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Employment of Graduates of Inclusive Vocational Training Programmes

An Analysis of Career Pathways

Since the introduction of inclusive vocational training (*IBA*) in 2003, the number of young people who are either trained within a prolonged apprenticeship scheme (according to § 8b(1) of the Austrian Vocational Training Act or *BAG*) or in the form of a partial qualification (according to §8b(2) of the *BAG*) has been rising continuously. A new *ibw* publication, which was commissioned by the Federal Ministry of Economy, Family and Youth (*BMWFJ*), covers the first comprehensive results of the career pathways and labour market integration of graduates of an *IBA* programme in Austria.

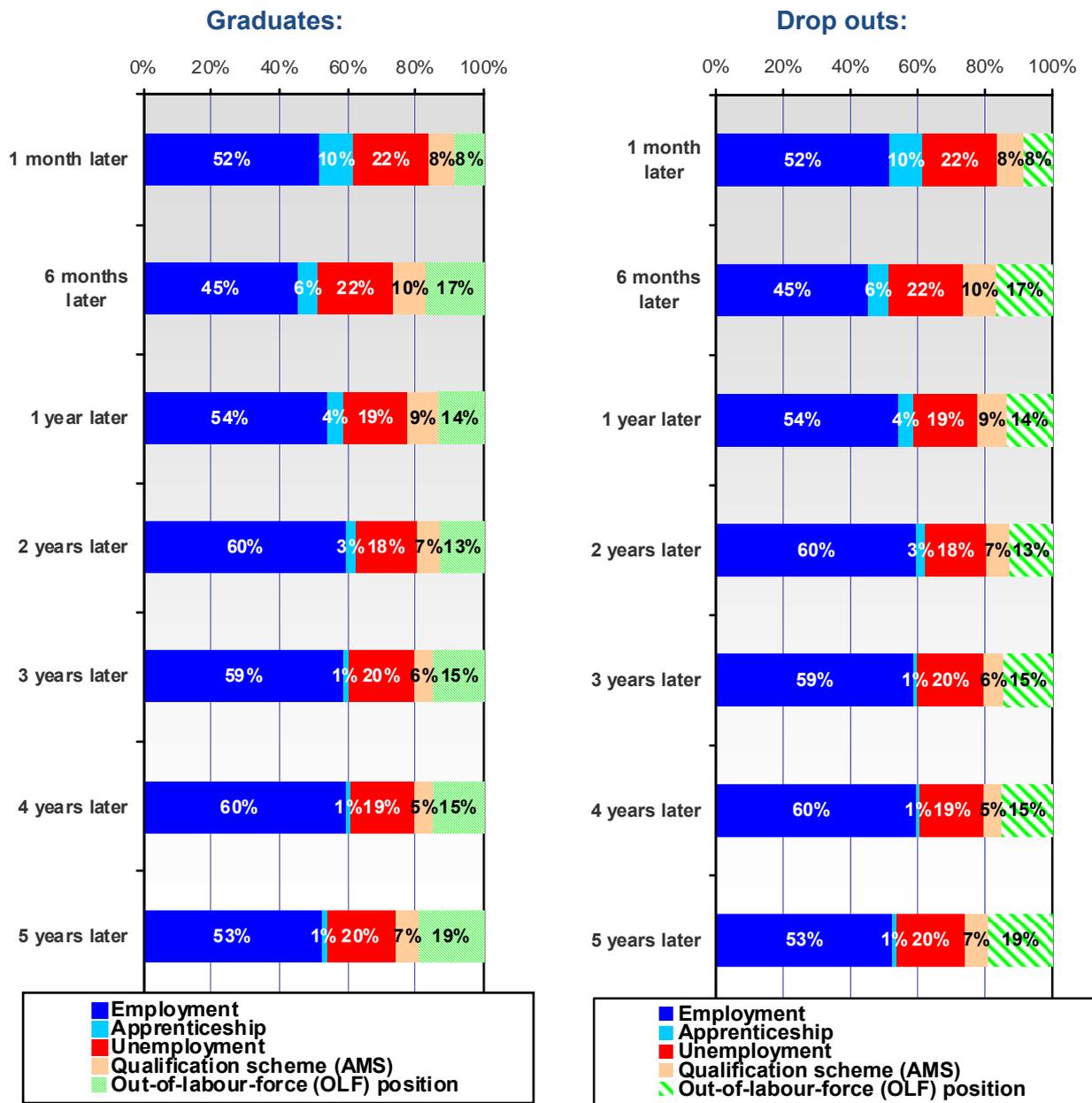
The study results reveal that inclusive vocational training has 'impact' and positive effects because it enhances labour market integration. *IBA* graduates are considerably better integrated in the labour market – both in the short term and in the longer term – than those who do not complete training. But also among graduates of inclusive vocational training, striking differences can be found between graduates of company-based training and those of supra-company training establishments. Graduates of an inclusive vocational training scheme at a company still show clearly better integration in the labour market five years after completion of training.

