

# Non-Paper on the European Year of Skills

The green and digital transitions, along with the technological developments of recent decades, as well as the demographic change pose significant challenges to our societies, education systems and labour markets in the long-term. These changes affect both the skills requirements relevant to the economy and the labour market, as well as the systemic design of educational pathways. The labour market and companies increasingly need specialists who are flexible and possess not only professional know-how but also transversal professional skills. Therefore, it is essential to implement targeted measures and develop effective tools.

In addition to traditional vocational education and training, new non-traditional forms of acquisition of qualification are receiving increased attention. This relates, on the one hand, to catching up or upgrading qualifications in adulthood and, on the other hand, to new target-group-oriented offers and support services.

In Austria, various instruments have been developed in this regard. The following measures are worth to mention:

- The Skilled Worker Barometer (*“Fachkräftebarometer”*), developed in June 2023, provides quarterly data on shortages of skilled workers at occupational level for the whole of Austria as well as for its individual Federal States. The Skilled Worker Barometer allows timely identification of signals of shortages of skilled workers and a better understanding of seasonal trends. It therefore enables early identification of the labour market developments and faster responses thereto.
- To match the existing qualifications with the required ones, the Austrian Public Employment Service (*Arbeitsmarktservice - AMS*) has developed a new Competence Matching Tool that should be gradually implemented. The automated process, matching the labour supply and demand, is based on competence and qualification indicators. The primary objective is to enhance employment opportunities for job seekers and make job placements more appropriate and timely.
- The Environmental Foundation (*“Umweltstiftung”*) was established in April 2022. It facilitates initial and further training in “green” occupations, including extraordinary apprenticeships for low qualified workers. The Foundation includes companies that actively contribute to reducing pollutant emissions through their products and services.
- The „Dual Academy“ is a specific training model in the framework of the dual education aimed at graduates of upper secondary schools. As an alternative to immediate entry into tertiary education, it offers tailored apprenticeships in companies, based on the age and prior knowledge of the trainees. The qualification corresponds to the EQF level 5.
- Building on the Austria’s traditionally well-established and proven system of master craftsperson and qualifying examination, along with the 2017 newly established form of certification for engineers to validate professional experience in the technical sector, a system of practical vocational training programs at the tertiary education level (EQF levels 5-7) should be launched in 2024 under the title “Higher Vocational Education”. These measures correspond to the Objective 2 of the Osnabrück Declaration regarding the importance of vocational training.

From our perspective, it is crucial to leverage a proven structure of the European Qualifications Framework in order to promote new models of vocational qualification at all levels of education. An emphasis should be placed on the new methods and tools of recognition and validation of non-formally and informally acquired professional competencies. The following elements should be taken into consideration:

- Prioritizing practice-oriented education and qualifications as well as evidence-based orientation on the labour market needs.
- Focusing on the skills that will be needed in the context of the green and digital transitions.
- Involving social partners and enterprises in the development processes.
- Systemic approaches to validation of non-formally and/or informally acquired competencies in accordance with the EQF levels.
- Continuation and utilization of the model of the Centers of Vocational Excellence (CoVEs).

Against this background, we propose to initiate a dialogue among the EU Member States. The European Year of Skills provides an appropriate framework in order to continue working on strategies to achieve the common European goals.

## Contributions by the social partners

### **Austrian Federal Economic Chamber** (*Wirtschaftskammer Österreich*)

As representatives of over 500,000 Austrian enterprises, the **Austrian Federal Economic Chamber** supports the European Commission's initiative for the European Year of Skills. Taking into account the high importance of the practical vocational skills on the Austrian labour market and the Osnabrück Declaration adopted at the EU level, we support all efforts and measures aimed at positioning vocational education as an attractive educational path equivalent to the higher education.

In Austria, a dual vocational education/apprenticeship has a particular importance, as well as the qualifications based on apprenticeship, such as master craftsperson and qualifying examination, and other higher vocational education certificates. Especially against the backdrop of the **green and digital transitions**, the importance of practical vocational skills increase. It relates primarily to completely new green skills as well as to very traditional occupations. Without an adequate number of skilled workers in occupations like installation and building technology, roofing and electrical engineering, the green transition remains a theoretical construct.

The Austrian Economic Chambers are major actors **in the system of governance and provision of the vocational education in Austria**. Their services and measures reach out to over 1.16 million participants annually. In addition to managing apprenticeships, master craftsperson and qualifying examination, the Chambers' educational offers encompass schools for intermediate vocational education and colleges for higher vocational education, universities of applied sciences, private universities as well as an extensive range of vocational adult education opportunities, such as those offered by the Institutes of Economic Promotion (WIFI), along with various services related to career guidance and vocational counselling. This makes the Austrian Economic Chambers the largest non-governmental educational provider in Austria.

