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## School and training dropouts at the upper secondary level in Upper Austria

Compared with the whole of Austria (and within the EU), Upper Austria has relatively positive values regarding the integration of young people into the education system (and into the labour market). But dropouts and changes – particularly at the end of the 9th school year – are common in the education system: About one third prematurely leave the initially chosen programme at the upper secondary level. 5% of each age group do not take up any programme at all at the upper secondary level. Overall, some 15% of each age group do not acquire any upper secondary qualification.

**Why do so many youths change their educational career? Which people nevertheless successfully obtain an upper secondary qualification? What does a change or dropout mean for their transition to the labour market? How high are the costs of a “wrong” educational career decision and unsuccessful educational careers and who pays these costs?**

Compared with the whole of Austria (and within the EU), Upper Austria has relatively positive values regarding the integration of young people into the education system. The share of school and training dropouts, for example – i.e. the percentage of 18- to 24-year-olds who have no upper secondary qualification and are not attending any education, training or CET (continuing education and training) programme – is relatively positive (low) in Upper Austria and lies at 6.3% (in 2012). In the EU-28 area, this share was as high as 12.7% in 2012, in Austria overall 7.6%. These early school leavers are only part of the reality however – because the upper secondary programmes in Austria (and Upper Austria) are also characterised by a high share of career changers.

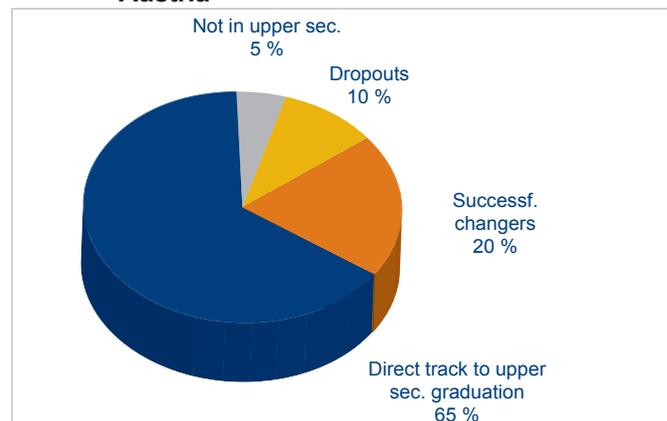
### Early school and training leavers, career changers and dropouts

Roughly 95% of all lower secondary graduates continue their educational careers at the upper secondary level (Figure 1). This means that 5% do not take up any programme at the upper secondary level.

Around two thirds of all started programmes are completed successfully (“a direct track to upper secondary graduation”). One third, however, prematurely leave the upper secondary pathway which they initially started – around 20% then complete this new pathway successfully (“successful career changers”), the remaining 10% also change their programme (at least) once but they do not acquire a qualification in the end (“dropouts”). Overall, some 15% of each age group do not acquire any upper secondary qualification.

This goes to show that, although many young people change the upper secondary programme they took up once, this change often still leads to a qualification. But about one third of all educational career changers still do not acquire any graduation successfully and must be rated as dropouts.

Fig. 1: Educational careers after year 8 in Upper Austria



Sources: 2013 ibw survey for Upper Austria, Statistics Austria: school statistics

At the level of the individual school types, the following picture can be seen: 13% of youths of each age group in Upper Austria, for example, leave a VET college (BHS) prematurely, almost half of these (6% of each age group) then take up an apprenticeship. In the field of VET schools (BMS), the share of those who switch to an apprenticeship is even higher. Here more than two thirds of the dropouts (7 out of 10 of each age group) change over to an apprenticeship programme.

Compared to men, women more often complete the programme they take up without detours (that is: without changing the programme). This means that men change more often, but most of them are also successful in the new programme.

Youths with a migration background are also highly overrepresented among dropouts (early school leavers) at VET schools and VET colleges. In Upper Austria, for example, 33% of the pupils with German as their conversational language leave a VET college prematurely, among the pupils with a conversational language other than German this share is 61%.

### **Why do so many youths change school or their educational career?**

Most of the changes occur at the end of year 9. This reflects the special structure of the interface between the compulsory schooling period and the upper secondary education system. As apprenticeship training cannot be started before year 10, pupils as a rule need to “bridge” one school year after the end of lower secondary level (year 8). Ideally and typically, (later) apprenticeship beginners attend prevocational school, which was set up for this purpose and fulfils a classic supply function here. Their actual educational careers reveal, however, that it fulfils this function only for a minority of later apprenticeship beginners. This is because most apprenticeship beginners attend the first grade of a VET school or VET college before taking up an apprenticeship. Consequently early school leaving is an intrinsic part of the system.

Another systemic feature with impact on early school leaving and changes can be found in the basic orientation of the Austrian upper secondary level. The high share of (full) professional qualifications imparted at this level corresponds with the wide range of education and training forms that are differentiated by their contents and subject areas, which creates related challenges in terms of transparency and information. Therefore it is inevitable that a certain number of pupils drop out in the sense of changing to other programmes (which then hopefully correspond more with the individual interests and capabilities).

