

Apprenticeship policies coping with the crisis: Austria compared to Germany and Switzerland

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2nd International Conference of G.R.E.A.T.

“Youth in transition: VET in times of economic crisis”

22nd – 24th September 2014, Koeln Univ.

Questions, outline

- Austria, Germany and Switzerland, similarities and differences between the three core countries of ‚mass apprenticeship‘
- overall question: How did they get through the recent crisis with low youth unemployment?
- background, more general: how is it that apprenticeship systems are related to low youth unemployment?
- starting point is analysis of the development in Austria...
 - <http://www.iline.fi/en/article/policy/20135/what-are-they-doing-right-3-cases#title0>
- ...extended to a comparative view on Germany and Switzerland
- theoretically: political economy of collective skills systems (Busemeyer and Trampusch 2012)

reasoning based on ,collective skills systems‘

- Concept of ,collective skills systems‘, based on **historical institutionalism** (Busemeyer & Trampusch 2012)
 - extends reasoning beyond a (simple) rational choice and market economic logic
- to include
 - **institutional** structures and processes
(patterns of firm involvement; intermediary actors; certification, institutional change)
 - as well as **political** structures and processes
(certain fields of struggle: who controls, provides, pays for skills formation?; power relations employers-employees; structures of representation)
- important aspects in this concept are **contingencies**, and continuous **struggles** of stabilisation and destabilisation > thus importance of
 - differences between systems and
 - dynamics/changes in systems
- ...also **industrial relations in ,coordinated market economies‘**, i.e. compressed wage structure > **THIS PRESENTATION: attention to social security and labour market policy as another part of IR**
 -

apprenticeship

what are the key ingredients?

- several traits mentioned, related to qualification and governance, & to the balance of **qualification/learning** / **employment/working**
 - investment in qualification and training component (expected returns)
- Thesis based on Austrian development: **related to youth unemployment the outstanding factors are not qualification/learning but employment/working**, three interrelated aspects
 - **employment contract**, training allowance compensating for lower productivity
 - inclusion into **social security** systems (unemployment insurance)
 - employment related attention from **labour market policy**, (not education)
- ...important factor sheer 'demographic' numbers: there are fewer young people than adults; increases potential (gross) impact of LMP to reduce youth unemployment (1 EUR for much fewer persons...)
- ...in sum, apprenticeship gives more options for (at least formal) inclusion of young people than school based structures
 - [school education] + employment + LMP measures
 - question: which weight to the latter (LMP)?

apprenticeship

what are the key ingredients?

- ...summarizing the argument:
- the main reasons for lower youth unemployment are not educational ones but are employment and social security related
- apprenticeship as a form of employment relation...
 - apprenticeship creates specific formalised employment positions (contract)
 - apprenticeship creates a specific sector of the labour market, that is regularly observed and monitored
 - supply/demand on the apprenticeship market is an important political target
- ...creates inclusion into social security and labour market policy...
 - the apprenticeship market gets into political monitoring
 - and becomes a target of concentrated labour market policy measures
- ...this was (and still is) particularly the case in Austria > **is it also the case in Germany and Switzerland, and if not, why not?**

apprenticeship

what are the key ingredients?

- OECD: „Apprenticeships are effective policy tools”...
- but **very complex arrangements** for ‚quality apprenticeships‘
- difficult to define the core characteristics
- examples for demonstrating complexity:
 - H.Steedman,
 - INAP-Memorandum,
 - also OECD, G20

apprenticeship

what are the key ingredients?

- G20: „**quality apprenticeship** systems that ensure **high level of instruction** and **adequate remuneration** and avoid taking advantage of lower salaries”
- Definition ILO 1939...
 - based in **the work place** supervised by an **employer**
 - intended for young people
 - fundamental aim is **learning a trade/acquiring a skill**
 - training is „**systematic**” i.e. follows a predefined plan
 - governed by a **contract** between apprentice and employer.
- ...extended 1962...
 - training to established standards for **a recognized occupation**
 - **long-term** training
- + academic analysis (2010)
 - **off-the-job** education and training
 - **external regulation** of training standards both in and outside the workplace

Source: OECD 2012, Steedman 2012

criteria, challenges

- OECD:

- coverage, selection by failure, formal qualification, wage + social security, social partners
- „There may in fact be a difficult trade-off to manage between ensuring that the **costs of firms** investing in apprenticeships (e.g. in terms of labour costs, compliance costs, etc.) are **not too high** while ensuring that apprentices face **suitable working conditions** and acquire **appropriate and certified training**.”

- Germany, Switzerland, Austria to some extent fulfil the criteria (Steedman 2012, p.3)

Table 1. Principal attributes of apprenticeship compared to informal apprenticeship and other workplace-based arrangements

	Wage	Legislative Framework	Workplace based	Programme of learning	On-the-job training	Off-the-job training	Formal assessment	Recognized certification	Duration
Traineeship	Maybe	No	Yes	No	Maybe	No	No	No	Variable
Internship	No	No	Yes	No	Maybe	No	No	No	Variable
Informal Apprenticeship	Pocket money or in kind	No	Yes	No	Maybe	No	No	No	Variable
Work-place Learning	Yes	No	Yes	No	Maybe	No	No	No	Variable
Apprenticeship	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Fixed

criteria, challenges catchwords (H.Steedman)

- Wage
- Legislative framework
- Workplace based
- Programme of training
- On-the-job training
- Off-the-job training
- Formal assessment
- Recognized certification
- Fixed duration

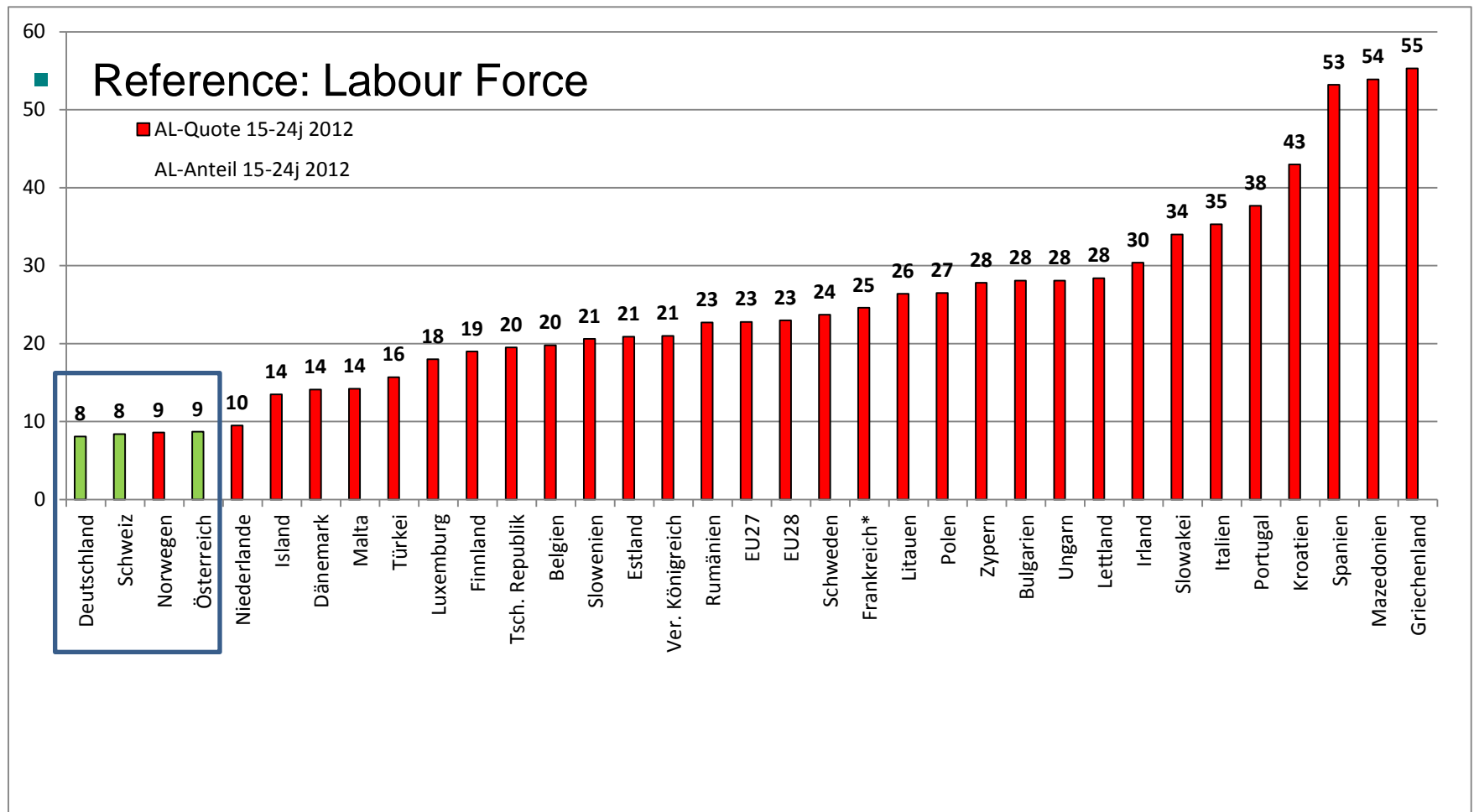
INAP-Memorandum complex challenges

- criteria
 - Occupational field
 - Shaping one's work
 - Work context constitutive
 - Core occupations
 - Sustainable occupational profiles
 - Open dynamic occ.profiles
 - Occupational identity
 - Time scale
 - Continuing professional development
 - Cooperation learning venues
 - Legal status apprentices
 - Cost-benefit for company
 - Vocational disciplines
 - Integration in H.E.structure
- governance
 - Legal framework
 - Cooperation of actors
 - Strategic and operational functions
 - Innovation strategies
- structure and development of occupational curricula
 - Curriculum
 - Methods curriculum development

Memorandum, INAP-Commission, p.1-24 in Deitmer, Ludger et al. (2013) Eds., The architecture of innovative apprenticeship, Dordrecht: Springer

