



## **The ‘Vocational Placement Guarantee’: Institutional setting and implementation of a measure at the crossroads of labour-market and educational policy**

*Bettina Haidinger  
Roland Atzmüller*

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Forschungs- und Beratungsstelle Arbeitswelt  
A-1020 WIEN, Aspernbrückengasse 4/5  
Tel.: +431 21 24 700  
Fax: +431 21 24 700-77  
office@forba.at  
<http://www.forba.at>

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## *INTRODUCTION*

This mapping report summarising the main pillars of the ‘Vocational Placement Guarantee’ (*Ausbildungsgarantie*) scheme in Austria and the modes of its implementation relies on two main sources. On the one hand it makes use of statistical data, existing reports and literature on Austria’s educational system in general and the organisation of the country’s ‘dual system’ in particular. In addition, six interviews were carried out with relevant stakeholders active at the intersection of educational and labour-market policy. The interviews were conducted with representatives of the social partners – the Austrian Chamber of Labour, the Austrian Economic Chamber and the Austrian Federation of Trade Unions – and with officials active in the field of labour-market policy in Vienna, including the Public Employment Service Vienna for Youth (AMS Jugendliche), the Vienna Employment Promotion Fund (WAFF) and the coordination centre, ‘Youth – Education – Employment’.

First, we will provide an overview of the relevant key data, key stakeholders and key principles of Austria’s educational regime. In the following, particular emphasis will be placed on recent developments and reform efforts within the Austrian ‘dual system’. Finally we will analyse the relevance of the ‘Vocational Placement Guarantee’ against this institutional background as well as the political and educational challenges following from this reform step, looking particularly at its implementation in Vienna. Furthermore, we will critically discuss which consequences the implementation of the Vocational Placement Guarantee has for the formation of young people’s capabilities and voicing.

## 1. GENERAL PRESENTATION OF THE NATIONAL EDUCATIONAL REGIME AND GENERAL OVERVIEW OF THE KEY STATISTICAL DATA ON EDUCATION AT NATIONAL LEVEL

Taking as a reference point the three main types of educational regimes – the liberal-market based system, the universalistic system and the systems of alternance – Austria's national educational regime has traditionally been oriented towards the last: the system of alternance or 'dual system', which puts special emphasis on young people's vocational education: Thus, in 2008 only one fifth (22.9%) of students in upper secondary education were enrolled in schools providing a general academic education while almost three quarters (70.8%) received a vocational education and 6.3% a pre-vocational education.<sup>1</sup> Austria therefore belongs to those countries where the percentage of pupils choosing general academic educational pathways is traditionally very low. After completion of compulsory school, 79.0% of 15-to-19-year-olds are still participating in the educational system, a figure that has gone down from 82% in 2006 – a relatively low participation rate by EU standards. Therefore, 21% of the 15-19 cohorts are located outside the schooling system.

Table 1 Trends in enrolment rates (1995-2008) of full-time and part-time students in public and private institutions in Austria and the EU-19, 15-to-19-year-olds, as a percentage of the population aged 15 to 19

	1995	2000	2003	2004	2005	2006	2007	2008
Austria	75	77	77	79	80	82	79	79
EU-19	77	81	83	84	85	85	84	85

Source: OECD 2010, 303

The establishment of an educational regime relying on the dual system is closely linked to the existence of so-called occupational labour markets, a controlled transition from education to employment via apprenticeships providing intermediate skills, stable employment patterns and identities. The educational system is highly controlled and influenced by corporatist organisations and their particular interests. In the German speaking countries, the early selection of educational pathways in the school system is another main feature, leading to polarised and segmented outcomes according to class, gender and migrant background. The transition to other educational pathways than the one initially chosen within the system is not easy and rather rare even though the permeability of the different branches of the system has been improved over the last years.<sup>2</sup>

1 OECD 2010, 305

2 Zeilinger 2006, 19; Gruber 2004

In Austria, responsibilities concerning legislative matters of school life are scattered among federal and provincial competencies. School legislation at the federal level may only be amended by a two-thirds majority in Parliament, which has led to a rather detrimental lock-in of the main features of the educational system. Most legislative matters of school administration are in the responsibility of the Federal Ministry of Education and Culture but certain regulations and the implementation of laws may be delegated to the provincial governments ('Bundesländer'). These tasks are taken over by the federal school authorities within the individual provinces, i.e. the Regional Education Boards at provincial level and the District Education Boards at the level of the political districts. The Regional Education Boards, for instance, have a say concerning appointments and are the official employer of all teachers at public compulsory schools. They also issue decrees and general regulations on the structure, organisation, setting up, maintenance and closing down of schools providing general education.

Furthermore, laws and decrees regulating school life and school education are drawn up in cooperation with the social partners. The Austrian system of economic and social partnership is based on a voluntary cooperation of legal interest groups, such as the employers' (Economic Chamber), the employees' (Chamber of Labour) and agricultural (Presidential Conference of the Chamber of Agriculture) chambers, voluntary interest groups, such as the Federation of Austrian Industrialists and the Austrian Federation of Trade Unions, and members of the government.<sup>3</sup>

### **1.1. *School and vocational careers in the educational system in Austria***

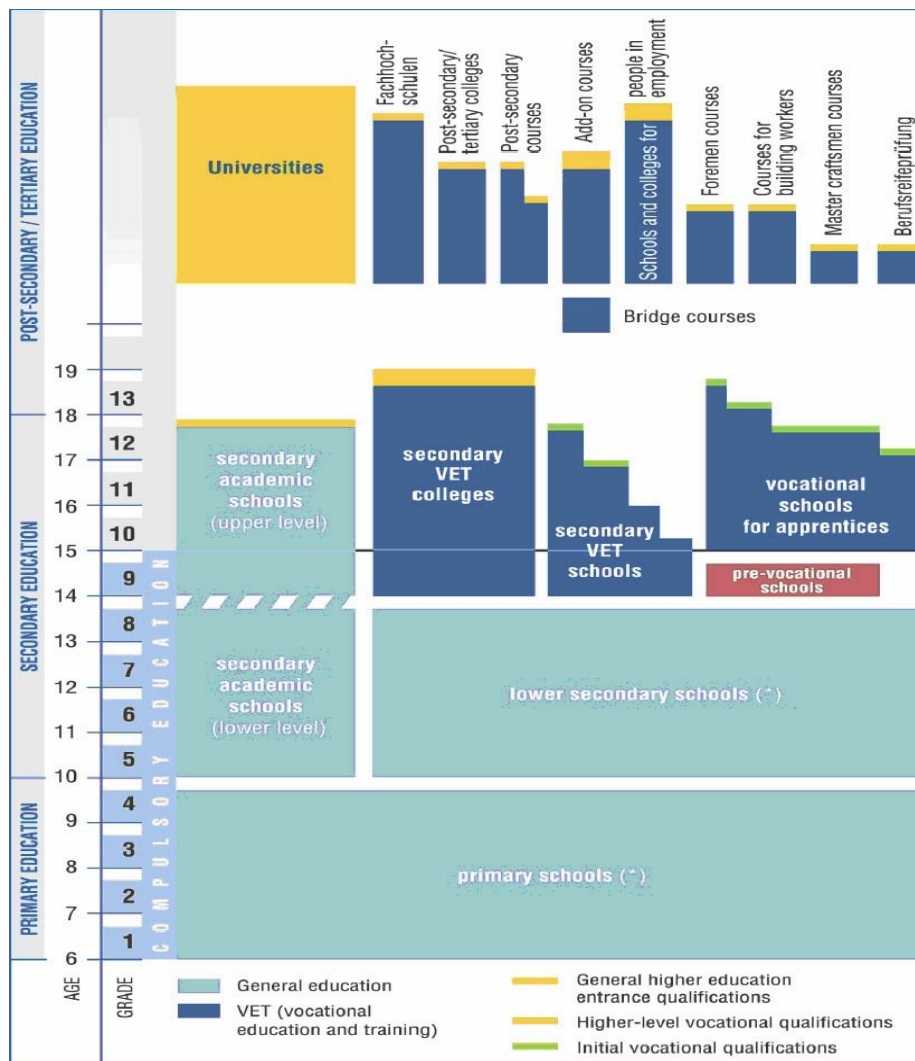
The main routes of educational pathways are presented in this chapter; an overview is given in Figure 1, which visualises the various educational career options from primary to tertiary education.<sup>4</sup>

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3 <http://www.bmukk.gv.at/enfr/school/educ/brief.htm4589.xml>, Archan/Mayr 2006

4 Archan/Mayr 2006

Figure 1



Source: ReferNet Austria 2008, 21

In Austria, compulsory schooling begins at age six. Up to this age (0-6 years), education is provided in various child-care facilities where attendance is voluntary. Only in 2009, the city council of Vienna introduced compulsory kindergarten attendance (of at least 20 hours per week) during the final year before school entry, with the aim to bring children from all social strata into the educational system at an early stage. Furthermore, fees for kindergarten attendance were abolished. This means that kindergarten places for ALL five-year-olds have to be provided. Following pre-school education most children attend primary school (*Volksschule*) from age 6 to 10, with a small proportion of school-age children attending schools for children with special educational needs (*Sonderschule*). At the transition from the four-year primary level to the lower secondary level (ISCED 2), the general education system is divided into four types of schools: academic secondary schools (*Gymnasium Unterstufe*), lower secondary schools

(*Hauptschule*), ‘new middle school’ (*Neue Mittelschule*) and schools for children with special educational needs (*Sonderschule*).

The lower secondary level ends after eight years of schooling and is followed by the upper secondary level (ISCED 3), which offers four different options: academic secondary schools (*Gymnasium Oberstufe*), higher technical and vocational colleges (*Höhere Technische und Berufsbildende Schulen*)<sup>5</sup>, intermediate technical and vocational schools (which do not lead to a secondary school leaving certificate, or *Matura*) and the pre-vocational year (*Polytechnikum*). The pre-vocational year, which is of special importance for this study, acts as a kind of bridge between the four-year lower secondary level and entry into working life (in order to comply with the requirement of nine years of compulsory schooling) or entry into the dual system of vocational education (attendance of a vocational school and apprenticeship with a company). For the majority of children, compulsory schooling is completed at the end of the ninth grade. However, if a child had to repeat a particular year he or she is able to leave school earlier.

A total of 1,202,033 students were enrolled in Austria’s schools during the 2007/08 school year. The number of pupils attending primary schools has been falling consistently for some years due to the decrease in the birth rate over previous years<sup>6</sup>. Secondary academic schools and secondary technical and vocational colleges have been reporting record student numbers at the expense of enrolments in lower secondary schools<sup>7</sup>, a trend which is expected to be continued. In post-compulsory education the number of pupils in secondary technical and vocational colleges has risen by a fifth compared to ten years ago; at upper secondary academic schools a 8.0% rise has been recorded.<sup>8</sup> However, it must be noted that the permeability from lower secondary schools to higher secondary schools is low: only 1/3 of pupils from lower secondary but 90% of pupils from academic secondary schools go on to attend higher secondary schools.<sup>9</sup>

The inclination of pupils to attend a higher secondary school is strongly influenced by their parents’ educational attainment level; similarly, in tertiary education the socio-economic background of enrolled students has been continuously unequal for years.<sup>10</sup> Table 2 shows the educational attainment level and the school type 17-year-olds have attended or are attending according to the educational attainment level of their parents. We see that especially male youngsters – one fifth – whose parents only completed

5 These include crafts, technical and arts colleges, colleges of business administration, colleges of management and the service industries and colleges of agriculture and forestry.

