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2018 Survey of Apprenticeship Training

Structural Data, Trends and Prospects

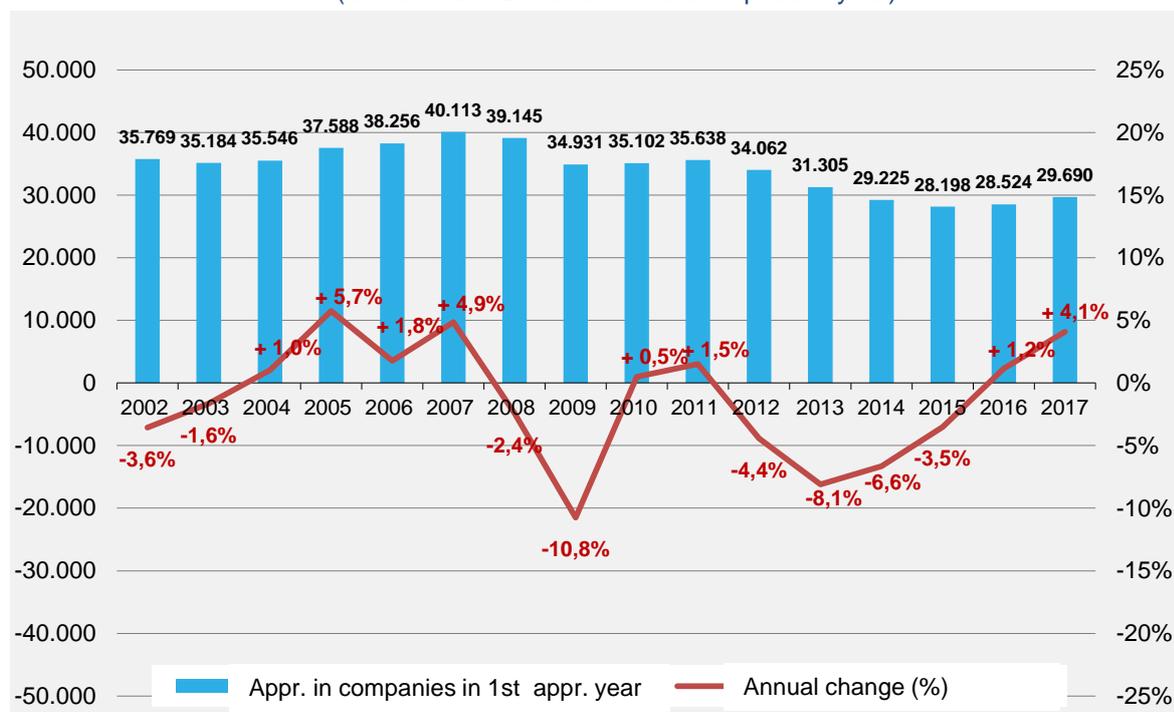
Current data from apprenticeship statistics and about the participation of young people in education and training suggest a genuine trend reversal in the apprenticeship training sector: The number of apprentices in the first apprenticeship year is already increasing for the second year in a row, which is not due to demographic reasons, but because the proportion of young people who opt for an apprenticeship is growing after a longer period of decline. This is revealed by the current issue of the annually published ibw publication “Survey of Apprenticeship Training”, which pursues the objective of presenting all relevant and available statistical data and indicators on apprenticeship training in Austria.

The number of apprentices in the first year who were employed by companies at the end of 2017 (with 29,690 apprentices in the first year) was around 1,100 higher than at the end of 2016 (28,524 apprentices in the first year) even though the total number of apprentices was

again slightly declining in 2017. This means that, for the second year in a row, a rise in the number of apprentices in the first apprenticeship year could again be observed in companies, and this increase was even by a significant amount in 2017. This trend is also continuing in 2018.¹

DIAGRAM 1:

Number of apprentices in the 1st apprenticeship year in companies
(at the end of December of the respective year)



