

ARTHUR SCHNEEBERGER, SABINE NOWAK

## Apprenticeship Training at a Glance

Structural Data and Findings of European Surveys (Edition 2008)

**T**he public shows continuing interest in information about apprenticeship training, with long-term developments being presented on the basis of key aspects. This information requirement is met by the periodical publication of the *ibw* - Austrian Institute for Research on Qualifications and Training of the Austrian Economy, which comes out under the title "Apprenticeship Training at a Glance".

*Two thirds of apprentices are male, one third is female*

In late 2007, almost 130,000 young people were in an apprenticeship programme, with over 118,600 or 91 % in the various *Crafts, Trade and Services* segments. In 2007, 34 % of all apprentices were female; their share has remained largely constant since the 1970s.

*Training by sections*

47 % of apprentices are trained in the largest training section, viz. *Crafts, Trade and Services* (see GRAPH 1).

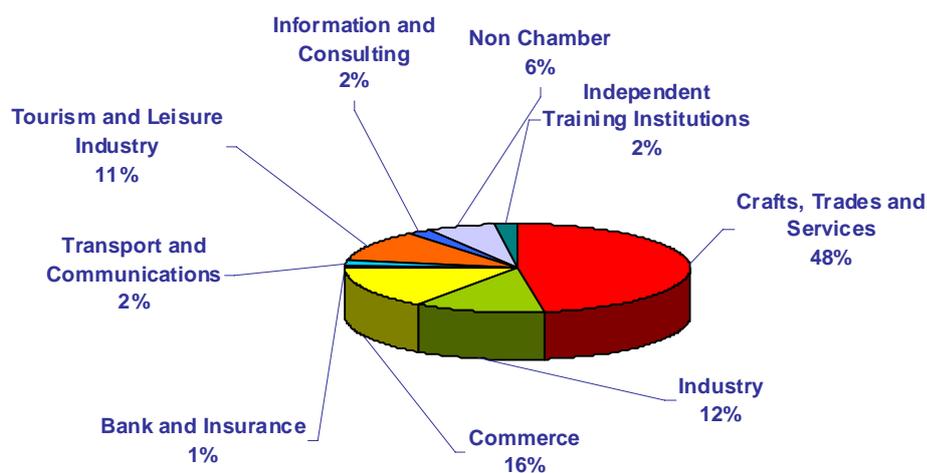
As can be expected, this predominance applies even slightly more to the distribution of training enterprises: 55 % of more than 39,800 training enterprises are active in this section.

The second largest training section is *Commerce* with fast 20,000 apprentices, followed by *Industry* (ca. 15,400), and the *Tourism and Leisure Industry* section with more than 14,800 apprentices. The *Information und Consulting* section, which was introduced in 2002, boasted as many as over 2,980 apprentices in 2007.

GRAPH 1:

**Distribution of apprentices over sections, 2007**

(N=129.823)



Source: Austrian Federal Economic Chamber, Apprenticeship Statistics

*Dual training is the strongest route after completion of compulsory schooling*

Apprenticeship training is the by far strongest training route in Austria both when analysing input (students in the tenth grade), with almost 40 % of school-attending

youth, and even to a greater degree when analysing output. Without the specific integration and skilling options provided by dual training in training enterprises and part-time vocational schools, the share of young adults without a vocational qualification would be an estimated 25 %.

As can be expected, the share of apprentices (students at part-time vocational school) is even higher by far among male youth, which is due to gender-specific occupational preferences: With a total rate of 49 %, the provinces Vorarlberg, Tyrol, Upper Austria and Styria come to more than 50 % of male students in the tenth grade.

### *Differences by provinces*

The available data material shows that apprenticeship training has taken different courses of development in the various provinces. In the distribution of young people in the first year of post-compulsory education, pronounced differences between the provinces can be observed, which are due *inter alia* to predominant economic and occupational structures. In Salzburg, Vorarlberg, Tyrol, Upper Austria and Styria, for example, the rate is more than 40 % of schoolchildren in the tenth grade, whereas this share is partly clearly lower in Carinthia, Lower Austria, Vienna and Burgenland.