6 This is an important point because sometimes the current crisis of the dual system, which leads to a lack of available apprenticeship places for school leavers, is expected to be solved through this demographic change.

7 Secondary lower schools are still the school type absorbing 65% of pupils having completed primary school (Wintersteller 2009, 56).

8 [http://www.statistik.at/web\\_en/statistics/education\\_culture/formal\\_education/school\\_attendance/index.html](http://www.statistik.at/web_en/statistics/education_culture/formal_education/school_attendance/index.html), (Statistik Austria 2010c, 159).

9 Wintersteller 2009, 56

10 Lassnig/Vogtenhuber 2009a, 112



compulsory school are not enrolled in post-compulsory education. This group also has the lowest numbers of students enrolled in higher academic or vocational schools and is strongest represented in apprenticeship training. Girls on the other hand are – even if their parents attained a lower level of education – are more inclined than boys to attend schools than choosing apprenticeship training or to completely dropping out of school.

**Table 2** Educational attainment of 17-year-olds according to their parents' educational attainment, 2005-2007, on average

Educational attainment level of parents	Educational Attainment/Type of School					
	Without further education after compulsory school	Apprenticeship	Intermediate schools	Higher vocational schools	Higher academic schools	All 17-year olds
<b>All</b>						
Low (compulsory school)	20	52	11	6	10	100
Medium (apprenticeship, intermediate vocational schools)	7	43	11	12	25	100
High (higher vocational/academic schools)	5	16	9	37	32	100
Highest (university)	1	5	5	61	26	100
All parents	8	37	10	20	23	100
<b>Male</b>						
low	22	59	6	5	6	100
medium	7	56	6	8	22	100
higher	6	24	6	28	36	100
highest	1	9	5	60	23	100
All parents	9	47	6	15	21	100
<b>Female</b>						
low	17	44	16	6	14	100
medium	7	30	16	17	28	100
higher	4	8	12	46	28	100
highest	1	2	5	61	30	100
All parents	8	26	14	24	26	100

Source: Lassnig/Vogtenhuber 2009b, 157

At tertiary level (ISCED 5), universities of applied sciences (*Fachhochschulen*) or post-secondary colleges are available. The secondary school leaving certificate (*Matura*) or other certificates gained through special examinations (i.e. the *Berufsreifeprüfung*) allow students to gain access to tertiary education. The tertiary level has been significantly expanded in recent years, partly as a result of the introduction of universities of applied sciences and also due to newly introduced degree programmes following the Bologna process being divided into bachelor programmes (6-8 semesters)

and subsequent master programmes (2-4 semesters). Furthermore, in the 2007/08 academic year, the teacher training academies for primary and lower secondary education (*Pädagogische Akademien*) were upgraded to universities of education (*Pädagogische Hochschulen*). The highest formal academic qualification, the doctorate, can be attained at ISCED level 6.<sup>11</sup> According to Statistics Austria, the growing number of students going to university continued over the past few years and in the 2008/09 academic year reached a figure of 223,562 students at public universities. The number of students at universities of applied sciences during the 2009/10 academic year was 36,085 and of students enrolled in courses for the teaching qualification 7,928 students.<sup>12</sup>

## 1.2. *Selective pathways: gender, class and migrant background*

One main characteristic of Austria's school system is the early selection of pupils being allotted either to lower secondary schools (*Hauptschule*) or academic secondary schools (*Gymnasium*) as early as the age of 10. The former have traditionally led to a vocational route to education (dual system), the latter to different forms of higher and university education. Which type of school is chosen depends on various factors: besides the regional accessibility of the school, in particular the social and ethnic background of the pupil is decisive. Children with German colloquial language more often go on to academic secondary schools than those using other colloquial languages (34.8%/26.8%)<sup>13</sup>. Therefore, the percentage of students using other than German colloquial languages, in particular Turkish and Bosnian/Croatian/Serbian is much higher in lower secondary schools (20%) than in academic secondary schools (14.2%).<sup>14</sup>

The ninth school grade (usually at the age of 14-15) again marks an educational watershed – considering socio-demographic characteristics, different outcomes based on ethnic background and gender can be observed in educational careers: On the one hand, 6 out of 10 girls but only 5 out of 10 boys decide to attend an academic secondary school, higher technical or vocational college ending with an exam that allows them to enrol in university. On the other hand, the dual system is still dominated by male apprentices: two thirds of students are boys. Male youths are also overrepresented in apprenticeships which still lead to well-paid and stable jobs. In contrast, young women are concentrated in a small number of not very promising apprenticeships in the service sector: In 2006, 50% of all female apprentices chose to train as retail saleswoman,

11 [http://www.statistik.at/web\\_en/statistics/education\\_culture/formal\\_education/index.html](http://www.statistik.at/web_en/statistics/education_culture/formal_education/index.html)

12 [http://www.statistik.at/web\\_en/statistics/education\\_culture/formal\\_education/education\\_at\\_a\\_glance/index.html](http://www.statistik.at/web_en/statistics/education_culture/formal_education/education_at_a_glance/index.html)

13 Statistik Austria 2010b, 26.

14 Statistik Austria 2010b: 2010, 24, 24.

hairdresser or office clerk while eight out of ten young men chose occupations in the production sector, which have very small percentages of female apprentices.<sup>15</sup>

Young people with other than German as colloquial language (54.8%) choose intermediate technical and vocational schools or the pre-vocational year over other educational pathways more often or even quit the formal educational system entirely.<sup>16</sup> Overall – as is shown in Table 3 – the highest percentages of pupils with other than German as colloquial languages are to be found in primary schools (22.3%), in lower secondary schools (20.5%), in schools for children with special educational needs (27.8%), in the pre-vocational year (21.7%), in ‘new middle schools’ (24.2%) as well as in intermediate technical and vocational schools (17.0%). These school types offer little perspectives to continue with higher education and a higher chance of discontinuing working biographies.

Even though more than 20% of pupils in lower secondary schools and in the pre-vocational year have migrant background, in the dual system of vocational education their share is only 8.2%.

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15 Gender segregation also persists in vocational schools and universities: men dominate in technical, women in vocational schools and universities with social or commercial focus (Mairhuber/Papouschek 2010, 443).

16 Wintersteller 2009, 59.

**Table 3 Percentage of pupils with other than German as mother tongue, with non-Austrian citizenship, in different school types, in Austria and the Austrian provinces, 2008/2009**

	Percentage of pupils with other than German as mother tongue									
	Austria	Burgenland	Kärnten	Lower Austria	Upper Austria	Salzburg	Styria	Tirol	Vorarlberg	Vienna
All School types	16.9	11	8.7	10.3	13	14.6	9.1	10.2	17.3	40.7
Primary School	22.3	13.2	10.9	13.6	18.7	20.2	12.9	15.1	24.5	50.6
Lower Secondary School	20.5	13.3	10.7	12.5	17.6	18.9	10	13	22.3	60.9
Special School	27.8	11.4	10.4	18.5	25.3	23.9	12.6	20.9	34.4	51.8
Prevocational Year	21.7	11.1	11.8	13.1	18.9	18.5	10.9	10	23	60.8
New Middle School	24.2	10.4	5.5	-	21.8	-	30	-	23.8	-
Academic Secondary School	13.3	10	7.9	5.8	7.7	8.8	8.3	5.9	7.9	27.9
Lower Academic Secondary School	14.2	9.7	8.7	6.1	8.9	10.2	8.9	5.8	8.7	29.1
Others	26	1.1	-	0.5	1.4	17.2	4	0.5	-	53.2
Vocational School/Apprenticeship	8.2	6.1	2.4	4	4.1	7.5	2.3	2.9	3.6	30.2
Intermediary Vocational School	17	12.3	8.7	12.8	13.1	14.3	9.9	9.6	19.3	46.5
Others	11.6	0.9	6.7	12.5	4.1	12.7	6	3.7	3.7	23.2
Higher Vocational Schools	11	8.5	7.6	7.7	6.9	8.7	6.7	6.8	9.7	28.7
Academy for Social Work	4.3	-	-	-	4.3	-	-	-	-	-
Intermediate Vocational Schools for Education	0.9	-	-	-	-	-	6.5	0.3	-	0.6
University of Education	2.8	0.8	2.4	1	0.7	1.2	0.7	1.6	1	8.7

	Percentage of pupils with non-Austrian citizenship									
	Austria	Burgen-land	Kärnten	Lower Austria	Upper Austria	Salzburg	Styria	Tirol	Vorarl-berg	Vienna
All School types	9.4	5.9	6.8	6.3	8	11.9	6.4	8.1	10.4	16.9
Primary School	11.2	6.4	8.5	7.7	9.9	13.1	8.4	9.3	11.4	20
Lower Secondary School	12.7	8.1	9.8	8.3	11.8	15	7.9	9.9	13	29.2
Special School	18.6	7	9.1	13.5	17.4	21.5	10.1	17	24.3	28.8
Prevocational Year	14	6.1	12.2	9.7	13.6	16.6	7.8	9.2	13.5	29.5
New Middle School	16.3	7.3	4.7	-	9	-	23.5	-	13.3	-
Academic Secondary School	6.4	4.9	4.9	3.6	4.3	8.9	5	5.5	6.5	10.1
Lower Academic Secondary School	6.5	4.5	5.2	3.6	4.5	8.4	5.1	5.5	5.8	10.3
Others	27.2	-	-	1.9	1.8	41.4	4.4	6.5	-	52
Vocational School/Apprenticeship	6.4	3.9	3.9	4.4	4.7	10.2	2.9	8.1	8.3	11.8
Intermediary Vocational School	8.7	6.3	6.7	6.7	8.5	11.8	6.7	5.8	10.7	15.3
Others	7.8	0.4	5.8	7.6	3.3	14.1	5.9	4.1	6.1	11.7
Higher Vocational Schools	5.5	4.9	4.8	3.8	4.3	7.6	4.2	4.7	6.2	9.6
Academy for Social Work	8.7	-	-	-	8.7	-	-	-	-	-
Intermediate Vocational Schools for Education	3	-	-	-	0.4	-	6.5	6.9	-	1.1
University of Education	1.8	0.8	0.7	0.8	0.8	2	0.7	1.7	4.8	4.1
Health Schools	4.6	3.5	2.1	2.2	1.2	5.1	5.1	6	5.3	8.5
Health Academies	2.3	-	0.7	-	0.2	3.3	0.7	9.8	-	1.9

Source: Statistik Austria 2010c, 150; 154

In Vienna, which is the place in Austria with the highest percentage of non-Austrian citizens and citizens with migrant background, this situation is even more pronounced. 40.7% of all pupils in Vienna do not have German as their mother tongue. In some school types thus more than 60% of pupils use other than German as colloquial language. Taking a look at the number of apprentices with migrant background in Vienna, we see that they are more inclined (30.2%) to choose this educational pathway than in other Austrian regions.<sup>17</sup>

A panel study carried out by researchers of the University of Vienna<sup>18</sup> accompanying students with predominantly migrant background during their transition from lower secondary school to other higher school types, into the apprenticeship system or into the labour market in Vienna found out that the eighth school grade – which is the most

<sup>17</sup> Statistik Austria 2010b, 150

<sup>18</sup> Rosenberger et al. 2009.

decisive before deciding which educational or vocational pathway to choose – does not sufficiently prepare the students for their future career steps. More than half of the 90 accompanied pupils failed to achieve their ideal educational or vocational pathway but had to downgrade their expectations. The study also emphasised the importance of familial and friends' networks as well as teachers' support for the success of the pupils' future plans.