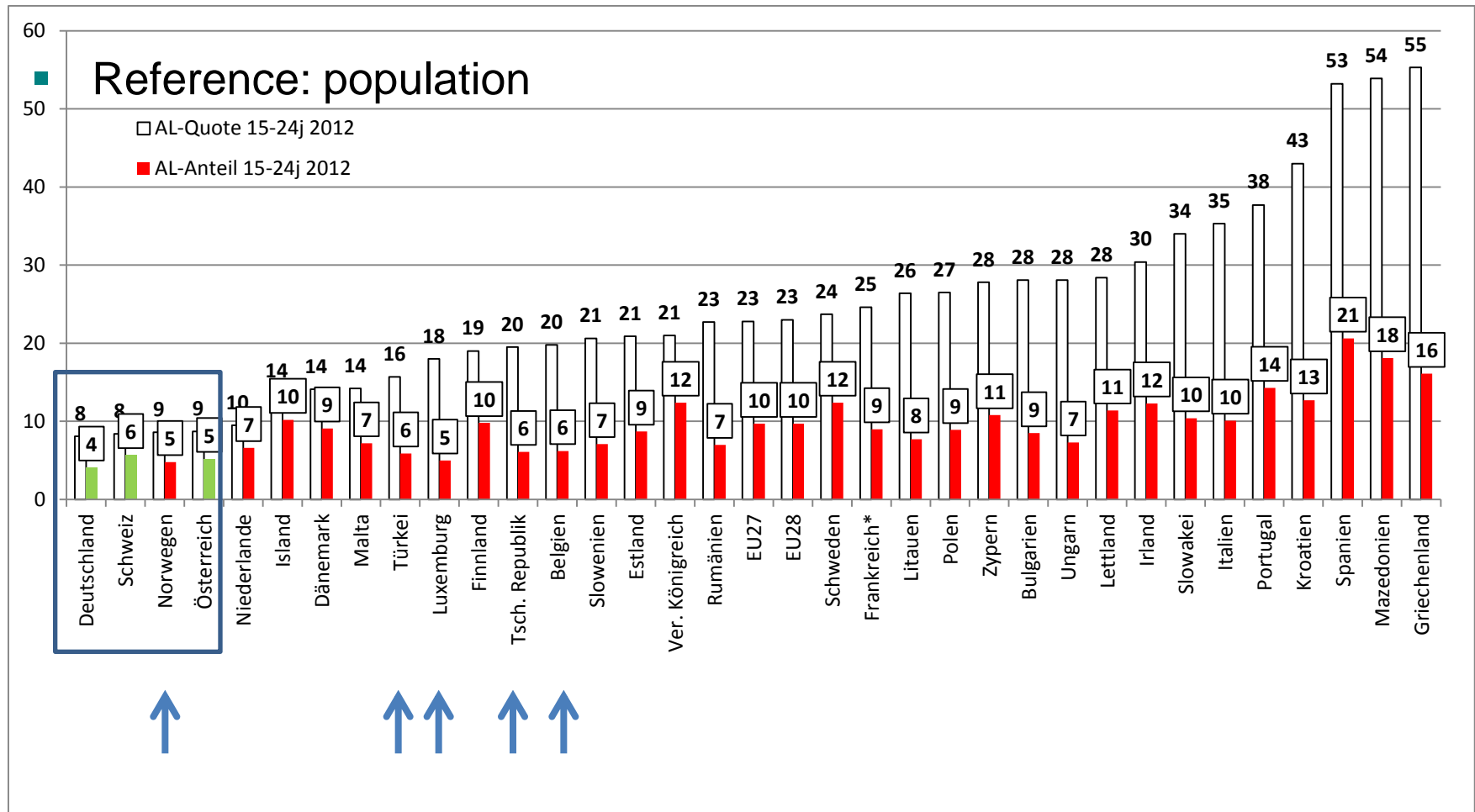
Youth unemployment and apprenticeship

Youth unemployment unemployment rate 15-24y, by countries



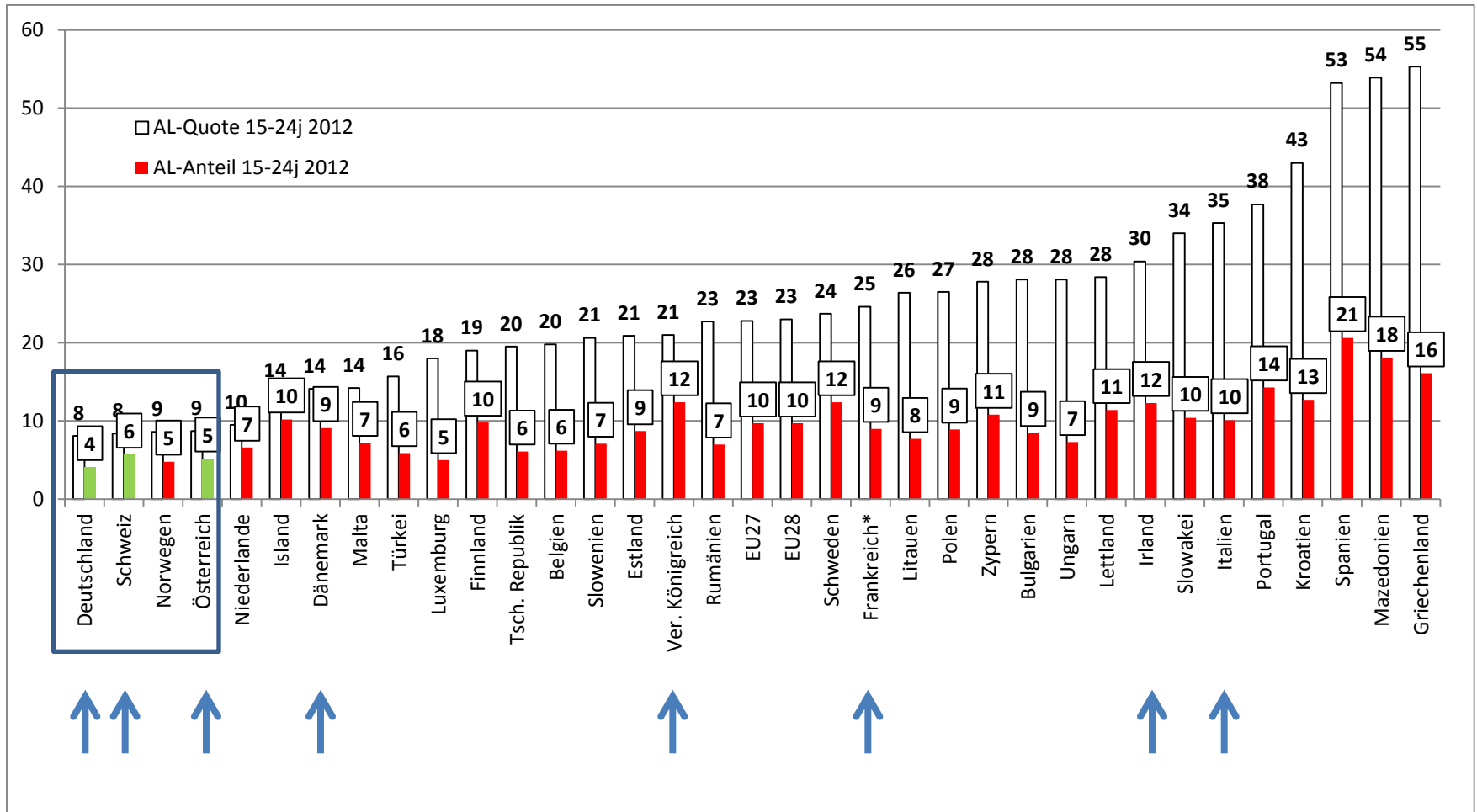
- 2012: Germany (1), Switzerland (2), Norway (3), Austria (4)

Youth unemployment unemployment rate & ratio 15-24y, by countries



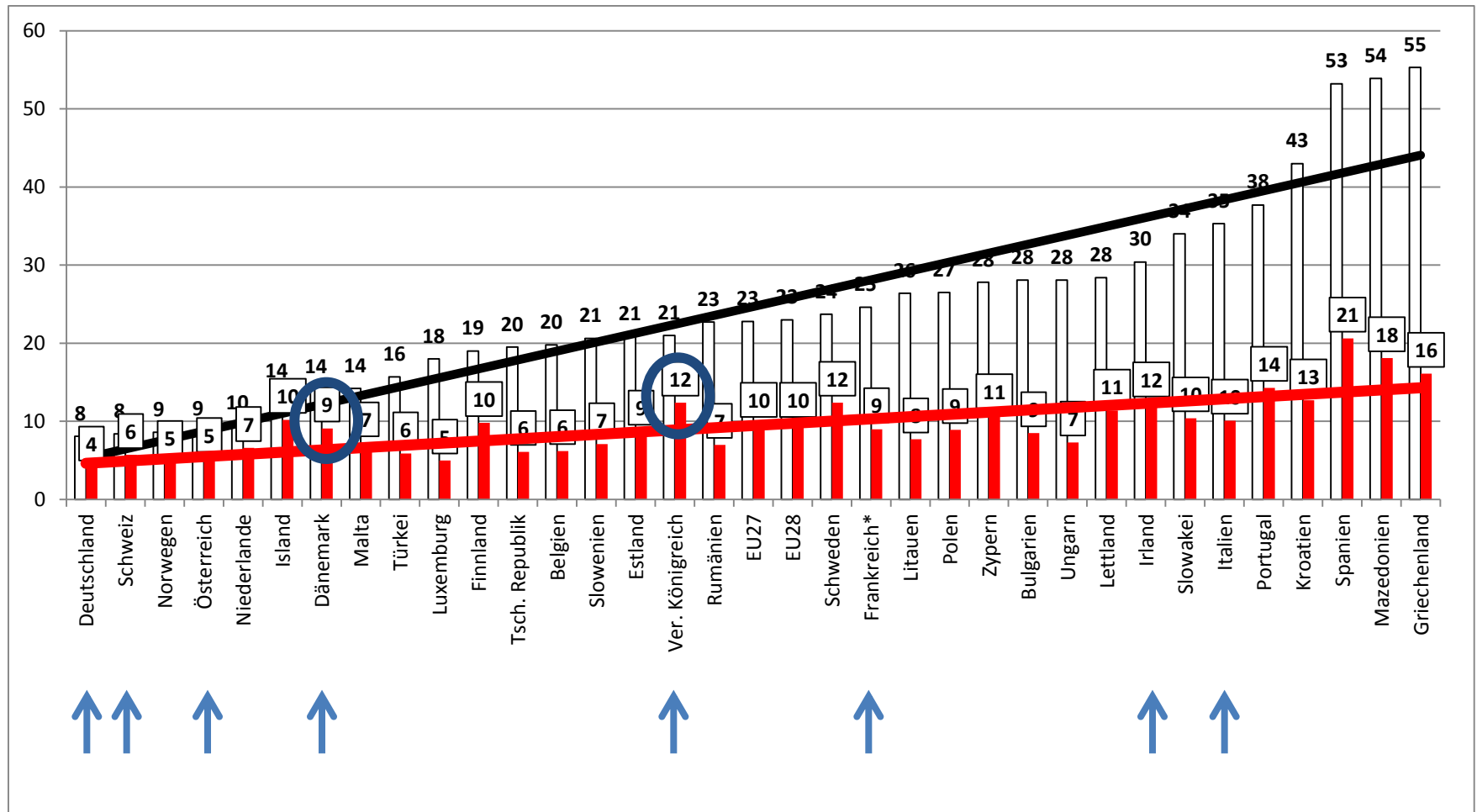
- 2012: **Germany** (1), **Austria**, Norway, Luxembourg (2), **Switzerland**, Turkey, Czech R, **Belgium** (3) > also other countries with low ue

Youth unemployment unemployment rate & ratio 15-24y, by countries



- 8 countries with regulated apprenticeship > not all low ue
 - Steedman 2012: 10 to 44 apprentices/1.000 employees

Youth unemployment unemployment rate & ratio 15-24y, by countries

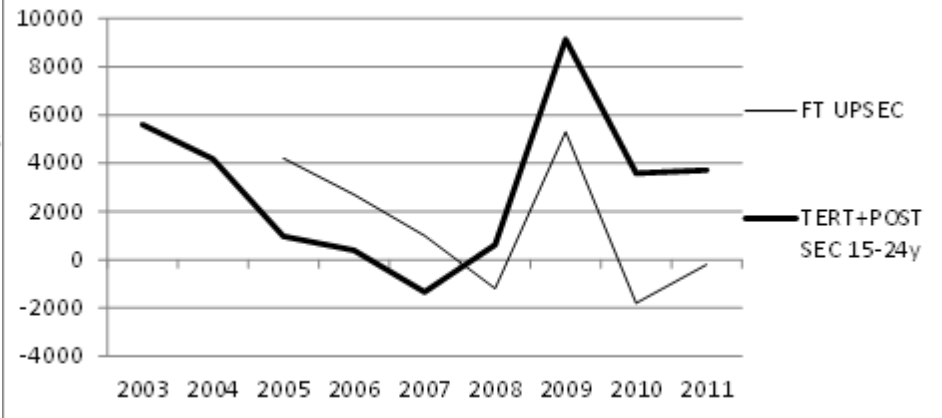
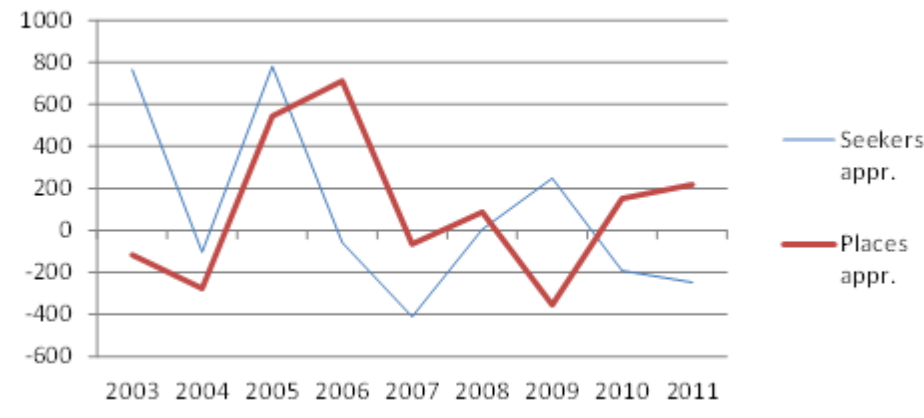
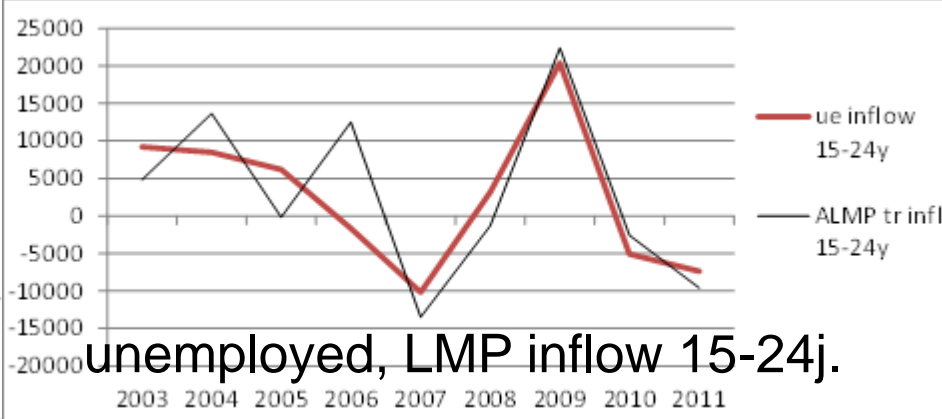
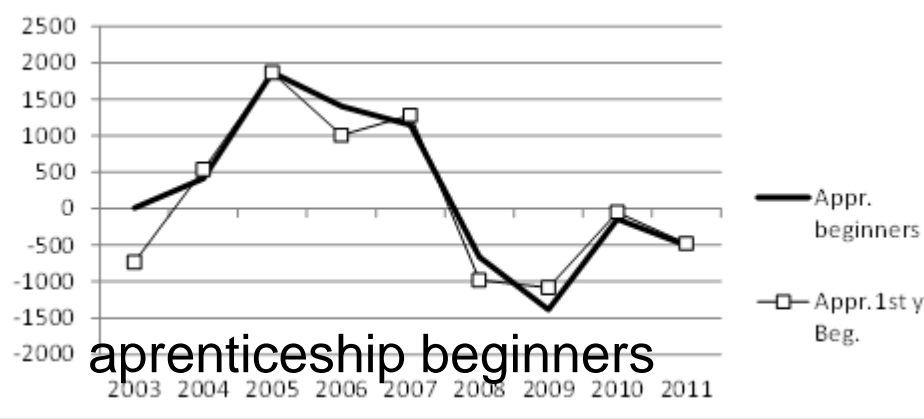
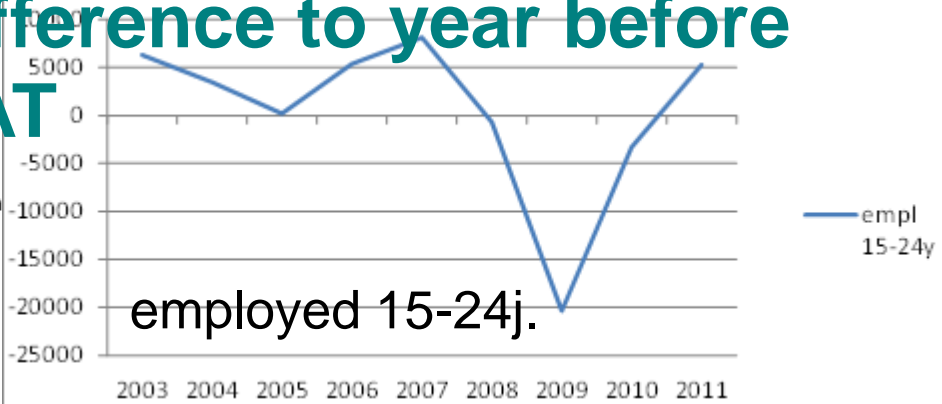
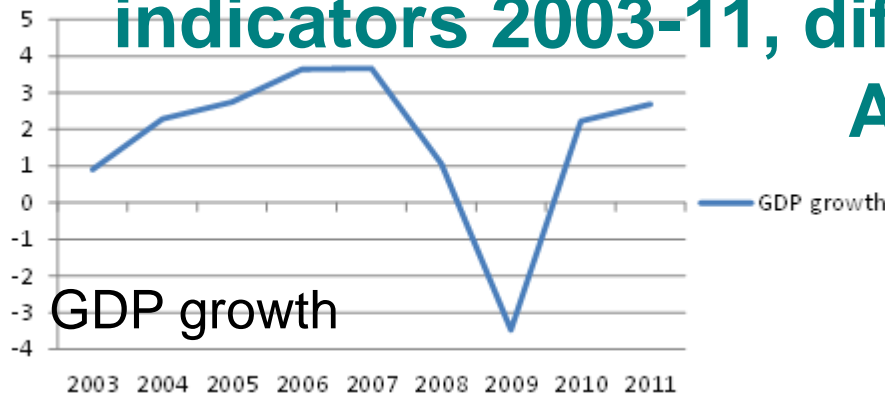


