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Apprenticeship training during the 'corona crisis' Results of the ibw study 2021 *Survey of Apprenticeship Training*

The 'corona crisis', the end of which is not yet in sight, has had a considerable impact on the Austrian apprenticeship training sector. Fewer young people have taken up an apprenticeship, and the young people's interest in learning an apprenticeship in tourism in particular seems to have suffered considerably as a result of the pandemic. This could further exacerbate the skilled labour shortage. Positive signals are coming from the labour market, however: in September 2021, the youth unemployment rate was already back below the 'pre-corona level'. These are some of the many findings which can be found in the current issue of the annual ibw publication *Survey of Apprenticeship Training*, which - in around 190 pages - aims to present all relevant and available statistical data and key indicators on apprenticeship training in Austria.

Number of apprentices in the 1st year of apprenticeship

As a consequence of the measures to contain the spread of the 'coronavirus' (i.e. COVID-19 diseases), a massive decline in the number of apprentices in the 1st year of apprenticeship had been feared, especially for 2020. The available figures show that this decline was perhaps not quite as high as feared, but it was certainly considerable, and that even in September 2021 (30,263 apprentices in the 1st year of apprenticeship in companies) the level of September 2019 (31,905 apprentices in the 1st year of apprenticeship in companies) was by no means reached again, although the decline in apprentices in companies was partly compensated for by an intensification of supra-company apprenticeship training (cf. Table 1). In any case, the difference of almost 3,000 apprentices in companies between September 2020 and September 2019 must be regarded as problematic and also as relevant in the long term (keywords: 'VET integration' and 'skilled labour shortage').

Broken down by sector (cf. Table 1), the tourism and leisure industry, which was especially hard hit by the impacts and consequences of the 'coronavirus', is particularly badly affected by the decline in the number of apprentices in the first year of training. At the end of September 2021, about 30% (absolute: -917) fewer 1st year apprentices were trained here than at the end of September 2019.

However, most of the other sectors also reported declines, some of them substantial. Only in supra-company apprenticeship training (+31%) and among 'other authorised apprenticeship trainers' (+17%) were more apprentices in the 1st apprenticeship year recorded at the end of September 2021 than at the end of September 2019.

Registered vacant apprenticeship posts and apprenticeship post seekers

It is not possible to determine exactly to what extent the supply of apprenticeship posts by companies or the demand for apprenticeship posts by young people is responsible for this decline in apprentice figures. In any case, it is striking that at the end of September 2021 the number of vacant apprenticeship posts registered with Public Employment Service Austria (AMS) was significantly higher than in September 2019 (i.e. before the 'corona crisis'), while the number of apprenticeship post seekers at the end of September 2021 was lower than in 2019 (cf. Diagram 1). This indicates that there also appears to be at least a substantial decline in demand for apprenticeship posts on the part of young people.

TABLE 1
Number of 1st year apprentices by sector 2019-2021
 (end of September from 2019 to 2021)

Sector	09/2019	09/2020	09/2021	2019-21 absolute	2019-21 relative
Crafts & trades	14,226	13,291	13,871	-355	-2.5%
Industry	4,707	4,135	4,174	-533	-11.3%
Commerce & trade	5,540	5,198	5,511	-29	-0.5%
Banking & insurance	383	349	295	-88	-23.0%
Transport & communications	876	728	816	-60	-6.8%
Tourism & leisure	3,014	2,208	2,097	-917	-30.4%
Information & consulting	758	670	696	-62	-8.2%
Other authorised apprenticeship trainers ¹	2,401	2,420	2,803	402	16.7%
Supra-company apprenticeship training	2,759	2,379*	3,626	867	31.4%
TOTAL	34,664	31,378*	33,889	-775	-2.2%
Of which in companies:	31,905	28,999	30,263	-1,642	-5.1%