### 1.3. *Recent developments concerning educational attainment levels in Austria*

Given the development of educational attainment among young people in Austria, we can see a continuous development towards higher educational levels, with more people obtaining further education qualifications than 40 years ago. This, however, raises the question about the situation at the lower end of the educational system.

The youth education attainment level in Austria was 86.0% in 2009 (annual average). This indicator is used to measure the proportion of 20-to-24-year-olds who have at least an upper secondary qualification.<sup>19</sup> Overall, around 434,000 young people had a further education qualification, 214,000 of whom were young men compared to 220,000 young women. In particular, the educational attainment of young women has improved significantly since the 1970s. By 2006 the number of young people aged 20-24 who had only completed compulsory school had fallen to 17%, compared to 40% in 1971, whereas 34% had completed secondary school compared to 13% in 1971. Especially the gender gap in educational attainment has been reduced since then because the educational level of women increased faster than that of men. At the same time the female percentage of persons with university degrees increased from 24% in 1971 to 42% in 2007. Regarding the level of overall educational attainment, women have long been disadvantaged regarding their access to higher education. However, for some years, women with a university degree are slightly overrepresented. The proportion of women among all secondary school leavers with *Matura* is now 60%. Among the apprentices, their proportion is only 34.5%.<sup>20</sup>

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19 The indicator, 'Youth education attainment level', is defined as the percentage of young people aged 20-24 having attained at least upper secondary education, i.e. with an education level ISCED 3a, 3b or 3c long minimum (numerator).

20 Papouschek/Mairhuber 2010.

Table 4 Youth educational attainment, 1995 to 2008

Year	Total	Female	Male
	in %		
1995	79.2	74.5	84.1
1996	80.5	77.8	83.3
1997	81.8	80.1	83.6
1998	84.4	82.4	86.5
1999	84.7	82.9	86.6
2000	85.1	84.9	85.3
2001	85.1	85.3	84.9
2002	85.3	84.6	86.1
2003	84.2	83.4	85.1
2004	85.8	86.5	85.1
2005	85.9	87.3	84.6
2006	85.8	86.7	84.9
2007	84.1	85.4	82.7
2008	84.5	84.8	84.2

Source: STATISTICS AUSTRIA, Labour Force Survey (Microcensus). Yearly average. Compiled on 09 April 2009, [http://www.statistik.at/web\\_en/static/results\\_overview\\_youth\\_educational\\_attainment\\_029837.xls](http://www.statistik.at/web_en/static/results_overview_youth_educational_attainment_029837.xls)



Table 5 Educational attainment of the Austrian population, ages 25 to 64, in %

Year	Compulsory school	Apprenticeship training	Intermediate technical and vocational school	Academic secondary school, higher technical and vocational college	Post-secondary college	University
Total						
1971	57.8	25.9	7.5	6	0	2.8
1981	46	31	11.2	7.3	0.7	3.9
1991	34.2	37	12.5	9.4	1.6	5.3
2001	26.2	39.4	13.1	11.5	2.3	7.5
2008	17.4	40.8	13.8	14.6	2.7	10.7
Male						
1971	43.4	39.7	5	7.4	0	4.4
1981	34.3	43.7	7.3	8.5	0.4	5.7
1991	25.3	48.6	8.1	10.3	0.9	6.9
2001	19.3	51.1	7.5	12.1	1.1	8.8
2008	12.5	51.4	8.9	14.4	1.3	11.5
Female						
1971	70.4	13.7	9.8	4.8	0.1	1.3
1981	56.8	19.2	14.7	6.2	0.8	2.2
1991	43.1	25.4	17	8.5	2.3	3.7
2001	33.1	27.7	18.6	10.9	3.5	6.2
2008	22.3	30.3	18.7	14.9	4	9.8

Source: Statistik Austria 2010b, 85

Although women have drawn level with men in terms of education they have more difficulties to turn their level of education into adequate jobs. With the same level of education men still can attain higher job positions than women.<sup>21</sup> With respect to income, a major gender wage gap exists and has even widened since 1995. The gender wage gap stands at 27.6% depending on the qualification and sector among male and female job starters with the same educational attainment. Mairhuber and Papouschek (2010) explain this difference on the one hand with gender-specific choices of education

21 Mairhuber/Papouschek 2010

and on the other with the unequal distribution of starting positions within the job hierarchy of companies.

In Austria in 2009 8.9% of female and 8.5% of male persons aged 18-24 had not attained a level of education or training higher than ISCED 0, 1, 2 or 3c short (i.e. this means they had just or not even completed lower secondary school) and had not received any education or training in the four weeks preceding the survey ('early school leavers'). This ratio saw a remarkable decrease of female early school leavers in the mid-1990s in particular and has seen a near stagnation of the ratio since the end of the 1990s.<sup>22</sup>

Table 6 Early school leavers, 1995 to 2008

Year	Total	Female	Male
	in %		
1995	13.6	17.3	9.9
1996	12.1	14.9	9.2
1997	10.8	12.5	9.0
1999	10.7	11.9	9.6
2000	10.2	10.7	9.6
2001	10.2	10.7	9.7
2002	9.5	10.2	8.7
2003	9.3	9.9	8.6
2004*	8.7	7.9	9.5
2005	9.0	8.8	9.4
2006*	9.6	10.2	9.3
2007	10.7	10.1	11.4
2008	10.1	9.8	10.4
2009	8.7	8.9	8.5

Source: STATISTICS AUSTRIA, Labour Force Survey (Microcensus). Up till 2002 1stquarter, since 2003 2ndquarter. Compiled on 04 April 2010 \*) Break in time series, [http://www.statistik.at/web\\_en/static/results\\_overview\\_early\\_school\\_leavers\\_029838.xls](http://www.statistik.at/web_en/static/results_overview_early_school_leavers_029838.xls)

A study<sup>23</sup> on social inequalities concerning the risk of dropping out of the school system early shows that young people living in urban areas are two times more likely to drop

<sup>22</sup> Papouschek/Mairhuber 2010

<sup>23</sup> (Steiner 2009).

out early (drop-out rate: 11.8%) than young people living in rural areas (drop-out rate: 5.4%).<sup>24</sup>

Furthermore, young people with migrant background as well as pupils whose parents only attained a low formal educational level are much more likely to drop out of the school system than other (Austrian) pupils. The rate of drop-outs among immigrants without EU citizenship is four times higher (nearly 30%) than the rate among young Austrians of the same age (drop-out rate: 7.2%). The risk of second- and third-generation pupils of former immigrants still is twice that of native Austrians. Herzog-Punzenberger<sup>25</sup> concludes that a ‘citizenship bonus’ must explain this difference between young people with migrant background without and with Austrian citizenship.

Concerning the risk of dropping out of school early due to social origin (the parents’ occupational status and the parents’ education) young people whose parents are unemployed face a drop-out risk that is three times higher (drop-out rate: 21.1%) compared to young people whose parents are employed (drop-out rate: 6.4%). The social inequalities concerning school drop-outs are highest if differentiated according to the parents’ education. Young people whose parents have a very low educational level (e.g. parents are drop-outs themselves) are 5.5 times more likely to leave the educational system without sufficient qualifications (drop-out rate: 16.8%) than young people whose parents are highly educated (drop-out rate: 3.1%).

Taking these developments together it is possible to conclude that the very selective Austrian school system, combined with the short duration of compulsory schooling, add to young people’s disadvantages instead of reducing them. Moreover, the competitive situation on the apprenticeship market leads to a further stratification of young people, into those succeeding in obtaining vocational training, those being supported by measures of the Austrian Employment Service, those beginning to work immediately in low-qualified jobs and those dropping out completely.

The policy approach to combat early school leaving in Austria can be classified as employment-centred. The most common form of intervention to decrease the proportion of early school leavers is to integrate early school leavers into pre-vocational measures, active labour market training, apprenticeship-training or to make attempts for direct integration into the labour market.

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24 Compared to the equal educational opportunities debate of the 1960s and 1970s in Austria, these figures show that the situation seems to have changed completely. While 30 years ago, youths from rural areas were regarded as educationally disadvantaged, nowadays it is urban youths who face higher risks of leaving the educational system without sufficient qualifications.

25 (Herzog-Punzenberger 2007, 244).

The next section will provide an institutional mapping of the case (the ‘Vocational Placement Guarantee’) to be studied, explaining the regime of the ‘dual system’ and identifying the main strengths and weaknesses of the programme from the perspective of the main stakeholders.

## 2. *APPRENTICESHIP TRAINING IN AUSTRIA – THE ‘DUAL SYSTEM’: KEY STAKEHOLDERS, RECENT REFORMS, PRINCIPLES*<sup>26</sup>

In Austria apprenticeship training takes place at two different sites, thus, apprenticeship training is also referred to as a ‘dual system of vocational training’, or ‘dual system’: company-based training of apprentices is complemented by compulsory attendance of a part-time vocational school for apprentices (*Berufsschule*) providing apprentices with the theoretical basics of the respective occupation and deepening their general knowledge of subjects such as German and Communication Skills, Career-related Foreign Language, Civics or Business Education/Administration. The official educational objectives of these courses include the improvement of students’ communication, cooperative and social skills; the broadening of their vocabulary in order to provide them with the skills necessary to adequately voice and defend personal and business interests; the provision of qualifications necessary to play an active, critical and responsible part in society; the improvement of students’ understanding of the real world and of the gap between legitimate claims and reality as well as the representation of Austria’s political system, and cultural, economic and humanitarian achievements.<sup>27</sup>

The focus is on the practical application of skills. Apprentices thus spend most of the time of their apprenticeship training in the ‘real environment’ of a manufacturing plant or service provider, where training on the job takes place. Company-based training is regulated by the Federal Ministry of Economic Affairs and Labour, which issues a list of currently approx. 240 apprenticeship occupations, while pedagogical matters fall into the responsibility of the Federal Ministry of Education and Culture. Companies which train apprentices are obliged to provide apprentices with the skills and know-how stipulated in the occupational profile ensuring a uniform minimum standard of training.<sup>28</sup>

Apprenticeship training is based on an agreement between the company and the apprentice, stating the conditions of training within the framework of a contract of employment. It is subject to the regulations of industrial and social law as well as to protective labour legislation for teenage employees. The training lasts between two and four years but, in most cases, takes three years. In case of accreditation of other educational pathways (e.g. vocational schools, vocational training abroad as well as holders of the *Matura* school-leaving exam), the period of apprenticeship may be reduced. Apprentices are entitled to a remuneration which is fixed in collective labour agreements and varies according to the different apprenticeship trades. After completion of the apprenticeship training period and the attendance of the part-time vocational school, the apprentice may finalise his/her education by taking the Apprenticeship Leave Exam. The Apprenticeship Leave Certificate provides the apprentice with the admission to the Master Craftsman Exam and for qualification tests, and it offers access to higher education via the Higher Education Entrance Exam (*Berufsreifeprüfung*), which is a prerequisite for those without *Matura* exam to take up

<sup>26</sup> Tritscher-Archan et al. 2008

<sup>27</sup> <http://www.bmukk.gv.at/enfr/school/secon/app.xml>

<sup>28</sup> Companies that are not able to provide training which covers the whole occupational profile may avail of the possibility of complementary training within a training network. Thus, even small companies may contribute their share to apprenticeship training.

studies at colleges, universities, post-secondary courses and post-secondary colleges.<sup>29</sup> The introduction of the latter is part of a strategy to improve the permeability of the educational system in Austria. However, the number of former apprentices entering university has remained very low.