### *Age of apprenticeship beginners*

In Germany and other countries (such as Denmark, the Netherlands, Finland etc.), apprenticeship beginners are older than in Austria. In the year 2007, 73 % of Austrian apprentices at the standard age of 15/16 were in their first year, with pronounced differences between the sections. The age of apprenticeship beginners constitutes a significant variable for the initial vocational education and training (IVET) routes' system development.

### *Young people with immigration background*

The share of foreigners among apprentices is some 7 %. In Vienna this share is clearly higher at 12.5 %. This share has been declining since the mid-1990s. But the variable of their *citizenship* constitutes only one hint for the share of young people with a migration background. Another relevant indicator is their mother tongue. Also regarding this indicator however, the share of youth with migration background in dual VET was only approx. 8 %. What becomes clear here is the difference between Vienna and the other provinces (some 28 to 24 %). The contribution of apprenticeship training to the integration of young immigrants is hence more pronounced in Vienna.

### *The apprenticeship post market and problems of transition*

Late September is the time that problems on the apprenticeship post market emerge, if any. The theoretical gap of apprenticeship posts clearly reduced in late September 2007 as compared to 2003.

In addition it can be noted that the number of apprenticeship posts that are offered but cannot be filled increased from some 2,900 in 2002 to about 4,800.

The introduction of integrative vocational training has proven a success, with the number of participants rising from 1,940 in 2005 to over 3,400 in 2007.

### *Distribution by apprenticeship occupations*

In late 2007, the 50 most popular apprenticeships or apprenticeship combinations (i.e. double training programmes) accounted for some 82 % of training relationships.

The by far most frequently chosen apprenticeship is the (in itself differentiated) occupation "retail trade services" (i.e. "retail trade services specialising in general services" plus retail trade services with different specialisations) with more than 15,200 apprentices, followed by "motor vehicle engineering", "office assistant", "hairdresser and wigmaker (stylist)", "cook" and "electrical installations engineering".

By combining all apprenticeship occupations into four domains it is possible to make the structures and structural changes visible. In the segment of *technical and trade apprenticeships* (54 % of training relationships), a decline in training relationships as against 1994 can be observed. *Office and commerce* combine one quarter of all training relationships; *tourism, food & beverages, and personal services* one fifth. The *ICT* occupations make up almost 3,300 training relationships in 2007.

### *Training by company size*

The breakdown of apprenticeship figures by company size shows clearly that apprenticeship training has a pronounced SME focus: Almost 70 % of apprentices are trained in companies with fewer than 50 employees; firms with between 50 and below 500 employees account for 25 %, and 6.5 % receive their training in large enterprises.

### *Number of apprentices per training provider (viz. "apprentices' density")*

In 2007, in all of Austria, nearly 50 % of training enterprises provided training to one apprentice, another fifth of all training enterprises trained 2 apprentices, and 30 % of all training enterprises have three or more apprentices. The share of training enterprises with one apprentice is above average in the two sections *Commerce* and *Transport and Traffic* with almost 60 % respectively,

which is only exceeded by the *Information and Consulting* section (67 %).

### *Apprenticeship rates by sections, sectors and economic sections*

Pursuant to the chamber classification, there was a spread of the rate of apprentices in the workforce in 2007 (as of December) of between 1.1 % (*Bank and Insurance*) and 9.2 % (*Crafts, Trade and Services*). Apprenticeship rates for *Industry* were 3.6 %, for *Commerce* 5.7 %, and for the *Tourism and Leisure Industry* section 5.8 %.

### *Ratio between apprentices and the economically active population with an apprenticeship diploma*

In this context it is also revealing to analyse the ratio between apprentices and apprenticeship graduates in the sectors and economic sections. Whereas the number of apprentices across all sectors amounts to 7.4 % of the number of apprenticeship graduates, the percentage in the services sector is 6.8 % and in the secondary sector (material goods production, construction, energy/ water, mining) nearly 9 %.

The individual services sectors present different "skilled workers reproduction figures". Above-average ratios can be noted for the *hotel and restaurant industry* (12 %), the *provision of other personal services*, and the economic section *commerce, repair of motor vehicles, personal and household goods* - this trend is even more pronounced when disaggregating further. In the sections *transport and communications* as well as *public administration and social security*, below-average reproduction rates of skilled workers with an apprenticeship certificate can be found in most cases.

