objectives of these guidelines were to create incentives for employers to promote women within their companies or contribute towards a better reconciliation of work and family life for both women and men.

Specific projects designed to **foster equal opportunities at company level** include, inter alia, "Managing E-Quality", "Preparing Women to Lead", "E-Qualification in Vocational Training",

training courses for gender equity officers at the academy of federal administration and a project for counselling employers on equal opportunities and in-house skills training for women in Styria.

The **amendment to the Federal Equal Treatment Act** (*Bundes-Gleichbehandlungsgesetz*) has introduced the following regulations for the public sector applicable since 1 January 2000:

- Obligation to publish all positions and higher-level jobs which are not yet subject to a formal invitation procedure.
- In every invitation to apply for jobs women are to be invited specifically if their share in this respective qualification grade is below 50%.
- Civil service law commissions are to be composed of men and women, i.e. women are to be appointed according to their share and, should it be impossible to appoint a woman despite this proportional representation, women's representatives should attend in an advisory capacity.

GL 20 - Providing care services, parental leave schemes and family-friendly working hours

Fewer women (-6,100) with restricted mobility (mostly due to lacking childcare facilities) were placed in 1999 than in the year before. In percentage terms, this would be minus 20.6%. The provision of sufficient and good quality care for children is one of the prerequisites (alongside appropriate working time arrangements and parental leave schemes) to facilitate a reconciliation of work and family life and encourage partnership and equal sharing of family responsibilities. It is thus an important contribution to counteracting discrimination against women in the labour market.

AMS measures

In addition to the below measures to improve reconciliation of work and family life, Austria's public employment service (*AMS*) uses childcare benefits to encourage mothers to take up jobs and wage subsidies to childcare workers to support care facilities.

In 1999, the *AMS* paid **childcare benefits** to the value of ATS 108.04 m (€ 7.8 m). 15,468 new cases of benefit receipt were authorised. Overall, 8,924 persons (17,275 cases) drew childcare benefits. Moreover, the *AMS* granted subsidies to **childcare facilities** in the amount of ATS 131.15 m (€ 9.5 m). This operator-related subsidy includes subsidisation of care infrastructure on the one hand and subsidisation of care staff recruitment on the other (in 1999, roughly 900 persons).

Childcare facilities

The priorities set for the second tranche of the so-called **kindergarten billion** (*Kindergartenmilliarde*), which is a federal grant of ATS 600 m (€ 43.6 m) for 1999/2000, is to create additional childcare options for children under 3 and for school-age children, and to encourage company kindergartens and inter-community childcare projects.

The grants given so far of ATS 466.7 m (€ 33.9 m) were used to create an additional 10,217 care places. Applications for grants regarding the remainder of ATS 133.3 m (€ 9.7 m) can be filed till mid-2000.

An evaluation of the first tranche of the kindergarten billion paid out within the 1997/98 period (again ATS 600 m, or € 43.6 m, in federal grants and additional *laender* grants in the same amount) shows that 18,799 new childcare places could be created. The net employment effect of this measure is estimated to be up to 5,800 people, most of them women.

Parental leave scheme

For parents of children born after 31-12-1999 more flexible options of taking up parental leave and part-time leave and an improved dismissal and summary dismissal protection have been implemented. In addition, employees on parental leave now have a right to information about important company events affecting the interests of employees (this refers in particular to bankruptcy, composition with creditors, company reorganisation and further training). The EU Parental Leave Directive regarding entitlement to such leave by fathers in their own right was implemented.

GL 21 - Easing return to working life

The AMS plays a major role in easing a return to the paid workforce. In addition to the above measures, the following policies are worth mentioning:

In the course of implementing the "**AMS for female re-entrants**" programme a counselling guide for women returners was compiled in 1999 and regular group information for women returners was held in regional AMS offices. The latter was organised in co-operation with external advice centres for women. Till the end of 2000, this service should be offered by every regional AMS office at regular intervals. The external advice centres for women have also become increasingly involved in the delivery of individual and group counselling.

An example of the AMS's enhanced efforts to ease women's return to the paid workforce would be "**parental leave +**" (**Karenz +**). The project conducted in 1999 by a Vienna-based further education centre (*ABZ Wien*) and involving 400 women was aimed at preventing women on parental leave from flowing into unemployment or neediness and improving labour market access conditions for people with care duties.

"*Karenz +*" encompasses a great number of measures such as vocational guidance, assistance in the search for suitable childcare options, training in job application techniques, psychological assistance, counselling as to the development of working time models, outreach to employers to encourage them to retain a mother's jobs, create a suitable workplace environment, provide in-house further training for women on maternity leave and exploit the range of subsidies available to SMEs. "*Karenz +*", which is to be continued in 2000, is based on a comprehensive training scheme that addresses the issues of today's world of work in conjunction with active outreach to e.g. employers.

I.3.5. HORIZONTAL ISSUES

The social partners' contribution to implementing the NAP

The positive labour market situation in Austria is the result of a comprehensive and co-ordinated employment policy strategy characterised by consensus and co-operation among all the players involved, especially the social partners as representatives of employees and employers.

This form of reconciling interests has not only provided for macro-economic wage and income flexibility beneficial to Austria's overall economic development, but it has also contributed to developing and implementing appropriate labour market and employment policies.

Since the compilation of the first NAP in 1998 the social partners have been involved in discussions on, and the implementation of, policies. This procedure requires ongoing adjustment of the rooms of manoeuvre at national, regional and local levels depending on the respective measure to be taken. The broad basis of consensus in co-operation, however, is often at the expense of in-depth changes or flexibility in adjustment, a point that might be addressed in efforts to improve future NAP implementation.

Under the NAP the social partners' involvement focuses on the guidelines on training, work experience, traineeships and organisation of work.

Examples of the social partners' full or partial participation would be the safety net for young people, the territorial employment pacts and the beginning greater flexibility in collective agreements.

Work on the future NAP agenda will continue to involve the assistance of Austria's social partners.

The ESF's contribution to implementing the NAP

The European Social Fund plays an essential role in implementing the NAP targets, especially with regard to guidelines 1-3, 6, 9, 12 and pillar IV. Specific groups in need of urgent job search assistance, i.e. youth, women, older people, the disabled and the long-term unemployed are important target groups under the above guidelines and ESF programming. In addition, the skills training initiative for workers under the objective 4 programme is a preventive approach aimed at avoiding unemployment and corresponds to the GL 6 principle of lifelong learning.

The successful implementation of the European Social Fund objectives could be continued in 1999. In sum, ATS 3.6 bn (€ 261.6 m) in public funds were spent within ESF programmes in 1999. Of these, ATS 1.7 bn (€ 123.5 m) were ESF monies. The biggest programme, i.e. objective 3, accounted for a total of ATS 2.4 bn (€ 174.4 m), which amounts to two thirds of allocations. Thus, since Austria's accession to the EU in 1995, a total of ATS 14 bn (roughly € 1 bn) have been spent. Of these ATS 6.4 bn (€ 465.1 m) have been provided by the ESF. These funds were spent on half a million subsidy cases², almost 200,000 of them being objective 4 skills training measures for helping those in work to adapt to new requirements.

² Data on subsidy cases as at 30-06-1999

Exact data on 1999 participants are only available for the first half. They show that the **proportion of women** could be clearly raised: it totalled 48% or 47,000 female participants. Just as in the years before, women were more involved in programmes targeted on the unemployed than in those targeted on the employed. Nevertheless female participation in objective 4 programmes reached 38%. The gender mainstreaming approach becomes quite obvious when we consider that only a comparatively small number of 9,500 women was supported within objective 3 programmes promoting equal opportunities, whereas the great majority of women was supported in other areas.