Of all Austrian teenagers born in 1993, about 42.5% entered apprenticeship training upon completion of compulsory education. The percentage of female apprentices has been constantly decreasing since 1990, falling to a mere 34% in 2008. The most popular apprenticeship occupations girls opt for are retail saleswoman, hairdresser and office clerk. Among male apprentices the most popular occupations are motor-vehicle mechanic, followed by electrician. 47% of all apprentices are trained in Crafts, Trade and Services, other important sectors are commerce (15%), the industry (13%) and tourism and the leisure industry (11%).<sup>30</sup>

All in all about 40,000 companies train approximately 130,000 apprentices. Upon completion of apprenticeship training about 30% of all apprentices continue to work for the company where they trained; in companies of the production sector the rate of continuance is higher (61%) than in other sectors. In the catering and hotel industry, for instance, the percentage of apprentices staying on beyond their apprenticeship is very low, at 15%.<sup>31</sup> Interestingly, the probability to stay with the same employer is even lower, at only 14-16%, for apprenticeship places receiving special subsidies for taking on girls, disadvantaged persons and apprentices over the age of 19. 52% of apprentices are still working in the same occupation two years after completing their apprenticeship training. Above-average quotas can not only be found in the production sector but also in retail and the hotels and restaurants industry<sup>32</sup>. With respect to labour-market participation, around 40% of the Austrian labour force report an apprenticeship as their highest educational level. At 4.1%, unemployment rates among apprenticeship graduates are below the national average (4.8%) and significantly below persons who have only completed compulsory schooling (10.2%). The youth unemployment rate, among 15-to-24-year-olds is higher than the unemployment rate for the total workforce. In 2008 it was at 8.0%: again persons who only completed compulsory schooling were the most affected. They have a higher unemployment rate at 12.1% than youngsters with post-compulsory education. Interestingly, the unemployment rate among the younger workforce is lowest for apprenticeship graduates.

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29 <http://www.bmukk.gv.at/enfr/school/secon/app.xml>

30 Schneeberger/Nowak 2009a, 1

31 Schneeberger/Nowak 2009b, 21

32 Gregoritsch et al. 2008, 43

**Table 7** Unemployment rates of the total workforce and among 15-to-24-year-olds, by educational attainment level, 2009, in %

	All	Compulsory School	Apprenticeship	Intermediate vocational schools	Higher academic and vocational schools	University
Total	4.8	10.2	4.1	3.5	4.0	2.5
15-24	8.0	12.1	5.1	6.4	6.3	-

Source: (Statistik Austria 2010a, 53) (Statistik Austria 2010b, 93)

A recent study<sup>33</sup> on entrance conditions for young persons (ages 15-34) into the labour market showed that those with only compulsory education have more difficulties in finding a job after finishing school, i.e. at the point of the survey had a delayed transition (over 3 months: 48.6%) from the educational system into the labour market or even had not yet found a job (26.6%). Young persons who have completed apprenticeship training show the 'smoothest' transition from the educational system to the labour market: 76% of them instantly (with a search period of up to 3 months) found a job, compared to 66% who completed a higher vocational or academic school and 64.6% who attained an academic degree.

### 2.1. *Strengths, weaknesses and challenges of the dual system*

According to Steiner and Lassnig (2009), the Austrian apprenticeship system is a key reason for the relatively low rate of early school leavers and low youth unemployment rate compared to other EU members (see Tables 6 and 7): First, entrance requirements for this educational form are set on a low level (at least from a formal perspective): a positive compulsory school leaving certificate is no prerequisite to begin apprenticeship training. In practice, however, and due to the competitive apprenticeship market those without a positive certificate have smaller chances to enter the system. Second, the 'dual system' offers a kind of safety net for those young people who have opted for secondary full-time vocational school after 9th grade (end of compulsory schooling) but realise that this kind of vocational education and training does not suit them or is not what they expected. Instead of dropping out of the educational system, an apprenticeship offers them an alternative vocational training.<sup>34</sup> Third, the apprenticeship system is focused on 'learning by doing': 80% of the educational time is spent on practical tasks and only a fifth in the context of the formal school system. Therefore for a considerable part of young people this form of education is an attractive alternative to

<sup>33</sup> Statistik Austria 2010d, 54

<sup>34</sup> Lassnig/Steiner 2009

full-time vocational schools. In addition, it offers them the opportunity of earning their own income at an early age.<sup>35</sup>

However, there are also critical points associated with the ‘dual system’: For instance the number of apprenticeship places within the dual system depends heavily on the economic situation. During economic downturns, companies offer fewer apprenticeship places, thereby increasing competition among candidates. Thus, only the best candidates will be offered a place while chances for the integration of disadvantaged youths decline.

The lack of apprenticeship places is certainly also linked to the processes of economic restructuring. As the general number of employees in manufacturing has decreased, the number of apprenticeship places has fallen as well. In 1980, the number of apprentices peaked at more than 190,000 apprentices, until 1996 it had fallen by 60%. After this period, slight increases and slumps can be recorded – however never reaching the rocketing numbers of the 1980s.

Table 8 Numbers of Apprentices in Austria

1970	137,445
1980	194,089
1990	145,516
1992	136,027
1994	127,754
1996	119,932
1999	127,351
2003	119,040
2008	131,880

Source: Schneeberger/Nowak 2009b, 25

This development of economic restructuring has hit Vienna hardest, as the shift to the service sector was most pronounced here. Additionally, according to the Chamber of Labour representative interviewed for the project, knowledge-based industries, which have particularly grown in Vienna, tend to not to take on apprentices.<sup>36</sup> Even though many service-sector industries offer growing numbers of apprenticeships, these cannot compensate for the loss in other sectors. As is shown in Table 9, industrial sectors and crafts absorbed fewer apprentices in 2009 than in 2003. The number of apprentices in other sectors rose, with the sharpest – more than threefold – increase between 2003 and

<sup>35</sup> Wächter 2009

<sup>36</sup> Schneeberger 2009b



2009 recorded in ‘training institutions’, now forming the ‘sector’ with the third-largest number of apprentices in Vienna.

Table 9 Structure of training enterprises 2003 and 2009 in Vienna

Sectors	Training companies		Apprentices		Training companies		Apprentices	
	total	%	total	%	total	%	total	%
Crafts	2,428	54.7	6,410	40.0	2,260	49,60	6,000	31,9
Industry	136	3.1	1,403	8.7	120	2,7	1,269	6,8
Trade	666	15.0	2,680	16.7	634	13,9	2,756	14,6
Banking Insurance	24	0.5	271	1.7	28	0,6	365	1,9
Transport	57	1.3	697	4.3	56	1,2	1,011	5,4
Tourism	357	8.0	1,572	9.8	434	9,5	1,814	9,6
Information consulting	329	7.4	573	3.6	415	9,1	905	4,8
Commercial Trades	3,850	90.0	13,605	84.8	3,815	86,6	14,120	75,0
Others	424	9.6	1,627	10.1	586	12,9	2,036	10,8
<b>Training institutions</b>	<b>16</b>	<b>0.4</b>	<b>811</b>	<b>5.1</b>	<b>23</b>	<b>0,5</b>	<b>2,673</b>	<b>14,2</b>
All	4,437	100	16,043	100	4,556	100	18,829	100

Source: Wirtschaftskammer Wien 2010

The regional availability or non-availability of apprenticeship places is closely related to sector-specific needs for apprenticeships. In Western Austria (Salzburg and Tyrol) the hotel and restaurant industry due to the strong economic dependence of these regions on tourism do have a high demand for apprentices (see Table10). The Chamber of Labour interviewee, however, was critical of the reasons he made out for the high demand for apprentices in the hotel and restaurant industry and other service industries (such as hairdressers), which he sees in the quick generation of contributions to costs due to their early productive commitment in the company. He even interpreted this development as the emergence of a low-wage sector for young employees under the label of service-sector apprenticeships. Thus, it comes as no surprise that many of the apprentices in these sectors are forced to leave the company after completion of their apprenticeship because their contracts are not continued. The strenuous working conditions in these industries also cause many employees to move on to other sectors.

From this, another structural problem of the apprenticeship system is derived: It has become evident that the dual system has a limited ability to steer the vocational education and training of young people according to (expected) labour-market demands as companies may also have other interests (cheap labour) when hiring apprentices.

This means, too many apprentices are trained in sectors where too few jobs are available.

In contrast to the problems for the service sector, the situation in technical sectors is slightly different. In these sectors, where numbers of apprenticeship places have gone down considerably, apprentices can normally only be deployed as ‘productive employees’ at a later stage of their apprenticeship, which means that companies do not offer apprenticeship places because they are looking for cheap labour but because they want to train skilled workers. Thus, a higher number of apprentices continue their employment contracts after completion of their apprenticeship.

Besides the overall economic development relevant for the total number of apprenticeship places available, the ongoing specialisation of companies is said to be an obstacle for the provision of apprenticeship places. If companies specialise in a small segment they often are not able to cover the entire range of skills pertaining to a certain occupation and therefore are not allowed to train apprentices. Rather than a mismatch in training occupations available and required, there is evidence of a structural mismatch between the broader educational requirements of an apprenticeship education and the fact that an increasing number of companies can only cover parts of the curriculum.<sup>37</sup> However, especially interviewees from employee representative groups stressed that this should not necessarily lead to a diminished significance of apprenticeship training. Rather, it calls for its further development. Thus, a representative of the Austrian Federation of Trade Unions emphasised that because apprenticeship training often no longer matches in-firm reality, a range of steps should be taken:

‘There are few occupations offered that reach beyond individual sectors. We have to promote ‘hybrid occupations’, e.g. technical occupations with commercial knowledge, or commercial jobs with technical skills. We have to offer training providing an understanding for different aspects of business reality.’