### *Output of dual training with impact on the labour market*

By the age of 20, students should mostly have completed the VET programmes they are attending. According to the latest census, 45.5 % of the economically active population aged between 20 and 24 had an apprenticeship certificate, 13.5 % had successfully completed a VET school (BMS), and 15.3 % a VET college (BHS) or a post-secondary course in VET. This means that – when analysing output with impact on the labour market – the dual training system is the quantitatively by far strongest qualification route.

Due to more pronounced interest in dual training or the occupations accessible via this route among male young people, also output of apprenticeship training is clearly higher among them: Among 20-to-24-year-old men in gainful employment, the rate is at nearly 57 %, among women at 33 %.

### *Apprenticeship graduates in the employment system*

According to the microcensus, 40 % of all four million Austrians in employment had an apprenticeship certificate in 2007. This share was 49 % among men and 29 % among women.

When differentiating by economic sections or occupational groups, significant differences become visible that manifest the focuses of apprenticeship training.

### *Labour market indicators*

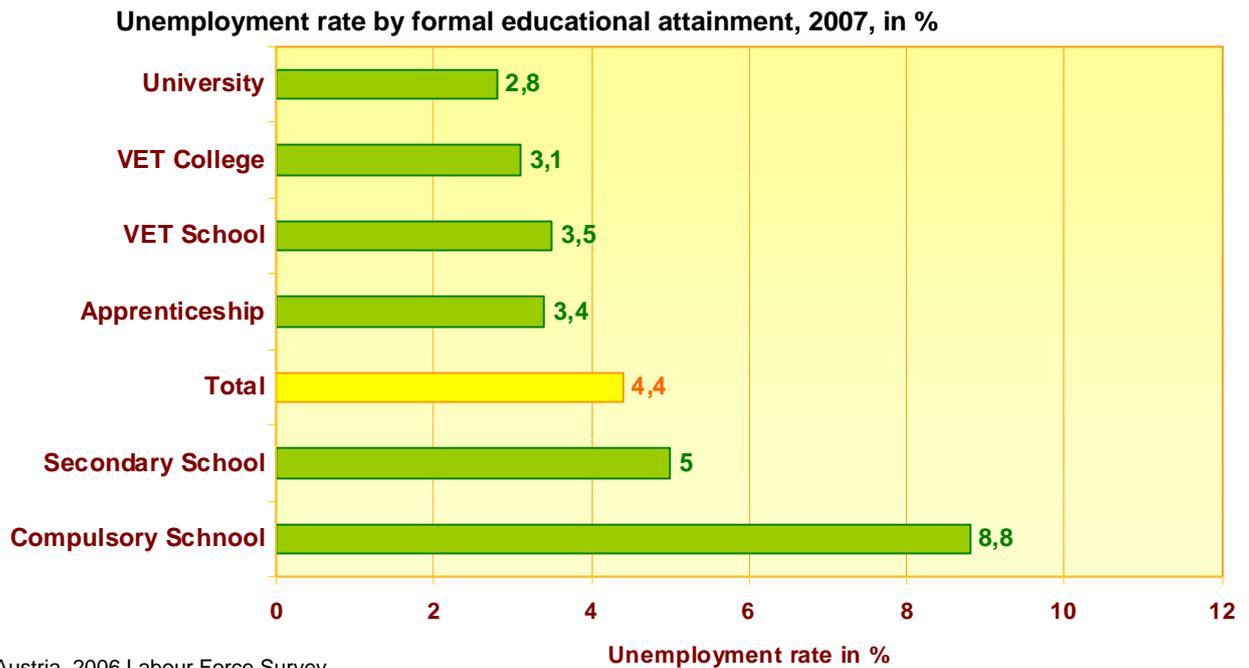
The unemployment rate among apprenticeship graduates is 5.4 percentage points lower than among people who have not completed a VET path. In 2007, the unemployment rate among apprenticeship graduates was 3.4 %, and hence clearly below the average of 4.4 %, as well as below the unemployment rate of graduates of secondary schools (AHS) and BMS (see GRAPH 2).

The apprenticeship graduates' duration of unemployment was an average of 98 days in 2007, whereas the average duration for all educational categories was clearly higher with 108 days.

