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Apprenticeship training leaves the 'Corona crisis' behind with new momentum

RESULTS OF THE IBW STUDY 2022 SURVEY OF APPRENTICESHIP TRAINING

The Austrian apprenticeship system seems to have finally overcome the 'Corona crisis'. At the end of September 2022, the number of apprentices in the 1st year of apprenticeship is even higher than in September 2019 (i.e. before the start of the 'Covid-19 pandemic'). The decline in the numbers of apprentices in the wake of the pandemic and the temporarily declining interest of young people in apprenticeship training are a thing of the past. This is all the more important as the shortage of skilled workers in Austria is at a new 'all-time high'. These are some of many findings revealed in the current issue of the annually published ibw publication *Survey of Apprenticeship Training*, which pursues the objective of presenting all relevant and available statistical data and indicators on apprenticeship training in Austria on around 200 pages.

Apprentices in the 1st year

As a result of the measures to contain the spread of the so-called 'coronavirus' (Covid-19 diseases), a significant decrease in the number of apprentices in the 1st year of apprenticeship was observed, especially for 2020 (less so also for 2021) (September 2020: 28,999 apprentices in the 1st year of apprenticeship in companies). It was not until September 2022 (32,314 apprentices in their 1st year in companies) that the level of September 2019 (31,905 apprentices in their 1st year in companies) was reached again, and even exceeded (see Diagram 1). Only in the tourism and leisure industry, which was particularly hard

hit by the effects of the Covid-19 pandemic, were there still around 9% (in absolute figures: -282) fewer apprentices being trained in the 1st year at the end of September 2022 than in September 2019. However, compared with 2021, a particularly strong catch-up process was also observed in the sector of tourism and leisure. After all, in September 2022 over 600 apprentices (+30%) more than in September 2021 were trained here in the 1st apprenticeship year. Tourism at the same time also has the highest number of unfilled (vacant) apprenticeships, and this number has increased sharply again from September 2019 to September 2022.

DIAGRAM 1:

Number of apprentices in companies in the 1st apprenticeship year, September 2019-2022

(end of September of the years 2019 to 2022)



Source: WKO

Despite the higher number of apprenticeship beginners, the number of vacant apprenticeship posts registered with Public Employment Service Austria (AMS) in September 2022 is significantly higher than in recent years - even before the Covid-19 pandemic. At the end of September 2022, there were 12,225 registered vacant apprenticeship posts compared to only 7,446 registered apprenticeship

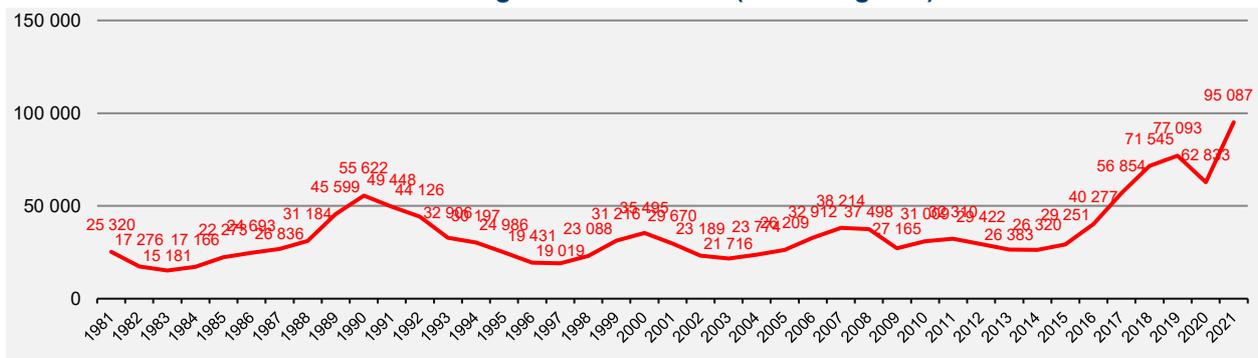
seekers. As a result, the number of apprenticeship seekers was lower at the end of September 2022 than before the 'Corona crisis' in September 2019 (8,014 apprenticeship seekers), while the number of vacant apprenticeship posts was significantly higher than in September 2019 (8,838 vacant apprenticeship positions).