At the same time he pleaded for an extension of the time spent in vocational schools accompanying apprenticeship training to deepen theoretical knowledge.

Despite the high subsidies for companies taking on apprentices, the number of apprenticeship places provided by companies remained the same – there is a ‘structural’ lack of apprenticeship places of at least 2,000 places in Austria per year. This is the difference between the registered number of available apprenticeship places on offer from companies and the number of apprenticeship-seekers registered with the Public Employment Service.

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<sup>37</sup> Lassnig/Steiner 2009

**Table 10 Lack of apprenticeship places, 2001-2009**

	Apprenticeship-seekers registered with the PES	Available apprenticeship places	Lack of apprenticeship places
September 2001	5,483	3,482	-2,001
September 2002	6,101	2,887	-3,214
September 2003	7,434	2,823	-4,611
September 2004	7,334	2,750	-4,584
September 2005	7,898	4,224	-3,674
September 2006	7,511	4,648	-2,863
September 2007	6,923	4,759	-2,164
September 2008	7,470	4,951	-2,519
September 2009	7,407	4,234	-3,173

Source: (Schneeberger/Nowak 2009b, 43)

**Table 11 Lack of apprenticeship places, September 2010, by provinces**

	Applicants	Available apprenticeship places	Lack of apprenticeship places
Burgenland	264	92	-172
Carinthia	527	501	-26
Lower Austria	1,259	531	-728
Upper Austria	1,046	866	-180
Salzburg	385	778	393
Styria	1,015	532	-483
Tyrol	540	821	281
Vorarlberg	428	252	-176
Vienna	1,859	561	-1,298
Austria	7,323	4,934	-2,389

Source: AMS, Is\_freie-abfrage / Würfel: amb\amb\_pst\_07-lfd, 26th Nov 2010

Uneven business cycles, economic restructuring processes (in particular in cities such as Vienna) towards a ‘service economy’, the concentration of apprentices in a small number of occupations, the decreasing willingness of Austrian enterprises to provide training facilities as well as the poor permeability of educational pathways have led to a range of reform measures aimed at tackling these problems of the dual system. These

reforms include the creation of new apprenticeship trades in ‘future-oriented’ fields, easier access to further education and an easier transfer from the dual system to the system of full-time technical and vocational education, financial support for companies which train apprentices, more comprehensive basic training and later specialisation.<sup>38</sup> Notwithstanding the social-partnership tradition in Austria, it is evident that the emerging reform strategies are much contested. Thus, the interviews conducted with various stakeholders involved in the governance of the apprenticeship system revealed rather different views on the relevance of the dual system within the Austrian educational regime and on the urgency and necessary profoundness of reforms. However, all interviewees confirmed the lack of apprenticeship places in particular sectors and especially in Vienna.

## 2.2. *Contested ‘qualities’: debates regarding supply-side problems of the apprenticeship system*

But not only demand-side problems – i.e. a lack of apprenticeships – must be mentioned in this context. Many actors within the system also refer to a range of supply-side problems with respect to young people’s competencies and abilities to take up an apprenticeship and meet the expectations of companies. A growing mismatch is becoming obvious here as companies – who can choose from a number of applicants, some of whom have even obtained higher educational degrees than those provided by lower secondary education – bemoan a range of deficits in young school leavers. Therefore, the lack of apprenticeship places in the dual system has led to growing competition among young people. More and more high-school graduates and university drop-outs are opting for apprenticeships to obtain vocational training – which also functions as a last resort for drop-outs from higher secondary schools. As they are seen as good learners, they are offered more attractive apprenticeships than those who only have (or not even have) completed lower secondary education, in particular in knowledge-based service and material-goods industries.

Thus, apart from the economic developments mentioned above, which have led to a decreasing number of apprenticeship places, some interviewees – in particular on the part of employers and labour-market institutions – pointed towards problems with the ‘quality’ of the young people looking for apprenticeships. For them, another reason for the diminishing willingness of companies to take on apprentices can be seen in the poor results in reading, arithmetic and German language skills that potential apprentices bring with them from school. This has resulted in some very interesting proposals concerning a general overhaul of the educational system in Austria. Thus some of the experts interviewed suggested that the early selection of pupils for different types of school at the age of 10 should be abolished, which is not only the position of progressive educationalists but also the view taken by the Confederation of Austrian Industrials (*Industriellenvereinigung*). Some experts even called for an expansion of

<sup>38</sup> <http://www.bmukk.gv.at/enfr/school/secon/app.xml>

(compulsory) schooling in order to give students more time and better basic preparation for choosing their vocational pathways. The most recent local elections in Vienna have led to a coalition government formed by the Vienna Social democrats and Green Party, which has announced the introduction of a type of comprehensive school for all pupils until the end of compulsory schooling. Without reform efforts at federal level, however, innovative schemes like these have little chance of success as Austria's provinces only have limited power to alter the school system.

Besides these problems with educational standards as expected by enterprises, some experts pointed out that many employers perceive an increasing unwillingness among applicants for apprenticeship places to present themselves 'properly'. Many young applicants are rejected as they are seen to be unable to meet a potential employer's politeness and appearance standards. Companies expect their employees, and thus their apprentices as well, to bring along basic work ethics, such as punctuality, being prepared to get up early, a willingness to carry out instructions, etc., which – according to the executive director of the Public Employment Service for Young Persons in Vienna – are often missing in 15-year-olds looking for an apprenticeship.<sup>39</sup> At the same time, though, companies often fail to appreciate the fact that many young people bring along above-average IT skills.

And another interviewee concedes that companies' performance requirements for taking on an apprentice are quite high as – due to the lack of available places – employers are free to cherry pick 'the best' among candidates.

Those who have not done well at school or do not meet the companies' requirements drop out and have to be supported by labour-market policy oriented measures provided by the Public Employment Service. A growing number of young people with low educational attainment are transferred to the Active Labour Market policy system, where a wide range of initiatives and programmes is available offering incentives to companies who train apprentices themselves. In the following we will discuss recent policies implemented to tackle the problems emerging from the 'crisis of the dual system', which has found its provisional ending in the adoption of the so called 'Vocational Placement Guarantee'.

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39 'Und dann gibt es natürlich ... dann, ja, es soll Betriebe geben, die sagen: 'Ich möchte mir das nicht antun, ich möchte mir den nicht aussuchen, ich möchte lieber einen, der schon auf der Schiene ist. Und wenn ich den nehme von einer überbetrieblichen Ausbildung nach einem halben Jahr, dann ist der Knabe auf der Schiene, der geht schon in die Berufsschule, der hat schon gelernt, was Pünktlichkeit heißt und, und.' Dann soll er. Also alles, was im ersten Jahr weggeht von den Überbetrieblichen, wunderbar. Das ist noch immer für die öffentliche Hand ein Gewinn.'

### 3. THE 'VOCATIONAL PLACEMENT GUARANTEE': A PACKAGE OF LABOUR-MARKET RELATED POLICY MEASURES FOR YOUNG PEOPLE

Most recent developments in labour-market policy measures for young people bundled various initiatives under one objective: the *Ausbildungsgarantie*, or 'Vocational Placement Guarantee'. Based on an Austrian social-partner initiative called 'Aktion Zukunft Jugend'<sup>40</sup> of 2009, the Austrian government now pledges to find a job offer, training placement or subsidised employment for every young unemployed person within six months. A budget of €500 million was made available for these employment measures in 2009.<sup>41</sup>

The *Ausbildungsgarantie* was introduced within the framework of the 2008 Youth Employment Package (*Jugendbeschäftigungspaket*)<sup>42</sup>, accompanied by major changes in the funding system for apprenticeship training and the creation of opportunities for youngsters to switch apprenticeship places during their apprenticeship training if special reasons apply. A fundamental innovation in the funding system for company- and supra-company-level apprenticeship training was to bundle the handling of all apprenticeship applications within the apprenticeship offices of the Austrian Economic Chamber's (WKO) while involving employee representative bodies.<sup>43</sup> Previously regulated within the Youth Training and Education Provision Act (*Jugendausbildungssicherungsgesetz*, JASG), apprenticeship provisions are now part of the Vocational Education and Training Act (*Berufsbildungsgesetz*).

To understand the significance of this reform, it is necessary to take a brief look at previous programmes in support of young people unable to find an apprenticeship place and their shortcomings. JASG was implemented in 1998 to regulate the creation of additional apprenticeship and training places in the form of a 'safety net', including 'work foundations'<sup>44</sup> for youngsters who fail to find an apprenticeship placement after

40 For detailed information on the programme, see: [http://www.bmsk.gv.at/cms/site/attachments/8/6/6/CH0023/CMS1238575260831/090401\\_presseunterlage\\_aktion\\_zukunft\\_jugend2.pdf](http://www.bmsk.gv.at/cms/site/attachments/8/6/6/CH0023/CMS1238575260831/090401_presseunterlage_aktion_zukunft_jugend2.pdf)

41 [http://www.bmsk.gv.at/cms/site/attachments/8/6/6/CH0023/CMS1238575260831/090401\\_presseunterlage\\_aktion\\_zukunft\\_jugend2.pdf](http://www.bmsk.gv.at/cms/site/attachments/8/6/6/CH0023/CMS1238575260831/090401_presseunterlage_aktion_zukunft_jugend2.pdf)

42 For detailed information on *Jugendbeschäftigungspaket 2008*, see: [http://www.biwi.at/newsletter/nr\\_18/jugendbeschaeftigung\\_infodokument.pdf](http://www.biwi.at/newsletter/nr_18/jugendbeschaeftigung_infodokument.pdf)

43 BMASK 2009, 123

44 Young workers aged 19 to 24 who were previously employed in a small or medium-sized enterprise or a work agency can make use of the so-called *Jugendstiftung*, or 'work foundation' for young workers, based on the established model of work foundations. It is both publicly funded and financed by the employers involved (€500/participant). Training within the foundation takes up to four years. During this period, young people can complete an education or vocational training (from apprenticeship to a technical college, or *Fachhochschule*). An introductory phase offers five weeks of career orientation, during which an education and career plan is drawn up. For the duration of participation in the foundation, participants can continue to draw unemployment benefit in order to avoid forcing them to claim unemployment assistance (*Notstandshilfe*). In addition, the youngsters receive a 'foundation grant' of €100/month.

completing compulsory school. Prerequisites for participation in JASG measures included the successful completion of 8th or 9th grade at school (for participation in the training courses) or proof of completion of compulsory schooling (for work foundations) as well as registration with the PES and/or evidence of at least 5 unsuccessful applications for apprenticeship placements. The aim of the programme, which will be available until 2011 and will then be replaced by measures of the Vocational Placement Guarantee, is to train the youngsters in one of the occupations on offer through JASG and help them to find an apprenticeship in the regular economy within the 10-month duration of individually tailored training courses. These courses are credited towards the duration of regular apprenticeship training.