With ESF help, 27,000 subsidies were allocated to **young people** (28%) – primarily in terms of skills training and employability measures –, which corresponds to more than one quarter of all subsidy cases. Of these, 9,000 were attributable to the objective 3 priority of integrating young people into employment.

Because of the poorer labour market prospects of **older workers** and their particularly high risk of becoming long-term unemployed one of the essential ESF objectives is to prevent and combat unemployment among this group. Roughly 16,000 of all ESF beneficiaries were over 45 year old, i.e. every sixth participant was an older person, whereas under the long-term unemployment priority every fourth participant belonged to this group. 6,200 of them were upskilled within an objective 4 programme to reduce the risk of unemployment.

Another group faced with growing labour market problems is that of the **disabled**. Under the objective 3 priority for people with disabilities, 3,000 participants were funded, although disabled people were also considered in other programmes in terms of a proper mainstreaming approach. One such programme would be that for the long-term unemployed under objective 3. Expenditures on programmes for the disabled were, just as in the years before, very high and roughly 50% above the average objective 3 spending. This was necessary to meet the specific needs of the disabled.

In formulating the future priorities of the new programming period 2000-2006, Austria paid particular attention to harmonising NAP and ESF objectives. The ESF key points are measures to combat unemployment among adults and youths, as well as policies for the disabled and for the skills training of people in employment. There is now a much more concentrated use of gender equality measures for men and women than before; gender mainstreaming pervades the entire programme. A specific lifelong learning focus is new. The positive experiences made with territorial employment pacts have resulted in the formulation of a special programme priority to continue putting the necessary structures in place.

II. NEW INITIATIVES OF THE NAP 2000

II.1. INITIATIVES IN RESPONSE TO THE COUNCIL RECOMMENDATIONS FOR AUSTRIA

II.1.1. Recommendation on the participation of older workers in employment

Due to the relatively poor labour market prospects of older workers and their particularly high risk of becoming long-term unemployed there is a continuing need for Austria's employment policy to prevent and fight unemployment in this group and to consistently pursue previous years' strategies of reducing unemployment among older workers.

In March 1999 "a policy package for older workers" was drafted and entered into force on 1 January 2000. It is financed by activating passive benefits and thus follows the principle of "active measures taking priority over passive cash benefits".

The "**policy package for older workers**" includes the following (new) key regulations:

1. Working time models for older workers: part-time work for older workers, solidarity bonus model and educational leave scheme
2. More flexible short-time work arrangements involving older workers
3. Raising the attractiveness of part-time pensions
4. Better use of the early warning system
5. Wider assessment basis protection for older unemployed people

The public employment service (*AMS*) will implement a "**programme for older workers**" in 2000. This means that the policy package for older workers adopted by the social partners will receive additional support by targeted active labour market measures in respect of such policies as:

- incorporating the goal of "raising older workers' labour market opportunities" in the employment policy objectives 2000
- implementing the new support tools for older workers (e.g. subsidy to part-time work of older workers)
- reorganising existing active labour market tools to sharpen their focus on older workers
- defining activities to complement the *AMS's* counselling and placement services to step up the integration of older workers into the labour market.
- removing discriminatory age limits in *AMS* policies and programmes (e.g. training courses)
- launching a PR campaign.

In collaboration with *laender*, communities, social partners, *AMS* and social insurance carriers another policy package for older workers is going to be devised and become operative by 1 October 2000 at the latest. Its objective is to raise the employment prospects of older workers. Efforts are being made to achieve a fundamental reform of the statutory pension system. It is intended to raise the age of early retirement. Also, procedures designed to enforce claims in labour and social courts are to be accelerated.

II.1.2. Recommendation on narrowing the gender gap

The "Joint Employment Report 1999" adopted by the European Council and the European Commission refers to gender gaps that exist in Austria in some areas and specifically to the significant gender gap in employment of 21 percentage points. The second Council recommendation thus reads: *Austria should pursue a comprehensive strategy to narrow the gender gap in employment, inter alia by putting in place measures which facilitate the reconciliation of work and family life.*

In its 1999 NAP Austria has already defined the following targets:

- Unemployment among women is to be reduced and/or lowered down to that of men (the general objective for 2002 of getting close to 3.5% applies to both women and men)
- Labour force participation of women is to be increased and/or approximated to that of men.

A number of measures were taken to achieve these objectives. Most of these measures could be implemented or addressed in 1999 (cf. implementation of pillar IV).

In response to the Council recommendation, Austria takes the following additional measures to reduce the gender gap in the labour market:

1. Raise the female employment rate and reduce female unemployment with a special focus on the reconciliation of work and family life for both women and men:

- Provide specific services, information and counselling in every regional *AMS* office for women returners also during maternity leave/inactivity no matter whether these women qualify for benefits
- Offer special education and training programmes (*AMS* or other operators) for women on educational leave (especially when this follows on maternity leave)
- Measures for lone parents (inter alia, higher earnings disregard under new childcare regulations for lone parents)
- Part-time work and part-time parental leave benefits: improve the legal framework to encourage take-up of part-time work and part-time parental leave by women and men
- Encourage a corporate philosophy and culture (e.g. by subsidy programmes) in which childcare and paternity leave form an integral part
- Step up motivation-oriented measures such as "deeds, not words" (*Taten statt Worte*), an award given to the most family- and women-friendly companies
- Continue expansion of childcare facilities, especially for small children (concerted action by *laender* and federal authorities), while keeping an eye on nation-wide quality standards
- Tailor childcare options to the special needs of jobless and/or job-seeking women in any given region
- Prepare amendment to the Equal Treatment Act (*Gleichbehandlungsgesetz*) to improve its effectiveness

2. Reduce labour market segregation and improve women's level of educational attainment:

- Introduce specific measures targeted on (young) women in all areas of education; exploit all co-funding options with federal authorities, *laender* and the European Union to foster rural regions in particular
- Expand counselling centres for young women and projects advocating non-traditional, proactive occupations (such as the springboard [*Sprungbrett*] initiative)
- Foster in-house gender equality programmes
- Managing E-Quality: train executives for gender equality oriented management (especially with regard to reconciling work and family life)
- Subsidise employers who take specific measures suited to promote equal treatment
- Step up targeted apprenticeship subsidy programmes to reduce gender-specific segregation
- Enhance outreach to employers to ensure employment/retention of women following completed apprenticeships, especially in non-traditional segments

3. Reduce pay gap:

- Offer counselling to employers to promote in-house skills training of women and gender equality within companies (e.g.: project of the office for training and employment development in Graz [*Büro für Ausbildungs- and Beschäftigungsentwicklung*]). Create corresponding services in all *laender*.
- Launch information campaign on the issue of pay gaps between women and men (awareness campaign) targeted on 1) the general public, 2) the social partners, 3) women (women tend to sell themselves cheaper or are too modest when entering or re-entering the labour market)

4. Upgrade gender mainstreaming and/or create suitable structures:

- Establish special co-ordination offices for equal opportunities and gender issues in every ministry

II.1.3. Recommendation on reducing the tax burden on labour

The tax reform 2000 adopted in the previous year and aimed at creating a favourable framework for positive economic developments has already introduced a number of important measures to secure and generate jobs. These objectives continue to be pursued with ambition. The newly planned tax relief measures for employers are designed to produce a sustained and gradual reduction in non-wage labour costs of ATS 15 bn (€ 1.09 bn) per year till 2003 and thus to create incentives for raising employment.

