Apprenticeship training in Austria and the role of Social Partners

Thomas Mayr
3 May 2017
Issues to be addressed

Background: Austrian social partnership

The place of apprenticeship training
• in the overall Austrian education system
• on the labour market

Governance of apprenticeship training
• the role of social partners
• administration and support structures

Current challenges and possible directions for reform
Background: Austrian Social Partnership

- Chambers as corporations under public law with mandatory membership:
  - Economic Chamber (WKÖ);
  - Federal Chamber of Labour (AK);
  - Chambers of Agriculture and Forestry

- Associations with voluntary membership:
  - Federation of Austrian Industry (IV)
  - Trade Union Confederation (ÖGB)

- Main roles:
  - Consultative roles in policy making: legislation and administration
  - Collective agreements
  - Shared responsibility in tripartite entities such as: social insurance institutions, Public Employment Service
  - Service to their members
  - Provision of CVET

- In dual VET (apprenticeship training):
  - Profiles of the different apprenticeships are negotiated between the social partners
  - Administration, support measures and competent authority: Economic Chambers act on delegated authority from the Ministry of Economy
Overview: Austria’s VET system

**Dual VET - Apprenticeship training** (around 40% of 16+ year-olds)
- training enterprise (80% of time) and part-time vocational school (20% of time)
- apprenticeship contract between enterprise and apprentice
- 200+ apprenticeships ("professions") in practically all branches of the economy with a 2-4 years training period depending on the profession
- basis for "Higher VET": "Meister" and other professional qualifications (ISCED 5B) and other VET programmes (ISCED 4) as well as a range of “non-formal” programmes

➤ Demand driven, “market logic”

**Full time school based VET** (around 40% of 16+ year-olds)
- entirely school based but some programmes foresee mandatory internships
- combination of general and vocational education
- different types and duration
- Double qualification in VET-colleges: VET-diploma and university access ("Reifeprüfung")

➤ Supply driven, “access logic”

“Training guarantee” by AMS (Austrian Public Employment Service)
- support in finding an apprenticeship in a company
- workshop based programmes in the conceptual framework of dual apprenticeship training (Überbetriebliche Berufsausbildung ÜBA)
Austria’s occupation structure (ISCO) and the share of different qualification types within each job category

Jobs structure (ISCO major groups)

<table>
<thead>
<tr>
<th></th>
<th>basic schooling</th>
<th>apprentice ship</th>
<th>VET school</th>
<th>VET college</th>
<th>AHS (Gymn)</th>
<th>Academy</th>
<th>Univ+FH</th>
</tr>
</thead>
<tbody>
<tr>
<td>managers</td>
<td>4,1</td>
<td>27,5</td>
<td>11,0</td>
<td>18,2</td>
<td>8,0</td>
<td>2,7</td>
<td>28,4</td>
</tr>
<tr>
<td>professionals</td>
<td>1,6</td>
<td>7,3</td>
<td>5,7</td>
<td>13,3</td>
<td>6,6</td>
<td>10,7</td>
<td>54,8</td>
</tr>
<tr>
<td>technicians</td>
<td>6,0</td>
<td>31,8</td>
<td>21,2</td>
<td>20,2</td>
<td>8,2</td>
<td>1,9</td>
<td>10,8</td>
</tr>
<tr>
<td>skilled labor</td>
<td>17,0</td>
<td>52,6</td>
<td>13,4</td>
<td>8,4</td>
<td>4,7</td>
<td>0,5</td>
<td>3,3</td>
</tr>
<tr>
<td>elementary</td>
<td>42,2</td>
<td>37,3</td>
<td>8,7</td>
<td>4,7</td>
<td>4,4</td>
<td>0,3</td>
<td>2,5</td>
</tr>
</tbody>
</table>

(Highest qualification obtained in %)

Source: Statistik Austria, Mikrozensus 2013, Arbeitskrafterhebung, ibw
Job advertisements in newspapers and by the Public Employment Service

Note: including part-time and atypical forms of employment
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Governance of apprenticeship training in Austria

Company-based part:
- Ministry of Economy
- Federal Advisory Board: Social Partners
- Apprenticeship office: Economic Chambers
- Regional Advisory Board: Social Partners
- Provincial Governor
- Training company