Source: WKO + ibw calculations

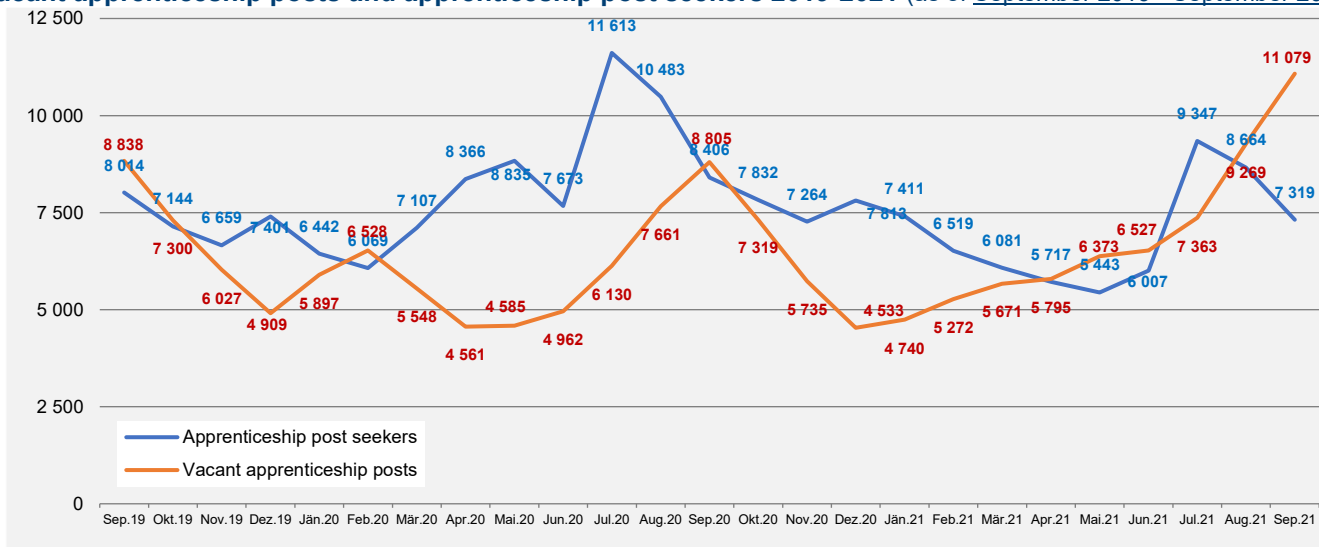
*N.B.: In September 2020, many apprentices in supra-company training from the 1st apprenticeship year were wrongly assigned to the 3rd apprenticeship year because the apprenticeship year had been automatically calculated from the end of the apprenticeship period, and for the first time also in Vienna numerous supra-company training contracts were concluded for a limited period of one year (source: WKO).

Since demographic reasons are not likely to play a major role in this decline (cf. Chapter 8 of the ibw study), other possible reasons could be that it has been made easier now for upper secondary pupils to move up to the next class or that opportunities for career guidance (including days of practical work experience) have been reduced. Fears of frequent contacts and particular 'corona stress' in

certain professions cannot be ruled out either. A clear indication of decreased interest in training in tourism is provided by the fact that in tourism, despite the economic problems caused by the 'corona crisis', the number of vacant apprenticeship posts registered with AMS actually increased particularly strongly from September 2019 to September 2021, while the number of apprenticeship post seekers declined (cf. Diagrams 2 and 3). A similar development can also be observed in the sector of commerce & trade, although it must be admitted that the actual number of apprentices in the 1st apprenticeship year there (cf. Table 1) has hardly decreased so far.

However, the extent to which the young people's willingness to undergo training or their educational choices have actually changed in these uncertain times, and have perhaps even changed with lasting effect, cannot yet be answered unequivocally on the basis of the currently available data. There is no doubt, however, that young people, trainers and teachers, training companies and part-time vocational schools are facing major challenges as a result of the appearance of the 'coronavirus' and the measures associated with it, which are not only caused by new framework conditions, but also by generally changed forms of contact, modes of behaviour and the needs/demands of employees and customers. Just think of the feasibility of the days of practical work experience ('taster apprenticeship'), which are so important for career orientation/choice.

DIAGRAM 1
Vacant apprenticeship posts and apprenticeship post seekers 2019-2021 (as of September 2019 - September 2021)



Source: BMA (amis); N.B.: (Only) immediately available apprenticeship post seekers and vacant apprenticeship posts.

¹ Not members of the Economic Chamber: e.g. public administration, pharmacies, lawyers' offices, etc.

Skilled labour shortage

A decline in the number of apprentices is all the more serious in view of the current shortage of skilled labour and the threat of a further increased shortage, as companies are urgently looking for skilled workers with apprenticeship diplomas in particular, which is shown by a recent Austria-wide survey of more than 4,200 companies (Skilled Labour Radar), commissioned by the WKO (Austrian Federal Economic Chamber, conducted in May/June 2021): 58% of the surveyed WKO member companies with a noticeable shortage of skilled labour often had difficulties in finding employees with apprenticeship diplomas last year despite the 'corona crisis', significantly more than in the search for graduates from any other educational pathway (cf. Diagram 4).

This is not the result of a lack of willingness to provide training on the part of Austrian companies, however.

On the contrary: around half of the companies (37% definitely, another 24% perhaps) could/would train a greater number of apprentices if they found sufficiently qualified and interested young people for their jobs (cf. Diagram 5). Among those companies which, in principle, already train apprentices, as many as 46% definitely wanted to train more apprentices and 31% perhaps.