Measures to reduce the tax burden on labour will be taken in the following areas:

The contributions to unemployment insurance, work accident insurance and the bankruptcy contingency fund (*IESG*) are to be reduced.

A modification of paid leave regulations to become operative in 2001 defines that employees are entitled to paid leave only in relation to the period of employment in any given active year (aliquot leave). If employees quit voluntarily, they will no longer be entitled to a day off for seeking a new job.

The planned measures for reducing the tax burden on labour are expected to provide an essential impetus for the Austrian market and thus for employment in general. As well as active labour market policy, this will greatly contribute to stabilising the employment situation.

II.2. New measures for implementing the guidelines 2000 and new policy initiatives

GL 1 - 3:

- cf. section II.1.1.1. "recommendation on the participation of older workers in employment"
- cf. targets set for 2000 in Annex 1, Tables 11 and 12 and Annex 2, Table 20
- Development and implementation of a new programme ("Integra") focusing on community work and skills training for integrating the long-term unemployed into the labour market

GL4:

- cf. section II.1.1.1. "recommendation on the participation of older workers in employment"
- Enhancing the effectiveness of the incentive/disincentive system (*Bonus-Malus-System*) within the unemployment insurance scheme

GL6:

- step up courses that enable drop-outs to complete compulsory education under the new ESF objective 3 (50 courses per year with approx. 850 participants) and develop materials for self-study
- step up the tele-learning courses on offer within regulated further education and the skills training measures for women within adult education programmes (especially technology training)
- New measures within the "lifelong learning" framework, especially for migrants, e.g. team teaching, specially developed German and literacy courses, etc.

GL7:

- Measures to reduce the drop-out rate at schools
- Foster the wider-access certificate (*Berufsmaturität*) by developing special modules for prep courses

GL8:

- Give practice-oriented training at medium and higher level vocational schools a greater "entrepreneurship" focus
- Reduce deficits in English as a working language in, inter alia, various commercial and general education subjects
- Develop professional information and communication technology training options at higher level vocational schools and a new special school model offering IT skills training and work practice
- "Schools in the Internet" initiative: all schools will have Internet access by 2002

GL10:

- Strengthen the venture capital segment (complement the liability model by credit facilities for private borrowers of venture capital, more liberal investment regulations)
- Improve tax situation for participatory financing of SMEs
- Digitise public administration and social insurance institutions
- Design electronic commerce in line with market requirements

GL11:

- Unified plant law: to be implemented in several steps across the 2000-2002 period
- One-stop-shop (e-Government) to process applications for taxpayers' account numbers, small business start-ups and social insurance matters
- Comprehensive reform of Austria's trades regulation (*Gewerbeordnung*) including liberalised entrance to trades and more liberal ancillary rights
- Facilitate operation of private-sector placement and temporary work agencies

GL12:

- Incorporate a specific priority area regarding territorial employment pacts and local employment initiatives in the new objective 3 programme for 2000-2006. Involve social partners, *AMS* and *laender* governments

GL13:

- Further liberalisation of shop opening hours (extend framework opening hours from 66 to 72 hours) accompanied by more flexible working time arrangements for Saturday work in shops
- Liberalisation of access barriers to free-lance professions
- Allow "contracting models" to conserve energy and resources in housing construction by amending housing legislation 2000 (*Wohnrechtsnovelle 2000*) and extend environmental fund grants for energy contracting to territorial authorities

GL14:

- Examine measures for a more ecology-minded tax system (e.g. tax on energy or on pollutant emissions, etc.), for a more sustainable use of resources, for reaching the target set at the Kyoto conference, and for finding other areas to finance the reductions in taxes and charges

GL18 - 21:

- cf. section II.1.1.2. "recommendation on narrowing the gender gap"

III. ANNEXES

III.1. Annex 1: Statistical data and indicators

Table 1a: Important labour market data 1999 / annual average

TOTAL	1999	Change over previous year	
		in absolute terms	in %
DEPENDENT WORKERS	3,107,898	+ 31,233	+ 1.0
REGISTERED UNEMPLOYED	221,742	- 16,052	- 6.8
Registered unemployed aged 15-24 years	31,904	- 4,549	- 12.5
Registered unemployed aged 25-49 years	139,204	- 12,337	- 8.1
Registered unemployed aged 50 and over	50,635	+ 836	+ 1.7
UNEMPLOYMENT RATE	6.7%	- 0.5	
Unemployment rate according to EUROSTAT method	3.7%	- 0.8	

MEN	1999	Change over previous year	
		in absolute terms	in %
DEPENDENT WORKERS	1,754,823	+ 10,439	+ 0.6
REGISTERED UNEMPLOYED	121,518	- 7,911	- 6.1
Registered unemployed aged 15-24 years	16,950	- 1,947	- 10.3
Registered unemployed aged 25-49 years	72,515	- 6,719	- 8.5
Registered unemployed aged 50 and over	32,054	+ 756	+ 2.4
UNEMPLOYMENT RATE	6.5%	- 0.4	
Unemployment rate according to EUROSTAT method	3.1%	- 0.7	

WOMEN	1999	Change over previous year	
		in absolute terms	in %
DEPENDENT WORKERS	1,353,075	+ 20,794	+ 1.6
REGISTERED UNEMPLOYED	100,224	- 8,141	- 7.5
Registered unemployed aged 15-24 years	14,954	- 2,602	- 14.8
Registered unemployed aged 25-49 years	66,689	- 5,618	- 7.8
Registered unemployed aged 50 and over	18,581	+ 80	+ 0.4
UNEMPLOYMENT RATE	6.9%	- 0.6	
Unemployment rate according to EUROSTAT method	4.5%	- 0.9	

Source: Federal Ministry of Labour, Health and Social Affairs

Table 1b: Development of long-term unemployment 1999

Long-term unemployment			
(registered for 12 months or more)			
Year	Stock	Change over previous year	
Month		in absolute terms	in relative terms (%)
Year 1998	37,889	+ 139	+ 0.4
Year 1999	31,703	- 6,186	- 16.3
Jan 99	37,749	- 1,054	- 2.7
Feb 99	36,988	- 1,544	- 4.0
Mar 99	36,432	- 1,948	- 5.1
Apr 99	35,438	- 3,056	- 7.9
May 99	34,002	- 3,912	- 10.3
June 99	32,606	- 5,425	- 14.3
July 99	31,485	- 6,427	- 17.0
Aug 99	30,005	- 7,924	- 20.9
Sep 99	28,118	- 9,208	- 24.7
Oct 99	26,645	- 10,370	- 28.0
Nov 99	25,544	- 11,280	- 30.6
Dec 99	25,424	- 12,087	- 32.2

Source: AMS

Annex 1, GL 1:

Table 2a: Unemployment rates by age 1999

Unemployment rates by age		
Age groups (in years)	Unemployment rate (%) annual average	Change over previous year (percentage points)
15 - 18	2.7	- 0.3
19 - 24	6.9	- 1.0
25 - 29	6.3	- 0.9
30 - 39	6.2	- 0.5
40 - 49	5.9	- 0.4
50 - 54	9.4	- 0.4
55 - 59	12.7	+ 0.9
60 and over	6.5	+ 0.7
Total	6.7	- 0.5
15 - 24	5.8	- 0.8
25 - 49	6.1	- 0.6
min. 50	10.4	+ 0.1