- 8 countries with regulated apprenticeship > some high ue
 - Steedman 2012: 10 to 44 apprentices/1.000 employees

the Austrian path through the crisis 2004-12

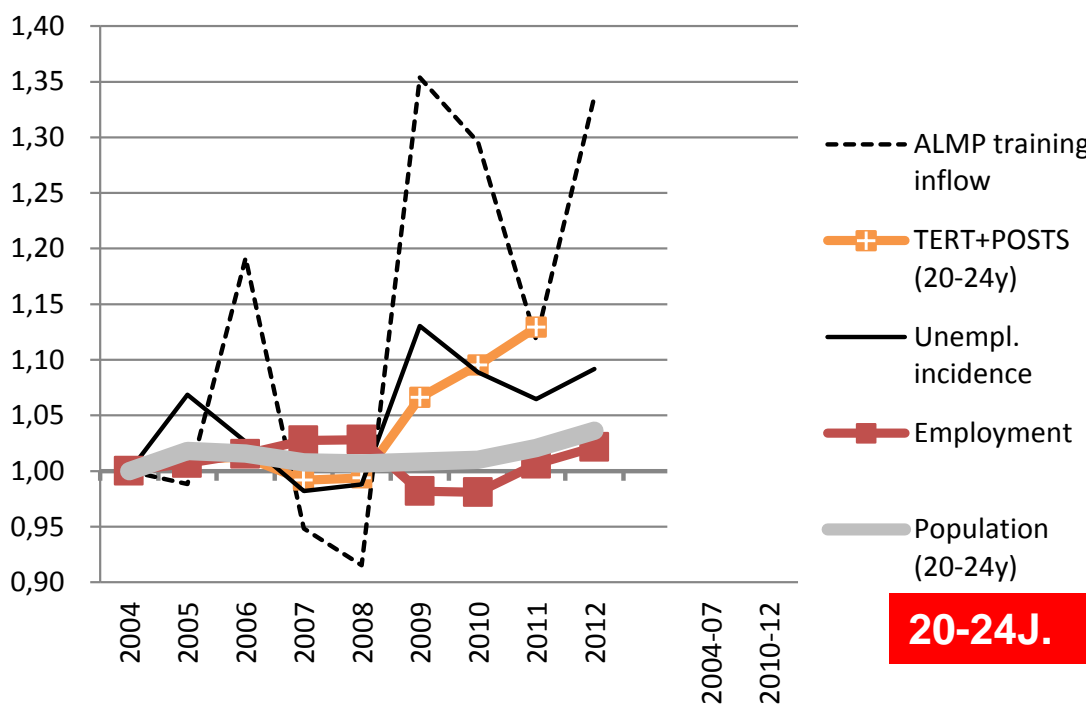
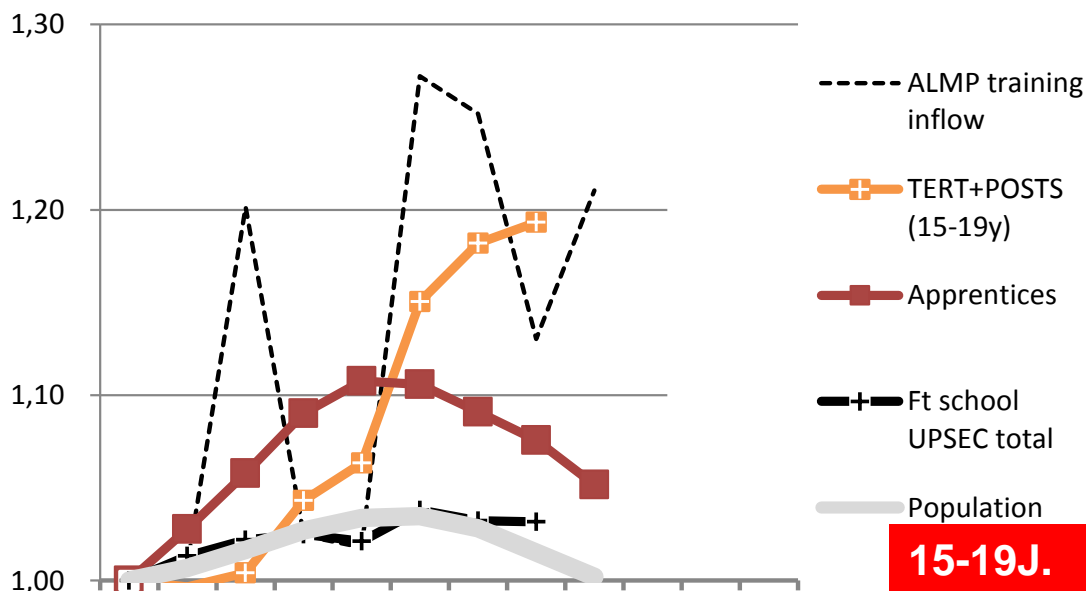
indicators 2003-11, difference to year before

AT



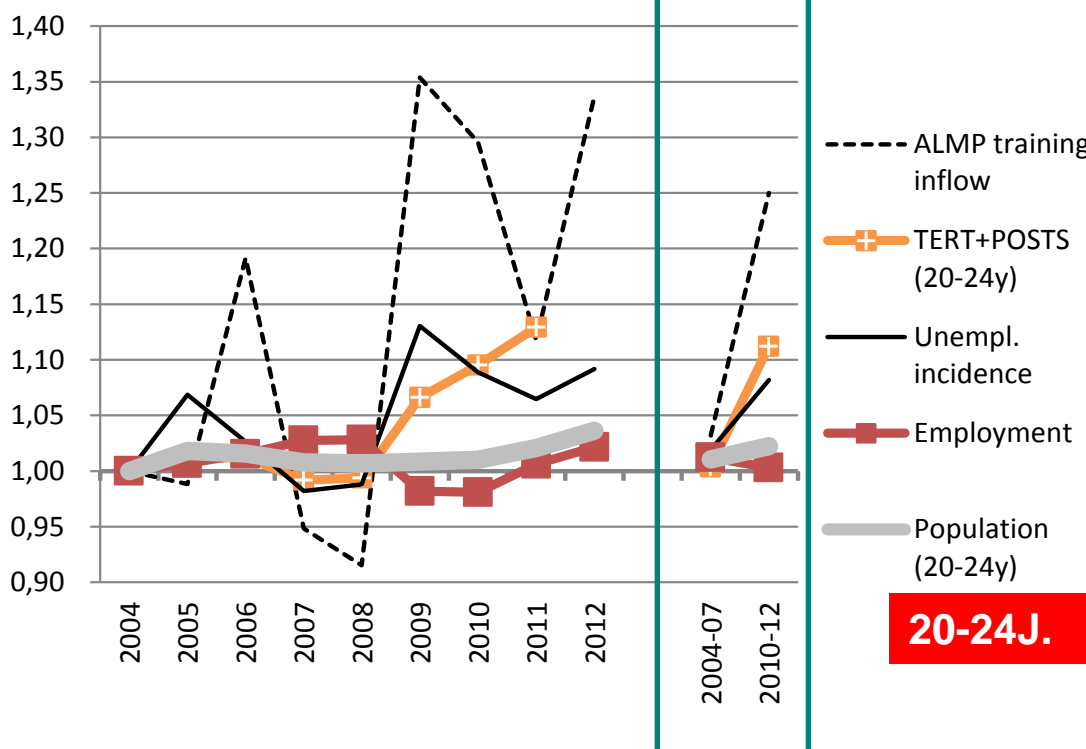
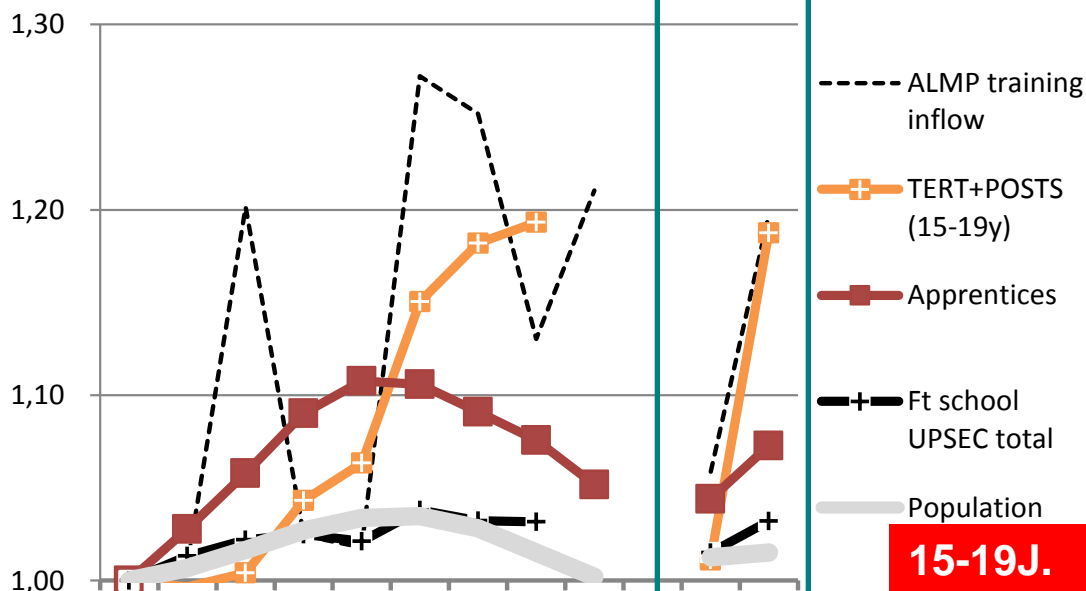
indicators 2004-12

- **Indices 2004=100 for**
 - LMP training, inflow
 - tert.educ.stock
 - apprentices stock
 - schools upsec stock
 - population



indicators 2004-12 before/after crisis

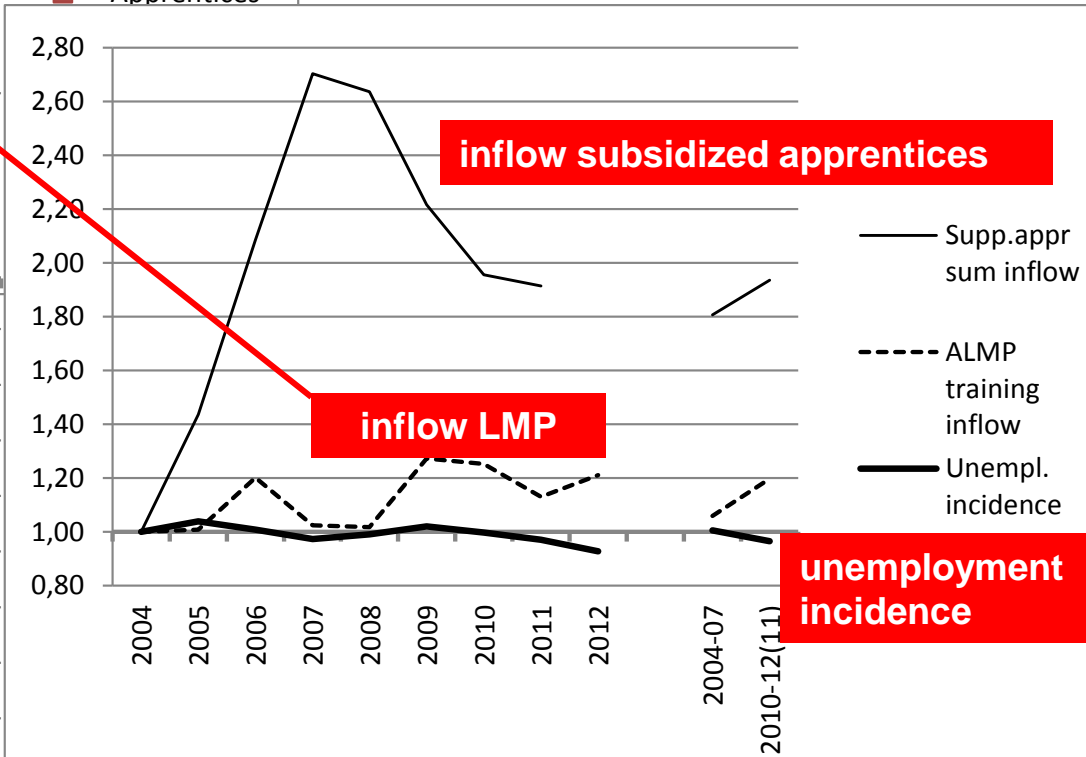
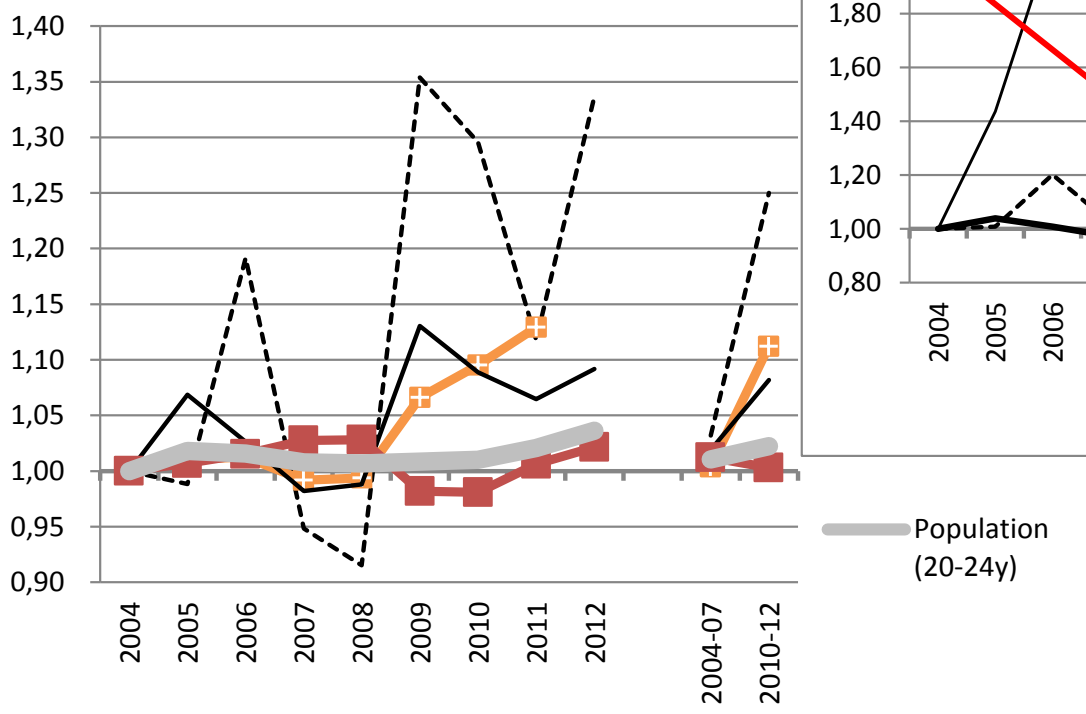
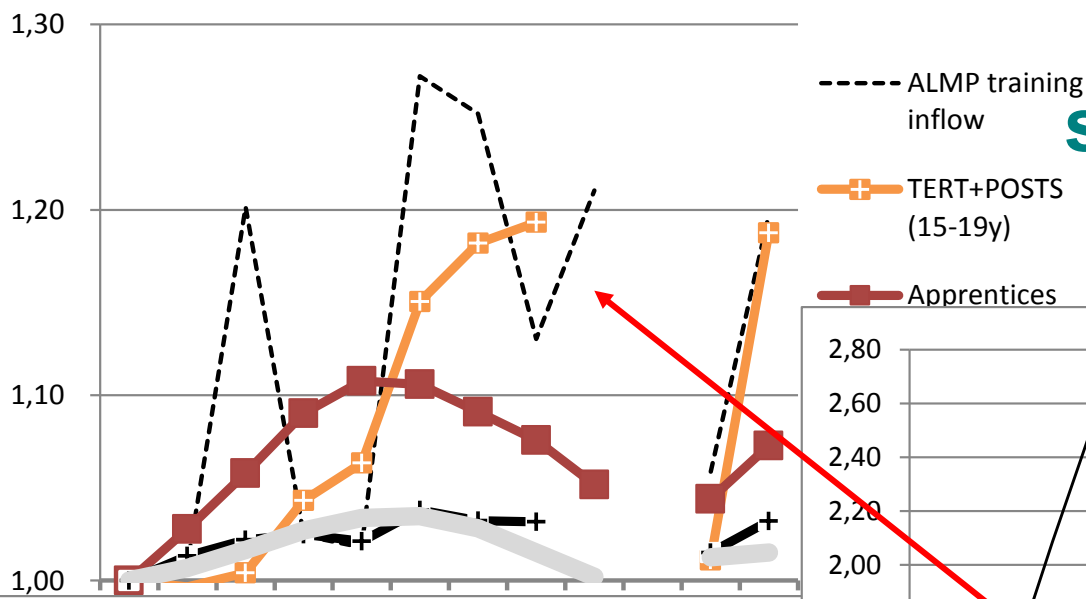
- **Indices 2004=100 for**
 - LMP training, inflow
 - tert.educ.stock
 - apprentices stock
 - schools upsec stock
 - population