Source: WKO + ibw calculations

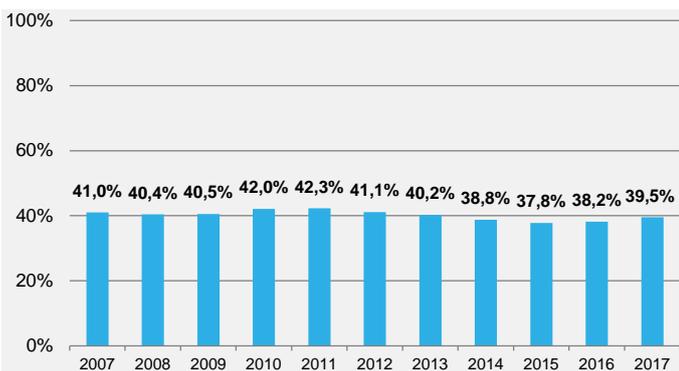
¹ At the end of September 2018 (34,813 apprentices in the 1st apprenticeship year), the total number of apprentices (in companies and supra-company schemes) in the 1st apprenticeship year was around 1,000 higher than the number at the end of September 2017 (33,890 apprentices in the 1st apprenticeship year). (Source: WKÖ)

The decisive reason for this rise in the number of apprentices in the first year is that the **share of young people who opt for apprenticeship training** has increased. The number of 15-year-olds, however, was also slightly declining again in 2017 (before another minor growth can be expected in the next years).

The share of young people of one age group who take up apprenticeship training has, over the past ten years, always been between 37% and 43% (cf. Diagram 2), although – within this range of variation – there have been repeated conspicuous fluctuations and trend corrections. After the share of apprentices in the first year among 15-year-olds decreased significantly from 2011 until 2015, it has seen an upswing since 2016. Above all **in 2017, a clear increase** (to 39.5%) can be observed, which – in connection with the rise expected also in 2018 – can be considered as an indication of an actual trend reversal.

DIAGRAM 2:

Share of apprentices in the 1st year among 15-year-olds



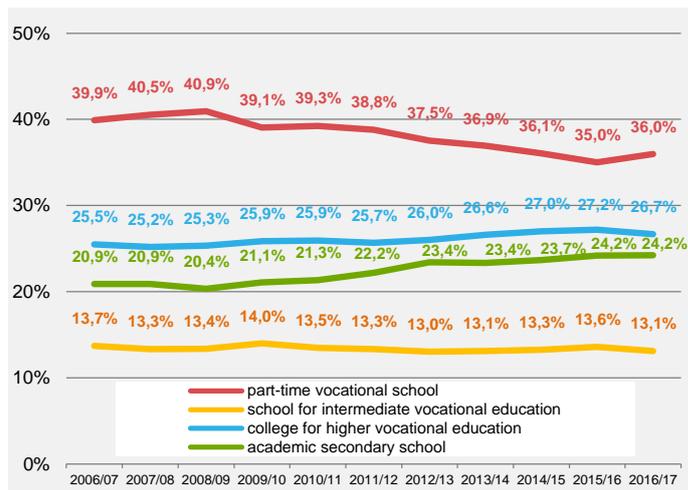
Source: WKO (apprentices in the 1st year of apprenticeship), Statistics Austria (15-year-olds) + ibw calculations

The fact that the attractiveness of an apprenticeship training programme has recently improved again compared to other education and training pathways can also be illustrated on the basis of the distribution of pupils in year 10 (cf. Diagram 3). After the share of pupils at part-time vocational schools (apprenticeship training) in year 10 was declining over a long period of time (from 40.9% in the school year 2008/09 to 35.0% in the school year 2015/16), a striking trend correction could be observed in the school year 2016/17 (cf. Diagram 3): this marked the first time since 2008/09 that the share of pupils at part-time vocational school in year 10 rose again significantly (within one year from 35.0% to 36.0% of the pupils). Long-term observation (from the school year 2006/07 to the school year 2016/17), however, shows that gains

were recorded in particular by academic secondary schools (from 20.9% to 24.2%), whereas apprenticeship training clearly lost shares in this longer-term perspective (from 39.9% to 36.0%).

