

the taxes on consumption are on international level and direct taxes are considerably lower.

Possibilities of reducing the fiscal burden on the factor of labour may be found e.g. in the sector of the „Kommunalabgabe“ (municipal tax), „Familienlastenausgleich“ (system of financing transfers to families) and Wohnbauförderungsbeitrag (fiscal charges for subsidizing the construction of housing). These charges could be replaced by other forms of taxation, but comprehensive changes of the tax and fiscal burden on the factor of labour require an all-European solution.

2. Recommendations

2.1. Skills

2.1.1. Skills as a Locational Factor

For highly developed industrial countries, the skills of the employees represent a decisive competitive element. The Austrian educational system must therefore react swiftly and flexibly to economic and technical changes. In its „Jobs Study“ the OECD points out that poor flexibility of the educational system can contribute to increasing unemployment.

Education and vocational training are of great importance for the attractiveness as an industrial location and for the prospects in the labour market. An increase in the level of ability does not only strengthen the employment opportunities of the individual but also increases the competitiveness of the economy as a whole as well as the flexibility in the labour market.

2.1.2. Further Vocational Training

This study concentrates on further vocational training which increases its importance in a rapidly changing working world. Further vocational training starts after the initial education and should be possible any time as lifelong learning and vocational training. It should be interlinked with work in various stages, taking into account the access of groups not yet incorporated into further vocational training and making participation feasible for companies.

The numerous forms of further vocational training include vocational training for adults, in-company training, upgrading qualification training for employees e.g. master qualifications in trade on a supervisory level, as well as training for unemployed.

In general, Austria has quite a good starting position, because at least in urban centers it provides a well-developed system of vocational training. In certain fields, however, the development of a demand-oriented vocational training system taking into account regional requirements is inadequate.

In cooperation with the regional authorities, the facilities offering vocational training must see that further training is offered universally and can ac-

tually be utilized. Initiatives are to be taken to guarantee the possibility of further training through subsidies to either trainees or the training institutions. The range of training courses is to be described clearly and should be easily understandable for the prospective participants.

In a dynamic economic environment, each kind of „learning on stock“ prior to pursuing a gainful employment can only be of limited use. It must, therefore, be guaranteed that schooling provides a solid basis for lifelong continuous education and that vocational training can directly complement the knowledge and skills acquired at school. In addition, the present educational system should enhance the incorporation of times of practical training and times of vocational training. Measures of further vocational training should aim at increased quality control and viability on the labour market. The Advisory Council considers the activities taken in the field of vocational training, so far, as inadequate and urges an intensification of effort.

Rapid technological change creates a need for an increased and more comprehensive range of training facilities as well as an improved information about them. In a society in which values are primarily conveyed through work, all unemployed and those threatened by unemployment must have the possibility to participate in further training. Furthermore, rapid technological change makes even specialized skills of employees easily obsolete.

Skilled workers and engineers are traditionally among the greatest assets of the Austrian economy. They must keep up with latest levels of technology. For this purpose the possibility to participate in further vocational training should be given. A social model in which working life is concentrated on the age from 20 to 60 years with education and leisure before and after that period is neither sensible nor desirable.

Media literacy is the prerequisite for the entry into the information and communication society. Today information management has become a decisive success factor, including market information, technical know how and work with media and data banks. The key word of „Schools on the Network“ also applies to further training. The use of new media (computer based training, correspondence course elements) is to be intensified in the further training system as well.

For most occupations, a basic knowledge of computer aided work, recently above all the work with modern communication media („networking literacy“), has become a basic qualification. The Advisory Council considers the comprehensive instruction of this basic knowledge in vocational training and further training sectors an indispensable economic and educational measure: It is one of the decisive pre-conditions for a positive contribution of the new communication technologies toward employment. One area of application of new media is education by correspondence, which has become of increasing importance. It can fulfill an important function in further training, if given the respective framework, as it reduces problems of time and location.

A model that concentrates education, gainful employment and leisure time in separate sections of the individual's life is no longer in line with employment policy requirements. In this connection the Advisory Council also recommends examination of various international models of „Job Rotation“ –

also interesting from an educational point of view – concerning their applicability in Austria (also see „Models for Redistribution of Work to Increase Employment“).

2.1.3. Better Coordination of Schooling and Further Training

The Advisory Council for Economic and Social Affairs already intensively discussed educational issues in the study „Qualifikation 2000“. Some of those proposals have been implemented by the government e.g. the foundation of „Fachhochschulen“ (non-university higher education institutions providing high-quality professional and academic training for specific occupations).

Education and training at schools must be more intensively interlinked with the requirements of the working world and the access to the individual levels of the Austrian educational system must be facilitated.

Schooling and further training are to be interlinked in such a way that schools can become the reliable base for independent learning by individuals in further vocational training. Those willing to learn must have the opportunity to advance in their career through further training by setting individual training targets. In this connection, the Advisory Council is aware of the great importance of establishing Fachhochschulen for working people. At present there are too few study courses for employed persons.

Leaving compulsory schooling without positive final examination results constitutes a particular disadvantage on the labour market and for further training. There should, therefore, be the possibility of taking this final exam at a later date.

2.1.4. Financing of Further Vocational Training

The system of further vocational training is characterized by a great diversity of the range of training courses, facilities and financing sources. The Advisory Council stresses the necessity of aiming at useful synergy effects to be able to use public means as efficiently as possible and to simultaneously create fair competition amongst the suppliers.

Up to now, financing problems and labour and social legislation problems for the time of further training have restricted a comprehensive expansion of further vocational training. Therefore, a further training initiative presupposes improvements in these two central issues.

Enterprises are principally interested in improving skills that can be directly utilized in the job. For such further enterprise-specific training, the enterprises should provide financial support and working-time.

Measures of further training that are exclusively in the interest of employees represent the other extreme. Employees should use their leisure time and financial means respectively, but be enabled to do so by being offered flexible working hours.

In many cases, however, further vocational training will be of interest to employee and employer by providing both enterprise-specific and general