A problem repeatedly criticised by Chamber of Labour representatives, however, is the transitory character of all JASG measures. Indeed, they are all aimed at a transition towards a regular apprenticeship, which means that the training courses on offer do not allow participants to undergo complete apprenticeship training. ‘The rejection of a reasonable apprenticeship leads to the loss of the right to participate in the measure’. (BMASK, 2009: 117) An evaluation of JASG measures in Vienna showed that this permanently temporary measure implied a high level of insecurity for trainers as well as for participants in the courses.<sup>45</sup> On average – depending on the occupation – placement rates are 27% in the first year of courses and 34% in the second year, with 40% of participants remaining in the courses. 33% (1<sup>st</sup> year) and 23% (2<sup>nd</sup> year) of participants drop out due to a lack of interest in the occupation they train for, for financial considerations, for disciplinary reasons or due to poor results at vocational school. This means that at least 50% of those who started the courses do not complete the measure successfully.

The reform of this system in the form of the Vocational Placement Guarantee resulted in the incorporation of supra-company apprenticeships into the Vocational Education and Training Act, which allows young people to complete their entire apprenticeship in supra-company training centres – even though their integration into regular apprenticeship places remains a primary aim.

The introduction of the guaranteed placement was combined with an expansion of support measures for company- and supra-company level apprenticeship training as well as improvements in the promotion of apprenticeship training. According to the Ministry of Social Affairs, there is no apprenticeship placement nowadays which does not receive public funding (basic apprenticeship subsidy for all companies, plus quality and labour-market related funding). Within the framework of the Vocational Placement Guarantee, 10,213 apprenticeship placements were offered at supra-company level during the training year 2008/2009. For 2009/2010, these will be extended to 12,300.<sup>46</sup> €187 million (€160 million paid by the PES and 27 Mio from the regional offices of PES) are provided for supra-company apprenticeship training for the year 2009/2010. In

45 Dörflinger et al. 2007, 18.

46 <http://www.bmsk.gv.at/cms/site/dokument.html?channel=CH0690&doc=CMS1249976411510>

Vienna, between 2008 and 2009, the number of apprentices in supra-company training centres doubled, making up 14% of all provided apprenticeship places.<sup>47</sup>

The main aim of the Placement Guarantee is to ensure that young people can complete their entire apprenticeship at supra-company level training facilities. The Vocational Placement Guarantee means that ‘all young people are granted access to vocational training in a school, company or training facility, with the aim of allowing them to successfully complete their apprenticeship.’ In addition to ‘apprenticeship placement at company-level, which is still given priority’, supra-company training has been expanded and set up within the framework of a placement guarantee for youngsters up to age 18 as ‘a regular component of the dual system of vocational training on a par with company-level apprenticeship placement’.<sup>48</sup>

This means a better institutionalisation of apprenticeships outside firms which makes sure that a training course can be continued for the entire period of an apprenticeship. This, in turn, has had a positive impact on the predictability of the accomplishment of the course both for the provider and for the trainees. Furthermore, trainees now have ‘proper’ apprentice status.

Some interviewees point to the significance of the implementation of the Vocational Placement Guarantee from the perspective of the traditional structure of the dual system. Thus, the outlined changes amount to no less than a fundamental conceptual change, as a third pillar of VET has been implemented to complement schools and company-based apprenticeships. To do so, it was necessary for policy makers and the social partners to acknowledge the structural problems of the dual system and the need for alternative providers of vocational training.

Still, this third pillar shall mainly work as a buffer that gains importance when companies are becoming reluctant to take on apprentices; therefore it remains between the conflicting poles of support of the dual system as an approved educational pathway and the necessity to provide training opportunities for all youngsters who want to start and/or complete vocational training. Thus, the programmes offered under the Vocational Placement Guarantee are often regarded as complementary to the dual system; sometimes they are even seen as stigmatising as the failure to find an apprenticeship is seen as the result of individual deficits, such as a lack of the ability to learn, non-conformist lifestyles, etc.

Education expert Arthur Schneeberger<sup>49</sup> regards the Vocational Placement Guarantee as a stopgap arrangement to buy time for necessary structural reforms in Austria’s vocational training system: ‘What today is named ‘safety net’ will in the long run become an educational pathway of its own.’

Some interviewees conceded that the third pillar may gain momentum once apprentices realise that it can be a ‘real’ alternative to company-based apprenticeship training, a

47 Wirtschaftskammer Wien 2010.

48 [http://www.biwi.at/newsletter/nr\\_18/jugendbeschaeftigung\\_infodokument.pdf](http://www.biwi.at/newsletter/nr_18/jugendbeschaeftigung_infodokument.pdf)

49 Schneeberger 2009a, 57; 72.



system traditionally criticised by the trade unions and the Chamber of Labour for several reasons: First, companies training apprentices are not evaluated in any way if they do a good job in instructing their apprentices – or not; second, in many cases apprentices are not only not instructed properly but also misused as cheap workers. And third, what is more of a structural problem, small and medium enterprises (of fewer than 50 employees), which train 70% of Austrian apprentices<sup>50</sup>, do not have the capacities to teach apprentices a broad range of skills since most of them are rather specialised. Supra-company training centres – especially ones specialising in high-level technical, etc. jobs and occupations – may thus have advantages over regular apprenticeship places since a training institution can provide a broad range of skills more easily.

The Vocational Placement Guarantee is accompanied by a range of additional measures for young people who face particular problems in finding an apprenticeship placement. Training opportunities for apprentices with special needs ('Neue Lehre', 'Vorlehre', and, since 2003 'Integrative Berufsausbildung') were already introduced in the 1990s and remain an essential part of the vocational training guarantee. The primary intention of the programme of integrative vocational training (*Integrative Berufsausbildung*, IBA) initiated in 2003 is the support of disadvantaged groups who face major obstacles in being placed in vocational training. The target group are people who went through special-needs education and have or have not completed compulsory schooling as well as people with disabilities. Key features of IBA include the option to extend the apprenticeship by one, or in individual cases, two additional years as well as the opportunity to obtain part-qualifications.<sup>51</sup> Longer apprenticeship periods are granted to persons who are regarded as suitable for integrative vocational training by the PES and who are thought to stand a good chance to fully complete their apprenticeship. Part-qualifications are designed for youngsters assigned to integrative vocational training who cannot be expected to be able to complete an apprenticeship.<sup>52</sup>

To complement the Vocational Placement Guarantee, a new 'differentiated, needs-based' basic subsidy system for apprentices and additional quality-, labour-market- and person-related funding was introduced in 2008, which also replaced the former uniformly regulated apprenticeship premium (*Lehrlingsprämie*). Labour-market and quality-related subsidies are designed to offer additional incentives for the creation of new apprenticeship places and the improvement of human capital. Examples of quality and labour-market related funding include a quality premium for companies whose apprentices receive an intermediary training certificate for completing half of their apprenticeship, for companies which offer preparation courses for the final apprenticeship and vocational exams during the course of the apprenticeship and premiums for outstanding or excellent apprenticeship exams.<sup>53</sup> Person-related subsidies include any support measures dedicated to further developing supra-company training into a form of training enabling an apprentice to complete an entire apprenticeship there

50 Schneeberger/Nowak 2009b; Schneeberger/Nowak 2009a

51 BMASK, 2009, 118

52 [http://portal.wko.at/wk/format\\_detail.wk?AngID=1&StID=367967&DstID=1691](http://portal.wko.at/wk/format_detail.wk?AngID=1&StID=367967&DstID=1691)

53 BMASK 2009, 125

as well as the creation of opportunities to terminate an apprenticeship contract, under certain conditions, after the end of the first and the second apprenticeship year.<sup>54</sup>

In 2008, 29,233 persons were involved in apprenticeship subsidy measures, including integrative apprenticeship training, the promotion of apprenticeships for girls in occupations with a low share of women, disadvantaged youngsters seeking an apprenticeship placement, persons aged above 19 and additional apprenticeship placements (Blum Bonus<sup>55</sup>), apprenticeship preparation courses (*Vorlehre*) and inter-company additional training (*zwischenbetriebliche Zusatzausbildung*)<sup>56</sup>. This accounts for an increase of 3,980 persons since 2007 and a tenfold increase since 2002. In particular, subsidies for the creation of additional apprenticeship places in companies went up significantly, while support for disadvantaged apprenticeship seekers remained at the same level, at approximately 3,800 places.<sup>57</sup> In 2007, the average duration of participation in subsidised apprenticeship measures amounted to 308 days, a figure which, by 2008, had risen to 320 days. Compared to previous years, average spending on apprenticeship subsidy rose significantly from 2007: Thus, in 2007 costs per participant were €3,840, compared to €2,780 in 2006. In 2008 expenditure levels further increased due to the longer duration and higher participant rate of 29,233 persons, amounting to almost €104 million, or €4,178/participant.<sup>58</sup> The effectiveness of apprenticeship subsidies is considered relatively high<sup>59</sup> – even if representatives from employee organisations criticised the high free-rider effects of the subsidies and the enormous amounts spent.

In addition, the WAFF in cooperation with the Vienna Economic Chamber is financing promoters to reach and motivate companies to hire apprentices and to support them with the bureaucratic procedures of becoming a training company. In Vienna, this initiative is placing special emphasis on approaching so-called ethnic businesses as not only the economic importance of such companies in Vienna is on the rise but potential apprentices with migrant background (in JASG measures two thirds of trainees did have migrant background)<sup>60</sup> also face major discrimination on the apprenticeship market, as our interviewees indicated. By specifically targeting ethnic businesses, the initiative hopes to increase the variety of instructing companies and offer additional opportunities for apprentices with migrant background.

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54 BMASK 2009, 125

55 The BLUM BONUS was introduced within the framework of the federal government's Project 06 in September 2005, with the aim of offering additional PES funding for apprenticeship places. Compared to other forms of subsidy, youngsters do not need to be registered with the PES as seeking an apprenticeship placement, however youngsters need to contact the PES in advance to apply for the subsidy. - [http://www.egon-blum.at/Service/Mehr\\_LEST.pdf](http://www.egon-blum.at/Service/Mehr_LEST.pdf)

56 BMASK, 2009, 126

57 Schneeberger 2009a, 68

58 BMASK 2009, 126

59 BMASK 2009

60 Dörflinger et al. 2007, 23

### 3.1. *Transition management*

Before going into the details of the implementation of supra-company apprenticeship training, which forms a key part of the Placement Guarantee, we want to shed light on preceding and accompanying measures to integrate young persons into the educational or employment system.

In Vienna, the Coordination Centre for Transitional Management set up in 2009 counsels educational and training institutions, providers and commissioners in implementing and applying adequate measures supporting young persons in managing transitions between schooling, working life, private ambitions and inactive phases. Each of these transition phases involves the danger of dropping out of the system, ‘getting lost’ and becoming inaccessible for institutional integration. Creating close links between the systems of basic education, further education and labour-market institutions is crucial to keep young persons within a system where they are accessible. Furthermore, transition management is designed to reduce drop-out rates by accompanying young persons during their early career within a new institutional setting of apprenticeship or school. The aim again is to provide a safety net for young persons in jeopardy of dropping out of the system.