The main findings of the study can be summarised as follows:

1) **Inclusive vocational training (*IBA*) has 'impact', which means it considerably promotes labour market integration** (cf. Diagram 1): one month following completion of inclusive vocational training (*IBA*), 52% of graduates have a workplace. Another 10% are in a new (some of them in a 'regular') apprenticeship relationship. (Most of these are graduates of an *IBA* scheme that is completed with a partial qualification.) Within this period, 22% of graduates are registered as unemployed and 8% take part in a qualification scheme provided by Public Employment Service (*AMS*). Among the drop-outs,

however, the share of employees one month after ending the training is merely 8%, whereas 42% of the drop-outs are registered as unemployed after leaving their *IBA* programme and another 11% take part in an *AMS* qualification scheme. Also four and five years after ending *IBA*, the proportion of employees among *IBA* graduates is still clearly above the share among drop-outs. Four years after completing *IBA*, for example, 60% of the graduates but only 44% of the drop-outs are in an employment relationship. These findings therefore provide major indicators of the positive impact *IBA* has in terms of labour market integration and prevention of youth unemployment. The job-hunting process for *IBA* drop-outs is significantly more difficult and lasts longer.

DIAGRAM 1: Status of IBA graduates and drop-outs over time (following the end of inclusive vocational training)



Data collected until 13 Dec. 2011 for IBA graduates/drop-outs and until 31 Jan. 2012 for career pathways

Source: ibw data file "IBA graduates/drop-outs 2003-2011 (N=11,142)" (data basis: WKO + amsbg)

Note: '5 years after IBA' the figures in the cells are already relatively low

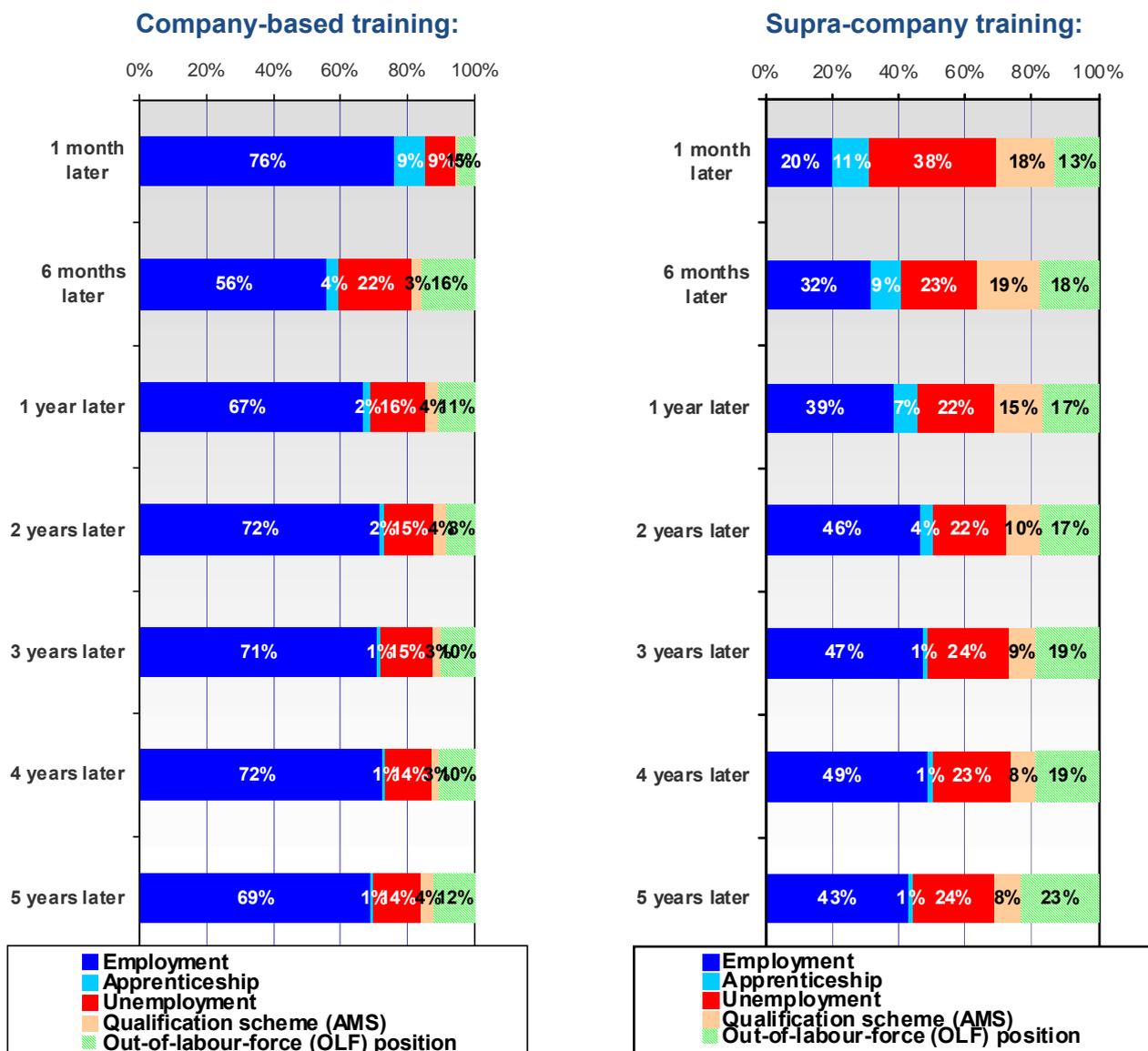
2) In a relevant number of cases, IBA training also represents an **access pathway for transfer to another (in some cases 'regular') apprenticeship**. Overall, 38% of drop-outs later (in the period under study) entered into a new apprenticeship agreement. Half of them (that is: 19%) and thus **almost one fifth of all drop-outs took up a 'regular' apprenticeship** (some time) after terminating their IBA programme prematurely. Therefore