Source: AMS

Table 2b: Jobless by age 1999

Jobless by age			
Age groups (in years)	Annual average stock	Change over previous year	
		in absolute terms	in relative terms (%)
15 - 18	4,189	- 380	- 8.3
19 - 24	27,715	- 4,170	- 13.1
25 - 29	28,644	- 4,474	- 13.5
30 - 39	64,325	- 4,538	- 6.6
40 - 49	46,235	- 3,325	- 6.7
50 - 54	27,580	- 1,228	- 4.3
55 - 59	21,557	+ 1,737	+ 8.8
60 and over	1,498	+ 326	+ 27.8
Total	221,743	- 16,051	- 6.7
15 - 24	31,904	- 4,550	- 12.5
25 - 49	139,204	- 12,337	- 8.1
min. 50	50,635	+ 835	+ 1.7

Source: AMS

Table 3a: Instantly available apprenticeship-seekers 1999

Apprenticeship-seekers			
Year	Stock	Change over previous year	
Month		in absolute terms	in relative terms (%)
Year 1998	4,720	-1,135	-19.4
Year 1999	3,782	-938	-19.9
Jan 99	2,592	-1,070	-29.2
Feb 99	2,690	-831	-23.6
Mar 99	2,676	-473	-15.0
Apr 99	2,320	-536	-18.8
May 99	2,224	-555	-20.0
June 99	2,116	-560	-20.9
July 99	8,720	-1,052	-10.8
Aug 99	6,746	-2,126	-24.0
Sep 99	4,957	-2,366	-32.3
Oct 99	4,306	-1,728	-28.6
Nov 99	3,352	-128	-3.7
Dec 99	2,682	+162	+6.4

Source: AMS

Table 3b: Notified apprenticeship vacancies 1999

Notified apprenticeship vacancies			
Year	Stock	Change over previous year	
Month		in absolute terms	in relative terms (%)
Year 1998	2,274	-516	-18.5
Year 1999	2,218	-56	-2.5
Jan 99	1,815	-620	-25.5
Feb 99	2,104	-348	-14.2
Mar 99	2,112	-147	-6.5
Apr 99	2,172	-44	-2.0
May 99	2,208	-10	-0.5
June 99	1,980	-137	-6.5
July 99	2,804	-68	-2.4
Aug 99	2,865	+144	+5.3
Sep 99	2,616	+305	+13.2
Oct 99	2,243	+225	+11.1
Nov 99	1,878	-221	-10.5
Dec 99	1,824	+260	+16.6

Source: AMS

Table 4a: Annual average stock in skills training measures and subsidised employment / apprenticeship training 1999

Annual average stock in skills training measures			Annual average stock in subsidised employment / apprenticeship training		
	15 to 24 years	in %		15 to 24 years	in %
M	3,635	46.55	M	6,849	55.81
W	4,174	53.45	W	5,423	44.19
TOTAL	7,809	100.00%	TOTAL	12,272	100.00%

Source: AMS

Table 4b: Inflow to skills training measures and subsidised employment / apprenticeship training 1999

Inflow to skills training measures			Inflow to subsidised employment / apprenticeship training		
	15 to 24 years	in %		15 to 24 years	in %
M	14,927	44.95	M	3,542	49.97
W	18,283	55.05	W	3,547	50.03
TOTAL	33,210	100.00%	TOTAL	7,089	100.00%

Source: AMS

Table 4c: Outflow from skills training measures and subsidised employment / apprenticeship training

Outflow from skills training measures			Outflow from subsidised employment / apprenticeship training		
	15 to 24 years	in %		15 to 24 years	in %
W	13,619	44.68	M	3,688	50.54
M	16,860	55.32	W	3,609	49.46
TOTAL	30,479	100.00%	TOTAL	7,297	100.00%

Source: AMS

Table 5a: EU input and output indicators for young people

Guideline 1 - Policy input and output indicators						
	1998 Total		1998/SQ1-Q3⁽¹⁾ Total		1999/SQ1-Q3 Total	
	Men	Women	Men	Women	Men	Women
(A) number of young people who became unemployed in month X (inflows)	166,231		118,844		122,500	
	91,960	74,271	63,917	54,927	66,635	55,865
(B) number of young people who are still unemployed in month X+6 ⁽²⁾	12,486		9,753		4,127	
	5,589	6,897	4,156	5,597	1,674	2,453
Ratio (B) / (A) (output indicator) - rate of inflow into long-term unemployment	7.51 %		8.21 %		3.37 %	
	6.08 %	9.29 %	6.50 %	10.19 %	2.51 %	4.39 %
(C) number of young people who became unemployed in month X and have started a concrete individual action plan before month X+6 ⁽³⁾	116,693		84,729		76,410	
	65,344	51,349	46,206	38,523	41,083	35,327
Ratio (C) / (A) (input indicator- indicator of effort)	70.20 %		71.29 %		62.38 %	
	71.06 %	69.14 %	72.29 %	70.13 %	61.65%	63.24%
(D) number of young people who became unemployed in month X, are still unemployed at the end of month X+6 and have not started a concrete individual action plan	631		426		628⁽⁴⁾	
	257	374	146	280	237	391
Ratio (D) / (B) (input indicator- rate of non-compliance)	5.05 %		4.37 %		15.22 %⁽⁵⁾	
	4.60 %	5.42 %	3.51 %	5.00 %	14.16%	15.94%
(P) Placement into a job ⁽⁶⁾	101,360		70,509		72,655	
	58,522	42,838	39,900	30,609	41,074	31,581
Ratio (P) / (A) (output indicator - indication of effective integration)	60.98 %		59.33 %		59.31%	
	63.64 %	57.68 %	62.42 %	55.73 %	61.64 %	56.53 %

Source: AMS

¹ First to third quarter 1998: total inflows into unemployment register in January, February, March, April, May, June, July, August and September 1998.

² This figure indicates the number of persons who became unemployed in month X (e.g. January - March 1998) and who were still unemployed in month X+6 (in our example July - September 1998).

³ Defined as inflows into unemployment in month X (=A) minus the group of persons flowing into long-term unemployment (=B) and of these the persons with individual (back-to-work) action plan: (A-B) with action plan

⁴ This figure is not directly comparable to the previous year's figure as the computer encoding system of the AMS has been changed in that simpler administrative procedures are no longer gathered as part of the back-to-work action plan. A retroactive correction of the time series in accordance with the new practice is not possible for computer technology reasons.

⁵ As well as the modified data collection for action plans (cf. D, footnote 4), another factor is responsible for an increase of this ratio: the number of people flowing into long-term unemployment (ratio B) has greatly declined, which in turn has automatically resulted in a higher ratio

⁶ Job take-ups within the considered period of 6 months. This period starts with a person's entry into unemployment.

Table 5b: Active labour-market measures for young people not yet long-term unemployed

Guideline 1 - Data for measuring the scale of the effort undertaken						
	1998 Total Men Women		1998/SQ1-Q3 Total Men Women		1999/SQ1-Q3 Total Men Women	
Number of young registered unemployed (average over the time period considered) ⁽¹⁾	36,453		35,776		31,702	
	18,897	17,556	18,711	17,065	17,005	14,697
Size of the target population (inflows) ⁽²⁾	188,015		136,022		139,479	
	101,988	86,027	71,772	64,250	74,786	64,693
Categories of young people addressed outside registered unemployed (inflows; list to be established by each Member State) ⁽³⁾	21,784		17,213		16,979	
	10,028	11,756	7,872	9,341	8,151	8,828
Total number of young unemployed for less than 6 months who entered into measures, broken down by category of action: ⁽⁴⁾	1,394		1,219		394⁽⁵⁾	
	465	929	418	801	55	339
• training measures (including off and in-work training)	12,116		8,450		15,116	
	5,435	6,681	3,585	4,865	6,547	8,569
• subsidised employment	1,113		664		1,756	
	564	549	343	321	804	952
• job schemes	406		312		263	
	199	207	145	167	111	152
• incentives and support to business start-ups	54		40		42	
	34	20	23	17	26	16

Source: AMS

¹ Average stock. For inflows into unemployment for this period see Table 5a.