Against this background, school-based (and private/self-organised) career guidance does not succeed in sufficiently informing young people who are at the point of transition to the upper secondary level about the general and individually suitable educational options accessible on that level. It is therefore not surprising that many respondents characterise their decision-making process as marked by major uncertainties and consequently their specific school/educational career decision as largely determined by chance.

The majority of interviewees, however, state – according to their self-assessment in retrospect – that they would

have been essentially interested in the topic at that time. The more comprehensive, varied and better they rated the career guidance accessible to them, the better the respondents assessed their degree of information about further educational options. Private/self-organised career guidance activities as a rule cannot compensate for pronounced deficits in school-based career guidance because there is a general tendency for people who had “good” school-based career guidance to also carry out more private career guidance activities.

### **Educational careers are strongly determined by “chance”**

It is largely determined by “chance” whether young people complete an upper secondary programme successfully or change over to another form of training (and complete this successfully) or quit their educational career altogether.

This is because the educational biographies of those respondents who can be assigned to these three groups (“a direct track to upper secondary graduation”, “successful career changers” and “dropouts”) differ merely insignificantly or not systematically in all of the analysed dimensions. Actually the opposite should have been expected, such as that dropouts mention that they had more difficulties/problems during their school/apprenticeship period or felt that more excessive pressure was put on them or that the content orientation did not meet their initial expectations or that they received less motivational support by family members or friends (etc.). But all three groups do not show any systematic/structural differences in terms of the following potential influencing factors<sup>2</sup>:

- the extent and forms of school-based and private (self-organised) career guidance (at the end of lower secondary level)
- their degree of information about educational options
- the structure of factors with impact on the educational career decision
- the influence of parents on the educational career decision
- the structure of the difficulties/problems encountered during the school/apprenticeship period
- the extent of these difficulties
- the structure of their specific reasons for dropping out
- support provided by family members/friends (motivation, learning support)

Only those who did not continue their educational career after compulsory school differ slightly from the three previously mentioned groups. Differences are mainly found in a somewhat less pronounced basic interest in the topic and less support provided by the parents/friends in the educational career decision-making process.

Most of those who change their educational career succeed in acquiring an upper secondary qualification. Most frequently, however, it must be admitted that a change

means that they change from higher school forms (academic secondary school AHS or VET college) to intermediate ones (VET school or an apprenticeship). Around three quarters of all changes follow this pattern. Some 15% of the changes are between education and training forms that can be assigned to the same formal qualification level (such as from VET school to an apprenticeship) and only slightly less than 10% can be rated as upgrades (such as from VET school to VET college).

This structure of changes can be interpreted as the result of the implicit logic and pedagogical routine in the Austrian education system, which traditionally individualises difficulties/problems and perceives them as a failure on the part of the pupils rather than the school. At the same time it is apparent that the majority of changers nevertheless acquire an upper secondary qualification. In this regard, this is also proof of a certain degree of openness and flexibility of the system (and continuing educational motivation of the changers).

### **The majority – but not all – young people succeed in entering the labour market**

For two thirds of Upper Austrian youths, labour market entry can be termed successful. They have relatively short transition periods between the acquisition of their highest formal educational qualification and labour market entry (first occupation) and are full-time employed. About one quarter, however, encounter substantial difficulties in finding a job, whether because they (have to) search for a relatively long time or whether they (have to) take on part-time employment. The remaining tenth of youths face major problems in entering the labour market: Most of them are unemployed or marginally employed or have very long transition periods until their first job or are employed in a temporary employment agency.

Young people who have successfully obtained a vocational qualification at the upper secondary level (VET school, apprenticeship or VET college) have the best chances of succeeding in entering the labour market. The qualifications they have obtained differ only marginally in this respect. There are also only small differences when differentiating by VET school and VET college specialisations. This means that the graduates of these specialisations often have very similar experiences at the start of their career.

A closer analysis of social and occupational characteristics differentiated by labour market entry types – i.e. by how well they have successfully mastered the transition to the labour market after obtaining their qualification – reveals relevant patterns:

- Clearly more than half (59.0%) of all people with relatively major transition difficulties are women, around one third (31%) have a migration background, 44% have only completed compulsory schooling, and 15% hold marginal jobs.

- The corresponding shares are clearly smaller for the group of people with moderate transition problems, and smallest for people who have mastered labour market entry successfully. Extremely positive effects for a successful labour market entry are found for apprenticeship graduates in particular.

Especially for young people whose highest educational attainment is a compulsory school qualification, adverse labour market effects can be seen: They show a relatively high unemployment rate (around 20%) and those who succeed in entering the world of work have relatively long periods of searching for a job (43% of compulsory school graduates who did not attempt to take up an upper secondary programme and as many as every fifth dropout from the upper secondary level were searching for more than two years). Compulsory school graduates who did not start any upper secondary programme can also be found disproportionately frequently in marginal employment relationships with around 12%. Also their share among unskilled labour with almost 50% is clearly above the share of those who took up but did not complete an upper secondary programme successfully (28%).

