

AUSTRIA

REVIEW OF THE IMPLEMENTATION OF THE GUIDELINES ON LOCAL EMPLOYMENT IN THE EMPLOYMENT NAPS FROM 1998 TO 2001 (draft report)

Ferdinand Lechner

General remarks

Until the mid 90s the implementation of active labour market policy (ALMP) was in the hands of the PES. Provincial governments and municipalities mainly co-financed the PES's employment initiatives, only few projects were launched directly by the provincial or municipal governments. But an integrated local or regional employment strategy including different actors and tuning different policy fields (e.g. economic development, spatial planning, employment etc.) did not exist.

The first impulse for a more integrated strategy came from the structural funds implementation within the regional objectives after Austria's accession to the EU in 1995. The design of the SPDs in the regional objectives required a stronger cooperation of all LMP actors on the provincial level, especially between the provincial government and the PES. In the SPDs a regional approach of active LMP could be identified for the first time.

The second impulse for an integrated regional approach of an employment strategy came from the implementation of TEPs in 1997. This institution is the main platform for the discussion and drawing up of a regional / local employment strategy. In the NAP context the TEPs are the main tool for implementing the NAP on a regional / local level. Therefore the TEPs are always mentioned in the sections of the NAP which refer to the regional / local level.

ASPECT 1: ROLE OF THE LOCAL AND REGIONAL AUTHORITIES

1.1 Participation in the design of NAPs

- *Involvement of local and regional partners*

The implementation report for 1999 includes some remarks on the process of design and implementation of the NAP. The NAP was drawn up by the Ministry for Economic Affairs and Labour. A coordination unit in the ministry compiles a draft version which is sent out to a great number of institutions, mainly ministries (e.g. Ministry for Education, Ministry for Social Security and Generations, Ministry for Finance), the social partners and the PES.

Since 1998 the main discussions have been led between the coordination unit, other ministries and the social partners. According to the Austrian tradition the NAP represents a design which is agreed by all actors. Additionally, in the 1998 NAP a common declaration of the Social Partners was integrated. The same text can be found in the 1999 NAP.

As for the local or regional level, the NAP does not provide a procedure to reconcile the federal, provincial and local levels. According to the information of the Ministry for Economic Affairs and Labour, the Intermediate Agency of the Provinces (Verbindungsstelle der Bundesländer) is included in the coordination process. This unit distributes the draft version to the provincial governments and collects the feed-backs of the single provinces. However, this does not imply that local or provincial strategies are integrated, the provinces' comments are merely taken notice of.

- *Local or regional strategies used in elaborating the NAP*

No formal procedure exists to integrate the TEPs into the process of designing the NAP, although they are the major tool to implement the NAP on a regional/local level. The NAP was seen as a framework from which regional/local strategies derived in form of a top-down approach. This can be seen in the first regional employment pacts, which were structured along the NAP pillars in the sense of a top-down process. At the moment the development strategy of the TEP focuses on the question of how a regional strategy might be included in the NAP in form of a bottom-up process. It will, however, take some years until this approach is implemented.

- *Start of the involvement*

The described procedure of the NAP design process has been in effect since 1998 and has not changed since.

1.2 Participation in implementation of the NAP

The Austrian NAP is a compilation of activities in different policy fields. The implementation is handled by the relevant ministry which implies that subordinate local and regional authorities are sometimes involved.

One main actor in the implementation of the NAP is the PES, the 9 provincial and the 106 regional offices in the districts (see also section 1.3).

As already mentioned, the TEPs are described in the NAPs as the main tool for integrating provincial and municipal levels in the implementation of the NAP. The PES is the main partner in the TEP and – if already installed - in the regional employment pacts. Further important partners are the provincial government and the Social Partners. The number and scope of the additional partners differ from province to province. Some of them are represented by the Federal Office for Social Welfare and the Disabled, NGOs, School authorities, representatives from municipalities, regional management agencies, or Gender Mainstreaming experts.

These institutions act within their relevant frameworks set out by budget lines, legal commitments and competences. They drew up the pact agreement, which is in line with the guidelines given by the NAP. The TEP structure includes a steering committee and working groups, which have special tasks in the implementation of the TEP or regional pacts. All measures implemented by the pact partners should contribute to the realisation of the NAP guidelines.