- unemployment-incidence
- employees stock

indicators 2004-12 subsidy apprentices

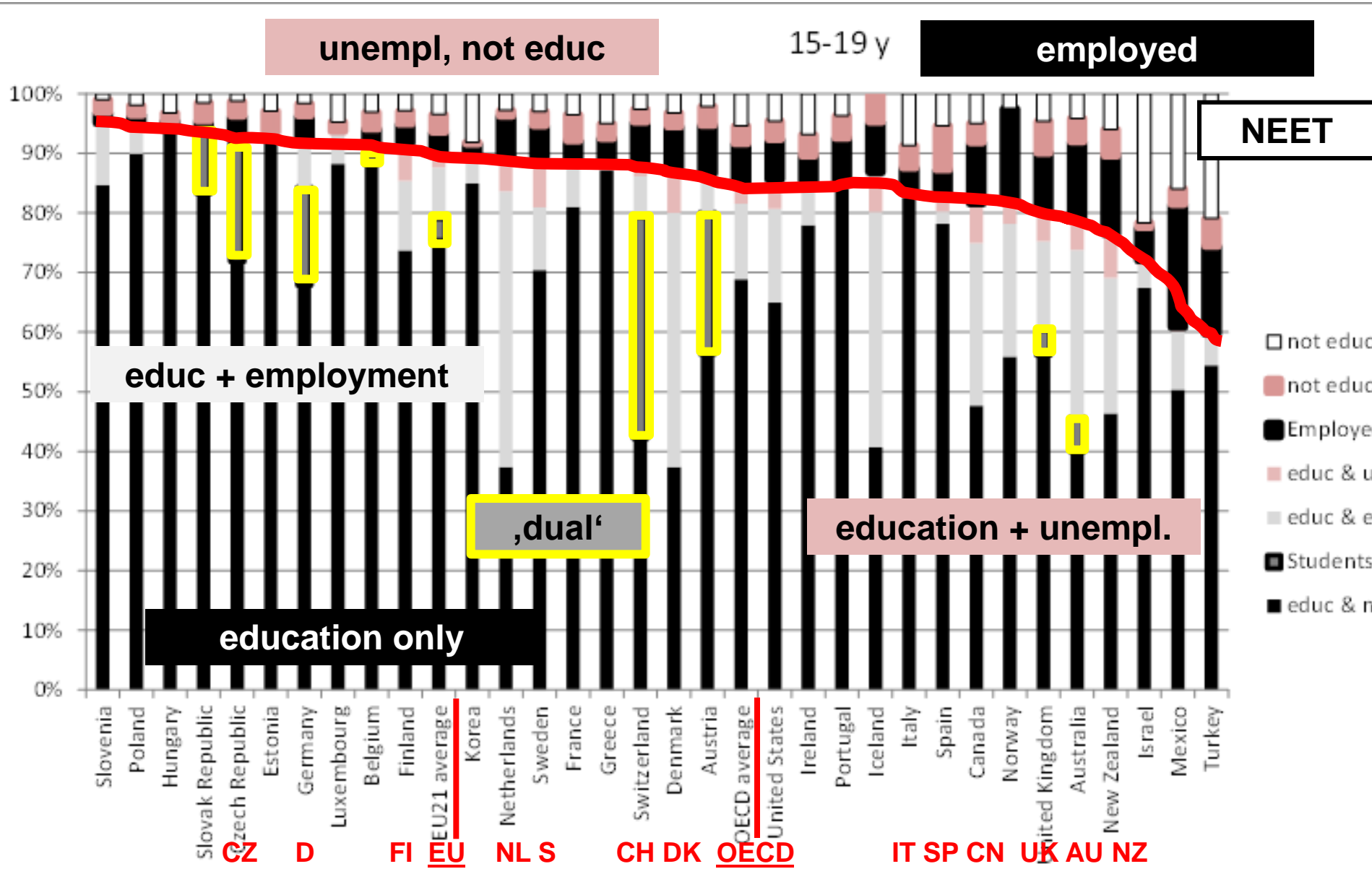
■ new Scale 15-19y



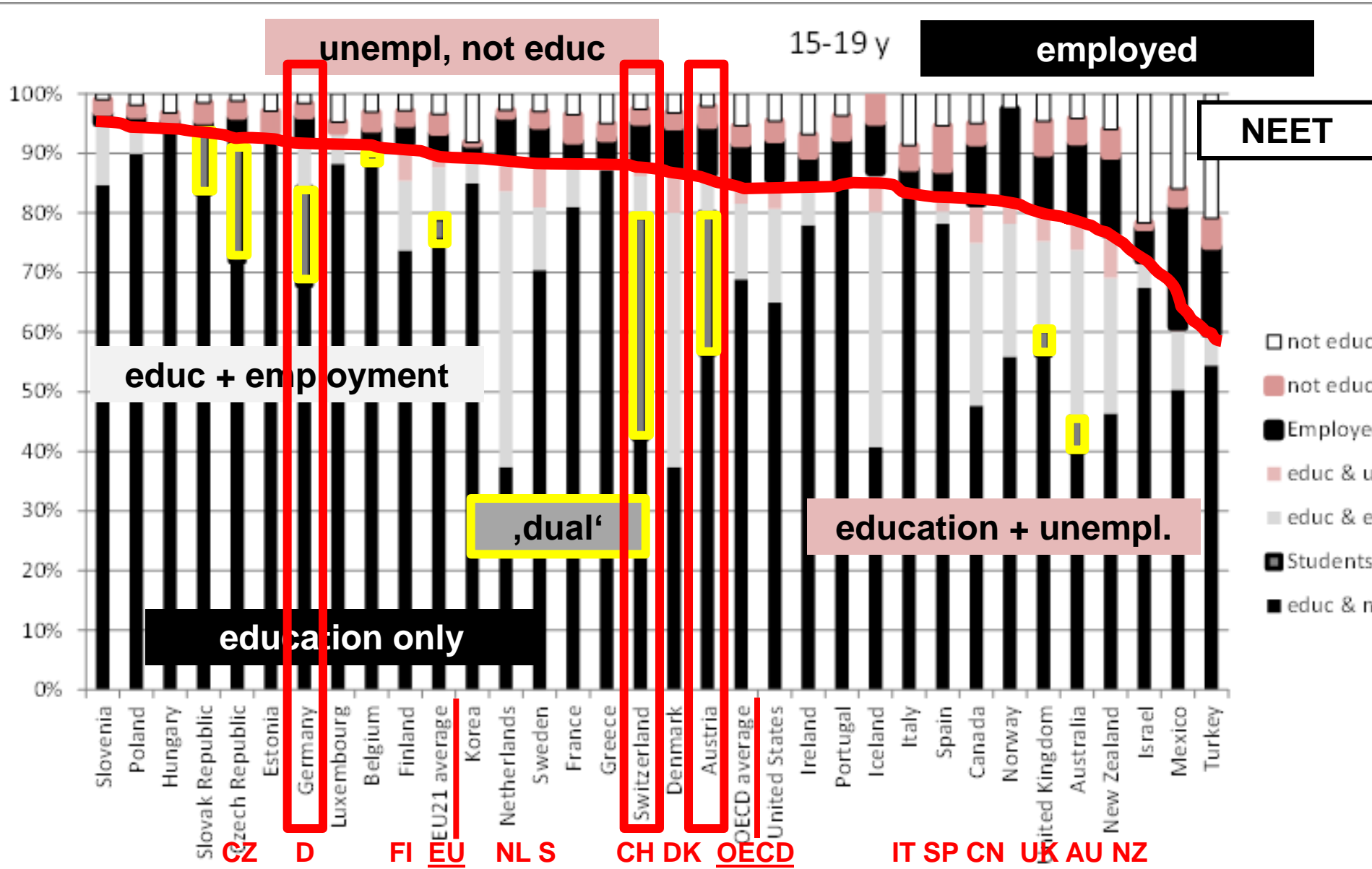
— unemployment
 — LMP
 — subsidized apprenticeships

structures education & (un)employment Austria, Germany, Switzerland

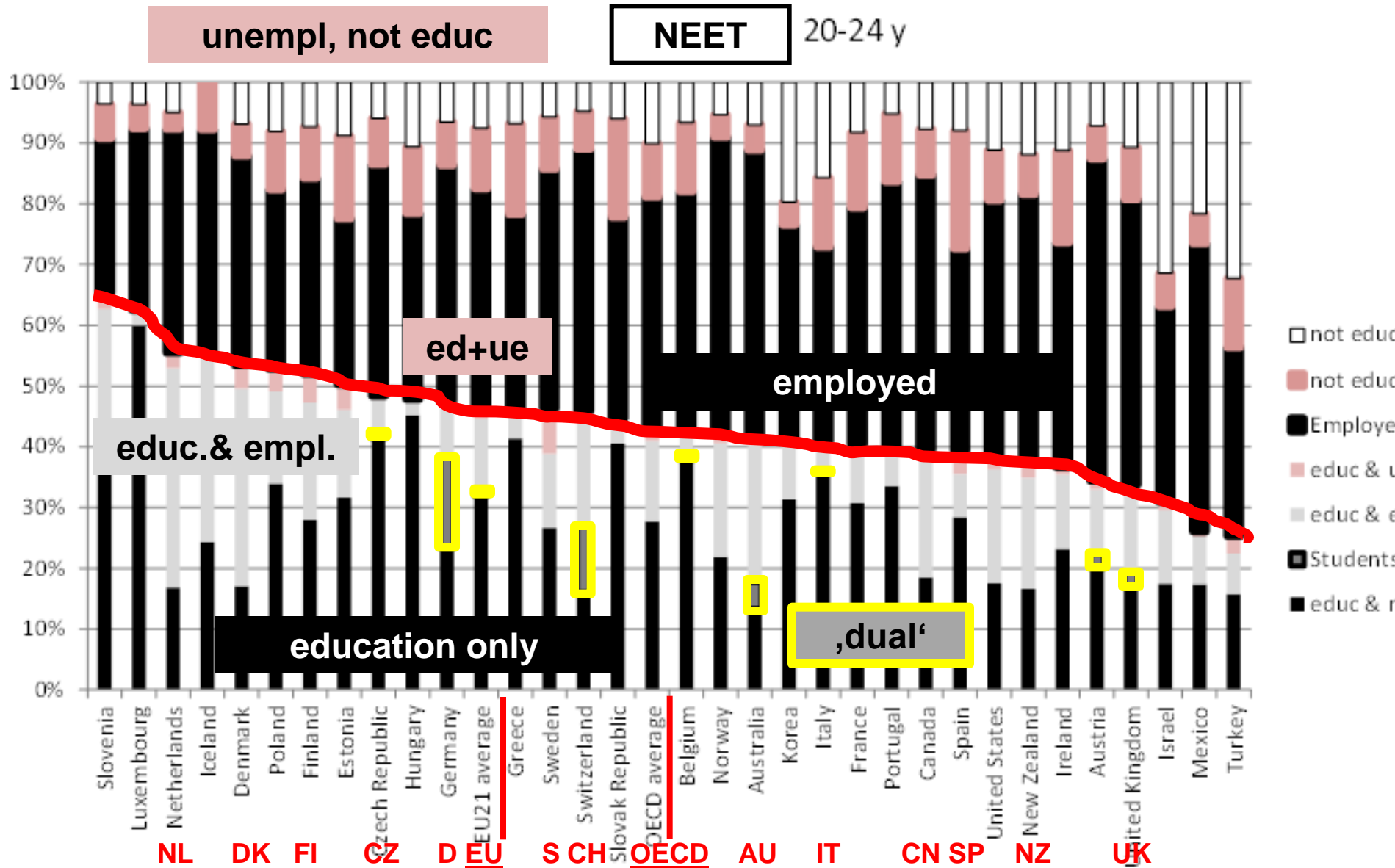
Transition, OECD-Indicators 15-19y., ordering by education ('gross')