Skilled workers shortage

A large number of apprentices (future skilled workers) is of great importance, not least in order to be able to counteract the acute shortage of skilled workers in Austria. The results of the Skilled Labour Radar¹, which was commissioned by WKO (Austrian Federal Economic Chamber) and conducted by ibw for the fifth time in March/April 2022, based on an Austria-wide survey of n=3,936 companies, show that the shortage of skilled workers in Austria has reached a new peak: despite repercussions of the ‘Corona crisis’ and the negative consequences of Russia’s attack on Ukraine, the **shortage of skilled workers in Austria** is at a new **‘all-time high’** (so far) in April 2022 (at least since the 1950s, i.e. since there have been reliable data). Extrapolated to the whole of Austria (cf. Diagram 2), it can be assumed that there was an estimated **demand for**

DIAGRAM 2:

Vacancies registered with AMS (annual figures)



Source: BMA: amis - Labour Market Information System

Overall, **87%** of the almost 4,000 **companies** (member companies) surveyed on behalf of the Austrian Federal Economic Chamber (WKO) stated that they are currently **affected** by the **shortage of skilled workers** (at least in one form or another), with 73% of them affected very or rather severely (time of survey: March/April 2022). **44%** of the companies are suffering from a **very severe**, another 29% from a rather severe **shortage of skilled labour**. The shortage of skilled workers is experienced **particularly intensively** in **tourism** (81% very or rather severely), in **construction** (81%) and in the **manufacture of wood products** (76%), **as well as in the artisanal and technical sector as a whole and in transport and logistics**.

In terms of educational degrees (cf. Diagram 3), the most frequent and **greatest recruitment difficulties relate to apprenticeship graduates**, not least because the absolute and relative number of workers with apprenticeship qualifications has been declining for years. 59% of the

skilled labour (vacancies) of around 272,000 people (among all WKO member companies) at the time of the survey in March/April 2022 - this corresponds to a total of around 51,000 (+23%) more than in May/June 2021 and is clearly above the ‘pre-Corona level’ (+65,000 compared to April 2019).

The number of job vacancies registered with AMS (see Diagram 2), which comprise only a portion of the vacancies available at companies, is already at a peak never reached before (at least since 1950). Never before have there been so many registered vacancies in Austria (annual average 2021: 95,087). In September 2022, the number of vacancies registered with AMS (128,555) was also significantly higher than the ‘pre-Corona level’ of September 2019 (82,440).

companies with a noticeable shortage of skilled labour often encounter difficulties in finding employees with apprenticeship diplomas (only 13% for degrees from universities of applied sciences and 8% for university degrees).

But the shortage of apprenticeship graduates is not the result of a lack of willingness to provide training on the part of Austrian companies. On the contrary: **around half of the companies** (40% definitely, another 19% perhaps) **would train a greater number of apprentices** if they found sufficiently qualified and interested young people for their jobs (cf. Grafik 4). Among those companies which, in principle, already train apprentices, as many as 50% definitely wanted to train more apprentices and 24% perhaps.

Potential: young people with a migration background

In order to reduce the shortage of skilled workers on the one hand and to improve the career prospects of (formally) low-skilled workers on the other, it is essential to