In the past, the number of actors have increased and the process of implementing further regional pacts within the provincial TEP has progressed.

In addition to the TEPs, some guidelines include further actors for the NAP implementation. Under GL 7 (1998 NAP) a safety net scheme (Auffangnetz) for young people looking for an apprenticeship was established. This includes special measures for vocational training organised by training institutions. The training is similar to that at company level and should offer a transfer option to company training as soon as a place is available. The institutional structure includes a steering group in the Ministry for Economic Affairs and Labour on the federal level. On the provincial level a project group was established, in which representatives of the provincial PES, the provincial government and the provincial organisations of the social partners organise and monitor the implementation of the safety net (determine the number of required training places, the budget provided by the ministry, distribute the budget to the training institutions and run a monitoring system). This project group has to report to the Ministry. In 2001 the regional structure was dissolved and the PES is now responsible for its implementation.

Policy interventions concerning educational affairs in the school system are provided for by the Ministry for Education, Science and Culture. The Ministry is responsible for universities, polytechnics and the system of secondary schools. The compulsory school system is organised by the provinces. These central authorities (Ministry and Provincial Government) participate in the NAP implementation, local school authorities are only subordinate institutions with hardly any autonomy. That implies a highly centralised implementation of NAP measures concerning the school level.

Participation in reviews, monitoring, evaluation

All institutions mentioned above participate in the monitoring. Local and regional authorities report on the state of implementation to the relevant ministry.

The evaluation of the NAP implementation is carried out by two research institutes on behalf of the coordinating ministry. In addition, some provincial PES offices commissioned research on different topics of the NAP implementation. Hence the top-down principle of the NAP design corresponds with the central organisation of evaluation procedures.

1.3 Institutional arrangements

The NAP is implemented in the framework of the clear structure of policy making, which refers to a clear distinction between federal, provincial and municipal competences.

Nearly all of the ALMP measures described in the NAP are implemented by the PES. All organisational levels are involved. As described in section 2.1 the federal and the provincial offices of the PES have an important role in the design of the target system of the PES, which is coordinated with the NAP Guidelines. The regional offices are mainly responsible for the implementation on a local level. Some major projects are launched by the provincial offices.

The provincial governments are involved in the implementation of some measures mentioned under the NAP GLs, which mainly correspond to the improvement of the provincial economic structure. In some cases this involvement is restricted to the co-financing of ALMP measures. But there is a trend towards stronger involvement of the provinces in this field. The establishing of regional development agencies or the foundation of technology centres and regional centres for innovation are planned and financed by the provincial governments. A further task of the provinces is the provision of child care facilities financed by the federal government.

The municipalities are sometimes co-financing the ALMP if they are of direct use for the municipal government (e.g. reduction of the number of people receiving social welfare). But there is no fixed scheme for the involvement of the municipalities.

School authorities have a clear division of competences. Compulsory school affairs are managed by the provinces, higher education is organised by the Ministry for Education, Science and Culture. NAP related measures carried out by single local schools are coordinated by the central authorities.

Measures for handicapped people who hold a certificate proving their disability are commissioned by the Federal Offices for Social Welfare and the Disabled, an institution on the provincial level and subordinate to the Ministry for Social Security and Generations. They have an annual budget and have the autonomy to implement measures which are in line with the federal guidelines and their own targets.

1.4 Autonomy and influence

- *Range of flexibility for regional/local authorities*

Because of the decentralisation of the PES, the provincial offices have the flexibility to develop their own programmes and to decide about the selection of active LMP interventions. This has to be worked out within the LMP objectives set by the administrative council (Verwaltungsrat) of the PES, within the targets set in the shape of specific indicators and within the given budget line. The regional offices have to contribute to the realisation of the targets, but they are responsible for the selection of ALMP measures. They have the autonomy to select the appropriate measures in order to reach the targets.

A certain degree of autonomy can be found in the TEP programming process. The agreed pact document is directly geared towards the regional problems on the labour market. The programme is worked out in the context of the specific competences of the actors and the given budget. This is a new development in designing programmes on the provincial/regional level. The bottom-up process has however not yet started, because the regional employment pacts are not yet integrated in the NAP procedure.

- *Interregional cooperation*

For the coordination of the TEPs on the federal level the 'Coordination Office for Austrian Employment Pacts' was commissioned by the Ministry to ensure the networking of the TEPs and the transfer of know-how within Austria.

