

Declining collectivism at the higher and lower end

The increasing role of the Austrian state in times of technological change

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Abstract: The knowledge economy challenges the premises of collective skill formation systems. The jobs apprenticeships have traditionally prepared for – mid-level jobs in the industrial sector – disappear. Against it, higher and more general skills become increasingly important, reinforcing cooperation dilemmas. Thus, the question arises how these systems react to the pressure the knowledge economy puts on them. In this chapter, we analyse employer reactions to situations in which the state replaces firms in the provision of skills. We argue that, while initially not intended, the expansion of statist training in the face of structural challenges reinforces the decline of the number of training firms because it “unconstrains” firms, offering an attractive exit opportunity from employer coordination. We analyse these trajectories by looking at two developments in the Austrian skill formation system at the higher and the lower end of the skills distribution: the expansion of VET to the field of ICT and the introduction of public training workshops. Both sectors can be expected to expand as the growth of the knowledge economy progresses because trends towards higher skill needs do not only lead to a growth of educational options at the higher end of the skill distribution but also necessitate the integration of those unable to cope with increasing skill demands (e.g. the lower end). In both cases, employers increasingly learned to like statist VET because it allows them to save costs while the provision of a well-trained workforce is still ensured. This resulted in a further decline in collective training.