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Peer Country Comments Paper- Austria

Finnish Youth Guarantee – What May Be Inspiring to Austria?

Peer Review on “Youth Guarantee”

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1. Labour market situation in the peer country

This paper has been prepared for a Peer Review within the framework of the Mutual Learning Programme. It provides information on Austria's comments on the policy example of the Host Country for the Peer Review. For information on the policy example, please refer to the Host Country Discussion Paper.

Even though Austria's unemployment rate for youth is relatively low compared to the overall EU level (according to Eurostat data the unemployment rate in Austria is 9.2% for young people aged 25 years and less compared to the EU 28 average of 23.5% and the Finnish rate of 19.9%), the situation for youth is more critical (the unemployment rate of all age groups in Austria was 4.5 % 2013). In 2013, young men were facing a slightly better situation (8.9% unemployment) than young women (9.4% unemployment), which is a new trend compared to previous years. Also, at 7.1%, the NEET rate (young people neither in employment nor in education and training) is comparably low in Austria for youngsters between 15 and 24 years of age (the EU 28 rate was 13% in 2013), again with females facing slightly more difficulties than young men in 2013 (at 7.3% and 6.9% respectively).

Even though the situation for young people is not completely alarming (especially compared with the EU average), these indicators emphasise the fact that there are a considerable number of young people with no access to both employment and/or education, either voluntarily or involuntarily, and/or who are adversely affected by unemployment. Additionally, detailed studies indicate that various groups of people are affected differently by unfavourable conditions; young people from urban centres having ethnic backgrounds and/or socially disadvantaged youngsters are far more prone to leaving school early and therefore face exclusion.

It is important to mention that in Austria, compulsory education ends after 9 years of schooling at the age of 15. A relatively small fraction of students leave the school system even without successful graduation certificates for compulsory schooling (around 4% of a school year class); additionally, around 7% of pupils stop their educational careers at the end of compulsory education (Statistik Austria). Of the students continuing education, the majority attend upper secondary vocational education and training (VET): around 80% of each cohort enter a VET pathway after finishing compulsory education, the rest enter a secondary academic school. Three VET pathways are available: apprenticeship/vocational schools (chosen by about 40%), secondary technical or vocational schools (chosen by 15%) and secondary technical or vocational colleges (chosen by 27%). After five years, the last offers a double qualification: a VET diploma and the Reifeprüfung which allows for the opportunity to attend university. While on the one hand the VET system is one reason why early school leaving is not very common in Austria – especially amongst young men – one has to say, on the other hand that drop-out rates of VET pathways are much higher than from secondary academic schools.

Like in most EU countries it is also evident in Austria that later labour market performance is closely linked to educational levels attained. Statistics indicate that the employment rate of persons without further education is only around 50% whereas it lies at around 85% for persons with tertiary education. The risk of unemployment however is seven times higher for those without any further education compared to tertiary graduates. Also the education-to-work transition is closely linked to the level of education. While persons without further education need on average (median) eight month to find their first job, VET-students need three (apprenticeship) to five (VET secondary technical or vocational colleges) months.

For many years a focus within Austria's active labour market policy has been put on youth. While in the so-called "Auffangnetz für Jugendliche" (viz. "safety net" for young people), which started in 1998, the emphasis was put on supporting young people's access to apprenticeships, the current policies and interventions are multi-faceted and

include a broad set of activities and aims. A “Training Guarantee” was established in 2008, and is now an important foundation of the “Youth Guarantee” (2013; for more details, see next chapter).

2. Assessment of the policy measure

Quite similar to the Finnish example, Austria has a long tradition in establishing initiatives and measures to reduce youth unemployment and/or drop-outs from the educational system. For many years different measures have been established to more easily facilitate the pathway from education to working life, to reduce drop-outs and to ameliorate the system. Thus, the Austrian youth guarantee has grown structurally and consists of a variety of measures, some of which have already been in practice for several years.

One important milestone reached in 1998 was the establishment of the "Safety net for young people" ("Auffangnetz für Jugendliche") which was created to support youth to get regular apprenticeships. In 2008 the "Training Guarantee" ("Ausbildungsgarantie") was introduced in order to give all young people an opportunity to complete vocational education. Further programmes and strategies have been developed recently which aim at reducing dropping-out, increasing the permeability in the education system and enabling the opportunity to catch up on educational qualifications. While more emphasis was put upon apprenticeships/apprentices at the beginning, the current policies and interventions are multi-faceted and include a broad set of activities and aims. More focus has been put upon the prevention of drop-outs.

In 2013 the Youth Guarantee was formally established, in which a wide range of institutions became (and still are) involved. On a national level the key institutional actors are the ministries responsible for education, labour, social affairs, economy and youth, that is the Federal Ministry of Labour, Social Affairs and Consumer Protection (BMAK), the Federal Ministry of Education and Women (BMBWF), the Federal Ministry of Families and Youth (BMFSFJ) and the Federal Ministry of Science, Research and the Economy (BWF). The Public Employment Service (AMS), the Social Affairs Ministry Service (former Federal Social Office) as well as the social partners are also play a vital role. National measures are complemented by measures of the federal states.