- *National changes by EES*

As already mentioned, the structural funds implementation has triggered the major changes in the involvement of local/regional authorities in political decision-making on employment. But what is really missing is a more intensive involvement of the regional/local level in the designing of the NAP.

1.5 Guidelines/ areas of intervention in which local and regional authorities are involved

- *Guidelines with involvement of local/regional authorities*

The provincial and the regional offices of the PES are responsible for the implementation of measures under 1998/1999 GL 1 (New start for young people) and 2 (Fresh start for LTU adults), and 2001 GL 1 (Preventing LTU). These measures have to contribute to reach the target values of the input and output indicators set in the NAP. The fulfilment of the targets for GL 1 and 2 would imply an increasing number of people in active LMP measures. In this respect the provincial (planning, designing) and regional (implementation) offices of the PES were responsible for the realisation of the 1998/ 1999/ 2000 GL 3 (Increasing the number of people benefiting from active labour market measures). The PES activities under the three described GLs were business as usual.

Already in the 1998 NAP the implementation of the TEP is defined as a central instrument of the general employment strategy in Austria. In the 1999 and 2000 NAP the development of the TEPs is described under GL 12 (Creating new jobs in the social, health and cultural sectors and on a local level). The cooperation of different labour market actors in the framework of the TEP is seen as a prerequisite for the job creation in the fields of social services on local and regional levels. In the 2001 implementation report the regional dimension is described as a kind of horizontal objective and focussed on the TEPs.

But no reference to concrete projects or examples of job creation can be found in the implementation reports or in the relevant sections of the NAPs for 1999 until 2001.

Under GL 12 in 1998 and 1999 the NEW START programme was implemented. A budget of about 21 M€ was spent for projects employing LTU and covering the local or regional need in the field of

care services (75% of all projects) but even in culture and the new media. This programme ended at the end of 1999. In the 1998 NAP an ambitious list of measures was described in order to foster local and/or regional dimensions of employment. In the following guidelines local/regional players were addressed:

- Creation of new models of training networks under participation of local actors and enterprises (1998 GL 5)
- Creation of a safety-net scheme for young people looking for an apprenticeship with regard to regional problem situations (1998 GL 7)
- Setting up of new Counselling Institutions for regional development, for clarifying regional labour market needs, Setting up of Founder Centres (1998 GL 10)
- Creation of child care facilities provided by the provinces (1998 GL 17).

The safety-net for young people was developed during all NAP years until 2001. Hardly any of the other instruments were described in the follow-up implementation reports. Nevertheless, evaluations show that in the structural funds period of 1995 the creation of counselling institutions with high reference to regional situations increased.

The implementation reports or implementation sections in the NAPs did however not show the progress made. Only the design and implementation of regional programmes for active labour market policy for disabled was mentioned. This was carried out by the Federal Offices for Social Welfare and the Disabled in all Austrian provinces. The other two interventions under GL 12 in the 1998 implementation was NEW START and the development of the TEPs.

In the 2001 implementation report, under GL 6 'Bottlenecks – active policies to develop job matching' the initiatives of Vienna are mentioned:

- The Vienna qualification dialogue: companies suffering skill shortages in the IT sector were assisted with staff recruiting and training measures
- Composite qualification models (Qualifizierungsverbünde): different companies cooperate in training their staff in order to overcome skill shortages.
- *Special programmes*

The only programmes which promote the local/regional integrated strategies are the TEPs. In the pacts a clear regional strategy is explained. The other initiatives referring to local/regional actors are no programmes, but rather short-term initiatives with a fixed budget.

- *Progression since 1998*

Within the NAP in 1998/1999 the regional context of the measures was more intensive than in the following years. But the TEP development made continuous progress.

1.6 Financial aspects

In 2000 the total spending of the federal government for active labour market was at 806.8 M€, including 75.2 M€ ESF and 232.4 M€ special NAP donation. Most of the expenditure goes to the PES.

In comparison, in the table below the budget for the measures implemented by the TEP is listed.