According to many of the interviewees, the biggest concern of stakeholders in the education and labour-market system is losing access and control of young people, who may turn into an unpredictable and volatile group posing a threat to social peace. As one interviewee puts it,

*‘If we fail to come up with [training and support] opportunities for 1,000 young people a year, we’ll quickly end up with a group of youngsters in danger of exploding at some point. Just imagine this: 5,000 youngsters marching across Vienna, causing turmoil.’<sup>61</sup>*

For this reason, so called ‘maladjusted’ young persons who are jeopardized by social exclusion form a special target group for PES measures. These youngsters need to be approached in different ways, through low-threshold institutions and projects. The Placement Guarantee thus not only encompasses the provision of supra-company apprenticeship training to ensure that every young person who wants to has the possibility to complete apprenticeship training but also short-term measures to approach young people in their immediate environment and living circumstances.

The ultimate aim of all – low- to high-threshold – measures for young persons at the intersection of education and employment is to reach the TOTALITY of them. Education and labour-market policies collaborate to develop ‘tailored’ measures for ALL. No one may slip through the densely knit net (sometimes called ‘safety net’) for young (in particular unemployed) persons.

<sup>61</sup> ‘Also wenn da 1.000 Jugendliche, wenn ich denen nix anbieten kann, und diese 1.000 Jugendliche...und wenn ich jedes Jahr 1.000 Jugendlichen nichts anbieten kann, also da habe ich innerhalb kürzester Zeit eine Gruppe, die explodiert irgendwann einmal. Und wenn 5.000 Jugendliche in Wien durch Wien marschieren und Rapauz machen, na, das schaue ich mir an...’

The City of Vienna offers an almost bewildering variety of accompanying and short-term measures to reach young persons at a number of settings: School itself is an important site of career counselling. Not only the pupils themselves but also teachers and parents must be involved in the vocational orientation process of youngsters. Measures such as 'C'm on 14' provide coaching and counselling for youngsters leaving school at 15 to help them find adequate training. The young clients are accompanied during the early steps of measures since in the beginning the danger of dropping-out is highest. The Coordination Centre is designed to shed light on the 'rag rug' of measures aimed at various special needs of young persons, ranging from special counselling services and accompanying measures for young women to measures for young people with migrant background, learning difficulties or disabilities. Apart from that, low-threshold counselling services have been installed, such as the so called 'Kümmernummer' telephone service, which youngsters and their relatives can call for help with all kinds of problems.

Of the €100 million invested into the Vocational Placement Guarantee in Vienna approximately €10 million are spent on the above mentioned 'low-threshold' measures, with a further €90 million spent on supra-company apprenticeship training.

#### 4. *SUPRA-COMPANY APPRENTICESHIP TRAINING AS AN ESSENTIAL PART OF THE VOCATIONAL PLACEMENT GUARANTEE*

The Public Employment Service offers young persons who fail to find a company-based apprenticeship a place in a supra-company training centre ('Überbetriebliche Lehrwerkstätte'). After two months of career orientation, they are placed in an adequate training course. Nevertheless, the problem of a disparity between the placements offered by supra-company training centres and the apprenticeships requested by applicants remains. To minimise such discrepancies, the youngsters undergo an obligatory phase of career orientation that introduces them to various occupational fields and career and training opportunities. At the same time, this phase is also used to adapt tenders for training institutions according to the needs of potential apprentices and company requirements.

The interviews showed that social-partner representatives, on the part of both employers and employees, regarded supra-company apprenticeship training as a hybrid between school- and company-based training as they feel that proper learning 'on the job' can only be done within a company setting with 'real customers' and the immediate pressure of market forces. Supra-company apprenticeship training offers a protected but artificial framework for learning by doing, making it sometimes more difficult to generate the necessary motivation for the apprentices to actively participate in the training activities than in a real client-provider setting. Still, the apprentices do get a chance to test their competences in the field during several placements in companies they are required to do. This practice of temporary placements – as was criticised by the representative of the Austrian Economic Chamber – absorbs companies' capacities for entirely company-based apprenticeships. In the long run, this system could thus undermine the dual system.

At the same time, the Chamber of Labour and trade union representatives stressed that one of the major advantages of supra-company apprenticeship training is the fact that the quality of training can be better controlled and influenced when carried out by providers who need to undergo a tendering procedure. This contrasts with regular apprenticeship places which are evaluated only once – when the company applies for the instructing licence.

##### 4.1. *Tendering procedure*

The regional Public Employment Service offices commission organisations such as firms, training centres, educational providers or non-profit organisations with the implementation of supra-company apprenticeship training courses, including the 2-month coaching phase for vocational counselling ('BOCO') designed to familiarise

participants with different occupations and help them finalise their occupational aspirations.

The conceptual design of supra-company apprenticeship training is worked out by Public Employment Service experts in cooperation with the social partners and government representatives. The results of this conceptual process are adapted to the needs of the individual provinces. Regional boards, which also consist of representatives of social partners and educational and labour market policy experts, decide on the number of places, the occupations for which training is to be available, the relevance of socio-pedagogic support, etc. In Vienna, for instance, supra-company apprenticeship training covers approx. 24-26 occupations ranging from commercial and technical occupations to IT and service-oriented jobs.

Following a tendering procedure among the oligopolistic structured bidders<sup>62</sup>, the bid offering at the most favourable terms is selected. To be accepted, competitors must cover all requested areas but the price has a significance of 40%. One of the interviewees criticised that previous experience – good or bad – with training providers on the part of PES cannot be considered when choosing the best bid. Not only training institutions but also companies training apprentices on a regular basis can compete for the bid. In practice, this means that the company disposes of underutilised capacities for training apprentices which are then subsidised by a public contract.

#### 4.2. *Who and why?*

As most measures proposed under the ‘Placement Guarantee’ are still rather recent, we will rely on evaluations of earlier programmes under JASG for this question. These reveal the scope of the problem, the composition of the affected groups and tell us quite a lot about the dominant orientations of policy makers and experts in the field.

An evaluation of JASG measures showed that two thirds of participants had migrant background.<sup>63</sup> Some of the participants came from difficult social and familiar backgrounds and showed ‘personality problems’. These youngsters are said to have deficits in their social competence, manifesting themselves in a lack of work discipline, low frustration tolerance, etc. They are seen as not being able to adapt to everyday work and to have difficulties with punctuality, reliability and responsibility. With respect to their educational performance, in particular ‘a lack of German language skills and mathematical skills were evident’.

One of the aims of JASG courses is to help young adopt these ‘social competencies and rules’ in order to give them ‘the chance to catch up and adapt, as courses like these are places to acquire good social manners and get used to working structures.’ To enforce this behaviour, strict rules have to be followed. The evaluation report quotes a

62 Only very few institutions have the operative capacities to fulfil all requirements of the bid.

63 Dörflinger et al. 2007, 23

participant: ‘If we are late three times, we get a deduction of €5. In the beginning many of us had deductions. But now we’re all punctual. That’s one thing we have learnt.’<sup>64</sup>

According to the executive director of the public Employment Service for Young Persons in Vienna, approximately 13,000 youngsters aged 15 to 21 residing in Vienna are currently (November 2010) registered as unemployed. 65% of those have migrant background, 3,000 are not Austrian citizens. On the one hand, the fact that two thirds of young PES clients come from families with migrant background points to the socio-economic situation of this group and the relatively low educational attainment of their parents, who pass on their social status to the next generation. On the other hand, there is discrimination against applicants for apprenticeship places with migrant background. Even if it is not openly admitted, companies still reject the applications of young men and women due to their ethnic origin– as was indicated by some of the experts interviewed. In studies examining the experiences of migrant youngsters in search of work as well discriminating practices of potential employers in the selection of applicants are mentioned.<sup>65</sup> What is more, young migrants who arrive in Austria at a later stage as part of family reunification sometimes do not even have formal access to PES measures because they are not admitted to the Austrian labour market. The expert of the Vienna Coordination Centre for Transitional Management also highlighted the importance of approaching and adequately addressing these youngsters and their parents at school, in order to encourage them to draw attention to their multicultural competencies.

55% of registered unemployed persons aged 15 to 21 in Vienna are male. 20-25% of the 13,000 have not completed compulsory schooling. And when it comes to the choice of apprenticeship occupations, there is a pronounced gender bias similar to company-based apprenticeship training – despite various measures provided by external institutions, such as ‘Sprungbrett’, to encourage girls to opt for industrial or technical trades.

Since many participants in JASG measures come from low-income families, the low level of wages (€150) paid to participants – compared to that of company-based apprentices, who get paid twice this amount – was problematic. Following the reform of JASG and the introduction of the Vocational Placement Guarantee, youngsters placed in supra-company apprenticeships are now paid between €240 and €555.

The composition of participants in measures under the Vocational Placement Guarantee was a major issue in the interviews. As shown above, so far most measures have been seen to complement the dominant educational route in the dual system: Participants in public measures were those who had failed in the regular apprenticeship labour market, or even already at school. Thus, participation in JASG measures had stigmatising effects on the participants. As a consequence, all interviewees emphasised that supra-company apprenticeships not only function as a safety net for those who are too weak to succeed in a regular company-based apprenticeship but that the composition of the students is very heterogeneous, including drop-outs from upper secondary schools.

64 Dörflinger et al. 2007, 23

65 Hofer 2006, 13, 51ff.

The interviewees critically remarked that stakeholders active in the field of labour market and educational policies for young persons should also keep in mind what it means for (potential) participants in supra-company training if they are referred to as being caught by a ‘safety net’. Many feel stigmatised for attending ‘second-class’ facilities rather than a coveted company-based apprenticeship and already lose confidence in themselves at the very start of their working life.

Besides this problematic public image participants in supra-company apprenticeship training are exposed to, there is also – as mentioned above – the problem that some of the participants come from families with severe social problems, including addiction issues or over-indebtedness. These youngsters need additional forms of support not normally provided in apprenticeships. For this reason, providers of supra-company apprenticeship training also offer socio-pedagogical supervision. Currently this amounts to 25 hours per year and training course but is set to be reduced due to budget cuts. One interviewee pointed out that socio-pedagogical supervision would be better placed with external (additional) providers outside the supra-company training centres to ensure an independent and open-minded approach to participants.

What is more, providers of supra-company apprenticeship training also have to offer tutoring lessons to students with learning difficulties or those who have to catch up on basic reading, writing and maths skills. This integrative, supportive and also more protective approach to vocational training is very different from company-based apprenticeship training, which provides no additional ‘services’ and support measures.<sup>66</sup> At best, the company itself forms a quasi-family environment offering a social structure where apprentices’ personal problems can be discussed; but usually the tight work schedule in regular companies does leave little room for individual support. What is more, companies tend to be rather authoritarian and patriarchal systems that cannot provide democratic and self-determined structures for the socialisation of young persons.

Supra-company apprenticeship training targets young persons who are already prepared and willing to participate in proper apprenticeship training, with strict rules and requirements very close to labour-market needs. Other measures, such as ‘space lab’ or ‘Jugendwerkstatt – workshop for young people’<sup>67</sup>, aim to prepare youngsters in terms of discipline, punctuality, etc., for the demands of ‘proper’ (vocational) training and for the ‘pressure exerted’ by conventional measures such as supra-company apprenticeship training.

