



NEMZETI SZAKKÉPZÉSI ÉS FELNŐTTKÉPZÉSI HIVATAL

VOCATIONAL EDUCATION AND
TRAINING: SUPPORT FOR
APPRENTICESHIPS TAKE-UP (VETSAT)
STUDY VISIT IN AUSTRIA AND HUNGARY

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Summary of the project

The project aims at developing a cost-benefit-analysis (CBA tool), which can be used primarily in Hungary with the help of accessible studies and professional literature. The partnership intends this tool to be practical, which makes apprenticeship attractive and predictable. Based on available methodologies a pilot tool would be developed, which could be disseminated to companies, institutions or member states where the situation of dual training is not efficient enough. CBA methodology would be used according to the guidelines of the EU Commission, and would also rely on the findings of the “Green Book” issued by the government of the United Kingdom.

In order to promote apprenticeship it is essential to study, assess, take over and apply good practices. During the project period partners will study good practices from Austria.

Partners

WIRTSCHAFTSKAMMER ÖSTERREICH (AUSTRIAN ECONOMIC CHAMBERS)

The Austrian Economic Chambers represent more than 450,000 member companies. As the voice of Austrian business, we are committed to forward-looking policies which benefit the economy e.g. tax relief, cutting red tape, subsidies. They are modern service providers and offer fast expert advice on topics from labour laws to customs information. Through their educational facilities – WIFI, universities of applied sciences – they contribute to improving the competitive ability of domestic companies.

BERUFSFÖRDERUNGSINSTITUT OBERÖSTERREICH, BFI OÖ

The BFI OÖ as a part of the BBRZ GROUP is an Upper Austrian vocational education institute which is oriented along the labour market requirements of the 21st century. The BFI OÖ is distinguished by its position as market leader in all forms of returning to work, second chance education as well as healthcare and social services qualifications.

MAGYAR KERESKEDELMI ÉS IPARKAMARA (HUNGARIAN CHAMBER OF COMMERCE AND INDUSTRY)

The Hungarian Chamber of Commerce and Industry is deeply embedded in society on a European level, rich in values and serves as a compass in every stages of capital's economic and social life. The Chamber participates in preparation of legal issues regarding economy, in creation of enterprise development programmes and in their implementation. At the same time the Chamber has an important role in market access of companies of Central Economic Region and in development of conditions of entrepreneurial environment to EU-level.



Study Visit in Austria

Aim of the study visit

Participants of the study visit aimed to collect necessary data and gain thorough understanding of the existing systems in *Austria*.

During the first day of the three-day- professional program general information was shared about the special features of dual education, while on the second and third day experts visited companies and training providers playing a significant role in apprenticeship training in Austria.

Main VET programmes in AUSTRIA

Dual Apprenticeship training (around 40% of 16+ year-olds)

- training enterprise (80% of time) and part-time vocational school (20% of time)
- demand led system: apprenticeship contract between enterprise and apprentice
- training is based on two regulations (ordinances): training company and school
- 200+ apprenticeships (“professions”) in practically all branches of the economy with a 2-4 years training period
- basis for “Higher VET”: “Meister” and other professional qualifications

Full time school based VET (around 40% of 16+ year-olds)

- combination of general and vocational education
- different types and duration
- double qualification in VET-colleges: VET-diploma and university access

Continued Vocational Education and Training (CVET)

- relatively unregulated
- diverse range of training providers
- formal and non-formal qualifications
- programmes at all levels – from basic to “higher VET”



Short presentation of the companies

Ebner Industrieofenbau; Ebner-Platz 1, 4060 Leonding

A global, family-owned company and market leader for heat treatment facilities for the metals industry. They specialize in research, development, fabrication, installation and commissioning of heat treatment facilities for the steel, aluminium and copper-base metals industry. EBNER's pioneering concepts in modern burner technology create new perspectives in offering environmentally friendly and energy efficient solutions.



Voestalpine Stahl GmbH; Voestalpine-Straße 3, 4020 Linz

A globally active group with a number of specialized and flexible companies that produces, processes and further develops high-quality steel products. As a reliable partner to industry,



voestalpine regards its customers' needs as its own. They're the partner of choice worldwide for demanding product solutions involving steel and that allow our customers to stay that decisive step ahead. The voestalpine Group is a steel-based technology and capital goods group that operates worldwide. With its top-quality products, the Group is one of the

leading partners to the automotive and consumer goods industries in Europe and to the oil and gas industries worldwide.

Facts: 50 countries on all 5 continents; 500 Group companies and locations; 47,500 employees worldwide.



Horticultural vocational school for apprentices (Berufsschule für Gartenbau) BS Ritzelhof: Horticultural apprentices in the field of agricultural production in horticulture have to attend three training courses (each lasting 8 weeks), accompanying their apprenticeship in a tree and plant nursery. This system is called “dual-education”. Duration: 24 weeks (3 x 8 weeks, every year of apprenticeship is accompanied by a training course at the school). Apprentices gain school leaving certificate: “Certificate of Apprenticeship in Horticulture”.