Table: Planned budget implemented by the TEPs in 2001

Province	Budget for 2001 in €	Remarks
Burgenland	not indicated	
Carinthia	23.1 M€	additional means from ESF obj. 3
Lower Austria	91.6 M€	additional means from Esf obj. 3
Upper Austria	91.1 M€	including ESF obj. 3 means
Salzburg	4.5 M€	additional means from ESF obj. 3
Styria	not indicated	
Tyrol	29.1 M€	additional means from ESF obj. 3
Vorarlberg	not indicated	
Vienna	47.1 M€	additional means from ESF obj. 3

Note: funds from objective 1 and 2 programmes included

Source: Website from the Co-Ordination Office for Austria's TEPs (www.pakte.at)

ASPECT 2: ROLE OF OTHER PARTNERS AT LOCAL LEVEL

2.1 Role of Public Employment Services (PES)

- *Level of autonomy of regional/local branches of the PES*

The Ministry for Economic Affairs and Labour is responsible for defining the general objectives of national labour market policy. The implementation and development of policies is in the hand of the PES. The federal authority of the PES sets out the corresponding operational targets of LMP interventions. The provincial authorities have to contribute to the realisation of these targets. On the other hand do these institutions have the autonomy to design and implement appropriate measures for the territory of their respective province. On the level of the 106 regional offices (on district level) the PES is responsible for the implementation of LPM measures (e.g. the assignment of unemployed people to training courses). The regional offices have the autonomy to select concrete measures under the given budget line. But they have to contribute to reach the operational targets set by the federal and the provincial offices. This refers especially to the 1998-2000 NAP guidelines 1, 2 and 3, but also to GLs 8, 9, and 18 to 21 (2000 NAP).

- *New tasks of PES in support of local employment opportunities*

In the course of the structural funds implementation the PES expanded the ALMP measures' supply in rural areas. The measures were adapted to the needs of special target groups in rural and peripheral regions. This was initiated by the ESF rather than the NAP.

- *Involvement in regional/local partnerships*

Besides the provincial government the provincial PES is the main partner in the TEPs. In the framework of the establishment of regional employment pacts as a more operative level of the TEPs, the regional offices of the PES were integrated in the steering group and the project design group of the regional employment pacts. This process started in most TEP regions in 2000. This implies the introduction of new forms of regional and local partnership and extended coordination of local and regional actors.

- *Progression since 1998*

From 1997 to 2001 TEPs were established in all 9 Austrian provinces. This means a stronger involvement of the PES in the discussion and design process of the regional ALMP.

2.1 Role of Social partners in developing local job creation

- *Involvement of social partners in regional/local partnerships*

Austria has a long tradition of social partner involvement in policy fine-tuning. The cooperation between government and the social partners ranges from the general economic development, fiscal and income policy to special fields of structural policy such as matters of education, training and business promotion. But there isn't any formal framework for the consultations and cooperations between governmental administrations and social partners which makes their involvement a difficult task.

A formal arrangement is the involvement of the social partners in decision making on the implementation of LMP. They are members of the administrative council of the federal PES office and of the governing boards of the provincial and the regional PES offices. Therefore the social partners are integrated in decision making of LMP on local and regional levels.

In addition they represent main partners in the TEPs and the regional employment pacts and play a role in coordinating regional or local interests. Similar to the changes for the PES, the development of the TEP implementation was an incentive for the more intensive integration of the social partners in the coordination of regional and local LMP in the context of an integrated structural policy.

- *Adaptability pillar*

The main field of the social partners' involvement in policy shaping within the NAP implementation is the pillar III: encouraging adaptability of business and their employees. Most of the social partner agreements (flexible working time agreements, educational leave agreements, part-time work for older workers, solidarity bonus model) were met on the central level. Only if the agreement was reached on plant level the local social partners were involved in the negotiations.

- *Progression since 1998*

The progression is linked to the development of the TEPs.

2.3 Role of other local partners in developing local job creation

As the TEP was the main institution building tool within the ALMP since the late 90s it needs to be asked which other local partners play an important role in the TEPs or the regional employment pacts. Because an improved cooperation between local / regional actors occurred only since a formal cooperation and coordination structure in the shape of TEPs developed. Before that the involvement of regional / local actors (besides the PES) in the ALMP happened very selectively and voluntarily without any commitment. But within the TEPs all actors sign a contract and committed themselves to carry out specific measures of ALMP. In this context the additional value of TEPs is the creation of a formal cooperation structure for regional/local ALMP.