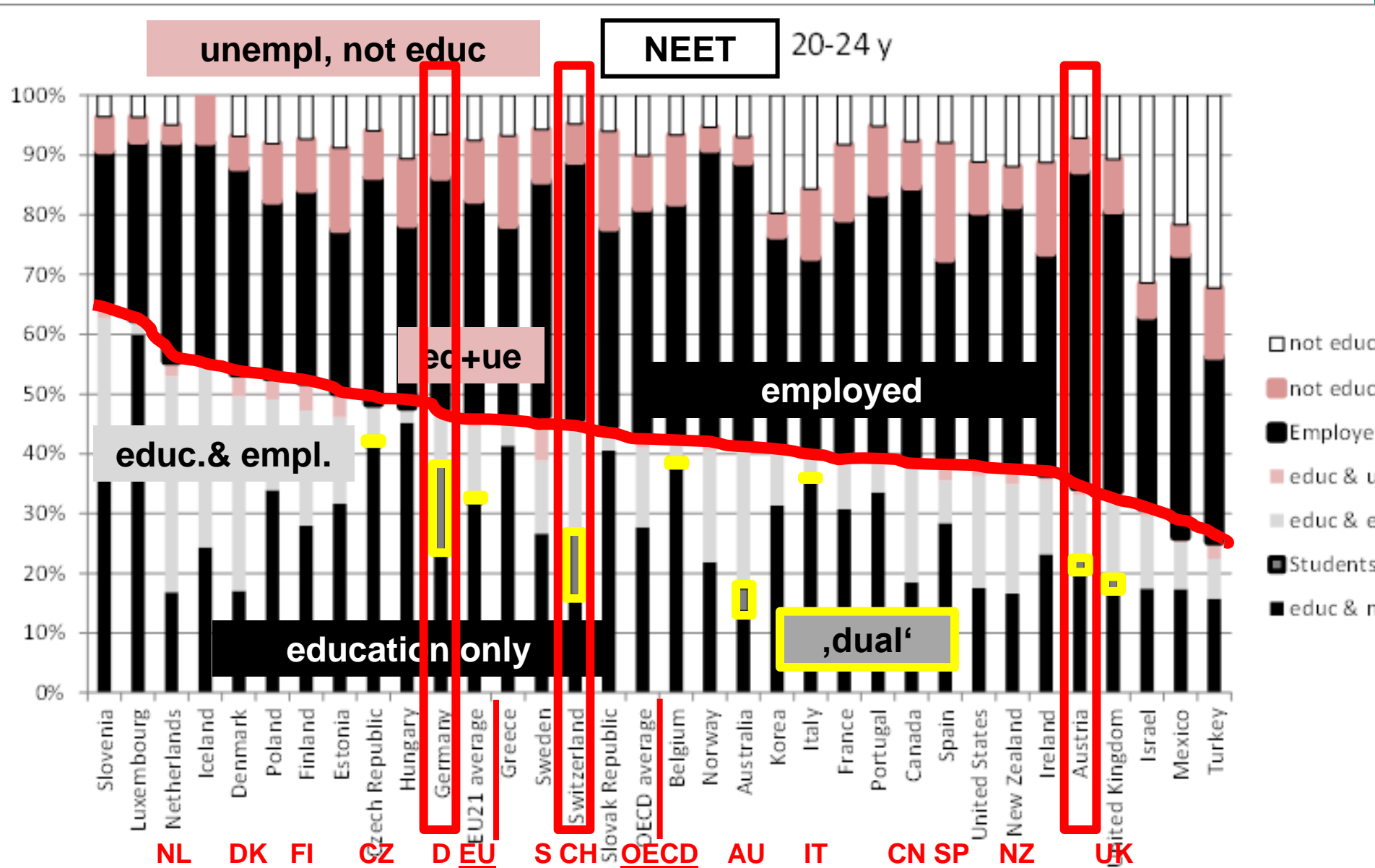
Transition, OECD-Indicators 15-19y., ordering by education ('gross')



Transition, OECD-Indicators 20-24y., ordering by education ('gross')



Transition, OECD-Indicators 20-24y., ordering by education ('gross')



more detailed comparison Austria, Switzerland, Germany, EU21

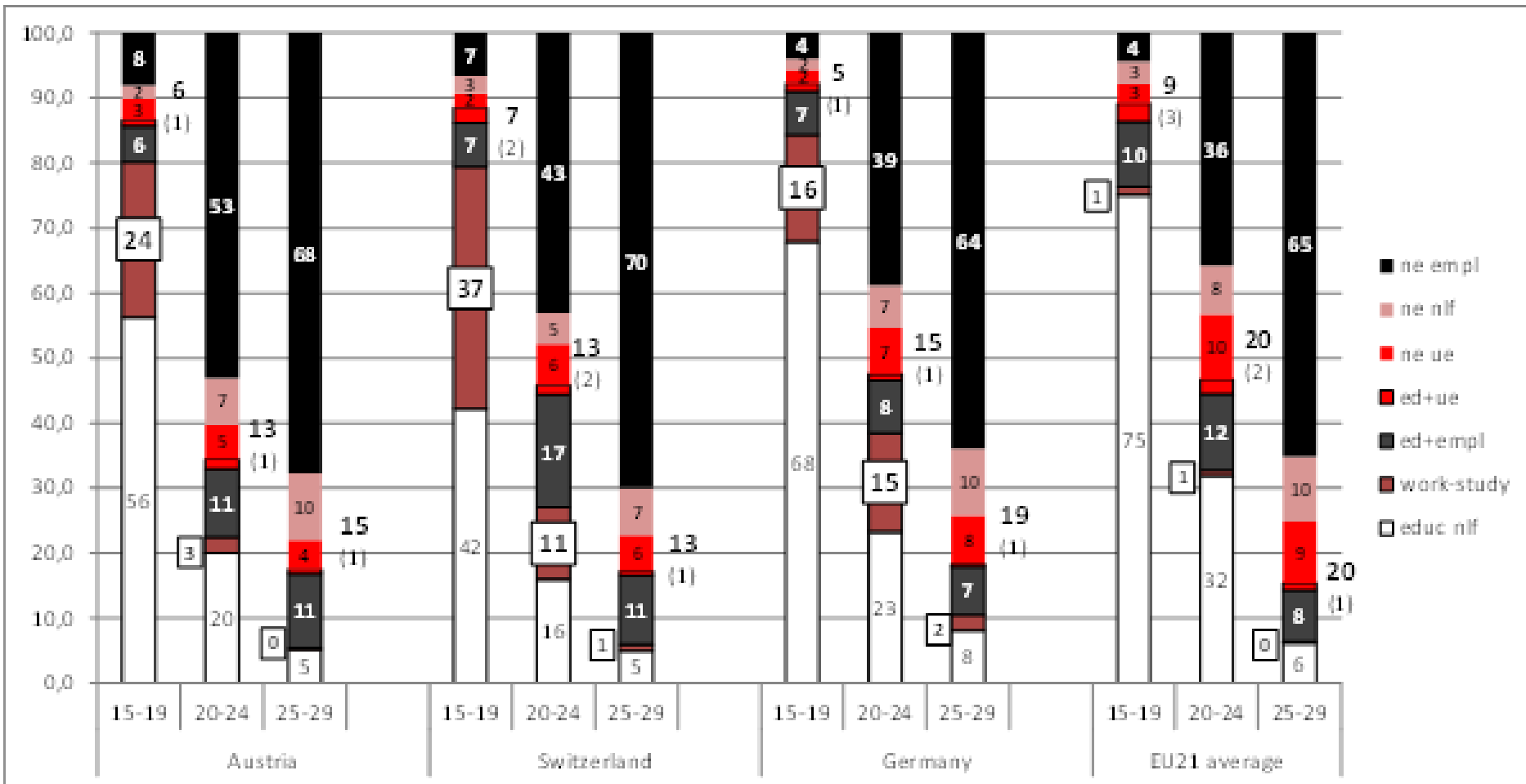
more detailed comparison Austria, Switzerland, Germany, EU21

Austria

Switzerland

Germany

EU 21



■ 15-19; 20-24, 25-29 years

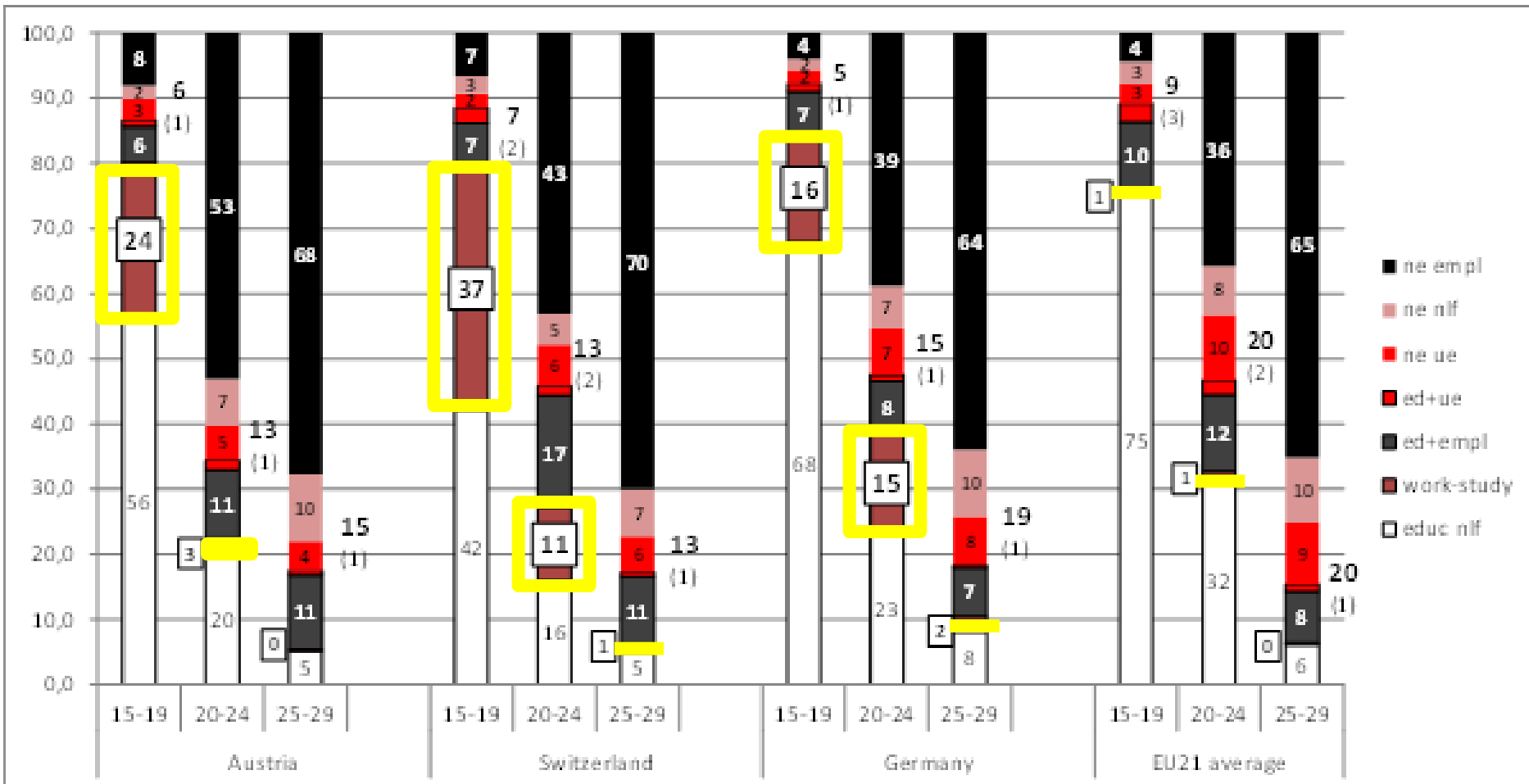
more detailed comparison Austria, Switzerland, Germany, EU21

Austria

Switzerland

Germany

EU 21



■ % apprenticeship

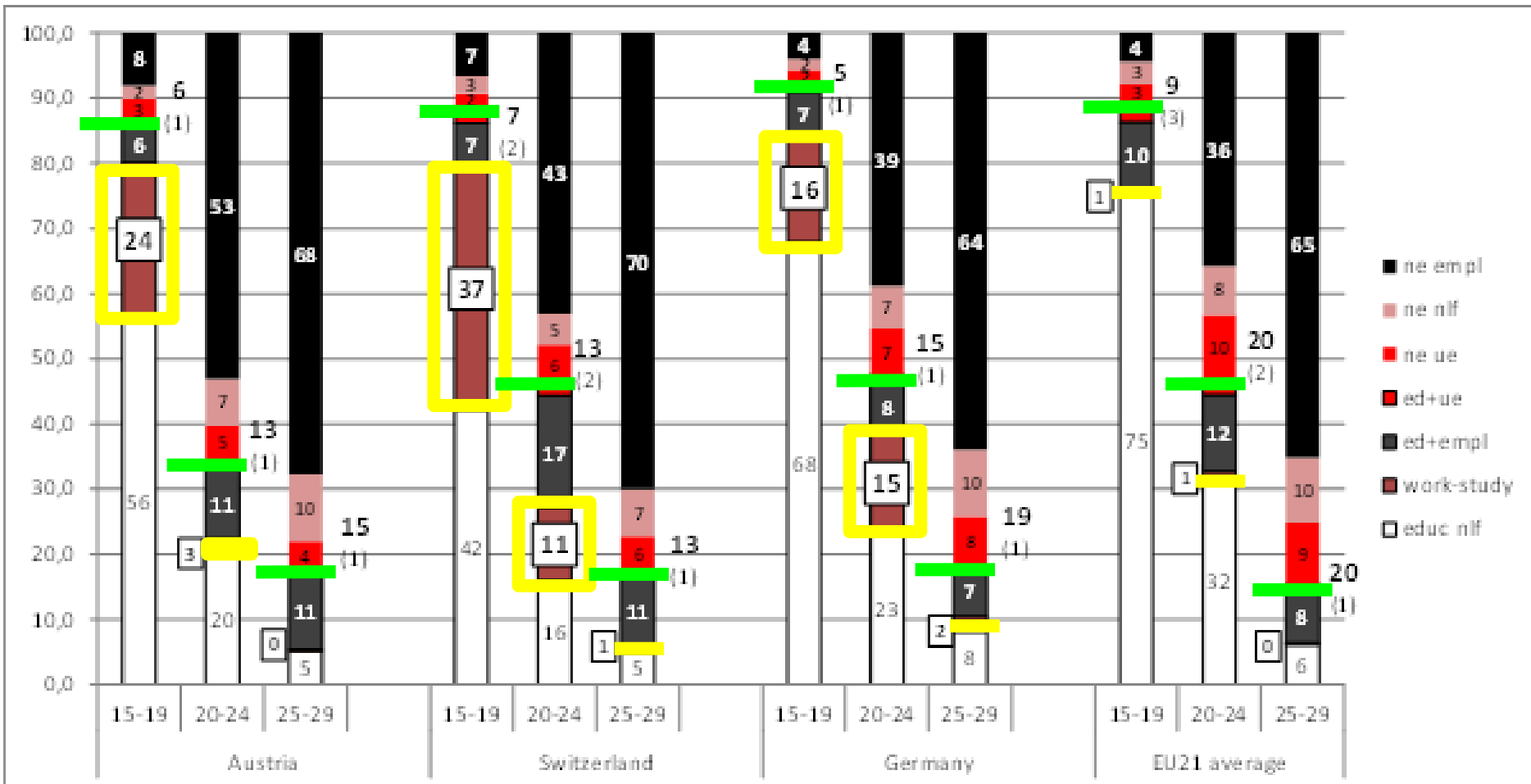
more detailed comparison Austria, Switzerland, Germany, EU21