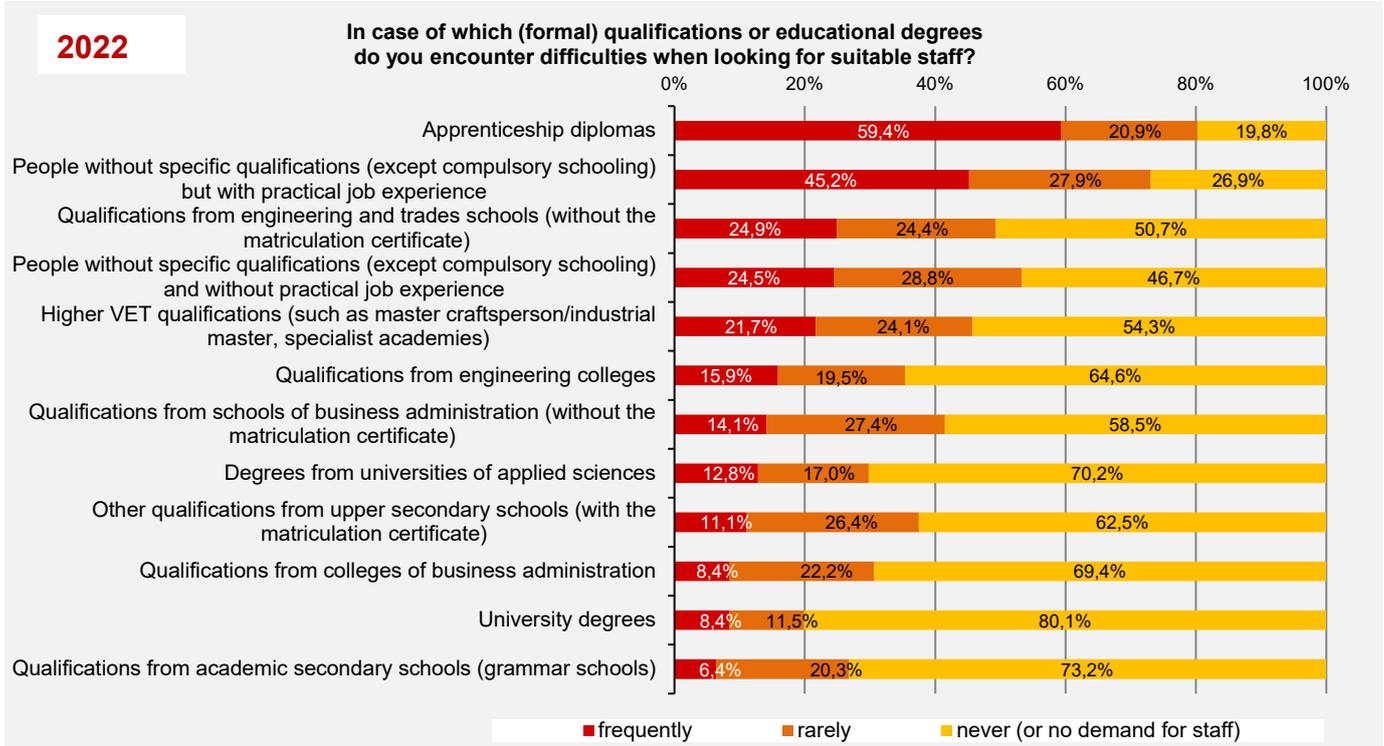
¹ Dornmayr, Helmut / Riepl, Marlis (2022): Unternehmensbefragung zum Fachkräftebedarf/-mangel 2022, Fachkräfte radar 2022 (Company Survey on Demand for/Lack of Skilled Labour in 2022, Skilled Labour Radar 2022), ibw Research Report no. 210 commissioned by WKO, Vienna.

DIAGRAM 3:

Qualifications or educational degrees where companies encounter difficulties finding suitable candidates

(among those n = 3,422 (86.9%) companies which stated they at least weakly felt a shortage of skilled labour at the time of survey)

Source: ibw Company Survey on Demand for/Lack of Skilled Labour in 2022 (n = 3,936 companies; conducted in March/April 2022).



Source: ibw Company Survey on Demand for/Lack of Skilled Labour in 2022 (n = 3,936 companies; conducted in March/April 2022)

make the best possible use of existing qualification and skills potential. In Austria, there is particular potential for increasing qualifications among young people with a migration background or non-German everyday language. Overall, they are strongly underrepresented in apprenticeships (and in many higher/technical training programmes), but strongly overrepresented among young people without a compulsory school leaving certificate, among young people without any upper secondary education or training programme after compulsory schooling, among young people who have dropped out of education, in special schools and in schools of business administration. Whereas in the school year 2020/21 the share of youths who do not speak German as their everyday language was still 31.0% at primary schools (cf. Diagram 5), it was