As the main actor besides the PES, the provincial governments were integrated in the TEP networking. They were responsible for developing economic strategies and spatial planning, and account for a substantial part of the total public spending. Below this institutional level the communities are the only autonomous administrative body. Their importance in terms of financial

resources is small, but they are important employers in the provision of communal services and have a number of competences in spatial planning which are crucial for economic development.

The implementation of the TEPs went hand in hand with the improved coordination of the activities of the provincial PES and the provincial governments. These two partners were the main partners in all but two TEPs. Representatives of umbrella organisations of communities as well as larger communities were also integrated in most, but not all TEPs.

On the level of the regional employment pacts the regional offices (on district level) of PES and communities were the main partners.

The strong focus on the involvement of the social partners was obvious. In most of the TEPs regional management agencies are involved in the pact, although they are not the main partners. The involvement of private firms as well as NGOs is very small. Also school authorities are considered to be an important partner in the future, as many topics on education are part of the TEP treaties.

ASPECT 3: LOCAL DEVELOPMENT AND LOCAL JOB CREATION

3.1 New sources of local employment and the social economy (third system)

There are no new programmes to promote local job creation. The third system was not considered in terms of job creation potentials.

Only in 1999 the NEW START programme showed such an approach (see 1.5). Under GL 1 the employment subsidies of the PES are geared towards local employment in private and third sector companies. This programme was however only a one-year initiative.

The companies working as employment initiatives in the third sector are mainly non-profit organisations which offer temporary jobs for unemployed people with severe problems in labour market integration (e.g. disabled, long-term unemployed, ex drug addicts, homeless people, ex offenders etc). The objective is a transition to regular employment. These initiatives are mainly subsidised by the PES and ESF, some are co-financed by the Federal Office for Social Welfare and Disabled, provincial governments and municipalities. The implementation of these employment initiatives was initiated in the mid 80ies and is not linked to special NAP topics or the EES.

There is no link to specific third sector fields. Of the employment subsidies granted in 1999 by the PES, about 25% were given to the health care and social service sector.

The health care sector was the most expanding field of the Social Economy between 1995 and 2000 with a net increase of 18,850 jobs with a relatively high rate of jobs for women and high qualified staff. The growth reflects the demand of private households because of increased household incomes and growing "wellness-awareness".

The total net job increase in the Social Economy is estimated at about 53,240 which is half of the total net job increase in Austria between 1995 and 2000 (see Synthesis 2001).

The number of jobs created by local employment initiatives isn't mentioned neither in any implementation report nor in any NAP version.

3.2 Local development and local partnership

As described in section 1, the mainstreaming of the TEP in all Austrian provinces was a main result of the institution building strategies in the NAP. An important initiative to that development came

from the implementation process of the structural funds within the regional objectives (objective 1, 2 and 5b) which started in Austria in the mid 90ies. The implementation of the structural funds required a stronger cooperation and tuning of the involved actors. Especially the PES and the provincial governments (as final beneficiaries) had to cooperate more closely. After some troubles in the beginning, the result was a closer planning and implementing, and new arrangements in the financing of LMP measures. Step by step new actors were integrated in this cooperation process, such as regional development agencies, school authorities, the Federal offices for social welfare and the disabled, and representatives of municipalities.

One characteristic of the TEPs is the agreement of a programme by all partners of the pact. The specific role of the programmes within the NAP implementation is not mentioned in the NAP. But a review of the TEP targets shows that they are an integrated part of the NAP implementation. The programmes contain a definition of the

- general objectives of the pact
- main target groups of LMP interventions, which are on the one hand mainly unemployed threatened by exclusion from the labour market (LTU, women re-entering the labour market after parental leave etc.), and on the other hand in some pacts business founders or employed workers.
- responsibilities of the pact partners

Each pact shows a specific structure which depends on the economic problems, development strategies and institutional setting in the relevant province. In this context the programmes represent a kind of regional action plan.

To avoid frictions between regional and national policies a Coordination Office for Austrian Territorial Employment Pacts was established in 1999. The activities of the Coordination office include networking activities (coordination of meetings, support and advice to the TEPs, transfer of information), information input (newsletters, information modules), public relations and monitoring.