it can also be assumed that a considerable proportion of drop-outs from an IBA programme are the direct result of apprentices changing to other (sometimes 'regular') apprenticeships – one month after leaving an IBA scheme, 23% of the drop-outs are in a new (sometimes 'regular' and sometimes inclusive) apprenticeship relationship.

3) The effects produced by participation in *IBA* schemes demonstrate considerable differences between training provided by a company and programmes in supra-company training establishments (cf. Diagram 2): one month following completion of their *IBA* scheme, 76% of the graduates of a company-based programme are in an employment relationship against merely 20% of graduates of an *IBA* in programmes of supra-company training establishments. In the former group, only 9% are unemployed and 1% in a qualification measure provided

by *AMS*, in the latter group 38% are unemployed and another 18% in a qualification measure provided by *AMS*. The difference between the two groups is still significantly large five years after completion of training: the share of employees among graduates of a company-based *IBA* scheme is 69% and among graduates of programmes of supra-company training establishments it is 43%.

DIAGRAM 2: **Status of *IBA* graduates over time, broken down into company-based and supra-company training (following the end of inclusive vocational training)**



Data collected until 13 Dec. 2011 for *IBA* graduates/drop-outs and until 31 Jan. 2012 for career pathways

Source: ibw data file “*IBA* graduates/drop-outs 2003-2011 (N=11,142)” (data basis: *WKO* + *amsbg*)

Note: ‘5 years after *IBA*’ the figures in the cells are already relatively low

Accordingly **labour market integration** is **considerably more pronounced among graduates of a company-based IBA programme** – in particular immediately after completion of training, but can still be observed five years later.

But it is not clear the extent to which these differences are only due to the labour market orientation of company-based training or also to other factors such as possible differing entry requirements for participants.

However, although the causes of these differences and their weighting cannot be identified unambiguously, it must be concluded that – based on the clarity and blatancy of variations – **company-based training**

should be given preference, particularly in cases where both options seem feasible. This also applies to the issue of (public) funding and financial support of inclusive vocational training in companies and is also completely in line with the intentions of the Austrian Vocational Training Act (§ 8b(3) of the *BAG*: “Programmes provided in inclusive vocational training pursuant to sub-paragraphs 1 or 2 should mainly be conducted in training companies.”).

The entire study can be obtained from ibw in printed form (ibw research report no. 167, ISBN 978-3-902742-49-0) or [online](#).