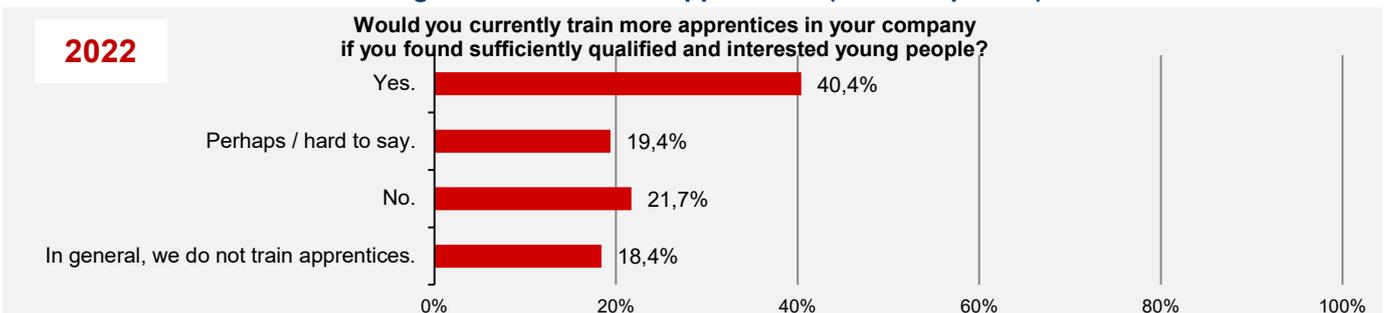
merely 18.6% at part-time vocational schools (not including part-time vocational schools for agriculture and forestry).

Parents’ educational choices and qualifications

It is not only in the case of young people with a migration background that it can be shown that the education of young people in Austria is strongly related to the level of education of their parents (cf. Diagram 6). If the choice of education and career, which ideally should reflect one’s own strengths and interests, is too strongly influenced by the expectations or experiences of parents, there is of course the danger that talents and potentials of various kinds will not be used optimally.

DIAGRAM 4:

Willingness to train more apprentices (ALL companies)