Important elements of the Youth Guarantee are the Training Guarantee, Production Schools, Youth Coaching, targeted subsidies and quality-related measures in the apprenticeship system, Ready for Education and Training ("AusbildungsFit"), subsidised employment projects and the promotion of the possibility to catch up an apprenticeship degree certificate during full-time work.

All in all around € 760m will be spent for youth labour market policy, including measures set by the Public Employment Service (€ 540m), subsidies for the apprenticeship system (€ 51m) and the programmes conducted by the Social Affairs Ministry Service, like Youth Coaching (€ 51m). € 175m will be allocated to conduct the Training Guarantee in 2014.

In the following paragraphs some of these measures are elaborated on:

Training Guarantee (Ausbildungsgarantie): This guarantee ensures that everyone up to 18 years of age can access an apprenticeship position, including socially disadvantaged youth, slow learners and, increasingly, school drop-outs and young adults up to 24 years old. If one is unable to find an apprenticeship position in a company, he or she can enter into an apprenticeship programme in a supra-company apprenticeship training entity. This form of apprenticeship, including its final exam, corresponds completely to that of a company-based apprenticeship. As of December 2013, there were approximately nine thousand students enrolled in the supra-company apprenticeship training, comprising 7.6 % of all apprentices. 92.4% of all such apprentices complete their apprenticeship training in a company.

Youth Coaching (Jugendcoaching): Youth Coaching's aim is to provide guidance and support to youth facing difficulties in continuing education or in choosing their education pathways or to those who have already dropped out of the education system/labour market. It should therefore reduce the number of early school leavers

(ESL). Youth Coaching is thus an imperative measure with regard to early intervention (gatekeeping function) as well as activation and (re-)integration (e.g. youth coaching is now also cooperating with prisons, to support and prepare young delinquents in re-entering the education system). On the one hand it targets pupils in their last year of compulsory schooling and, on the other, dropouts up to the age of 19 (and disabled youth up to the age of 25).

Ready for Education and Training (“AusbildungsFit”): The experience gathered from previous programs, in particular from Youth Coaching, show that many young people are lacking basic qualifications and social skills or are often confronted with health problems, financial distress or family problems, all of which detain them from starting regular education or work. Thus, a comprehensive low-threshold offer is being developed to target disadvantaged young people. It will aim at (re-)integrating young people into the education system or the labour market by offering individual encouragement on a one-to-one basis. Cornerstones of AusbildungsFit are the offer of traineeships in companies, coaching for those who need sociopedagogical services, provision of basic knowledge and qualification in teaching through creativity as well as in sports and pedagogical offers. In 2013, the existing programmes were selected, which serve as models for this programme, and there will be a pilot of 17 projects in seven federal provinces. A nationwide implementation is planned for 2015.

Part of the Youth Guarantee is also the **“Early School Leaving Strategy”**, which was established in 2012 and aims at further reducing dropouts and increasing the number of persons with upper secondary education and higher.

The new initiatives like AusbildungsFit and Youth Coaching are special in that there is a primary focus on an on-going accompanying evaluation – therefore enabling, if necessary, early adaptation to fit the needs of the participants to ensure success. One consideration is for example how to improve follow-up measures for those who could have been activated to return to further education but are not willing or able to do so in the existing educational spectrum. Although many additional approaches have been developed in the last years, there is still room for improvement in this regard. The Finnish approach might stimulate the Austrian discussion with further ideas how to include practical experience, the expansion of on-the-job learning and the development of work-oriented teaching methods.

At the moment the introduction of mandatory education (and its formation) (“Ausbildungspflicht”) is being heavily debated. The aim is that every young person up to the age of 18 be supported in his or her decision in choosing an education (vocational) pathway and in attending and completing (formal) education. Those who are in danger of dropping out will be supported individually in order to achieve highest possible educational attainment.

3. Assessment of the success factors and transferability

All in all, it seems difficult to discuss the transferability of the Finnish Youth Guarantee as a whole as both the Finnish and the Austrian systems are holistic, integrated and comprehensive systems with specific histories and development. The Youth Guarantee does not start completely at zero. Instead of assessing the transferability of the Finnish Youth Guarantee as such, it would be more expedient to look at specific elements and ideas of the Finnish example which might be inspiring for the development of new elements or the adaptation of existing ones in the Austrian Youth Guarantee.

At a broader level, the **holistic approach seems to be more developed in Finland** than in Austria. Specific aspects highlighted in the paper – like trying to develop an **integrated service process** instead of single measures or the existence of an yearly **national funding of youth outreach work in the municipalities** – indicate room for improvement within the Austrian Youth Guarantee. Therefore an element which could be well worth looking at in more detail is how to better reach young people who have already dropped out of the educational system. Questions arising are how the **youth outreach work** – as described in chapter 3.4.5 – is actually integrated in the Youth Guarantee and its aims. From the short description it seems that this is an important element for a holistic approach which should be also reflected in more detail in the Austrian approach. The combination of national annual discretionary government grants and their implementation at municipal levels seem worth considering and discussing in more depth.