DIAGRAM 3:

Distribution of pupils in year 10 over time
(school years 2006/07 - 2016/2017)

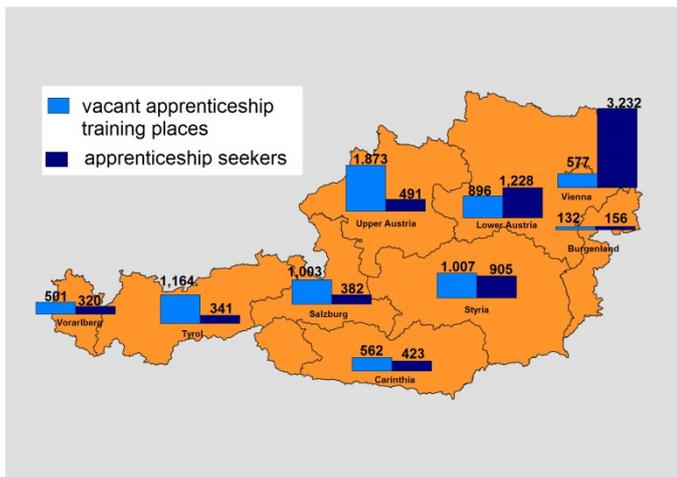


Source: Statistics Austria (school statistics) + ibw calculations

A trend reversal also occurred on the apprenticeship post market insofar as the year 2018 marked the first time in almost 20 years that more vacant apprenticeship posts (end of June: 4,811) than apprenticeship post seekers (end of June: 4,785) were registered with Public Employment Service (AMS). This is all the more remarkable as not all vacant apprenticeship posts are registered with AMS. This reveals, above all, also extreme regional disparities (cf. Diagram 4): whereas, for instance, at the end of September 2018 in Vienna 3,232 apprenticeship post seekers contrasted with merely 577 registered vacant apprenticeship posts, the number of vacant apprenticeship posts was clearly above the number of apprenticeship post seekers in particular in the provinces Upper Austria, Tyrol, Salzburg, Vorarlberg and Carinthia. In Upper Austria, for example, 1,873 vacant apprenticeship posts were registered with AMS at the end of September 2018, but only 491 apprenticeship post seekers were registered as unemployed.

DIAGRAM 4:

Vacant apprenticeship posts and apprenticeship post seekers by province
(as of end of September 2018)



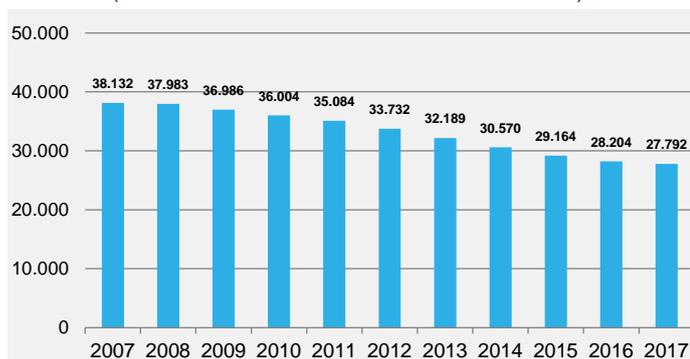
Source: BMASGK (Bali)

N.B.: (Only) Immediately available apprenticeship post seekers and vacant apprenticeship posts at the end of September 2018

Despite the increase in the number of apprentices in the first apprenticeship year – an increase which has been ongoing for two years – the decline in the number of training companies has diminished but by no means stopped (cf. Diagram 5). Over the past ten years, the number of training companies has fallen by more than one quarter (from 38,132 training companies in 2007 to 27,792 in 2017).

DIAGRAM 5:

Number of training companies in Austria
(counted on the basis of chamber members)



Source: WKO (reference date: 31.12. of the respective year)

Explanatory note: counted on the basis of chamber members (i.e. every member in one of the nine regional chambers is counted), but adjusted for multiple entries of licenses within the business sectors and professional associations.