Secondary horticultural college (Gartenbaufachschule) Ritzelhof

The Secondary Horticultural School is divided into three modules and prepares students for working in the field Horticulture such as:

- Production horticulture
 - floriculture (ornamental plant production)
 - vegetable gardening
 - tree-nursery
- Horticulture in the service sector
 - cemetery gardening
 - landscape design and landscape gardening
 - floristry
 - interior landscape gardening
- Commercial companies related to horticulture (garden centres)
 - With the focus on care of plants, horticultural advising and selling

Horticultural training, from basic training up to the horticultural master, lasts six or seven years. This includes approximately 5000 lessons at school and a minimum 36-month-horticultural work experience.





Short summary of the companies' view on the cost and benefit of dual education

Apprentices are involved in the real working processes and producing profit for the hosting companies. Both of the involvement and the level of contribution to profit are depending on how the training is organised. Voestalpine deals with students in workshop in the first year. It is only the second year when youngsters are let out into the real production. In contrary, Ebner draws apprentices into the real working environment from the beginning of their training. Lack of students that characterises the VET in general does not relate to these companies as they have good reputation and can provide students with prosperity. With Ebner, international mobility is one of the selection criteria for future employees.

Conclusions

The main motivation for the companies to deal with apprentices is to ensure their own future labour force. It means cost and benefit calculation during the training period is not a decisive factor, instead, a long-term consideration prevails.





Study Visit in Hungary

Aim of the study visit

Participants of the study visit aimed to examine and of the existing system in *Hungary*.

During the first day of the three-day- professional program general information was shared about governance of the Hungarian VET system. Participants gained thorough understanding of the holistic approach of the “dualisation” in Hungary and the “Chamber Guarantee” system.

During the following two days experts visited companies playing a significant role in apprenticeship training in Hungary.

Summary of the reform of vocational education in Hungary

Reform and development measures targeting IVET (Initial Vocational Education and Training) launched in 2011 continue in 2015 and on in order to ensure work force with qualifications needed by the labour market. As an overall aim, the government is committed to a VET policy where VET pathways should become equally attractive for students as general education, they should cease to be a dead-end in education and training, as well as that participation in apprenticeship training should rise.

The modification of the VET Act in May 2015 has brought about major changes in the VET system.

The main focus of the reform measure addressed the **maintenance and governance of VET schools**. The 363 VET schools, previously run and supervised by the government’s central maintenance agency, has been reorganised into 44 centres on a regional basis. Each centre provides training for at least 2000 students and has several member schools. VET centres have their own budget and high pedagogical and economic autonomy. **Each centre employs a specialist teacher** responsible for supporting and coordinating the centre’s activity **regarding practical training**. The maintenance and supervision of the VET centres has been transferred to the Ministry for National Economy (NGM) which is responsible for VET and adult learning policy in Hungary. Some of responsibility of maintenance of VET centres has been decentralised and transferred to the National Office for Vocational Education and Training and Adult Learning (NOVETAL) which fulfils co-ordination, research and information functions in VET and AL as well. NOVETAL and NGM supervises the VET centres budget and pedagogical work. VET centres will play a key role in implementing the government’s VET policy objectives i.e. reduction of early school leaving, increasing the number of apprenticeship contracts, increasing the participation in lifelong learning.

VET centres provide a wide range of training programmes according to the needs of the local economy and the education needs of the youngsters: Bridge-programme, VET programme, secondary VET programme and the additional preparatory course to obtain secondary school leaving certification.





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In order to ensure better access for training for the youth, **age limit** of enrolment into full time (state-funded) VET provision was raised from 21 years to 25 years of age.

Another major change is that not only a first VET **qualification** is state funded and therefore provided free of charge for students but a second one as well. This second state-funded VET qualification may be obtained in CVET (Continuing VET or adult learning) conditions. This resulted in an additional 15 000 people starting their studies in VET centres in September 2015.

Modifications related to the second-chance type **BRIDGE Programme** in VET will result in a 2-year programme starting from September 2016. It will serve student between 15-23 years who failed to complete primary education. The programme will support students to obtain a primary school certification and will prepare them for a partial VET qualification as well. Students participating in the VET BRIDGE Programme will receive scholarship and their teachers will get extra remuneration.

As a further measure to enhance the quality of teaching in VET institutions as well as the prestige of the **teaching profession** on VET, a sub-model of VET teachers' career path is developed and introduced. According to this model, the level 'Teacher II' shall be accessible for those with a post-graduate qualification. As for the level 'Master Teacher', it shall be accessible either with a teachers' degree plus a degree in pedagogics, either with a HE degree (of any kind) plus specialised teachers' degree and a specialised post-graduate qualification.