School-based part:
- Ministry of Education
- Regional Education Board
- Vocational School

Levels:
- Federal level
- Provincial level
- Local level

Source: ibw Austria
Austrian apprenticeship training and its institutions from a company perspective

Before the apprenticeship
- Accreditation as training company
- Trainer qualification
- Career guidance: centers and online tools

Recruitment
- Support tools for recruitment
- Online vacancy platform

Training
- Training guidelines
- Organisation of training alliances
- Financial incentives
- Mobility: work placements abroad

Exam / After the apprenticeship
- Trainer academies and networks
- National competitions, Euro / World Skills
- Excellency Award „Fit for future“
- Clearing platform for exam questions+tasks
- Training for examiners

Source: ibw Austria
Financing of apprenticeship training

Training company provides and pays for company based part of training (training infrastructure, trainer salary, apprenticeship remuneration etc.)

Federal and regional governments provide and finance the part-time vocational schools

Financial support to training companies (financed by employers through a fund)

- Basic support amounting to the equivalent of three apprenticeship remunerations in the 1st, two in the 2nd and one in the 3rd and 4th year of apprenticeship
- Specific activity related support: e.g. for training alliance and additional trainings; CVET for trainers, international mobility, etc.
Public and private cost of apprenticeship training

<table>
<thead>
<tr>
<th>company based apprenticeships</th>
<th>public cost</th>
<th>company cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vocational school: Euro 4,361</td>
<td>approx. Euro 22,000 (gross cost across all sectors)</td>
<td></td>
</tr>
<tr>
<td>Subsidies to training company: on average Euro 1,383</td>
<td>Total: Euro 5,745</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>apprenticeship type workshops in the framework of the „training guarantee“</th>
<th>public cost</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Vocational school: Euro 4,361</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PES: Euro 10,235</td>
<td>Total: Euro 15,878</td>
<td></td>
</tr>
<tr>
<td>provinces: 1,282</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>full time school based VET</th>
<th>public cost</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Euro 10,113</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: BMWFJ 2015 Bericht zur Situation der Jugendbeschäftigung und Lehrlingsausbildung in Österreich
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Current challenges and possible directions for reform
Decreasing number of apprentices and training companies

Source: Wirtschaftskammer Österreich
Main reason: demography
absolute numbers of apprentices and 15-year olds in Austria


...but not only: problematic structural integration of dual VET in education system („double transition“)

<table>
<thead>
<tr>
<th>Age</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
<th>12</th>
<th>13</th>
<th>14</th>
<th>15</th>
<th>16</th>
<th>17</th>
<th>18</th>
<th>19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
<td>10</td>
<td>11</td>
<td>12</td>
<td>13</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Special needs school)

- Kindergarten
- Primary school
- New secondary school
- Academic secondary school (lower cycle)
- Academic secondary school (upper cycle, with “Reifeprüfung“)
- VET school
- VET college (with „Reifeprüfung“: higher education entrance)
- Apprenticeship training (companies and part-time vocational school)
- University of applied sciences
- Univ.Coll. of teacher training
- Different „higher VET“ programmes
- Berufs-Reifeprüfung

Simplified overview version
Source: ibw Austria
Conclusions

- Apprenticeship training is an important part of Austria's skills formation
- Company perspective reflected in institutional set-up: important role of the social partners, and notably the regional Economic Chambers in the governance and administration of apprenticeship training
- But: unfavourable structural conditions and dynamics combined with declining demography have lead to decreasing numbers of apprentices and training companies
- Danger of skills mismatch: lack of skilled personnel in occupations at medium skill level (=apprenticeship professions)

Directions for reform

- Long term: improvement of basic skills and overall school structure
- Improving the allocation of young people to different VET streams through more guidance and counselling including „talentchecks“
- New target groups for apprenticeships and alternative ways to apprenticeship qualifications on the basis of validation arrangements
- Strengthening and expansion of quality and excellence initiatives
- Focus on VET at tertiary level (“higher VET”): consolidation and further development of programmes building on apprenticeship training including „bridges“ to higher education
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