² Total of inflows of registered unemployed youths (see Table 5a) and of inflows of instantly available apprenticeship-seekers (see present Table, next line) within this period.

³ Instantly available apprenticeship-seekers: inflows.

⁴ Only refers to participation in measures by registered and not yet long-term unemployed young people (i.e. without measures for instantly available apprenticeship-seekers). These figures do not include measures for young people who have flown into long-term unemployment (out of work for more than 6 months).

⁵ The decline in job search support policies for job-seekers is due to the fact that under the current support system such policies are increasingly being integrated in training measures.

Annex 1, GL 2:

Table 6: Filling vacancies 1999

	%	1997	%	1998	%	1999
within 1 month	74.9	127,804	73.5	149,736	70.2	163,104
within 2 to 3 months	19.5	33,345	19.8	40,308	21.8	50,740
after 3 months	5.6	9,483	6.7	13,643	8	18,523
Total	100	170,632	100	203,687	100	232,367

Source: AMS

Table 7: Job take-ups by duration of unemployment 1999

Duration of unemployment	1997		1998		1999	
	%	Total	%	Total	%	Total
up to 6 months	88.3	368,731	88.5	356,528	90.3	389,615
over 6 months	8.7	36,559	8.8	35,251	7.3	31,383
over 12 months	3.0	12,336	2.8	11,089	2.4	10,527
Share of job take-ups by the long-term unemployed in all job take-ups (%)	11.7	48,895	13	46,340	9.7	41,910

Source: AMS

Table 8: Special federal programme 1999: participants and expenditures

	Participants					Subsidies to operators (in ATS million)
	Total	Men	in %	Women	in %	Subsidies paid
Come Back 99	15,749	7,714	49%	8,035	51%	855,12
Job Coaching	32,459	16,420	50.6%	16,039	49.4%	160,18
it.basics	3,565	1,044	29.3%	2,521	70.7%	66,16
tele.soft	2,744	1,325	48.3%	1,419	51.7%	100,26

Source: AMS

Table 9a: EU input and output indicators for adults

Guideline 2 – Policy input and output indicators						
	1998 Total		1998/Q1 ⁽¹⁾ Total		1999/Q1 Total	
	Men	Women	Men	Women	Men	Women
(A): number of adults who become unemployed in month X (inflows)	526,391		153,198		152,634	
	310,245	216,146	100,774	52,424	100,430	52,204
(B): number of adults who are still unemployed in month X+12 ⁽²⁾	16,670		6,575		1,547	
	8,309	8,361	3,328	3,430	754	793
Ratio (B) / (A) (output indicator) - rate of inflow into long-term unemployment	3.17 %		4.26 %		1.01 %	
	2.68 %	3.87 %	3.30%	6.54%	0.75 %	1.52 %
(C) number of adults who became unemployed in month X and have started a concrete individual action plan before 12 months ⁽³⁾	376,214		109,045		96,073	
	220,045	156,169	69,904	39,141	59,275	36,816
Ratio (C) / (A) (input indicator – indicator of effort)	71.47 %		71.18 %		62.94 %	
	70.93 %	72.25%	69.37%	74.66%	59.0 %	70.52 %
(D) number of adults who became unemployed in month X, are still unemployed at the end of month X+12 and have not started a concrete individual action plan	799		243		220⁽⁴⁾	
	429	370	133	110	135	85
Ratio (D) / (B) (input indicator – rate of non-compliance)	4.79 %		3.60 %		14.22 %⁽⁵⁾	
	5.16 %	4.43 %	4.00 %	3.21%	17.9 %	10.72 %
(P) Placement into a job ⁽⁶⁾	325,817		97,952		97,218	
	207,596	118,221	71,831	26,121	71,512	25,706
Ratio (P) / (A) (output indicator - indication of effective integration)	61.90 %		63.94 %		63.69 %	
	66.91 %	54.69 %	71.28 %	49.83 %	71.21 %	49.24 %

Source: AMS

¹ First quarter 1998: total inflows into unemployment register in January, February and March 1998.

² This figure indicates the number of persons who became unemployed in month X (e.g. January - March 1998) and who were still unemployed in month X+12 (in our example February - April 1999).

³ Defined as inflows into unemployment in month X (=A) minus the group of persons flowing into long-term unemployment (=B) and of these the persons with individual (back-to-work) action plan: (A-B) with action plan

⁴ This figure is not directly comparable to the previous year's figure as the computer encoding system of the AMS has been changed in that simpler administrative procedures are no longer gathered as part of the back-to-work action plan. A retroactive correction of the time series in accordance with the new practice is not possible for computer technology reasons.

⁵ As well as the modified data collection for action plans (cf. D, footnote 4), another factor is responsible for an increase of this ratio: the number of people flowing into long-term unemployment (ratio B) has greatly declined, which in turn has automatically resulted in a higher ratio

⁶ Job take-ups within the considered period of 12 months. This period starts with a person's entry into unemployment.

Table 9b: Active labour market measures for adults not yet long-term unemployed

Guideline 2 - Data for measuring the scale of the effort undertaken						
	1998 Total		1998/Q1 Total		1999/Q1 Total	
	Men	Women	Men	Women	Men	Women
Number of registered unemployed adults (average over the time period considered) ⁽¹⁾	201,340		242,921		243,159	
	110,532	90,808	150,139	92,782	150,671	92,488
Size of the target population						
Categories of adults addressed outside registered unemployed (list to be established by each Member State)	0		0		0	
	0	0	0	0	0	0
Total number of adults unemployed for less than 12 months entered into measures, broken down by category of action: ⁽²⁾						
	4,503		1,513		583⁽³⁾	
• job search support	1,618	2,885	681	832	73	510
• training measures (including off and in-work training)	43,714		9,852		17,119	
	20,787	22,927	4,675	5,177	8,144	8,975
• subsidised employment	6,297		854		2,892	
	3,281	3,016	425	429	1,414	1,478
• job schemes	1,282		384		338	
	642	640	194	190	160	178
• incentives and support to business start-ups	1,070		246		350	
	760	310	165	81	252	98

Source: AMS

¹ Average stock. For inflows into unemployment for this period see Table 9a.² These figures do not include the measures for adults who have flown into long-term unemployment (out of work for more than 12 months).³ The decline in job search support policies for job-seekers is due to the fact that under the current support system such policies are increasingly being integrated in training measures.