Austria

Switzerland

Germany

EU 21



- % total in education

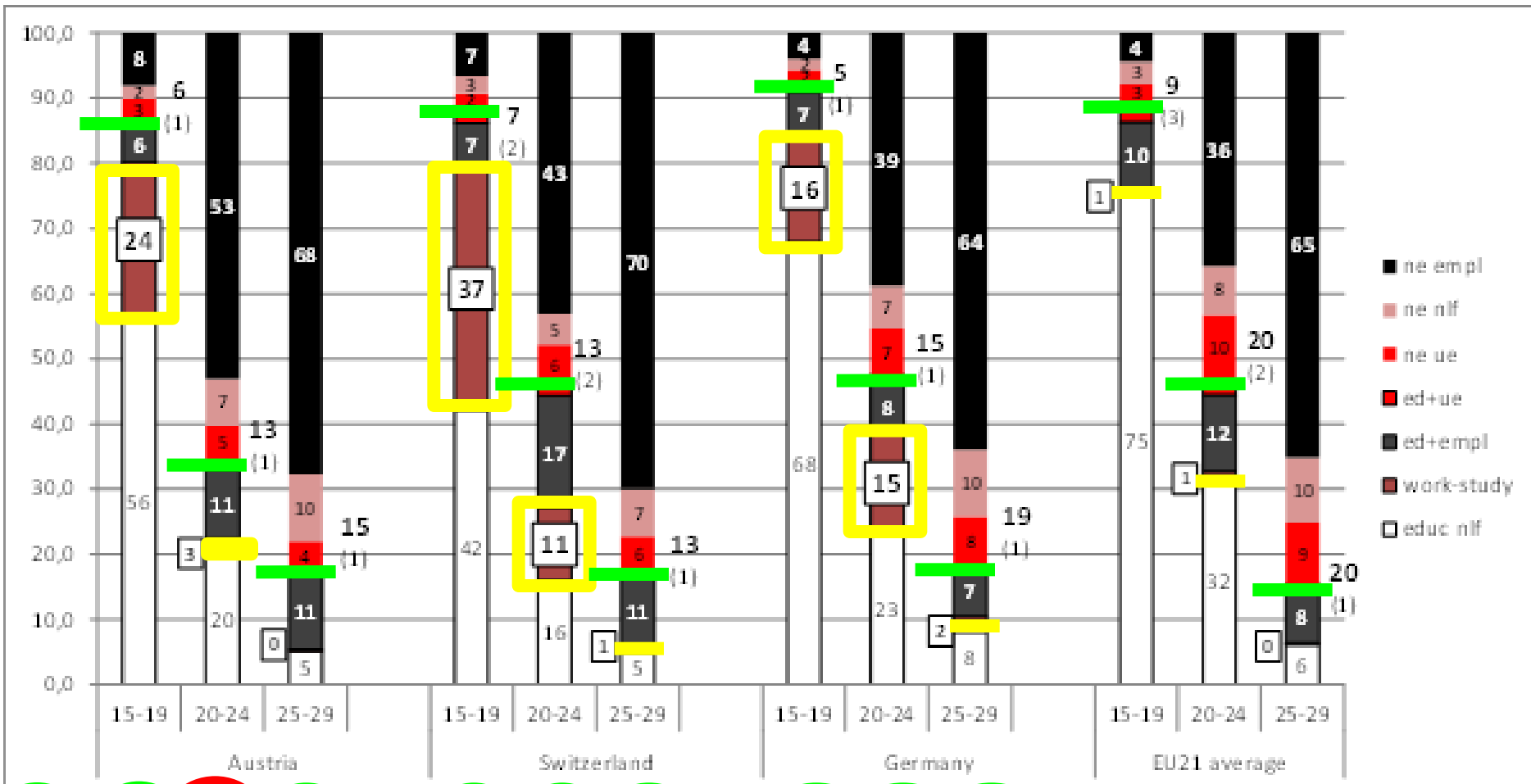
Facetten des Überganges, OECD-Indikatoren ÖST, CH, D, EU21 nach Jugendlichenaltersgr.

Österreich

Schweiz

Deutschland

EU 21



% EU
97
74
114

99
98
112

103
102
119

■ Index educ/EU21

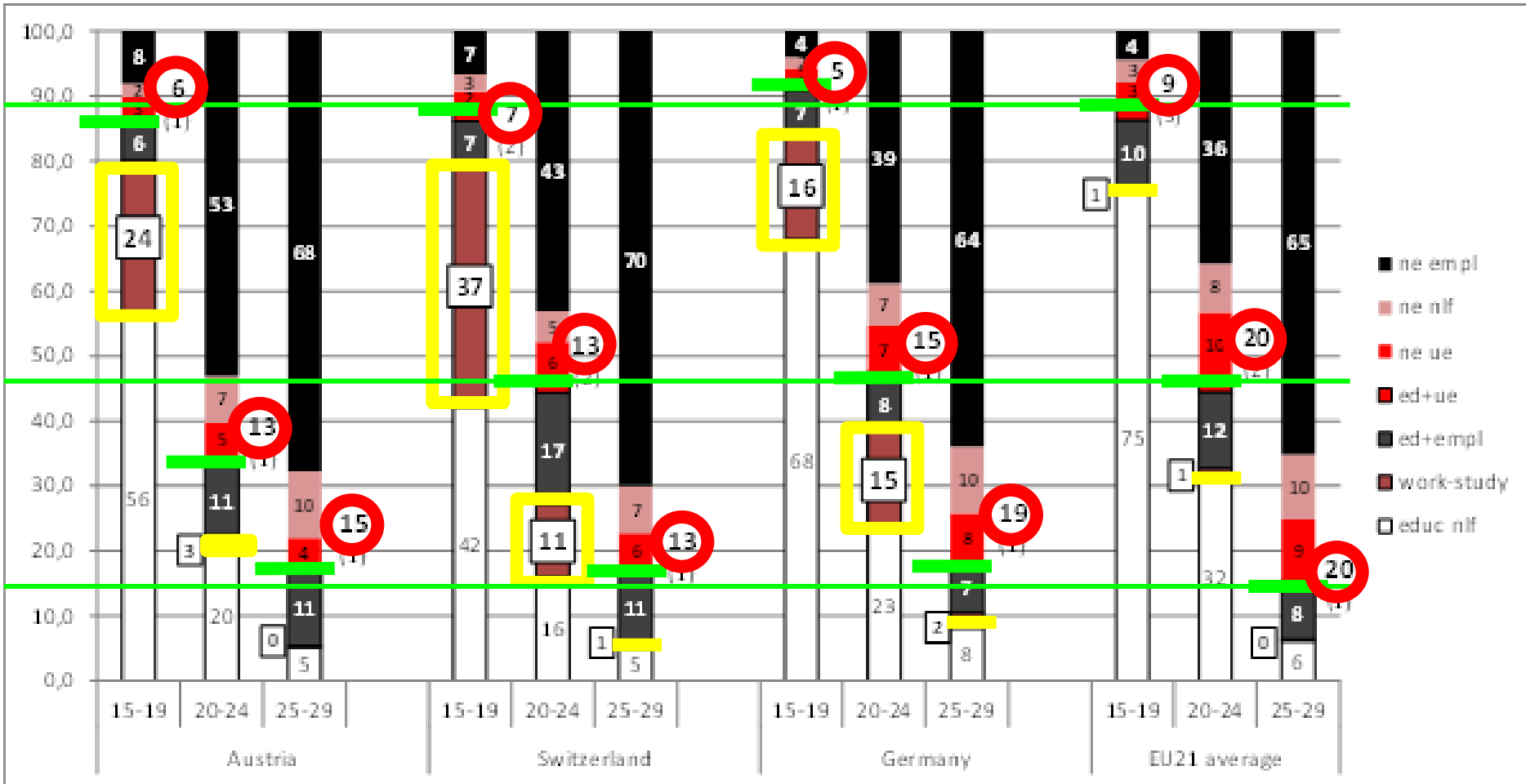
more detailed comparison Austria, Switzerland, Germany, EU21

Austria

Switzerland

Germany

EU 21



■ % unemployed ○

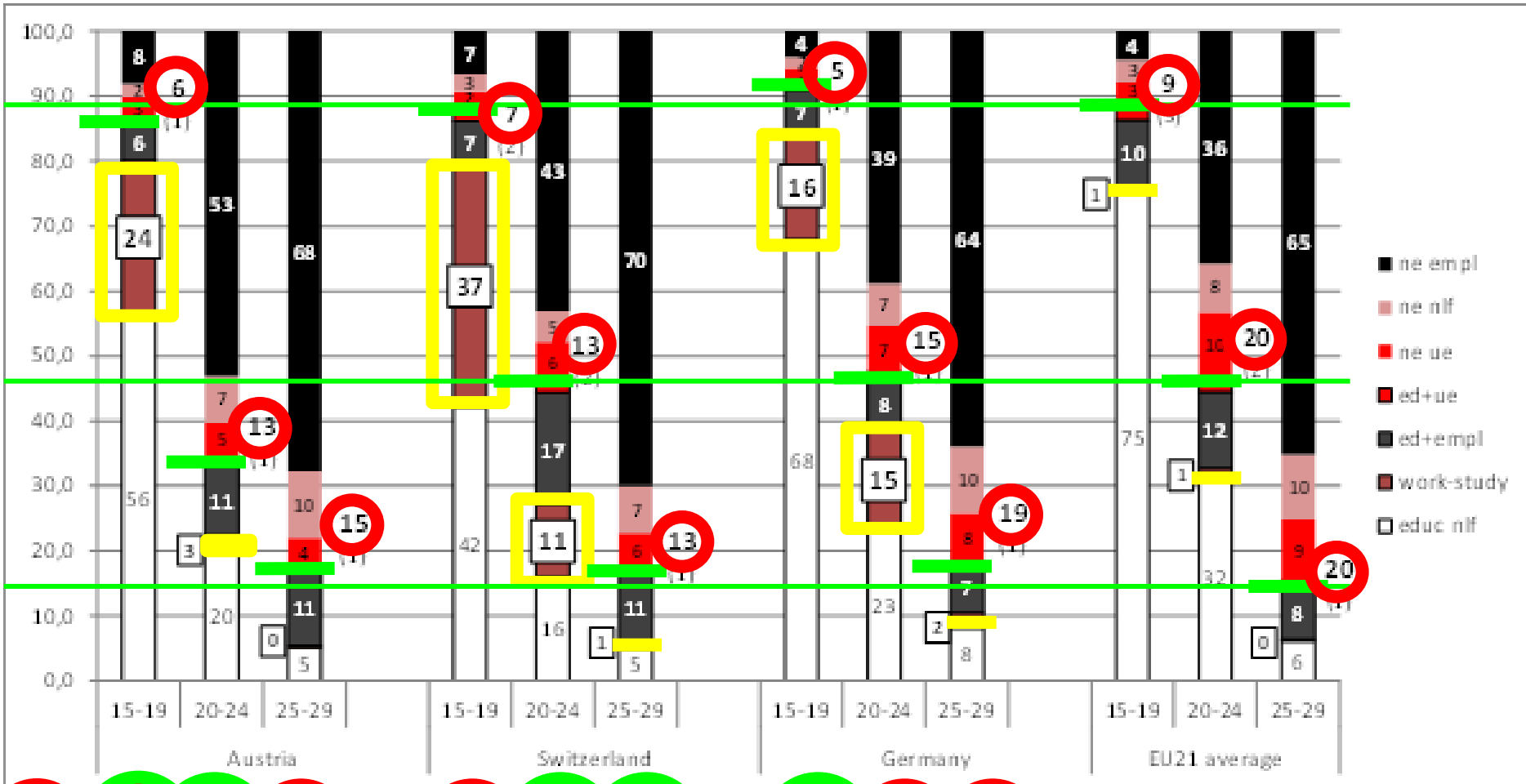
more detailed comparison Austria, Switzerland, Germany, EU21