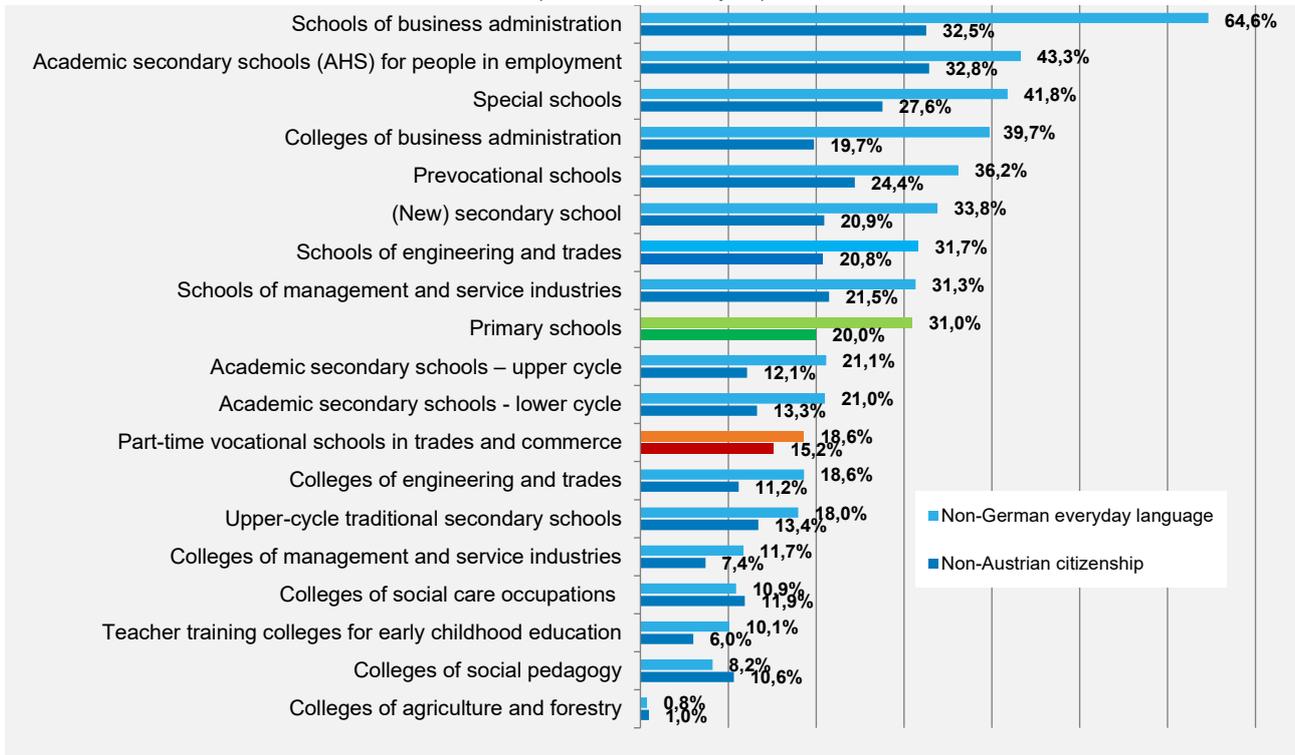


Source: ibw Company Survey on Demand for/Lack of Skilled Labour in 2022 (n = 3,936 companies; conducted in March/April 2022)

DIAGRAM 5:

Proportion of students with non-Austrian citizenship or non-German everyday language in selected school types

(2020/2021 school year)



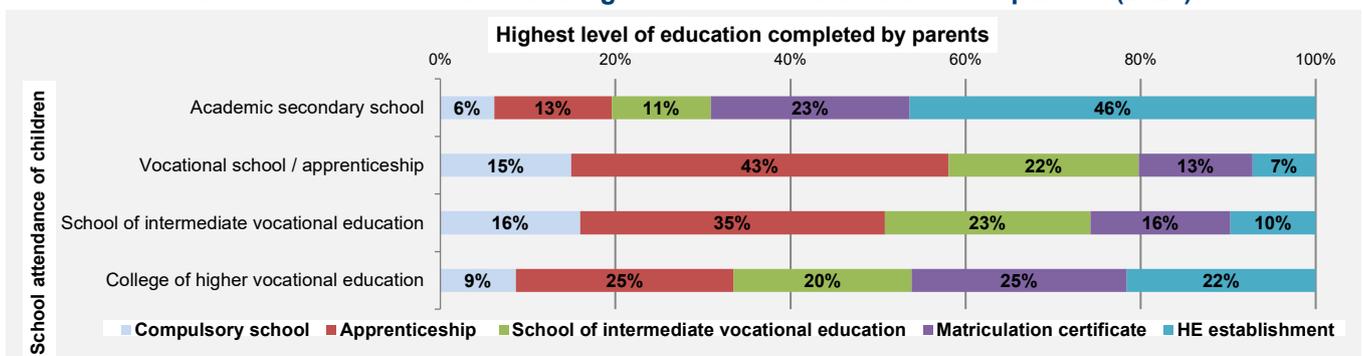
Source: Statistics Austria: School statistics 2020/21 + ibw calculations

Apprenticeship training is then affected by this in the same way as other educational paths. The difference between AHS and part-time vocational school/apprenticeship is particularly striking: while in 2020 only 7% of vocational school students had parents with a university degree, among AHS students this was 46%. Conversely, 43% of vocational school students/apprentices, but only 13% of AHS students, had parents whose highest educational attainment was an apprenticeship.

The entire study, which was financed by the Federal Ministry for Digital and Economic Affairs BMAW and WKO, can be obtained from ibw in printed form in German (ibw Research Report No. 212, ISBN 978-3-903404-45-8) or downloaded from <https://www.ibw.at/>.

DIAGRAM 6:

Current school attendance and highest educational attainment of parents (2020)



Source: STATISTICS AUSTRIA, Abgestimmte Erwerbsstatistik 2020, cut-off date 31.10. Drawn up on 27.06.2022.

N.B.:

Schools of intermediate vocational education incl. healthcare schools

AHS: Lower and upper cycle

Colleges of higher vocational education/matriculation certificate: incl. post-secondary VET courses

Higher education establishments incl. post-secondary VET colleges