The following **current initiatives** by the Austrian Economic Chambers, which underpin **the importance of professional skills and the European Year of Skills**, are worth to mention:

- **Skills Week Austria:** Skills Week Austria provides yearly a platform for a variety of occupations across Austria for one week. The aim is to promote topics such as career choices and opportunities, as well as further education amongst the general public and thereby actively combating the shortage of skilled workers. The target audience includes everyone interested in vocational education. The activities during this week encompass a wide range, including workshops, career orientations, professional festivals and safaris, taster days, competitions, awards ceremonies, trainings, open days and exhibition.
- **wise up - Digital platform for initial and continued training for the Austrian economy:** wise up offers over 20,000 digital courses from more than 20 educational providers, making it the largest nationwide e-learning platform available to businesses, ranging from one individual entrepreneurs to large enterprises across all industries. The platform places a special emphasis on industry-specific digital learning opportunities for apprentices, starting with major apprenticeships occupations such as electrical engineering, metal technology, mechatronics, retail, office management, hotel and restaurant industry. These digital offerings support apprentices' training in digital form both in a company and at a vocational school.

- **International Skilled Workers Initiative** (*Internationale Fachkräfte-Offensive - IFO*) by the Austrian Federal Economic Chamber is a pilot project aimed at supporting the recruitment by the Austrian companies in the third countries. In this regard, the newly developed and scientifically supported professional skills assessment tests in electrical installations engineering and joinery technology should be mentioned. These tests should provide the companies, even before the beginning of the residence permit procedure for obtaining the Red-White-Red Card, with more clarity on professional skills of interested candidates compared the level of the Austrian apprenticeship leave exam (*Lehrabschlussprüfung - LAP*).

With regard to the major educational policy lines, we welcome the efforts of the European Commission to support competence-based matching on the labour market by using tools such as ESCO and Europass. However, **we caution against letting „skills first“ become „qualification second“**. Qualifications, i.e. educational qualifications, which, like in case of apprenticeship leave exams, often directly relate to a specific occupation, are important and structuring pillars in both the education system and the labour market. Furthermore, they contribute to individuals' self-perception and confidence within an occupation or community of practice. They enable the design of educational pathways, thus playing a central role in ensuring the fundamental equivalence of vocational education with higher education. Accordingly, we expect the **European Qualifications Framework**, as a transparency tool for qualifications continue to play a central role in the European education policy.

## **Federation of Austrian Industries (Industriellenvereinigung)**

The Federation of Austrian Industries (*Industriellenvereinigung - IV*) thanks the Federal Government and the Federal Ministry of Labour and Economy for the opportunity to contribute to the non-paper on the occasion of the European Year of Skills. The mentioned instruments have significantly contributed to securing and expanding the availability of skills in Austria in recent years. Apart from that, the Federation of Austrian Industries would like to emphasize the following aspects:

- Although, as mentioned, the tools of the „Skills Intelligence“ have been increasingly integrated in recent years, support from the European Union in assisting Member States on how to design a meaningful monitoring of national skills would be helpful. The focus of such monitoring should not primarily be on the comparability of the European states but rather on the methodology and effective mechanisms of such monitoring that improves national skills situations.
- With the school type of the Higher Technical College (*Höhere Technische Lehranstalt - HTL*), Austria also possesses a unique business location/unique selling proposition. This school type is currently being used in the framework of the strategy of the Federal Ministry of Education, Science and Research in relation to the Austrian schools abroad in other countries. This can be used to draw conclusions on the European level regarding the combination of high-quality technical education, potential access to higher education and effective collaboration with local industrial enterprises. The curricula of the HTLs, like those of all upper secondary level schools, are currently being revised.
- Regarding the dual education in Austria, it should also be mentioned that the 2019 amendment to the underlying Federal Vocational Training Act requires a regular review of apprenticeships and development of new ones and their training contents every five years. Apprenticeship is in general an essential component of the future skilled workers for the Austrian industry. Over the past decades, the industry has become the second largest training sector in Austria, and despite the quantitative setbacks caused by the Corona pandemic, it has managed to recover with above-average growth rates. Further enhancing the attractiveness of the apprenticeship is the aim of the industry.

In conclusion, it can be noted that the contribution of the European Commission to the skills development is seen as offering of the tools to the Member States based on the European good practice examples to systematically improve aspects of their skills systems. The attempts to partially replace the existing, largely functional skills system in Austria, for example through the introduction of the new European qualifications, are considered less beneficial.

## **Federal Chamber of Labour (Bundesarbeitskammer) / Austrian Trade Union Federation (Österreichischer Gewerkschaftsbund)**

The European Year of Skills provides an opportunity to bring initiatives into the spotlight which enable shaping the future of Europe amidst the digital and green transitions. In shaping a fair and just transition, the primary focus should be on harnessing the opportunities of structural change for value creation and employment, building upon the good position of Austria as an economic centre. The labour market-oriented education and training, along with specific labour market educational policies, already constitute a central element in Austria today, which needs to be further developed and can serve as a good practice for other countries.