Youth unemployment

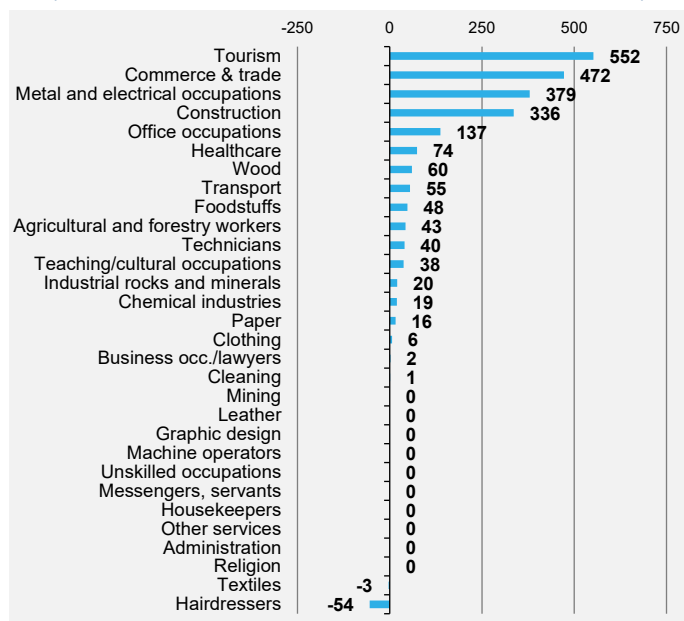
An analysis of the impacts of the 'corona crisis' on the labour market shows that younger people were initially particularly affected by rising unemployment (cf. Diagram 6). Various reasons may play a role in this: first and foremost, it can be assumed that, in the crisis, companies will mainly try to keep long-term employees and hire fewer new employees, which affects younger people entering the labour market more strongly. Therefore, at the beginning of the 'corona crisis', the unemployment rate of under-25-year-olds rose briefly to 13.4% (April 2020) and was, at that time, even higher than that of the other age groups. By July 2020, there had already been a marked recovery, with the unemployment rate for under-25-year-olds (8.2%) once again lower than that of older groups. By September 2021, the unemployment rate of under-25-year-olds was already back below the September 2019 level (6.0%) at 5.5%, i.e. below the 'pre-crisis' level.

The entire study, which was financed by the Federal Ministry for Digital and Economic Affairs BMDW and WKO, can be obtained from ibw in printed form in German (ibw Research Report No. 208, ISBN 978-3-903310-95-7) or downloaded free of charge from <https://ibw.at/bibliothek/id/539/>.

DIAGRAM 2

Change in the number of vacant apprenticeship posts from September 2019 to September 2021 by major occupational groups

(as of end of September 2021 - end of September 2019)



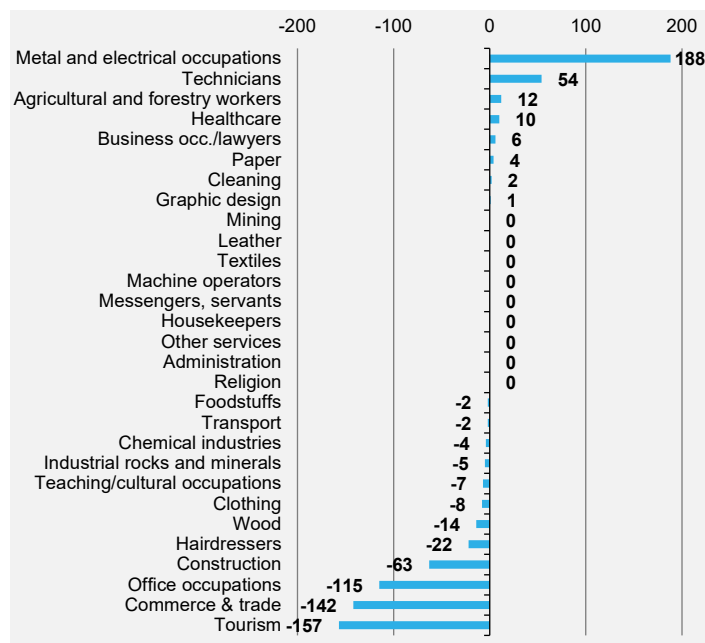
Source: BMA (amis) + ibw calculations

N.B.: (Only) immediately available vacant apprenticeship posts at the end of September 2021 and the end of September 2019.