Another aspect which **seems worth considering in closer detail is the cross-sectional co-operation** which has been developed and should be even more expanded in Austria, as was indicated in the Finnish example. For Austria, the strong involvement of municipalities in implementing the Youth Guarantee as it is described in the Finnish paper could be of particular interest as this aspect seems to be receive greater focus than is the case in Austria. In Austria initiatives depend more on the single municipalities themselves, but no systematic approach exists as to how they could or should contribute to the Youth Guarantee. Examples of the Finnish experience could be helpful to institutionalise this in a more systematic way. Austria could also learn more about the difficulties which might occur when taking a cross-sectional co-operation seriously. Many of the addressed problems (lack of exchange between organisations etc.) are also critical issues in Austria and solutions developed in Finland might be of use to Austria.

Although detailed information is lacking, it can be interpreted that the Finnish Youth Guarantee is an interesting example of how to improve the situation of the youth within the existing educational system with the implementation of supplemental initiatives to the already established system. It is another aspect of the Finnish approach that might include interesting incentives for Austria.

The Finnish approach seems to include many ideas of how youth can be motivated to return to or stay in the system by **developing and offering educational/training paths which include practical experience, the expansion of on-the-job learning and the development of work-oriented teaching methods**. As in Austria, research indicates that many young people who are “tired of school and learning” and/or are discouraged by existing structures and systems will not be reached by most of the existing measures, the strengthening of such elements would prove to be interesting for Austria as well. Although some initiatives have already been developed and implemented in Austria as well – like Production Schools – and different measures are designed to invite youth in a very low-threshold manner, there could be more emphasis on how on-the-job learning could be better integrated in the education system and be valued more highly (or even equally valued) in comparison

to other forms of knowledge learning. In this respect it would be very interesting to get more insights into how Finland is succeeding with its approach and how the youth as well as the labour market are reacting to these programmes.

Additionally, the described **expansion of apprenticeship training** might include interesting elements for the Austrian systems although the apprenticeship approach as such in Austria seems quite different to that of Finland. However, increasing the apprenticeship quota via educational institutions might be worth considering as Austria is also facing difficulties in acquiring enough places for youth wanting to get an apprenticeship, especially in urban areas.

Finally, **separate application rounds** seem to be an interesting approach, although detailed information is lacking to access this idea and its transferability.

All in all, there are many elements of the Finnish Youth Guarantee which can be used as additional inspiration for the Austrian Youth Guarantee, especially for fine-tuning of approaches and specific measures.

4. Questions

What exactly does “flexible education paths for young people” (p. 9) mean? What approaches have been taken and at which level(s) (legislation, initiatives, etc.)?

Is practical work experience re-valued in the educational system?

Is special consideration given to youth with diverse cultural, ethnical and/or social backgrounds? If so, which?

The question remains as to how can employers be encouraged to expand apprenticeship training and/or hire young people, especially those having different backgrounds (often perceived to be disadvantageous in the labour market)?

Are measures being taken to counterbalance traditional educational paths and career choices? If so, which?

What factors encourage the involvement of municipalities and cross-sectional co-operation?

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6. Annex 1: Summary table

Labour market situation in the Peer Country

- Even though Austria's unemployment rate for youth is relatively low compared to the overall EU level, a youth unemployment rate of 9.2% is a call to action (young men 8.9%, young women 9.4%).
- A relatively small fraction of students leave the school system without successful graduation certificates for compulsory schooling (around 4%); additionally, around 7% of pupils stop their educational careers at the end of compulsory education.
- Of the students continuing education, the majority attend upper secondary vocational education and training (VET).
- Early school leaving is strongly connected with social and ethnic background and is more prevalent in urban centres.

Assessment of the policy measure

- The Austrian Youth Guarantee – formally introduced in 2013 – has grown structurally and consists of a variety of measures, some of which have already been in practice for several years.
- While more emphasis was put upon apprenticeships/apprentices at the beginning, the current policies and interventions are multi-faceted and include a broad set of activities and aims. More focus has been put upon the prevention of drop-outs.
- Key elements are "Training Guarantee" ("Ausbildungsgarantie", introduced 2008), Youth Coaching and Ready for Education and Training ("AusbildungsFit").
- At the moment the introduction of mandatory education ("Ausbildungspflicht") up to the age of 18 years is being heavily debated.

Assessment of success factors and transferability

- At a broader level the holistic approach seems to be more developed in Finland than in Austria.
- Another aspect which seems worth considering in closer detail for Austria is the cross-sectional co-operation which has been developed and should be even more expanded in Finland.
- Finland seems to put more emphasis on the question of how on-the-job learning could be more integrated in the systems, which may be of interest also for Austria.

Questions

- What exactly does "flexible education paths for young people" (p. 9) mean?
- Is practical work experience re-valued in the educational system?
- Is special consideration given to youth with diverse cultural, ethnical and/or social backgrounds? If so, which?
- What factors encourage the involvement of municipalities and cross-sectional co-operation?