Annex 1, GL 3:

Table 10: Conversion of the participation rate in AMS measures

Type of measure	Definition
Training measures	Participants in all kinds of training measures proper, annual average; weighting 1.0
Employability measures	Participants in employability measures (using various kinds of integration subsidies such as <i>BEB</i> , <i>GEB</i> , <i>BESEB</i> , <i>SÖB</i> , <i>GBP</i>), subsidy statistics, weighting 5.0
Apprenticeship measures	Participants in apprenticeship measures in the first year of training (safety net: training courses, apprenticeship foundations), subsidy statistics, weighting in year of appropriation 0.25, in the following year carried over with a weighting of 0.75
Support measures	Claiming childcare benefits for job take-up, subsidy statistics, weighting 0.16
UI-based measures	substitute workers under solidarity bonus model, educational leave and unpaid leave schemes, weighting 0.5
Total potential on an annual average	The annual average of unemployed people also includes the annual average of instantly available apprenticeship-seekers and the annual average of participants in active measures (calculated according to the above method)

Source: AMS

Source: AMS

Table 12: Participation rate in AMS measures 1996-1999 by men and women

Ratios	MEN			
	Actual values			
	1996	1997	1998	1999
Unemployed (annual average)	128,025	128,580	129,429	121,000
Unemployment rate (Austrian method)	6.90	6.90	6.90	6.90
Unemployment rate (EU method)	3.70	3.70	3.80	3.80
Instantly available apprenticeship-seekers (annual average)	2,352	2,464	1,960	1,960
Unemployed potential (jobless and apprenticeship-seekers)	130,377	131,044	131,389	123,000
	Actual values			
	1996	1997	1998	1999
	1996	1997	1998	1999
Participants in training measures proper (annual average)	9,125	10,793	10,224	12,000
Employability measures (newly authorised)	5,304	8,439	5,403	11,000
Apprenticeship measures (newly authorised)	1,805	5,535	3,064	3,000
Support measures childcare benefit (newly authorised)	169	220	217	200
Participants/new authorisations for active measures total	16,403	24,987	18,908	28,000
INDICATOR: annual average of participants in active measures	12,859	17,785	17,877	21,000
Total potential on annual average (jobless, apprenticeship-seekers and participants in active measures)	143,236	148,829	149,266	145,000
Participation rate (GL3)	8.98	11.95	11.98	15.00
Flow rate (GL1, new start for young people)	7.90	7.70	6.90	4.00
Flow rate (GL 2, fresh start for adults)	5.90	6.50	5.90	4.00

Source: AMS

Table 13 - Information on individual back-to-work action plans

<p>What marks the beginning of the individual action plan:</p> <ul style="list-style-type: none"> • first individual interview when registering as unemployed • in-depth individual interview at a later stage (and average time span between registration as unemployed and interview) • agreement between the job-seeker and the employment service specifying a succession of measures 	<ul style="list-style-type: none"> • in-depth interview resulting in binding a of AMS assistance <p>Every person registering as unemployed counselling officer. This meeting does not to-work action plan; however, it enables the individual client's need for counselling impression, the job-seeker is accorded a chance to take own initiatives to regain a job; this is in that it offers the job-seeker notified vacancies the latest the unemployed will usually get whose need for counselling and guidance may decide to start with an individual action seeker and the counselling officer will coordinate steps to be taken (both by the AMS and the steps would include, inter alia, active labour</p>
<p>Average time span between beginning of individual action plan and participation in training and other employability measures (job scheme, subsidised employment, start-up support)</p>	<p>Such data are not available. The duration needs and/or the AMS counsellor's judgment</p>
<p>Frequency of interviews</p> <ul style="list-style-type: none"> • average frequency during the individual action plan 	<p>There is no standardised frequency for job Depending on the concrete interpersonal situation AMS counsellors may make appointments to report back to his/her counsellor regularly made in his/her job search strategies.</p>
<p>What marks the end of the individual action plan</p>	<p>Usually, an individual action plan ends when an active labour market policy will interrupt measure, the job-seeker does not find any For disabled job-seekers, however, the income after job take-up to ensure sustained labour involve consultation with federal social welfare AMS and the affected disabled person.</p>
<p>Minimum and maximum duration of individual action plans</p>	<p>The duration of the action plan will depend unemployment spell</p>

<p>Are there sanctions if a registered unemployed does not attend the different stages of the individual action plan:</p> <ul style="list-style-type: none">• for which stages (first interview, follow-up interviews, measures) and• which sanction (suspends eligibility to unemployment benefits or allowances, radiation from registers ...)	<p>The most important sanctions for job-seek benefits, unemployment assistance or training are:</p> <ul style="list-style-type: none">• If a benefit claimant fails to accept a suitable job search activities credible (e.g. or if he/she refuses without stating any agreed retraining/follow-up training or can be suspended for the time of refusal, be repeat "offenders") – section 10 of the Unemployment Insurance Act.• If a benefit claimant does not comply with the requirements of the Unemployment Insurance Act without good reason, he/she will lose the right to unemployment assistance as from the first day of the continued claim (i.e. when he/she reappears for a new claim).
---	---

Table 13a - Breaks in unemployment spells

	Does not break unempl. spell (a)	Breaks unemployment spell (a)		If
	(1)	(2)	(3)	
		Always (a)	Depends on duration or other conditions (a)	
Training measures			X	Dura
Job schemes for unemployed			X	Dura
Part-time work		X		
Temporary activity			X	Dura
Seasonal work		X		
Illness			X	Dura

(a) tick where appropriate

Annex 1, GL 9

Table 14: Unemployment of the disabled 1999

Unemployment of the disabled			
Year		Change over previous year	
Month	Stock	in absolute terms	in relative terms (%)
Year 1998	40,541	+3,072	+8.2
Year 1999	39,378	-1,163	-2.9
Jan 99	44,933	+2,072	+4.8
Feb 99	44,304	+1,650	+3.9
Mar 99	42,818	+848	+2.0
Apr 99	40,593	-145	-0.4
May 99	38,185	-1,209	-3.1
June 99	37,201	-1,535	-4.0
July 99	36,956	-1,806	-4.7
Aug 99	36,950	-1,918	-4.9
Sep 99	36,461	-2,153	-5.6
Oct 99	36,660	-2,470	-6.3
Nov 99	37,807	-3,151	-7.7
Dec 99	39,668	-4,136	-9.4

As from 10/99 modified counting procedure

Source: AMS

Table 15: Job take-ups by the disabled 1997 - 1999

	1997	1998	1999
Total	29,546	29,556	33,940
Percentage of job take-ups	36.0	34.8	32.7

Source: AMS

Table 16a: Participants in AMS measures 1996-1999 (annual average stock)

	1996	1997	1998	1999
Disabled persons registered as unemployed	34,055	37,469	40,540	39,378
- female share in %	35.7	36.2	36.5	36.6
Disabled persons in skills training measures (annual average)	4,089	4,852	4,450	5,438
Disabled persons in employability measures* (annual average)	2,324*	1,616*	1,240*	2,351*
Total participants in AMS measures* (annual average)	6,413	6,468	5,690	7,789

Source: Federal Ministry of Labour, Health and Social Affairs; * estimate

Table 16b: Participants in measures of the federal social welfare offices (for the disabled) 1996-1999

	1996	1997	1998	1999
Disabled persons in skills training measures (total number of participants)	570	1045	1457	n.a.
Disabled persons in employability measures (total number of participants)	4,482	5,432	6,562	n.a.
Disabled persons in other measures (total number of participants)	2,364	3,090	4,350	n.a.
Total number of participants in welfare office measures	7,416	9,567	12,369	n.a.
Premiums according to section 9a of the recruitment legislation for the disabled (<i>Behinderteneinstellungsgesetz</i>)(number of cases)	9,545	10,213	9,828	n.a.