Austria

Switzerland

Germany

EU 21



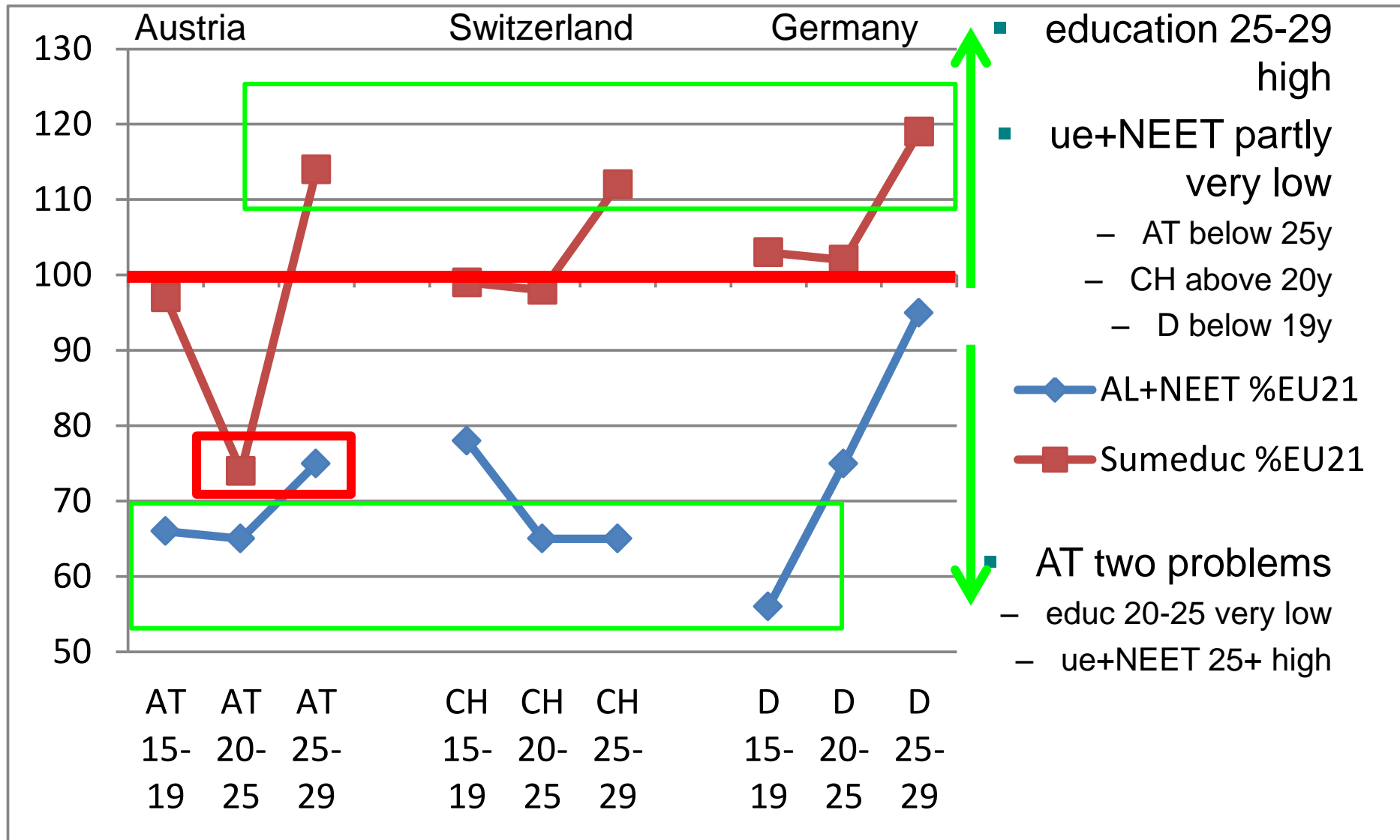
% EU
66 65 75

78 65 65

56 75 95

Index ue/EU21

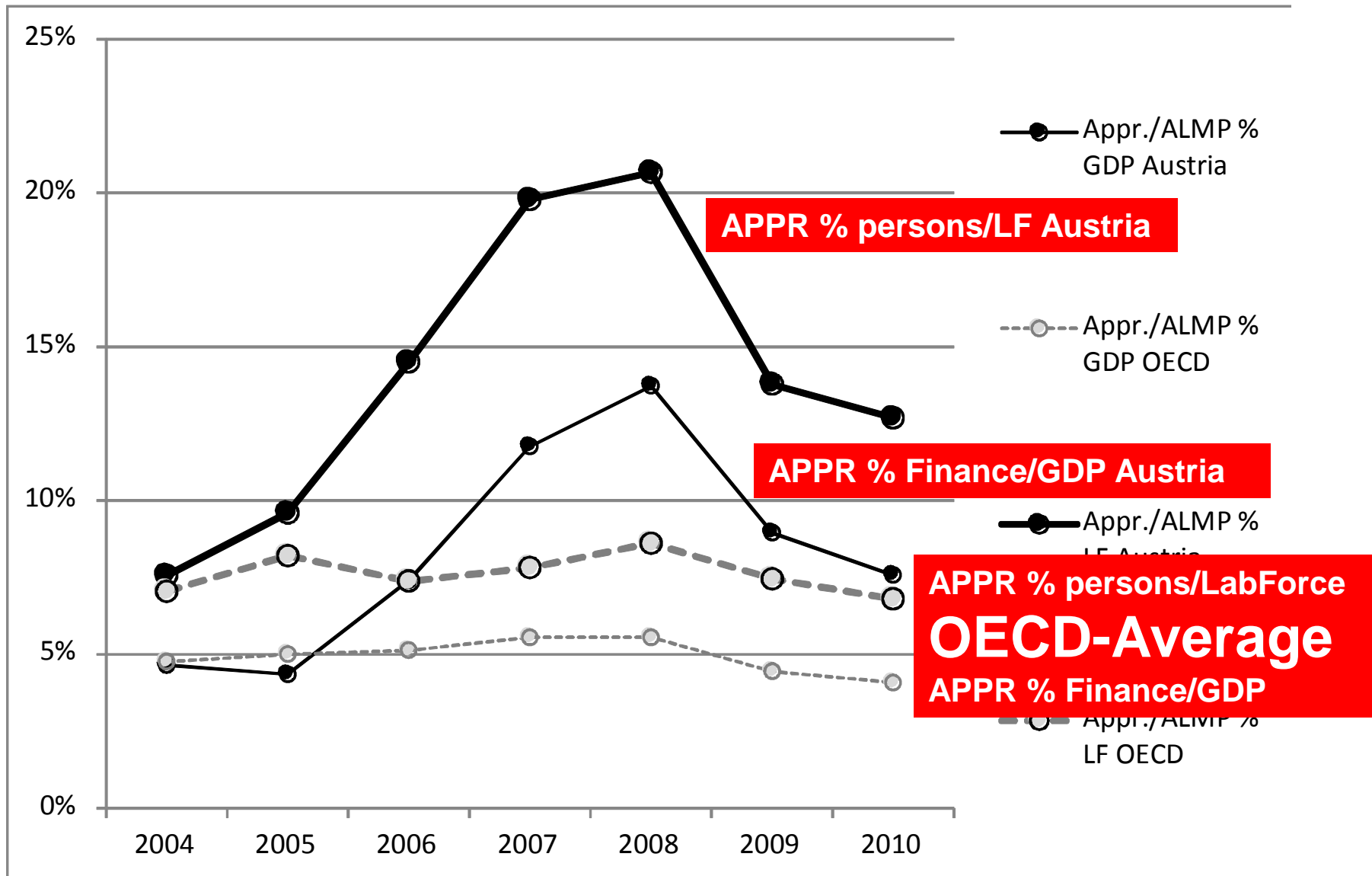
Summary comparison to EU21 (relative) education, unemployment + NEETs



labour market policy compared (OECD LMP data base)

- support of apprenticeship, comparison to OECD
- active LMP, comparison to OECD, EU, Germany, Switzerland

LMP support of apprentices (% of LMP), Austria and OECD

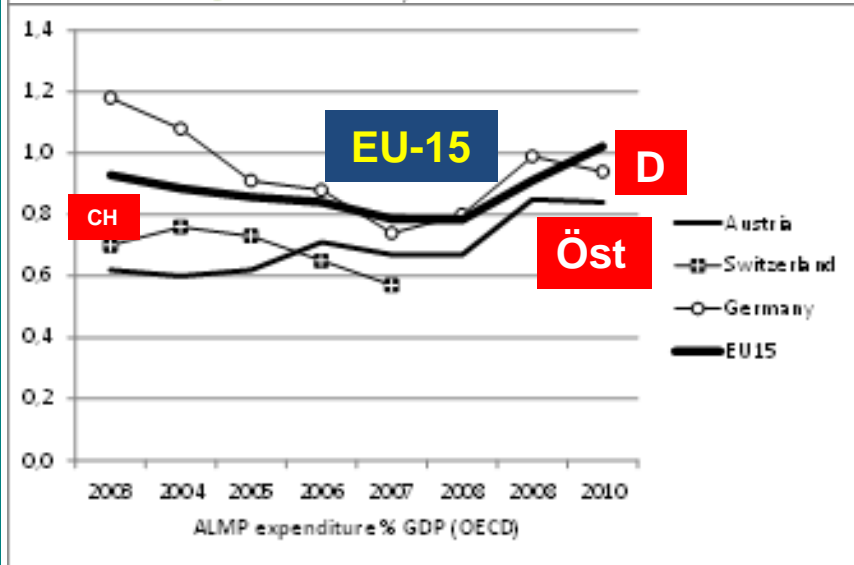
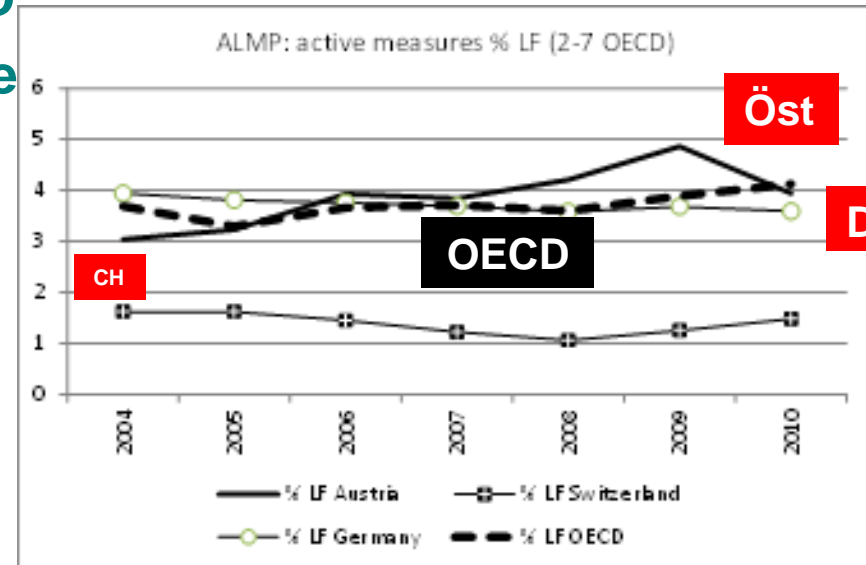
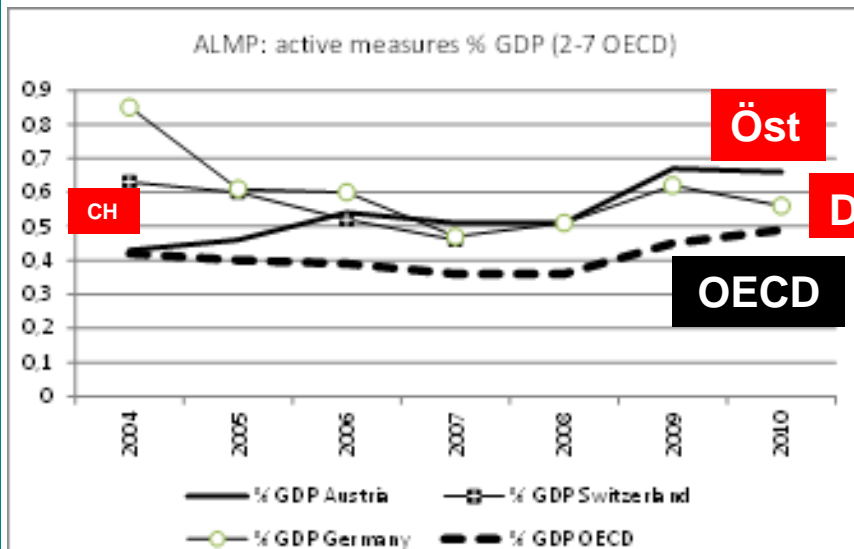


LMP compared AT, CH, D, OECD

Finance/GDP

Persons/LF

OECD Active LMP



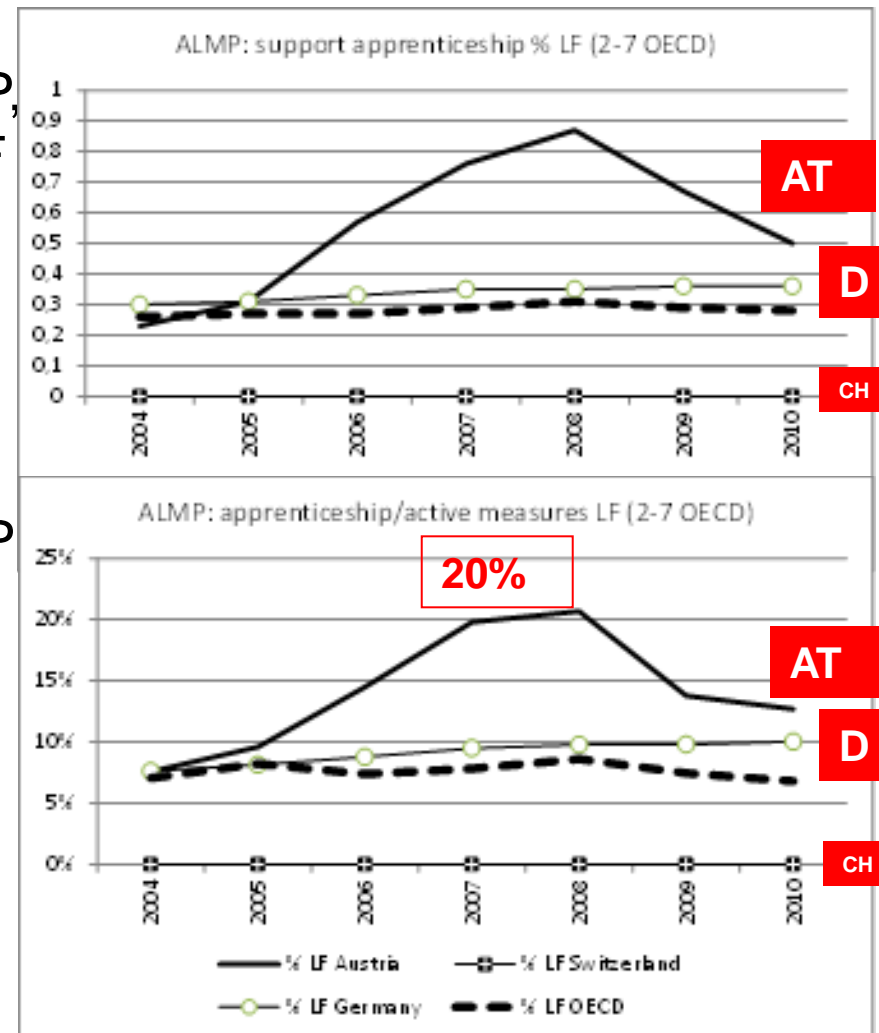
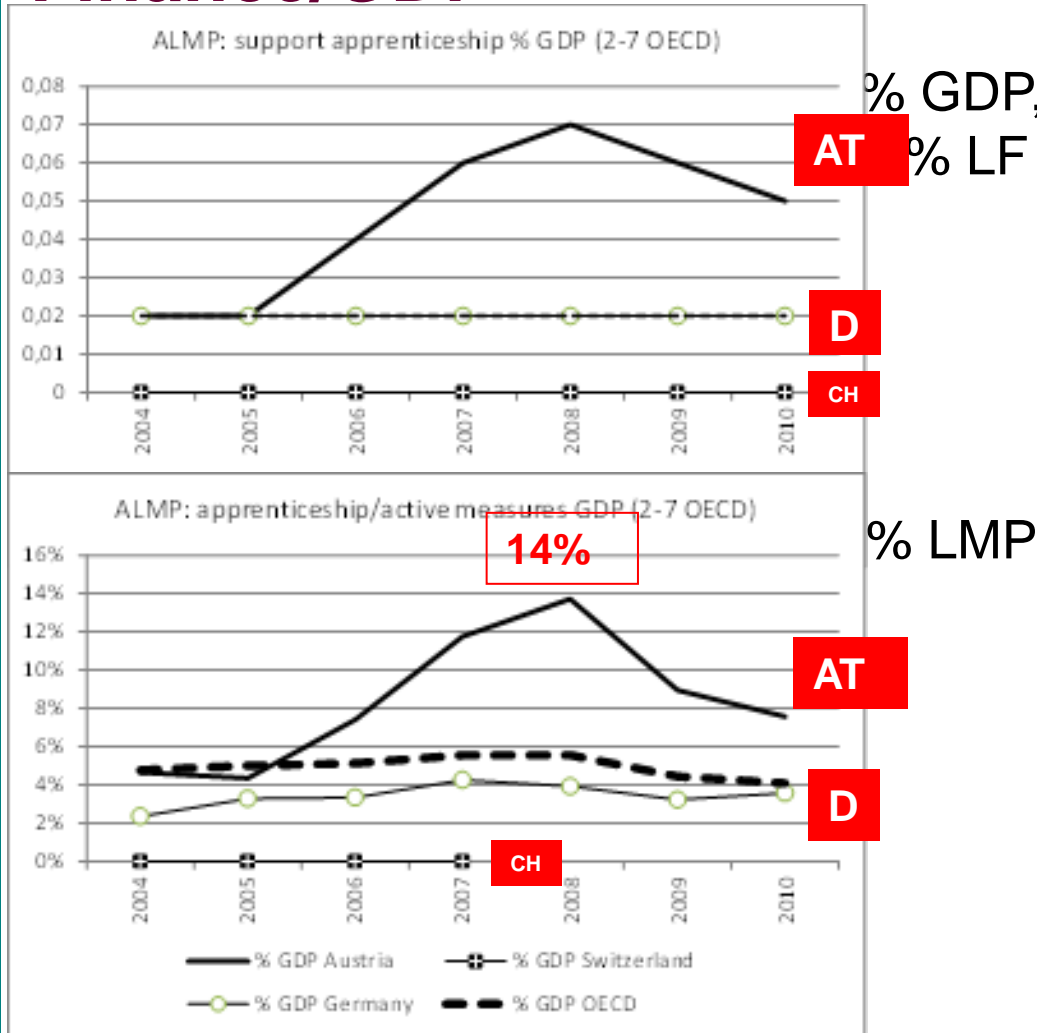
EU-15 total AMP