The analyses also reveal that a qualification is a highly relevant but not the only factor of influence for successful labour market transitions. This is because these are also strongly influenced by gender, migration background, and degree of urbanity. The content/orientation of the qualification is also a relevant influential factor, however. The economic or demographic situation at the time the education or training programme is completed has relatively little impact, however. Other relevant factors for a successful entry into the world of work are congruence (that is: to what extent does the job ad meet the ideas and wishes of jobseekers) and characteristics of regional labour markets.

### **Considerable costs of a “wrong” educational career decision and unsuccessful educational careers**

The “losses” in public educational expenditure caused by educational career changes and dropouts currently total around EUR 32 million a year for the entire Upper Austrian upper secondary level. Expenses for class repeaters at the upper secondary level come to an additional approximately EUR 13 million a year in Upper Austria.

But early school leaving and the complete termination of the educational career at the upper secondary level still have more far-reaching monetary consequences. On the one hand, this applies for the individual level: The income loss for dropouts in Upper Austria, for example – compared with people who acquire an upper secondary qualification – comes to around EUR 13 million a year. Half of these losses result from the higher risk of not being employed or of being unemployed over a longer period. The second half of the losses are caused by their

lower income from work and smaller rises in income in general. But the public also has to bear considerable consequences: on the one hand, due to the loss of or smaller revenues from income tax and social security contributions (overall around EUR 5.6 million a year). On the other hand, higher expenses for social transfer, unemployment benefits and active labour market policy (qualification measures of Public Employment Service Austria) account for around EUR 8.5 million. Overall, this means an additional net “burden” for public finances of around EUR 14 million a year.

This amounts to annual “overall costs” for Upper Austria of around EUR 70 million. This estimation is based on a snapshot of the current situation. But it is precisely the adverse effects on the employment and income situation for dropouts which add up over time to give increasing private and tax “losses”. Other negative monetary effects of early school leaving (such as on health, economic growth, etc.) have not been taken into account here but should also be considered.

### Conclusions in a nutshell:

Many dropouts/changes of educational careers – above all at the end of year 9 – are caused by the structure of the interface between the lower and upper secondary level. The most obvious expression of this situation is that pupils bypass prevocational school and demonstrate strong demand for school forms which are completed with the upper secondary school-leaving certificate (or Matura, above all VET college). The pronounced structure of the Austrian upper secondary level, which imparts (full) professional qualifications, is necessarily reflected in a wide range of education and training pathways and forms accompanied by related problems regarding information and transparency for the school or apprenticeship career decision. This is aggravated by apparently still insufficient educational counselling and career guidance at the lower secondary level (particularly in the lower cycle of academic secondary school). But the high share of early school leavers at the beginning of the upper secondary level also points towards an apparently widespread didactic practice/normality of selection (high shares of repeaters are additional proof of this).

The school/training career decision, educational career and educational success are all largely determined by “chance”. It is true that most of those who change their educational career succeed in acquiring an upper secondary qualification. Most frequently, however, it must be admitted that a change means that they change from higher school forms (academic secondary school AHS or VET college) to intermediate ones (VET school or an apprenticeship). Around 30% of all career changers

(these are 10% of each age group) finally drop out, however.

The majority of youths succeed in entering the labour market. As can be expected, young people who have successfully obtained a vocational qualification at the upper secondary level (VET school, apprenticeship or VET college) have the best chances of succeeding in entering the labour market. But the situation is often difficult for youths without any upper secondary qualification. Their share is comprised disproportionately highly of young people with a migration background and children of parents who have only completed compulsory schooling.

### Which options for improvement are there?

- First of all, it is necessary to critically question the current structure of the interface between the lower and upper secondary level. To ensure that the educational career decision brings more benefits, some reform options are worth considering, including potential- and competence-oriented compulsory school qualifications, a qualification comparable to “mittlere Reife” in Germany (an intermediate school-leaving certificate), etc.<sup>3</sup>.
- Secondly, career guidance can certainly be improved: On the one hand, in the segment of school-based career guidance – on the other, also by linking it structurally and organised at the public level with non-school-based guidance offers.
- Thirdly, there is probably substantial potential in the extension and use of individualised educational counselling and career guidance.
- Fourthly, it would be necessary to develop a joint and system-wide basic philosophy of an orientation towards potential rather than selection in the Austrian school sector. For this it would be necessary, among other steps, to extend extracurricular school-based remedial support structures.

The financial resources required for such measures would be available from the perspective of the national economy: After all, school changes and dropouts cause considerable additional expenses for the public.

The entire study can be obtained from ibw in printed form (ibw research report no. 179) or online <http://www.ibw.at/de/ibw-studien>.

<sup>1</sup> The study was commissioned by Public Employment Service Upper Austria, the province of Upper Austria, the Upper Austrian Economic Chamber and the Federation of Upper Austrian Industries. The analyses relate to the province of Upper Austria. But the core findings will most likely also apply for Austria overall.

<sup>2</sup> This does not mean that the following factors are irrelevant at the individual level – but systematic group differences cannot be observed here.

<sup>3</sup> Additional reform options are discussed in Schmid and Hafner: “Reformoptionen für das österreichische Schulwesen. [Reform Options for the Austrian School System.]” ibw research report no. 161, 2011 and ibw-research brief No. 69, May 2011.