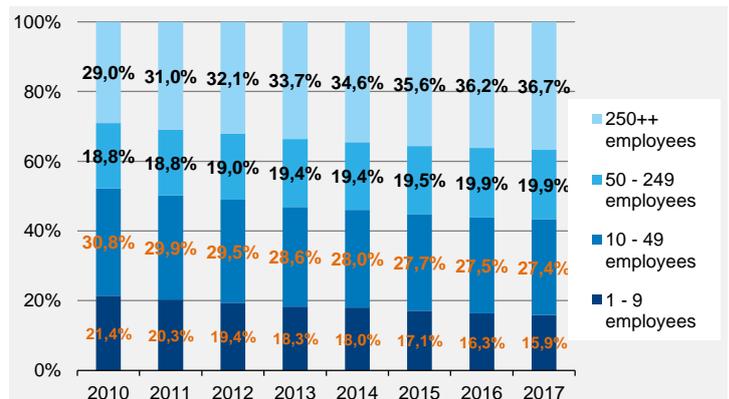
In connection with the strong decline in the number of mainly smaller training companies, concentration tendencies in the apprenticeship training sector can be observed. The (increasingly necessary) more and more

aggressive (advertising- and cost-intensive) recruitment of apprentices by large companies, which is due to the declining number of young people and apprentices, leads to a further concentration of the flows of applicants. This has the result that smaller companies receive (even) fewer applications and that, despite a lack of apprenticeship seekers, many applications (at large companies) continue to be unsuccessful and many applicants have negative experiences when applying for jobs. This growing concentration can be demonstrated based on the distribution of apprentices by company size (among WKO member companies) (cf. Diagram 6): the share of apprentices in companies with fewer than 10 employees is continually decreasing (2010: 21.4%, 2017: 15.9%), whereas it is rising in companies with more than 250 employees (2010: 29.0%, 2017: 36.7%).

DIAGRAM 6:

Distribution of apprentices by size of training company (employees)

(size of training company based on the number of people in dependent employment in the WKO member companies; at the end of December of the respective year)

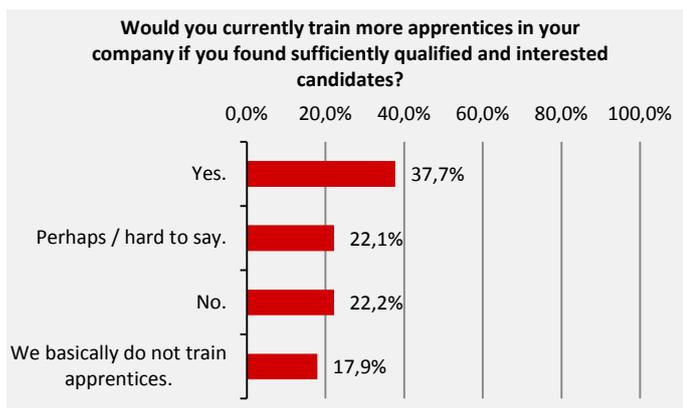


Source: WKO (2011 – 2018): Apprentice rates – share of apprentices among people in dependent employment. Vienna. + ibw calculations

The share of training companies is a result of the decline in the number of young people/apprenticeship post seekers, which is mainly due to demographic reasons, rather than of a lacking willingness to provide training on the part of Austrian companies. On the contrary: **around half of the companies** (38% clearly, another 22% perhaps) **would train a greater number of apprentices** if they found sufficiently qualified and interested young people for their jobs (cf. Diagram 7). Among those companies which, in principle, train apprentices, as many as 46% definitely wanted to train more apprentices and 27% perhaps. This is shown by a current ibw survey (WKO skilled labour radar) among some 4,500 Austrian companies.

DIAGRAM 7:

Train more apprentices?