Source: Federal Ministry of Labour, Health and Social Affairs

Note: number of participants, no annual average stock of participants in measures

n.a.: exact figures for 1999 are currently not yet available; they will be submitted at a later date (probably end of April)

Annex 1, GL 11:

Table 17: Business start-ups 1993 - 1999

	Start-ups
1993	14,631
1994	14,306
1995	14,161
1996	19,843
1997	21,706
1998	19,722
1999	22,459 (preliminary data)

Source: Austrian Economic Chamber

Annex 1, GL 12

Chart 1: Development of employment in the services segments "culture, sports and entertainment" and "health and social services", monthly development 1995/1999; dependent workers in 1,000 persons



Source: Federation of Austrian Social Security Institutions; computed by Institute for Higher Studies (IHS)

Annex 1, GL 12

Survey 1: Development of TEPs in the Austrian *laender* 1999

Territorial employment pact for Burgenland	In 1999, the idea of creating a territorial employment pact for Burgenland progressed very far. Preparatory work for the TEP was done by the Burgenland regional management in close co-operation with the public employment service (<i>AMS</i>) and the federal province (<i>land</i>). The conclusion of a territorial employment pact for Burgenland is expected to take place in spring 2000.
Territorial employment pact for Carinthia	In December 1998, the contract on a territorial employment pact for Carinthia was concluded between the <i>land</i> and the <i>AMS</i> for a period of 4 years. The total funds appropriated in 1999 amounted to ATS 200,600,000. In the first year of operation the following developments took place: <ul style="list-style-type: none"> • establishment of new communication and co-operation levels (formulating joint objectives and strategies, assigning tasks and functions to individual bodies, introducing strategic inter-departmental co-operation within the provincial organisation, developing standards) • projects: developing new foundations (especially those targeted on women), extending childcare facilities, developing non-profit employment projects • preparatory work to focus objective 2 and objective 3 ESF funding • planning concrete measures for the TEP 2000
Lower Austrian territorial employment pact	The Lower Austrian employment pact was adopted on 30 September 1999 for the 2000 – 2004 period. For the year 2000, appropriations by the individual institutions totalling ATS 1,246,700,000 have been suggested. Progress could be made, inter alia, in the following areas: <ul style="list-style-type: none"> • Defining joint labour market and structural policy objectives, projects and appropriation criteria • Specifying instruments and defining additional projects within the framework of the Lower Austrian employment pact • comprehensive analysis of status quo; survey of regional projects with employment effects • establishing organisational structures and having the various bodies start work (platform, control group and pact co-ordinators), • launching the pact and planning the year 2000
Regional employment and skills training pact for Upper Austria	The regional employment and skills training pact for Upper Austria (German acronym: <i>BQP</i>) is a joint programme of <i>AMS</i> and the <i>land</i> of Upper Austria. In 1999, the overall available budget was ATS 243,040,000 excluding additional agreement for ATS 11,000,000. Being without a structure of its own, the <i>BQP</i> was jointly co-ordinated by the <i>land</i> and the <i>AMS</i> in the year under report. In 1999, a special focus was further training of over 45-year-olds in employment. Upper Austria has already adopted the <i>BQP</i> 2000; the final signing of the pact 2000 is expected to take place in spring 2000.
Territorial employment pact for Salzburg	The territorial employment pact for Salzburg covering the 1997-1999 period required appropriations of ATS 16,205,000. In June 1999, responsibility for pact co-ordination went to department 3 (social affairs) of the <i>land</i> Salzburg. 1999 was characterised by, inter alia, the following developments: <ul style="list-style-type: none"> • TEP evaluation and upgrading regarding responsibilities, decision-making structures and pact criteria • definition of organisational structure (e.g. creation of a co-ordination team) • restructuring of TEP within the NAP; in February 2000 the new pact for 2000-2002 was adopted by a general assembly • Definition of interventions, target groups and targets of the TEP 2000
Styrian employment pact	In 1999, the concept and structure of the Styrian employment pact (German acronym: <i>STEBEP</i>) were developed. Technical assistance funds under objective 3 programmes were granted to support the set-up of the pact. The Styrian government has asked the employment promotion council established under the Employment Promotion Act (<i>Arbeitsförderungsgesetz</i>) to deal with the matter. This council has adopted, and submitted to the provincial government, a list of issues to be addressed by the Styrian employment pact. Currently, negotiations are taking place within the Styrian provincial government to conclude the <i>STEBEP</i> with the <i>AMS</i> in the form of a framework pact at provincial level focusing on regionalisation (it is planned to establish regional employment pacts at NUTS 3 level). In eastern Styria, following an initial meeting in March 1999, all local institutions were involved in the preparation of a regional TEP called <i>BPOst</i> , which was then adopted in autumn. The other Styrian regions, too, are preparing regional pacts.

<p>Regional employment pact for Tiroler Oberland / Außerfern Pact for employment and industry in Tyrol</p>	<p>The regional employment pact Tiroler Oberland and Außerfern has been in operation since June 1997 in the districts of Imst, Landeck and Reutte. Technical assistance by the European Commission in the amount of ATS 2,700,000 was provided for three years; in addition, the 1999 TEP was supported under objective 3. In 1999, progress could be made, inter alia, in the following areas:</p> <ul style="list-style-type: none"> • preparation/implementation of new and innovative projects, such as "innovation discussions", "survey of flexible work arrangements and measures to promote full-year employment", "establishment of an education network", "mediation of work experience" and "opening up new markets/promoting co-operation" • implementation of projects, such as "image brochure and location catalogue", "local supply", "mentoring models for young people" <p>Co-operation between the Tyrol and the AMS is regulated in the <i>land-wide</i> pact for employment and industry signed in August 1999. The pact will be operative till 2002 and, as from 1 January 2000, annual funds of ATS 400,000,000 are allocated. Vocational guidance measures are as much part of the pact as are market-related future-oriented skills training, information and financial incentives for private-sector employers to recruit job-seekers.</p>
<p>Territorial employment pact for Vorarlberg</p>	<p>The territorial employment pact for Vorarlberg (German acronym: <i>L.A.I.V.</i>) was launched in October 1997. Since then the pact has received technical assistance funds by the European Commission of ATS 2,700,000 (for 3 years). The focus of the territorial employment pact for Vorarlberg is on networking provincial employment initiatives and providing support structures. In the year under report, the following developments took place (inter alia):</p> <ul style="list-style-type: none"> • implementing new projects, such as "study on the economic and personnel situation of non-profit employment projects and socio-economic enterprises in Vorarlberg", "pilot project: placement support" and "<i>Carla Elektro</i>" • creating a Homepage for employment initiatives • introducing the tool of "quality management" for provincial employment initiatives • restructuring and realigning the TEP within the NAP; the outline of the future NAP-based pact was prepared and submitted at the end of January 2000.
<p>Territorial employment pact for Vienna</p>	<p>The territorial employment pact for Vienna (German acronym: <i>TBP Wien</i>) is based on the co-operation of the Vienna employees' promotion fund (<i>Wiener ArbeitnehmerInnen Förderungsfonds - WAFF</i>) and the <i>AMS Wien</i>. Recognition of the <i>WAFF</i> as a territorial employment pact by the European Commission enables the <i>WAFF</i> to conduct internationally networked projects. The active labour market measures and programmes under the <i>TBP Wien</i> were supported by appropriations of the City of Vienna to the <i>WAFF</i> and of the Federal Ministry of Labour, Health and Social Affairs to the <i>AMS Wien</i> totalling ATS 725,000,000. The year 1999 was the first to have comprehensive funding of measures under the Vienna pact; roughly 150 measures received funding. The most essential developments were:</p> <ul style="list-style-type: none"> • more than 8,600 people enrolled in TEP measures • 60% female share in allocations and participants • total integration rate over 40% • simplified TEP administration and reporting.

