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Apprenticeship Training at a Glance

Structural Training and Employment Data (Edition 2007)

The 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 2006, almost 126,000 young people were in an apprenticeship programme, with over 115,300 or 92 percent in the various *Crafts, Trade and Services* segments. In 2006, 33 percent of all apprentices were female; their share has remained largely constant since the 1970s.

Training by sections

48 percent of apprentices are trained in the largest training section, viz. *Crafts, Trade and Services* (see

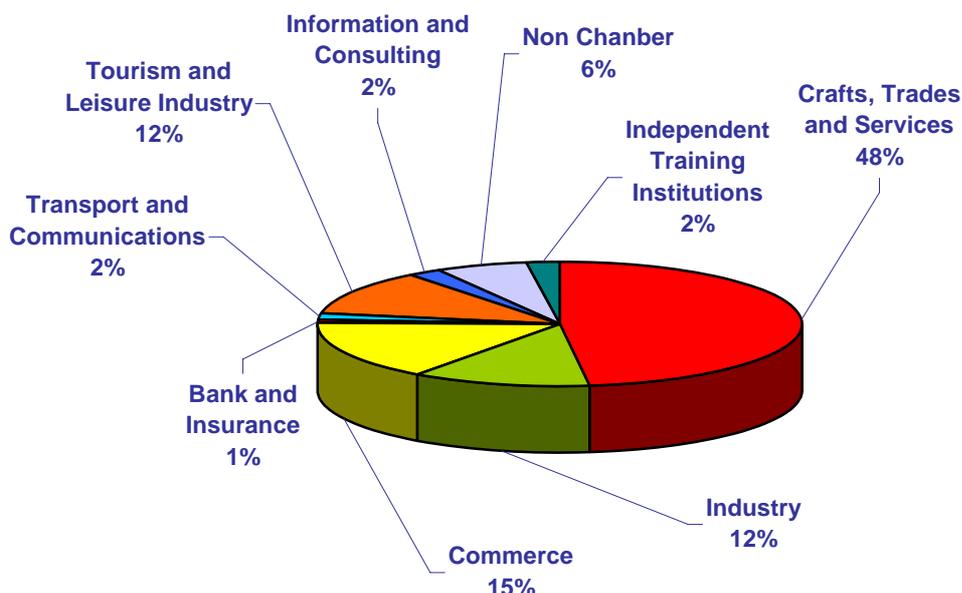
GRAPH 1). As can be expected, this predominance applies even slightly more to the distribution of training enterprises: 56 percent of more than 39,000 training enterprises are active in this section.

The second largest training section is *Commerce* with some 19,000 apprentices, followed by *Industry* (ca. 15,400), and the *Tourism and Leisure Industry* section with almost 14,800 apprentices. The *Information und Consulting* section, which was introduced in 2002, boasted as many as over 2,750 apprentices in 2006.

GRAPH 1:

Distribution of apprentices over sections, 2006

(N=125,961)



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 39 percent 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 percent.

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 47 percent, the provinces Vorarlberg, Tyrol and Upper Austria come to more than 50 percent 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 of apprenticeship beginners/vocational school students is 40 percent or more of all young people in training 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 2006, 74 percent 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 percent. In Vienna this share is clearly higher at 12.5 percent. The contribution made by apprenticeship training to the integration of young immigrants in Vienna becomes even more evident when considering that in the 2005/06 school year, a share of 21.5 percent of vocational school students had a non-German mother tongue.

The apprenticeship post market and problems of transition

The so-called "gap of apprenticeship posts" declined from almost 3,700 to below 2,200 as against 2005. In addition, the number of apprenticeship posts that are advertised but not filled has risen further (to almost 4,800).

The introduction of integrative vocational training has proven a success, with the number of participants rising from 1,940 to over 2,700 between 2005 and 2006.

Distribution by apprenticeship occupations

In late 2006, the 50 most popular apprenticeships or apprenticeship combinations (i.e. double training programmes) accounted for some 83 percent 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 nearly 14,700 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* (52 percent 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 3,100 training relationships in 2006.

Newly published is information including a breakdown of vocational school students by apprenticeship groups according to the school-type classification. The shares of "apprenticeship groups" according to vocational school statistics can be assessed as relatively stable, with shifts becoming effective primarily on the level of individual apprenticeships. The apprenticeship group *Commerce and Transport* comprises nearly one quarter of all vocational school students, eight apprenticeship groups in the field of *Metal* combined also make up about one quarter of apprentices.

Training by company size

The breakdown of apprenticeship figures by company size shows clearly that apprenticeship training has a pronounced SME focus: Almost 70 percent of apprentices

are trained in companies with fewer than 50 employees; 28 percent in companies with between 50 and 1,000 employees; only 3 percent receive their training in large enterprises.

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

In 2006, in all of Austria, nearly 50 percent of training enterprises provided training to one apprentice, another fifth of all training enterprises trained 2 apprentices, and 30 percent 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 percent respectively, which is only exceeded by the *Information and Consulting* section (68 percent).

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 2006 (as of December) of between 1.1 percent (*Bank and Insurance*) and 9.4 percent (*Crafts, Trade and Services*). Apprenticeship rates for *Industry* were 3.5 percent, for *Commerce* 5.7 percent, and for the *Tourism and Leisure Industry* section 5.8 percent.

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 percent of the number of apprenticeship graduates, the percentage in the services sector is 6.8 percent and in the secondary sector (material goods production, construction, energy/water, mining) nearly 9 percent.

The individual services sectors present different "skilled workers reproduction figures". Above-average ratios can be noted for the *hotel and restaurant industry* (12 percent), 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 sub-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 percent of the economically active population aged between 20 and 24 had an apprenticeship certificate, 13.5 percent had successfully completed a VET school, and 15.3 percent a VET college 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 (see above), 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 percent, among women at 33 percent.

Apprenticeship graduates in the employment system

According to the microcensus, 40 percent of all 3.9 million Austrians in employment had an apprenticeship certificate in 2006 (Statistics Austria 2007, p. 101). This share was 49 percent among men and 30 percent 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 5.5 percentage points lower than among people who have not completed a VET path. In 2006, the unemployment rate among apprenticeship graduates was 4.1 percent, and hence clearly below the average of 4.7 percent, as well as below the unemployment rate of graduates of secondary schools (AHS) (see GRAPH 2).

The apprenticeship graduates' duration of unemployment was an average of 103 days in 2006, whereas the average duration for all educational categories was clearly higher with 112 days.

The relationship between vacancies (as published in the print media) and registered unemployed people over the year can be rated as more favourable for apprenticeship graduates than for graduates of VET school (BMS), VET college (BHS), secondary school (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 economics¹ 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 bonus² and many other measures)³ 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’s 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 training⁴, the structural dimension of which is increasingly being perceived. For the future now less hope is pinned on “soldiering on” until a demographic relief has occurred on the apprenticeship post market, and far-reaching possibilities for measures and structural adjustments can now

be discussed openly, in particular with regard to the concept of a “training guarantee until the age of 18”.⁵

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¹ 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.

² Cf. www.egon-blum.at.

³ 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, 23-08-2006.

⁴ 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.

⁵ 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. 44” of the same title.
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