For the Austrian Trade Union Federation (*Österreichischer Gewerkschaftsbund – ÖGB*) and the Federal Chamber of Labour (*Bundesarbeitskammer – BAK*), access to education and training to acquire qualifications and skills for the digital and green transitions is essential. It is already evident today that structural change will lead to job losses in certain industries across Europe, whilst new jobs will emerge in other economic sectors. These shifts require a significant need for qualifications for workers. Therefore, it is paramount to utilise and further develop skills in society which help to master structural change and contribute to the green and digital transformations. This process should cover the entire educational and professional careers of the workers.

In addition to the enterprises and employees, the state has a complementary responsibility in this regard. The primary role of the public sector is to create initiatives aimed at securing employment and facilitating successful job transitions. These initiatives should be adapted to contribute to a socially and ecologically sustainable economic transformation. Austria already has labour market and education policy tools designed for this purpose, which should be strengthened further.

**Training leave** allows employees, with the company's consent, to pursue self-selected training courses while taking leave or reducing their working hours. In 2022, 21,861 people used training leave or part-time training leave and received training allowance from the Public Employment Service (*Arbeitsmarktservice – AMS*). Maintaining and enhancing this policy for continuing education during ongoing employment is crucial to prepare for the challenges of the digital transition and to enable individuals to participate in self-selected training.

The **skilled workers' grant** (*Fachkräftestipendium*) has been received by more than 16,000 people in Austria since 2017. The skilled workers' grant is aimed at enabling the unemployed and adults on leave to train in so-called "shortage occupations". This grant supports these individuals for up to three years in acquiring new qualifications by providing a means of subsistence. This facilitates employment transfer to sectors with a high demand for labour and skilled workers.

**Labour foundations** (*Arbeitsstiftungen*) are significant qualification tools of the labour market policy in Austria with a long history of success. On the one hand, they support people who lose their jobs by offering training opportunities, and on the other hand – together with companies – they qualify job seekers for a new occupation. Labour foundations are also aimed at job seekers and offer a combination of practical in-company traineeships and theoretical training modules. The goal is to be employed by one of the cooperating companies. Since 2022, the newly established **Environmental Foundation** (*Umweltstiftung*) supports training in a wide range of climate-relevant occupations, thus contributing to the necessary social and ecological transformation of the economy.

**Intensive training to qualify as a skilled worker** (*Fachkräfteintensivausbildung – FIA*) enables people to become skilled workers within two years. Under the Öko-Booster project, people between 18 and 25 years of age take part in FIA training to become electricians or plumbers. To address any possible missing German language skills or technical knowledge, the participants first engage in six-month preparatory modules, where fundamental skills or technical basics are taught.

Austria is among the pioneers worldwide in the area of **dual vocational training**. It is therefore all the more important to secure this form of vocational training for the future and adapt it to educational policy developments. A particular focus in this regard should be on quality assurance. All efforts aimed at image improvement, as well as better access to other educational levels or recognition of skills, are linked on the one hand with future-oriented curricula, and on the other with a high-quality procurement of education. To ensure consistent quality as far as possible, regardless of the size of the training companies or the individual dedication of the trainers, effective external evaluations are necessary.

These policies facilitate higher educational attainment, the completion of initial education or requalification of employees, enabling the important steps of successful integration into the labour market and adaptation to changing economic and social conditions. It is paramount to ensure that continuing education opportunities include a financial subsistence allowance for the participants, although there is room for improvement with regard to the amount of the allowance. This also applies to other, non-specifically continued training courses offered by the Public Employment Service. However, these are only open to people who are not easily employable on the labour market, which is why the Public Employment Service needs a clear focus on giving equal priority to job placement and continued training.

At the European level, efforts are already underway to ensure a just transition towards a socially and environmentally sustainable economy. With the European Year of Skills, attention is directed towards the acquisition of qualifications by working people. The European Union and its Member States can use this impetus to focus on the following aims in the coming years:

**Enabling professional development:** Adult education should not merely focus on basic knowledge, but also offer opportunities for continued professional development and specialisation. A modern, modular system of continued education, e.g. through the legal entitlement to qualification allowances, should enable adults to reorient professionally and facilitate employment transfers into digital and green sectors. Company-based continued training should also be strengthened, because companies have been decreasing their engagement in continuing training for many years. Continued training without financial burdens and which is compatible with professional and personal lives, meaning that it takes place during working hours, should be the goal.

**Promotion of digital skills:** The digital transformation is changing how we work and live. A comprehensive digital education enables people to expand their professional qualifications and navigate the digital world consciously, responsibly and purposefully for individual and societal interests. A high-quality digital education in all educational forms and at all levels is therefore necessary for creating equal opportunities and access for all.

**International co-operation:** The Member States should intensify their co-operation to exchange best practices in the field of (re)qualification and acquisition of the skills needed for the digital and green transitions, as well as to learn from each other.

The European Year of Skills provides an opportunity to emphasise the importance of initial and continued training for shaping a just transition. It is clear that the digital and ecological transformations require workers to continuously develop and update their skills. The government and enterprises have to create the necessary conditions in order to facilitate the acquisition of these skills. This is the only way we can ensure that learners acquire the necessary skills and knowledge to overcome future challenges and enable a just transition. The outlined measures serve as a catalyst for this endeavour.