For the PES representatives interviewed, self development comes automatically with placing young people into supra-company apprenticeship training – at least according to the understanding of the PES:

66 Vocational school (*Berufsschule*), which is compulsory for all apprentices, also offers low-threshold supervision. Thus, the ‘Kultur- und Sportverein’ available at all vocational schools not only provides cultural and sports events but also tutoring.

67 [http://www.koordinationsstelle.at/wp-content/uploads/2010/10/Infoblatt\\_Jugendwerkstatt\\_final\\_20101001.pdf](http://www.koordinationsstelle.at/wp-content/uploads/2010/10/Infoblatt_Jugendwerkstatt_final_20101001.pdf)



*'They have to learn – even if this was not an issue at school – to get to work on time. They have to learn to follow instructions and accept criticism. They must learn to do things they don't particularly like. They have to stick to agreements with their instructors. Sticking to rules and growing up are part of this educational pathway. Those who refuse to grow up, who remain babies, won't be able to go through with this type of training. It's the same thing when beginning as an apprentice in a company.'*<sup>68</sup>

Nevertheless, the setting of supra-company apprenticeship training still constitutes a more protected environment where teenagers are given the time to adjust to training requirements and get support if they have difficulties doing so. Company-based apprenticeships immediately test the apprentice's strengths and weaknesses in a competitive environment. Apprentices are assumed to already have acquired certain work ethics and soft skills. They are also expected to automatically take on and internalise the employer's perspective and the logic of the business.

As the institution commissioning course providers, the Public Employment Service is also in charge of training institutions in the case of complaints by clients (the apprentices) or their relatives regarding the performance of providers. These complaints can include worries about the technical facilities provided by institutions, the contents of courses and teaching related matters or social relations among instructors and students. The regional PES offices have the responsibility and power to carry out unannounced controls and to assign staff to look into every complaint. Another controlling but also 'voicing' instrument developed for participants in supra-company apprenticeship training measures was the following initiative:

#### **4.3. *Workers' councils at supra-company apprenticeship training***

Provisions for the election of youth representatives at supra-company apprenticeship training have recently been introduced. Since the instalment of youth representatives is not yet in force – though some of the training institutions (those run/controlled by employees' organisations such as 'Jugend am Werk') have already held elections – we can only deduct possible consequences of their introduction by referring to experiences at company level. In companies, youth representatives provide young workers with an important opportunity for participation. They represent the cultural, social and political interests of young staff within the company. They can convene youth assemblies to inform young employees about labour and social laws as well as company-related

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68 'Also die Persönlichkeitsentwicklung ist automatisch dabei. Die muss dabei sein. Weil wenn der dann... Eben, er muss lernen, auch wenn er es in der Schule vielleicht nicht so gelernt hat, aber er muss lernen, pünktlich in der Werkstätte zu sein. Er muss lernen, sich etwas sagen zu lassen. Er muss lernen, Dinge, die ihm vielleicht nicht so taugen, auszuhalten und doch zu machen. Also das heißt, diese... Er muss, wenn er sich was mit dem Ausbildner vereinbart, muss er wissen, das muss ich durchhalten. Also diese Verbindlichkeit...also dieses schön langsam erwachsen werden, das ist da mit dabei. Weil wenn er das nicht mit...also wenn er weiter ein Kleinkind bleibt, sage ich jetzt, dann haltet er auch die Ausbildung nicht durch, nicht. Also das ist automatisch dabei. Das ist genauso, wie es auch bei einem Betrieb dabei ist, nicht.'

issues. They are trained in specific courses offered by trade unions, including seminars on the history of the workers' movement, children and youth employment law, vocational training law, labour constitutional law and collective agreements, methods of youth representatives' intervening, practical youth work, organisation and tasks of unions, dealing with extreme-right and fascist attitudes, group dynamics, as well as presentation techniques, rhetoric and organisation.

A youth representative very much acts as a mediator and coach, taking on the problems that young employees are confronted with in a company while also mediating between young people and the management: If problems with an apprentice arise, the youth representative has to be informed and consulted in the process of deciding what will happen with this person.

Parallel to the instalment of youth representatives in private and public companies, the union's youth organisation produced a draft proposal for the introduction of youth representatives at training centres, which has since been accepted. Since the Public Employment Service and training institutes are responsible for managing a programme which simultaneously trains between 100 and 3,000 apprentices in a wide range of different occupations the focus of participation and co-determination will be different from that of traditional company-based youth representatives. One main target will be quality control in the training centres, which have to carry out their programmes under the tight financial constraints imposed by the Public Employment Service. In response, the union's youth organisation is calling for regular meetings, at least once a year, of potential youth representatives in training centres, along with the social partners and the regional management bodies of the Public Employment Service to make sure that arising problems can be directly relayed to the responsible bodies. Another important reason for the provision of youth representatives in training centres is the overall positive impact of participative opportunities in young persons' workplace/place of education in terms of their perceptions and involvement in democratic processes.

## CONCLUSIONS

The newly introduced Vocational Placement Guarantee, and in particular the institutionalisation of supra-company apprenticeship training, does indeed form a third pillar of vocational training after compulsory schooling within the Austrian educational system, next to school-based education and company-based apprenticeship training. However due to the deep-rooted persistence of the dual system, it is still regarded as a 'buffer' when the former fails to provide sufficient placements. Problems for the dual system emerged due to uneven business cycles, economic restructuring processes (in particular in cities such as Vienna) towards a 'service economy', the concentration of apprentices on a few occupations, the decreasing willingness of Austrian enterprises to provide apprenticeship training as well as the poor permeability of educational pathways.

The crisis of the dual system is also a sign of the gradual erosion of the formerly smooth transition from education to employment traditionally guaranteed by this particular educational pathway. Figures show that only a rather small share of apprentices keep working in the occupation for which they were trained. Therefore, it can be assumed that the capability set provided for by this kind of training, such as identity formation within a certain occupation, social status derived from this occupation, a stable working biography, etc., is becoming more and more precarious.

All interviewed stakeholders acknowledged the structural problems the dual system is facing in Austria, which is leading to a gap between available and required apprenticeship places. The Vocational Placement Guarantee is designed to fill this gap, offering a practicable temporary solution for this urgent problem. The Placement Guarantee is a federal law, implemented at regional level by the public employment institutions in charge. In addition, more radical reforms of the educational system are thought about, such as an extension of compulsory schooling or the abolishment of the early selection of pupils into different school types at the age of 10. On the one hand, this early selection process implies a loss of knowledge potential which never can be made up for later on; on the other hand, it results in a hierarchical selection of children and young people for different educational pathways at an early age, which is difficult to change later on. At the age of 10, children are selected into lower secondary schools and lower academic schools. The former have traditionally led to a vocational route to education (dual system), the latter to different forms of higher and university education. Which type of school a child attends depends on various factors: besides the regional accessibility of the school, the pupil's social and ethnic background is particularly important. The ninth school grade (usually at age 14 or 15) again marks a major educational watershed: Pupils are again asked to choose between, or allotted to, higher secondary (academic or vocational) education, company-based apprenticeship training – or an apprenticeship place offered by an institution.

Considering socio-demographic characteristics, different outcomes based on ethnic background and gender can be observed in educational careers: More girls than boys

decide to continue education at school while the dual system is still dominated by male apprentices. Male youths are also overrepresented in apprenticeships that still lead to well paid and stable jobs in, for instance, the production sector. In contrast, young women are concentrated in a small number of not very promising service-sector apprenticeships. Even though more than 20% of pupils in lower secondary schools and in the pre-vocational year have migrant background, in the dual system of vocational education their share is only 8.2%.

As Austrian youngsters who have opted for an apprenticeship are automatically integrated into the labour market, they have to adapt to the realities of business and market forces at the relatively early age of 15 (after completion of the 9<sup>th</sup> school grade). Those who do not succeed in entering company-based apprenticeship training or do not continue school end up as clients of the Public Employment System. The continuance of segmented educational pathways is also mirrored in the fact that two thirds of young PES clients come from families with migrant background. On the one hand, this points to the socio-economic situation of this group and the relatively low educational attainment of their parents, who pass on their social status to the next generation. On the other hand, this is a sign of discrimination against applicants for apprenticeship places with migrant background. Even if it is not openly admitted, companies still reject the applications of young men and women due to their ethnic origin. What is more, young migrants who arrive in Austria at a later stage as part of family reunification sometimes do not even have formal access to PES measures because they are not admitted to the Austrian labour market.

Supra-company apprenticeship training is provided and financed by PES funds, and potential participants need to be registered as unemployed or job-seeking. As their wages (*Ausbildungs-/Lehrlingsentschädigung*) are paid for by PES, the measure is clearly part of labour-market policy. At the same time, however, it is run in a school-like mode, with the option – and expectation – to acquire work experience in companies and/or to be transferred to companies at a later stage of the training. Many interviewees were critical of the location of this early, ‘primary’, phase of training (*Erstausbildung*) within the PES as they would rather see it located within the educational system. In this case, the question of apprenticeship wages, which are essential for the continuation of training for students from low-income families, could be tackled by providing scholarships or other kinds of social assistance when withdrawing the supra-company apprenticeship training agenda from PES. According to the Chamber of Labour representative, especially girls from low-income families are forced to withdraw from the educational system unless they have reasonable means of subsistence.

Being part of this system also means to submit to its principles, especially to ‘being willing to work’. The aim of PES labour-market policies is to integrate those registered as unemployed into the regular labour market. Therefore, those who are guaranteed a vocational placement under the new regime are still PES clients – and not (just) young persons to be educated. The interviews showed that – apart, of course, from vocational training – a main emphasis of PES measures, including supra-company apprenticeship

training, is placed on disciplinary instruments to ‘form’ young workers according to business and labour-market needs.

In general, the continuance of a career within the educational system after compulsory school – be it in company- or school-based systems – is seen as vital for success in a knowledge-based society where labour-market requirements are closely connected with workers’ ability and readiness to continue learning throughout their entire working life. Thus, to prepare people for the needs of a knowledge-based labour market at an early stage of their career, the principle of lifelong learning needs to already be strengthened within the educational system. Whether workers experience further education as an imposition or a chance to perform better is not the question. The only thing left – from an institutional perspective – for people who are unwilling to stick to or adapt to those requirements is a ‘lack of prospects’, as one interviewed expert puts it.

The placement guarantee encompasses low as well as high threshold measures with the aim to reach the totality of young persons standing farer or closer to the intersectional pathways of education and employment. Some are more, some are less willing and ready to be incorporated into a system preparing them for an occupational career. Education and labour-market policies collaborate to develop ‘tailored’ measures for ALL. The institutions responsible for the design and implementation of labour market and educational measures try to contrive the establishment of a densely knit net provided for young (in particular unemployed) persons. The success of this policy is measured by a drop-out rate as low as possible: no one shall slip through this kind of safety net. Therefore, it remains open at this stage of research how much space is left for those young persons to develop and voice ideas of living as well as social and political participation on their own – as long as they are supposed to be participating in one of these all-inclusive measures designed for them and not through/by them.

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