The relationship between vacancies (as published in the print media) and registered unemployed over the year is more favourable for apprenticeship graduates than for graduates of BMS, BHS, AHS and university-related institutions.

Negative presentations of the labour market situation of apprenticeship graduates as they are sometimes published in the media are based on a misinterpretation of statistical material, in that the number of unemployed people by formal educational attainment is analysed without taking into account the high share of apprenticeship graduates among the economically active population. Under that perspective, merely the distribution of registered unemployment by formal educational attainment forms the basis, whereas the perspective substantiated from the viewpoint of educational economics<sup>1</sup> is the share of unemployed in the economically active population.

GRAPH 2:



Source: Statistics Austria, 2006 Labour Force Survey

*From the "gap of apprenticeship posts" to the "training guarantee"*

These two catchwords mark the beginning and completion of a stage of difficulties and regulation attempts in the field of VET policy. In response to the problems of transition following completion of 9-year compulsory schooling, political stakeholders at the competent ministries, social partners and in the provinces have developed and implemented major approaches and made considerable funds (the training premium, the Blum bonus<sup>2</sup> and many other measures)<sup>3</sup> available since 1996. For the last few years already, new instruments have been applied such as the integrative vocational training approach and other support measures (such as short courses or "coaching for apprentices").

Due to the occupations' structural changes, changing conditions in which people grow up, migration, and the objective of general inclusion in education following compulsory schooling – which goal has been manifested publicly since the 1990s – novel challenges are coming to the fore at the point of transition from compulsory school to employment via education and training<sup>4</sup>, the structural dimension of which is increasingly being perceived. Particularly regarding the concept of the "training guarantee until the age of 18", far-reaching possibilities for measures and structural adjustments can now be discussed openly. With the social partners' document "Labour Market – Future 2010" and the "New subsidisation of apprenticeship posts", major measures to safeguard a sufficient number of training places and assure the quality of dual training have been introduced into discussions.<sup>5</sup> Due to changes of relevant laws (see Federal

Law Gazette, 82<sup>nd</sup> BG, year 2008, 26.06.2008) the basis for a longer-term safeguarding of dual training and accompanying VET research was laid.

*Spread of dual training in Europe*

Recent surveys reveal the spread of dual training in Europe in a specific annex. These are different variants of duality, which only in a few countries build strictly on an apprenticeship contract concluded with the company. In some countries, the dual system is more school-based. Among companies with training activities, Austria ranks among the top of the list with 49 % of enterprises with 10 employees or more. Also regarding participants in enterprise IVET, Austria is in the upper area with 6.6 percent.

<sup>1</sup> Whether within the meaning of the filter theory or the human capital theory, cf. Williams, Gareth L.: The Economic Approach. In: Burton R. Clark (ed.): Perspectives in Higher Education, Berkeley - Los Angeles - London, 1987.

<sup>2</sup> Cf.: [www.egon-blum.at](http://www.egon-blum.at).

<sup>3</sup> Cf: Wagner-Pinter, Michael: Rejuvenating the Austrian apprenticeship system, in: European Commission: European Employment Observatory Review: Spring 2005, Luxembourg, 2006. Downloadable document at: [http://www.eu-employment-observatory.net/resources/reviews/-spring\\_rvw\\_05\\_en.pdf](http://www.eu-employment-observatory.net/resources/reviews/-spring_rvw_05_en.pdf), 23-08-2006.

<sup>4</sup> Cf. Schneeberger, Arthur: Lehrlingsausbildung in Österreich: Trends - Probleme - Perspektiven. In: Prager, Jens U., Wieland, Clemens: Duales Ausbildungssystem – Quo vadis? Berufliche Bildung auf neuen Wegen, Gütersloh, 2007, p. 94ff.

<sup>5</sup> Cf. ÖGB, AK, WKO, LK: Arbeitsmarkt – Zukunft 2010, Vorschläge der Sozialpartner für ein Maßnahmenpaket zur Deckung des Fachkräftebedarfs und zur Jugendbeschäftigung, Wien, 2. Oktober 2007, p. 4ff.

This "research brief" is a short version of the study "Education & Economy No. 142" of the same title. Download: <http://www.ibw.at/media/ibw/fb142.pdf>