Source: WKO skilled labour radar: ibw Company Survey on Demand for/Lack of Skilled Labour (n = 4,462 companies; time of survey: Apr. 2018)

The same survey also reveals how urgently skilled workers with an apprenticeship diploma would be needed by companies. This is because at the level of qualifications

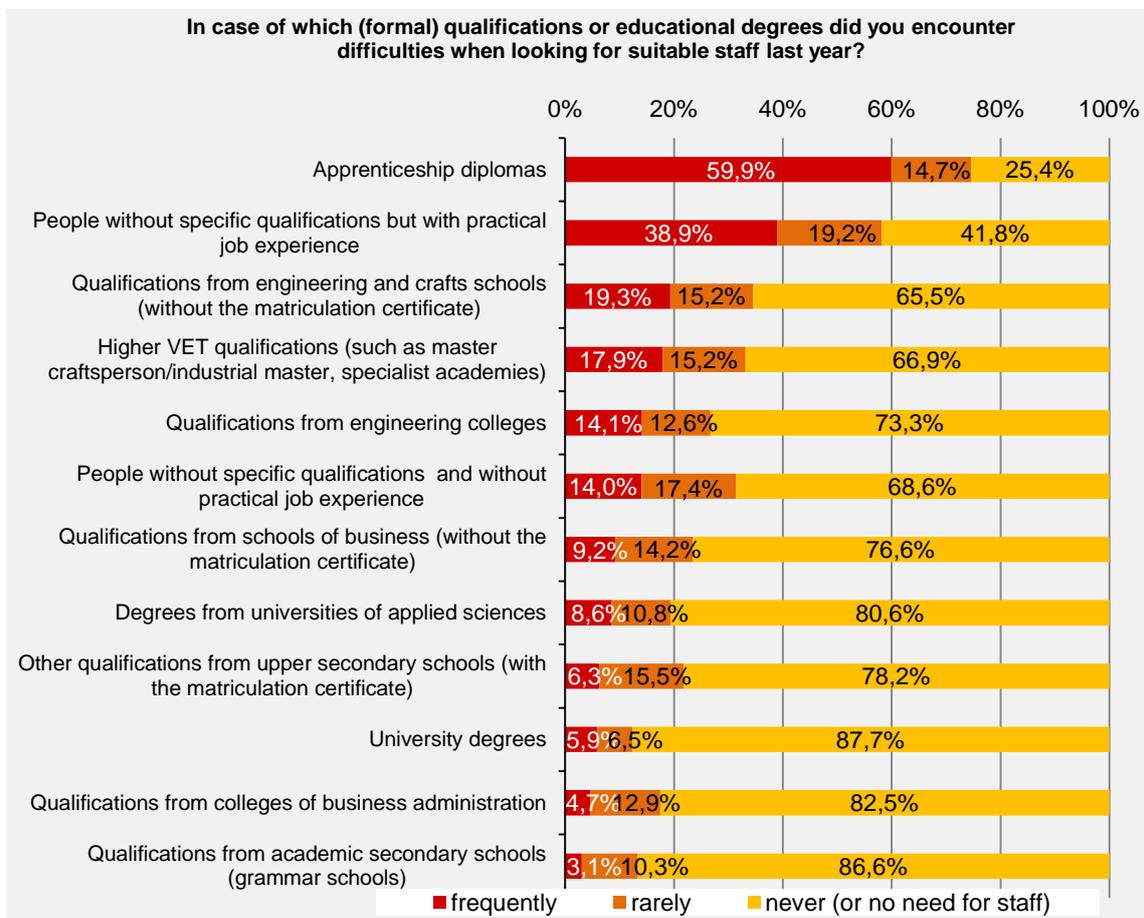
or educational degrees, **apprenticeship diplomas** (cf. Diagram 8) in particular are in demand. 60% of the companies with a noticeable skilled labour shortage frequently encountered difficulties last year in their search for staff with apprenticeship diplomas (only 9% when searching for graduates from universities of applied sciences and 6% in case of university graduates). The situation has additionally become worse in recent years because of the decline in the number of apprentices (which is mainly due to demographic reasons).

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. 193, ISBN 978-3-903210-64-6) or downloaded free of charge from <https://www.ibw.at/bibliothek/id/481/>.

DIAGRAM 8:

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

(of those 87% of companies which stated they felt a shortage of skilled labour at least to a minor extent last year)



Source: WKO skilled labour radar: ibw Company Survey on Demand for/Lack of Skilled Labour (n = 4,462 companies; time of survey: April 2018)