DIAGRAM 3

Change in the number of apprenticeship post seekers from September 2019 to September 2021 by major occupational groups

(as of end of September 2021 - end of September 2019)



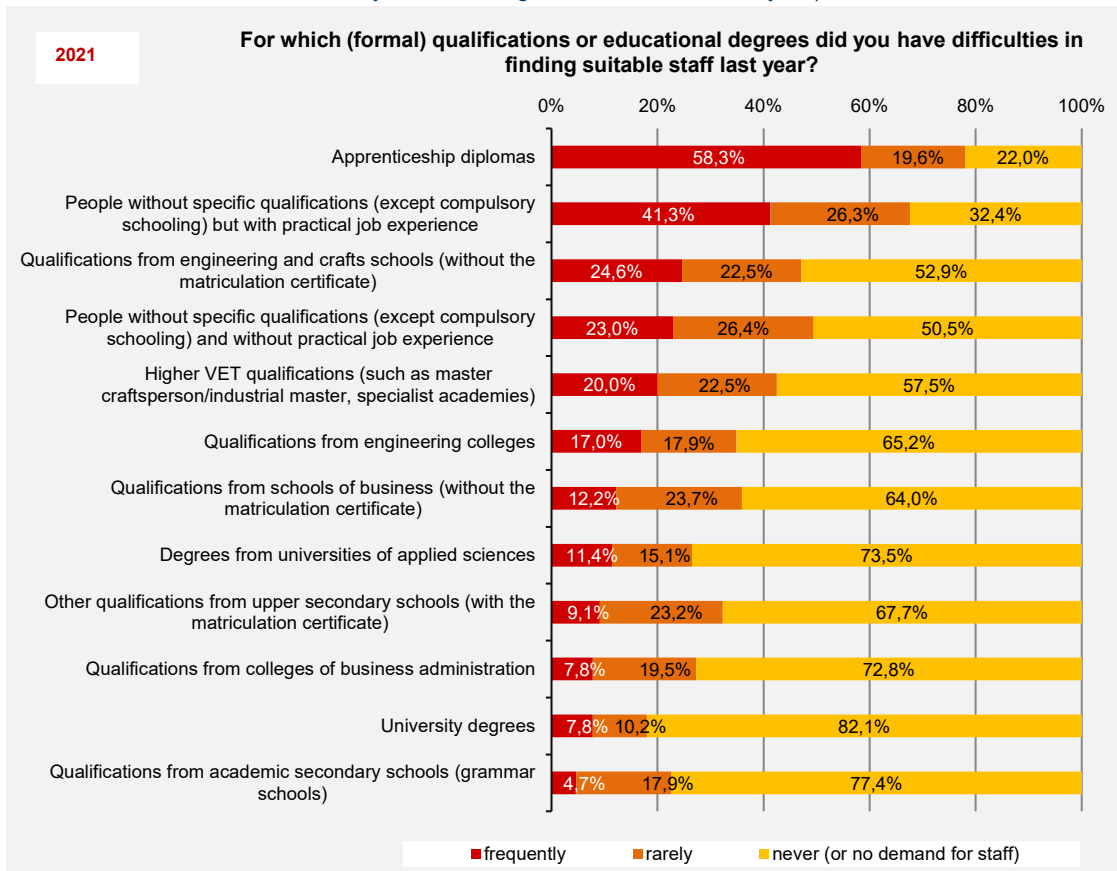
Source: BMA (amis) + ibw calculations

N.B.: (Only) immediately available vacant apprenticeship posts at the end of September 2021 and the end of September 2019. Excluding the categories 'Unskilled occupations' as well as 'undetermined'

DIAGRAM 4

Qualifications or educational degrees where companies encountered difficulties finding suitable candidates last year

(among those n = 3,585 (83.9%) companies which stated they at least weakly felt a shortage of skilled labour last year)



Source: Federal Ministry of Labour, Social Affairs, Health and Consumer Protection (Bali) (data query 6.10.2020).

N.B.: The September 2020 unemployment rates had not yet been published by the time of writing (early October 2020).

DIAGRAM 5

Willingness to train more apprentices (ALL companies)

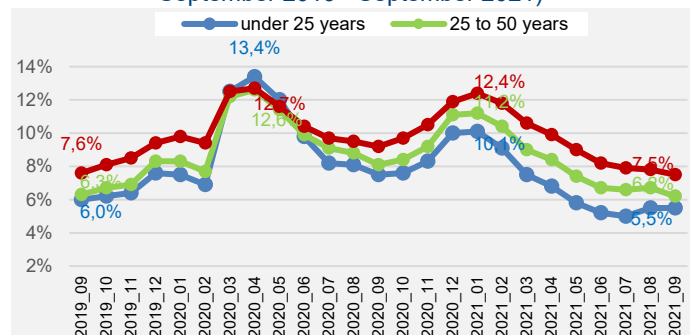


Source: ibw Company Survey on Demand for/Lack of Skilled Labour in 2021 (n = 4,272 companies (WKO member companies); conducted in May/June 2021)

DIAGRAM 6

Unemployment rates by age group in the 'corona crisis'

(Austria; AMS calculation methodology; September 2019 - September 2021)



Source: BMA (amis)