- Austria increase 2009, active LMP above OECD and Germany
- EU total LMP: Germany above AT
 - CH missing information

LMP compared AT, CH, D, OECD

Finance/GDP

Persons/LF

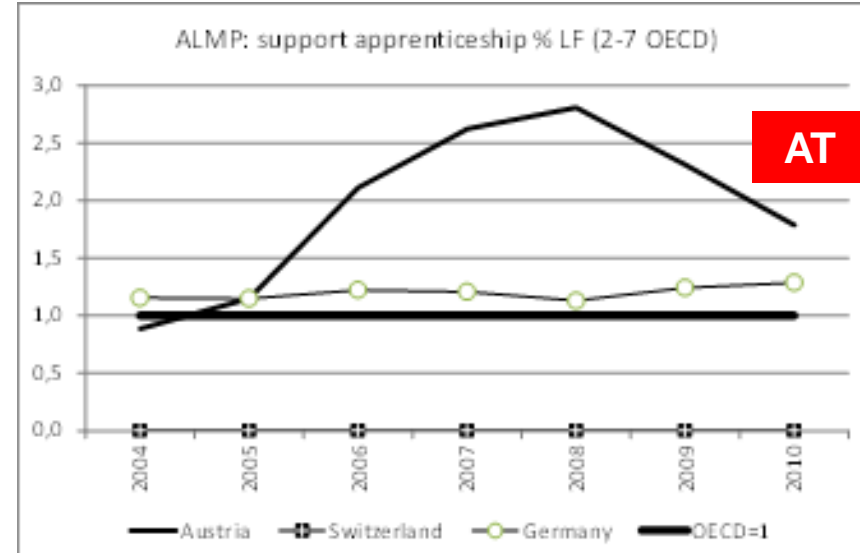
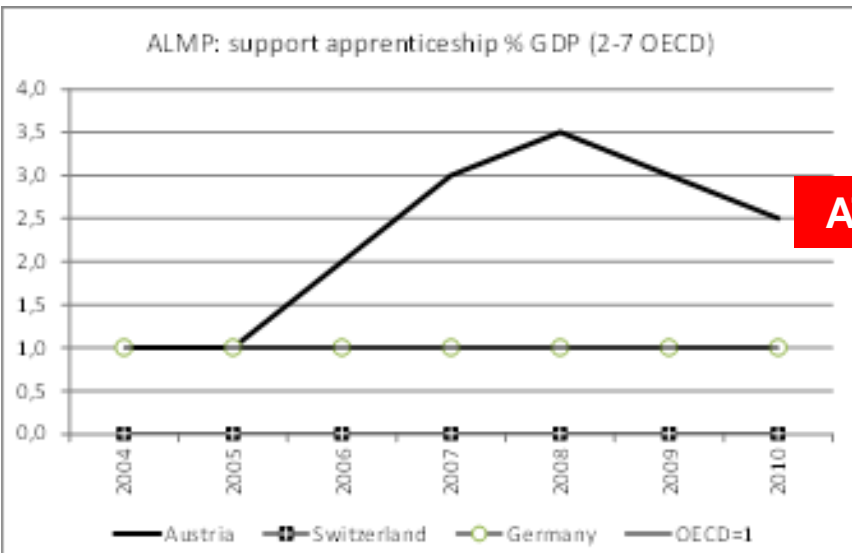


- Austria clearly higher than Germany and Switzerland

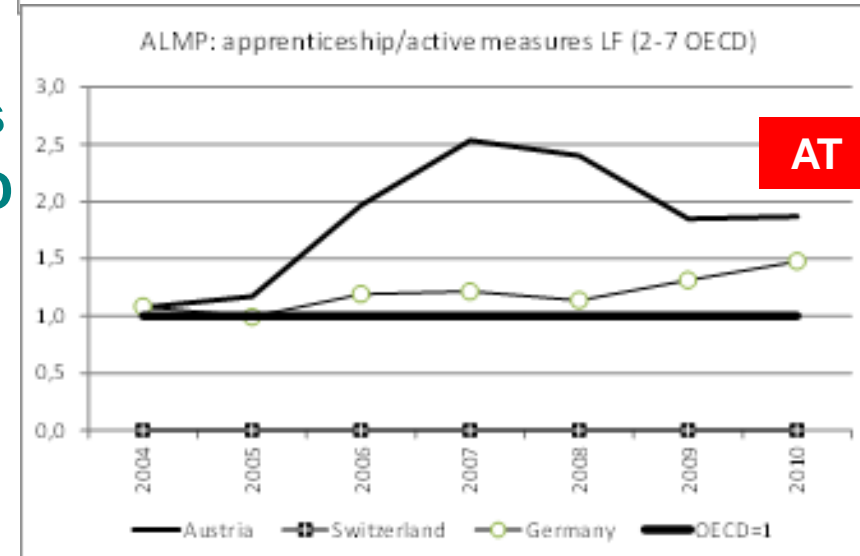
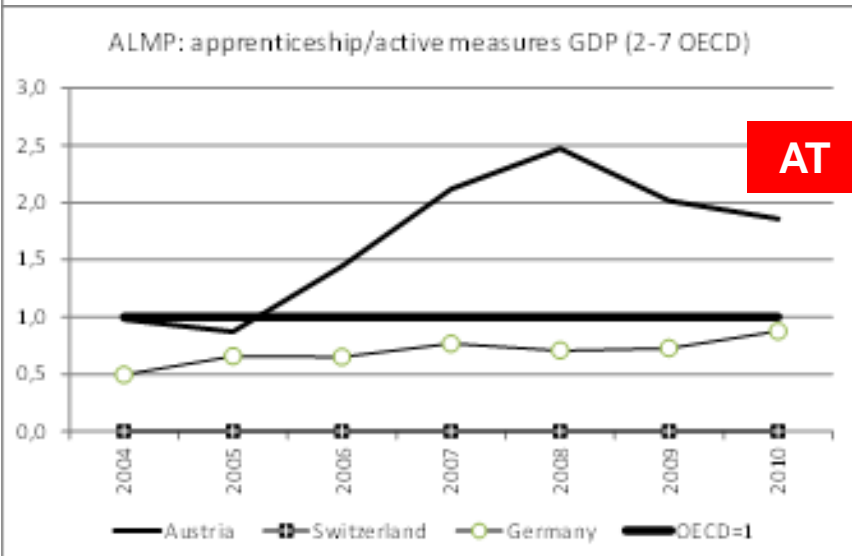
LMP compared Index, OECD=1

Finance/GDP

Persons/LF



AT:
2,5-
to
3,5-
times
OECD



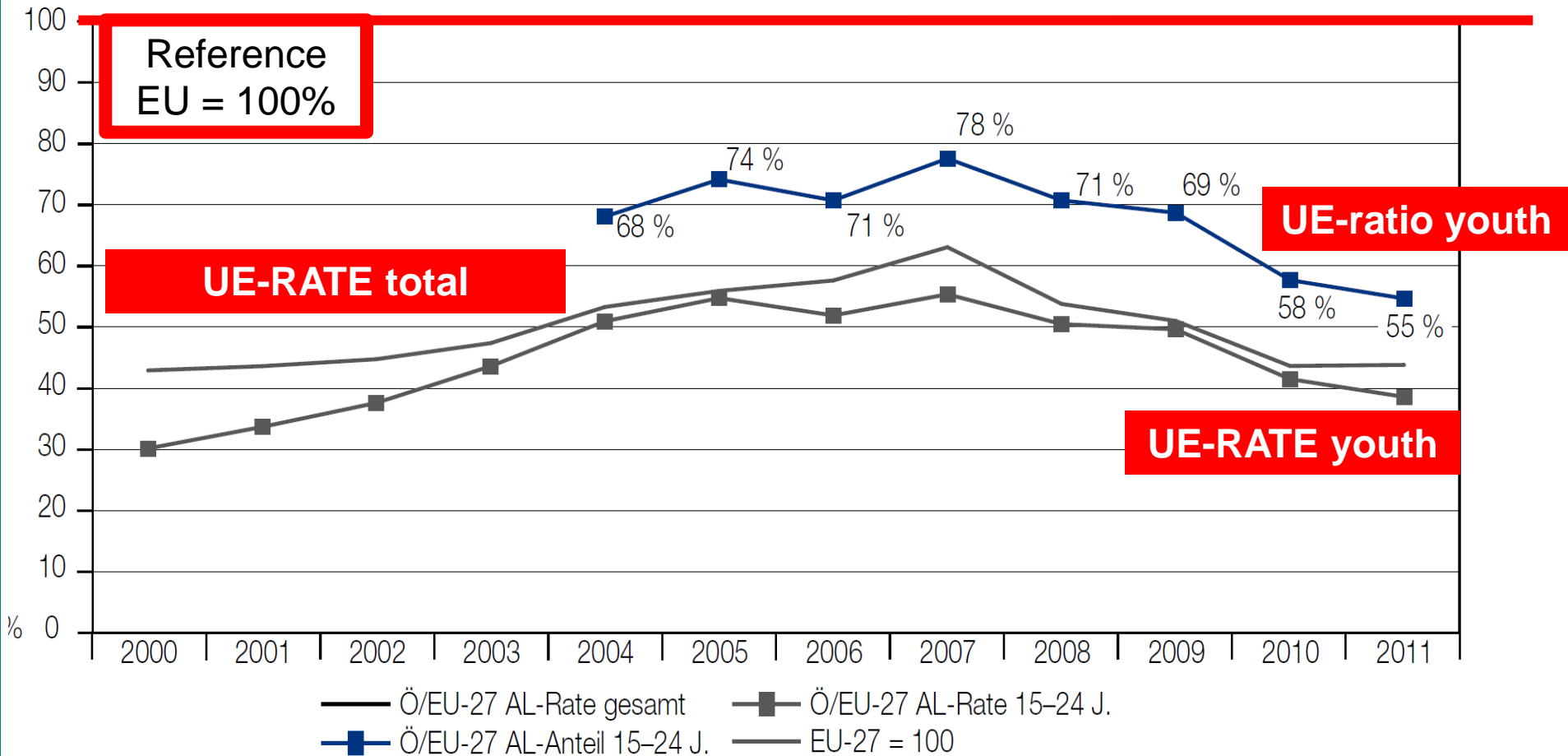
LMP compared results

- comparison supports high level of LPM in Austria...
- ...however, comparison does not confirm the expected pattern in the other countries
 - Switzerland: missing information, indications for rather low level of LMP
 - Germany: support of apprenticeship by LMP not increased
- however, the different structures might explain the different practices
 - Austria: apprenticeship concentrated on the 15-19y group, measures LMP massively used, problems to some part shifted to older groups
 - Germany: ‚Transition system‘ instead of support of apprenticeship; substantial part of apprentices older; unemployment higher in older groups
 - Switzerland: relatively high unemployment in the youngest group, use of LMP not clear

does apprenticeship reduce youth unemployment below adult levels?

Labour market, compared to EU (EU=100) relative picture: UE-rate, UE-ratio

Abb. 8.1: Arbeitslosigkeit in Österreich im Vergleich zu EU-27 2000–2011



Anmerkung: Arbeitslosenrate (AL-Rate) gesamt, AL-Rate für Jugendliche, AL-Anteil für Jugendliche.

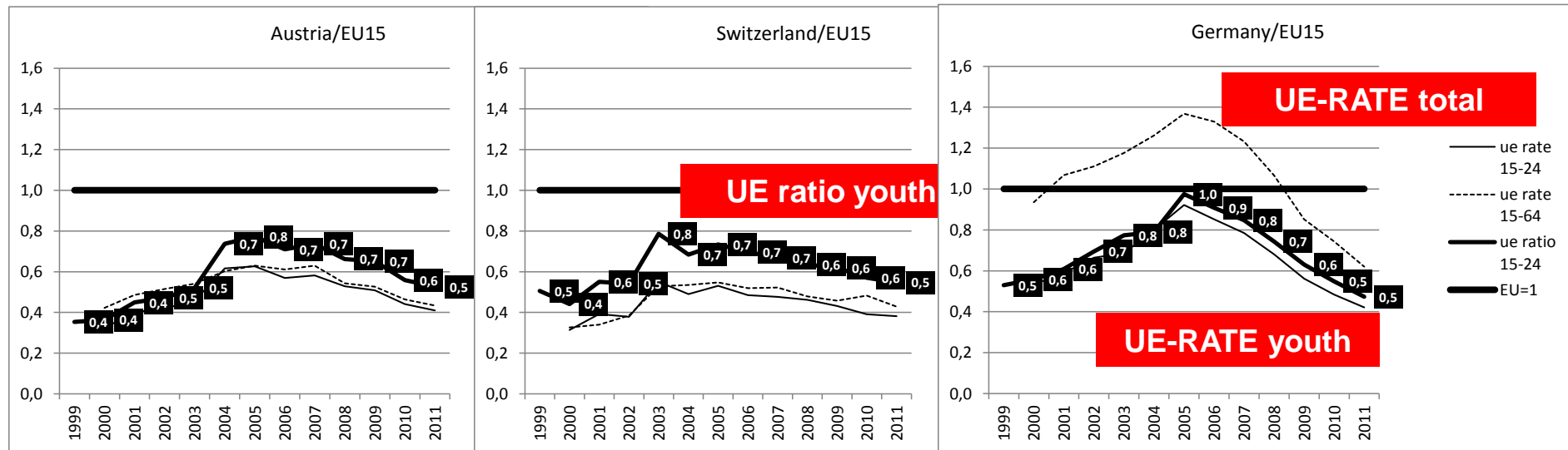
Quelle: Eigene Berechnung aufgrund von EUROSTAT-Download 28. 09. 2012.

Labour market, compared to EU (EU=100)

Austria, Switzerland, Germany

■ 1999-2011

Austria



- Switzerland similar pattern to Austria, (virtually) no difference youth - total, UE-ratio higher, max.80% of EU
- Germany different, UE higher, (brought relatively down), marked difference total-youth

literature

- Bussemeyer, Marius R. & Christine Trampusch, Eds. (2011) The Comparative Political Economy of Collective Skill Systems. Oxford: Oxford University Press.
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In German:

- Lassnigg, Lorenz (2012), Die berufliche Erstausbildung zwischen Wettbewerbsfähigkeit, sozialen Ansprüchen und Lifelong Learning – eine Policy Analyse, in: Herzog-Punzenberger, Barbara (Hrsg.), Nationaler Bildungsbericht Österreich 2012, Band 2, Leykam, Graz, S. 313-354, Internet <http://www.equi.at/dateien/nbb-berufsbildung.pdf>
Hintergrundbericht: <http://www.equi.at/dateien/nbb-hintergrund.pdf>

Material