Annex 1, GL 19:

Table 18: Distribution of subsidy cases / of subsidised persons in AMS measures 1999

DISTRIBUTION OF SUBSIDY CASES/SUBSIDISED PERSONS					
	Men		Women		Total
	Number	in %	Number	in %	Number
Skills training*)	152,677	47.26%	170,374	52.74%	323,051
Employability	12,435	48.73%	13,081	51.27%	25,516
Support	8,397	29.09%	20,470	70.91%	28,867
TOTAL	173,509	45.97%	203,925	54.03%	377,434
Skills training	152,677	47.26%	170,374	52.74%	323,051
Employability	12,435	48.73%	13,081	51.27%	25,516
Support without childcare benefits / subsidies to childcare facilities	8,040	64.65%	4,401	35.35%	12,450
Childcare benefits / subsidies to childcare facilities	348	2.12%	16,069	97.88%	16,417
TOTAL	173,509	45.97%	203,925	54.03%	377,434
for unemployed	148,098	44.17%	187,158	55.83%	335,256
for employed	25,411	60.25%	16,767	39.75%	42,178
TOTAL	173,509	45.97%	203,925	54.03%	377,434

*) including Employment and Adapt initiatives (EU)

Source: AMS

Table 19: Development of the AMS's target of "raising women's labour market opportunities through skills training" 1999

		1999		1998	1999 target
		in absolute terms	in % of target	in absolute terms	in absolute terms <i>min</i>
Target: Raising women's labour market opportunities through skills training					
<u>Indicator: women entering employment following skills training</u> <i>total</i>					
	A	25,821	164.03	14,907	15,742
	B	981	168.85	561	581
	K	1,978	156.98	1,518	1,260
	N	3,296	145.20	2,021	2,270
	OÖ	5,129	167.61	2,885	3,060
	SBG	1,479	129.06	941	1,146
	STM	4,529	153.27	2,954	2,955
	T	1,195	147.53	743	810
	V	1,132	185.57	588	610
	W	6,102	200.07	2,696	3,050
<u>of these, women having completed training courses lasting more than 3 months</u>					
	A	5,440	132.68	4,402	4,100
	B	181	118.30	152	153
	K	347	123.93	376	280
	N	849	99.88	743	850
	OÖ	1,062	147.50	994	720
	SBG	282	176.25	178	160
	STM	1,015	150.37	750	675
	T	203	125.31	144	162
	V	258	172.00	137	150
	W	1,243	130.84	928	950

Source: AMS

III.2. Annex 2: Budgetary information

Annex 2, GL 3

Table 20: Active labour market spending of the federal government 1997 - 2000

in million ATS (in million €)	1997	1998	1999	2000
Active labour market policy AMS + Federal Ministry of Labour, Health and Social Affairs	5,273 (383.20)	5,094 (370.20)	4,987 (362.41)	5,160 (374.99)
+ special integration subsidy (BESEB)	105 (7.63)	500 (36.34)	124 (9.01)	223 (16.20)
ESF (objectives 1-5b and EU initiatives)	1,734 (126.01)	1,548 (112.50)	1,487 (108.06)	1,035 (75.21)
Labour market promotion, without additional NAP measures	7,112 (516.85)	7,142 (519.03)	6,598 (479.50)	6,418 (466.41)
<i>NAP - appropriations</i>	-	-	835 (60.68)	1,204 (87.49)
<i>NAP - special integration subsidy</i>	-	-	1,000 (72.67)	1,000 (72.67)
<i>NAP - New Start</i>	-	-	147 (10.68)	-
Total labour market promotion including NAP under Public Employment Service Act and Labour Market Promotion Act (AMSG, AMFG)	7,112 (516.85)	7,142 (519.03)	8,580 (623.53)	8,622 (626.58)
Use of passive funds for active labour market policies including social insurance contributions (BESEB not included)				
Unemployment benefits for people in foundations	590 (42.88)	545 (39.61)	571 (41.50)	571 (41.50)
Unemployment benefits/unemployment assistance for people in training, training following parental leave	373 (27.11)	425 (30.89)	899 (65.33)	899 (65.33)
Re-employment subsidy	9 (0.65)	21 (1.53)	16 (1.16)	16 (1.16)
Labour market promotion in total plus passive funds used for active labour market measures	8,084 (587.49)	8,133 (591.05)	10,006 (727.16)	10,108 (734.57)
NAP - safety net for young people		1998	1999	2000
Youth Training Consolidation Act (Jugendausbildungs-Sicherungsgesetz)		39 (2.83)	197 (14.31)	450 (32.70)
Apprenticeship foundations				
Training courses		32 (2.33)	238 (17.29)	544 (39.53)
Sum total	8,084 (587.49)	8,204 (596.21)	10,501 (763.13)	11,102 (806.81)
Increase versus previous year (in relative terms)	28.0%	1.5%	28.0%	5.7%

Source: Federal Ministry of Labour, Health and Social Affairs

Note: actual figures for 1999, planned figures for 2000

Annex 2, GL 9:

Table 21a: Active labour market spending for integrating the disabled – 1999 (in million ATS)

	Active labour market spending of AMS*	Equalisation tax fund of the Federal Ministry of Labour, Health and Social Affairs	ESF* (objectives 1 and 3)	Federal provinces (<i>laender</i>)	Total
Skills training measures	623.1	52.8	
Employability measures	357.8	270.5	
Other measures	-	26.9	
Total	980.9	350.2	

Source: Federal Ministry of Labour, Health and Social Affairs; * estimate; ... data not yet available, will be submitted later

Table 21b: Active labour market spending for integrating the disabled – 1998 (in million ATS)

	Active labour market spending of AMS*	Equalisation tax fund of the Federal Ministry of Labour, Health and Social Affairs	ESF* (objectives 1 and 3)	Federal provinces (<i>laender</i>)	Total
Skills training measures	440.0	52.8	224.1	...	
Employability measures	254.0	226.7	124.7	...	
Other measures	-	24.9	47.4	...	
Total	694.0	304.4	396.2	...	

Source: Federal Ministry of Labour, Health and Social Affairs; * estimate; ... data not yet available, will be submitted later

Annex 2, GL 19:

Table 22: Distribution of subsidy spending (in million ATS) for AMS measures – 1999

DISTRIBUTION OF SUBSIDY SPENDING (in million ATS)							
	Measures attributable by sex				Measures not attributable by sex		Measures total
	Men		Women		Amount	in %	Amount
	Amount	in %	Amount	in %			
Skills training	2,538.48	50.08%	2,530.37	49.92%	331.21	6.12%	5,400.06
Employability	1,039.37	53.91%	888.52	46.09%	83.39	4.15%	2,011.28
Support	63.87	20.14%	253.24	79.86%	448.06	58.56%	765.17
TOTAL	3,641.71	49.79%	3,672.14	50.21%	862.66	10.55%	8,176.51
Skills training	2,538.48	50.08%	2,530.37	49.92%	331.21	6.13%	5,400.06
Employability	1,039.37	53.91%	888.52	46.09%	83.39	4.15%	2,011.28
Support without childcare benefits / subsidies to childcare facilities	58.13	74.60%	19.79	25.40%	448.06	58.56%	525.98
Childcare benefits / subsidies to childcare facilities	5.73	2.40%	233.46	97.60%	0.00	0.00%	239.19
TOTAL	3,641.71	49.79%	3,672.14	50.21%	862.66	10.55%	8,176.51
for unemployed	3,373.45	49.04%	3,505.34	50.96%	788.80	14.61%	7,667.59
for employed	268.26	61.66%	166.80	38.43%	73.86	3.67%	508.92
TOTAL	3,641.71	49.79%	3,672.14	50.21%	862.66	10.55%	8,176.51

Source: AMS