The next step in the development process of the TEPs is to draw up a more operative regional employment pact subordinate to the TEP. In these regional employment pacts, all actors at local and district level are coordinating local employment policy.

For the implementation of the pacts subsidies from the NAP were granted. In the SPD for objective 3 for 2000-2006 the TEP was included as a separate priority. This ensures the regions technical assistance for setting up sound structures of co-operation.

3.3 Equal opportunities

The equal opportunities issue is addressed by all TEPs, but shows a variety in its realisation. The TEP programmes address the situation of women on the regional labour market and point out the necessity for an improvement in access to the labour market and a reduction of the pay gap between men and women. However, the concrete measures refer mainly to a better integration of specific groups of women (especially women re-entering the labour market). At the moment there is a vivid discussion about the general development of how to integrate the gender mainstreaming issue into the pacts. This discussion is speeded up by the Coordination Office for the Austrian TEPs and the Ministry for Economic Affairs and Labour under the participation of the Coordination Unit Gender Mainstreaming in the ESF.

On the level of the institutional setting of the pacts in most of the existing TEPs the gender mainstreaming issue was considered by including a gender mainstreaming agent with mainly an advisory function but in one case even with decision making power.

A further issue of equality addressed by the TEPs is the improvement of the labour market situation of disabled people. The active LMP measures for disabled people have been implemented by the PES and since 1995 by the federal offices for social welfare and the disabled, which are organised on the provincial levels. However, in the NAP only the general strategy line is described, but no reference is made to the local or regional plans.

Summary

The strengthening of local / regional dimensions hardly derived from the implementation of relevant GL in the NAP but more from administrative structures and institution building triggered by the TEP implementation since 1997 or by the Structural Funds Implementation in the period since 1995. The additional value of the TEPs is a formal commitment between the most relevant actors in the field of ALMP, mainly the PES (provincial level), the Provincial Government, Communities / Community Associations, School authorities, Federal Offices for Social Welfare and the Disabled. The scope of the included partners differs from province to province depending on the specific tradition of engagement of the different actors and on different relevant provincial legislation.

The result of the commitment is a programme document which contains the aims, the strategy and concrete measures of all the partners in order to reach the objectives. And the impact are more joint efforts of the partners in order to intensify the job creation in the regions / provinces. These new institutional arrangements have to be assessed more important than some separate initiatives or measures mentioned under the relevant GL in the Austrian NAP which refer to local employment or local initiatives. This is reflected in the NAP sections referring to the relevant GL, in all implementation reports as well as in the present analysis.

Documents:

- NAP

Title	Content	Publishing Date
1998 National Action Plan for Employment - Austria	Guidelines 1998	15 April 1998
1999 National Action Plan for Employment - Austria	Guidelines 1999 and Overview of implementation of the 1998 NAP	18 May 1999
Implementation report for 1999 on the NAP	Implementation of the 1998 NAP and Adaptation of the 1999 Guidelines	1 June 1999
Implementation report for 2000 on the NAP	Implementation of the 1999 NAP and New Initiatives for the 2000 NAP	1 May 2000
Implementation report for 2001 on the NAP	Mix of implementation report for 2000 and 2001 NAP	24 April 2001

- JER
- WIFO / His: Continuous Evaluation of the NAP in Austria in the Year 1999. Vienna: WIFO / HIS 1999
- Huber, P., Territorial Employment Pacts in Austria. Discussion Paper. WIFO 2001
- www.pakte.at
- Information of the Ministry for Economic Affairs and Labour
- Synthesis Research, Die Wirkungen der österreichischen Umsetzung der Europäischen Beschäftigungsstrategie 1998 bis 2002. Berichtsband 1.1. Wien: 2001. (The impact of the implementation of the EES in Austria in the period of 1998 to 2002. Interim Report, Part 1.1, Vienna 2001)
- Bundesministerium für Wirtschaft und Arbeit: Evaluierungsergebnisse der Umsetzung des Nationalen Aktionsplanes für Beschäftigung in Österreich im Zeitraum 1998 bis 2002. Wien: 2002.
- Bundesministerium für Wirtschaft und Arbeit: Methodischer Berichtsband zum österreichischen Bericht über die Evaluierungsergebnisse der Umsetzung des Nationalen Aktionsplanes für Beschäftigung in Österreich im Zeitraum 1998 bis 2002. Wien: 2002.