As one of the measures aimed at boosting participation in **apprenticeship**, adults became eligible to conclude an apprenticeship contract with a company. Previously, only school-age students were allowed to conclude an apprenticeship contract. Furthermore, qualification requirements of in-company teachers of practical training have changed to be more responsive to real-life conditions in terms that besides former exclusively acceptable master craftsman examination, other qualifications are also going to be accepted (ex. HE qualification plus 2 years of practice).



The measure '**Guarantee by the Chamber**' is addressed to give priority to apprenticeships versus practical training within the school workshops. This initiative is introduced as from the school year 2015-16. The principle of this measure is that as a 'normal and general case', the VET student fulfils her/his practical training at a company, via an apprenticeship contract. Only in case when the chamber of commerce and industry finds it impossible to place her/him as an apprentice and in this reasonable case the chamber provides a written statement on that she/he may fulfil the training in the school workshop. Through this measure, it is expected that the



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present number of apprenticeship contracts of 48000 (year 2014) would increase to 70000 by 2018 as well as the number of training companies receiving apprentices shall rise.

In connection with the Guarantee by the Chamber, the **training levy system** is also under re-consideration and changes. As of January 2016, a limited amount of costs related to the maintenance of training workshop at companies is going to be deductible from the levy obligation. SMEs will be able to deduct a limited amount of costs of practical trainers' wages.

As a measure to boost participation in VET provision, the already existing **merit-based scholarship programme** is going to be enlarged. The enlargement means to raise the number of supported professions from 10 to 12 (September 2015) and later from 12 to 20 (September 2016). The scholarship programme provides a monthly sum between 10 000 HUF to 30 000 HUF. The scholarship system will be enlarged and renamed ("**Szabóky Adolf**" scholarship programme) in 2016.

Short presentation of the companies

SZAMOS MARCIPÁN Édesipari Termelő és Kereskedelmi Kft. (2085 Pilisvörösvár, Szent Erzsébet utca 109.) The company has been involved in apprenticeship training for confectioners. Practical training includes a wide range of activities: preparing sweet and salty confectionery products, cakes, marzipan for eating and decoration purposes, ice cream manufacturing. The company hallmarks its activities as artisan, apprentices in Szamos can learn all the phases of the confectioner trade.

PEMŰ Műanyagipari Zrt. (2083 Solymár, Terstyánszky út 89.) PEMŰ Zrt. was founded in 1959. The company is involved in plastic processing technology, and has been dealing with apprenticeship contracts for years. They were involved in the elaboration of the requirements of the plastic processing technician qualification in 2011, and they have been training in this qualification ever since. Besides the 3-year VET training, the company also participates in dual tertiary training. Their new training workshop is under construction, which will allow the training of 9th year students during the year, and provide a training workshop for students in years 11-12 without a level examination. The company was awarded the Excellent Practical Training Provider reward by the Pest County Chamber of Trade and Industry in 2015.





Short summary of their view on the cost and benefit of dual education

SZAMOS Kft.: Production of chocolate, marzipan, cake and various confectionery products was presented in the workshops. Everyday challenges and results of apprenticeships were shared during the visit. It turned out that there are discrepancies within the profession concerning the content of the training. In the meantime dual training as such was considered useful and not contested. It was said that without the state subsidy and the present funding system training would be less efficient and fewer apprentices could be trained.

PEMÜ: The management summarized their experiences regarding apprenticeship in a presentation, then we visited the workshop manufacturing products for the AUTO-PUR division (automotive industry parts) and the spray moulding workshop. There are apprentices in both workshops. Because they are interested in having enough workforce replacement, they are fully committed to practical training.

Conclusions

Reports of the companies visited undoubtedly proved that in apprenticeship training a primary aim is the training of workforce for replacement. This is so important for some companies that they committed themselves to training independent of subsidization, and also evaluate the present system positively. In confectioner training (SZAMOS) we found that the state subsidy is vital for the employment of apprentices in appropriate numbers.

Both companies get positive returns from productive work of their apprentices. Therefore, the ban on seems not to be hold by training companies. At the same time, apprenticeship wages seem to be fairly low (even in the last training years) compared to skilled workers wages. Both aspects seem to be important aspects for cost-benefit consideration for engagement of companies in apprenticeship training and should therefore be incorporated into the model (CBA calculator).

Public subsidy for training companies seem to be a relevant cost factor but not so important for their basic decision to train or not to train. So there some doubt if they really trigger companies into training. Consequently, training companies realise comparatively high windfall gains due to public subsidies. From a social perspective they “generate” a deadweight loss as public money could be invested more efficiently and effectively in other activities. Given this background it comes with no surprise that Chamber of Commerce and Industry advocates for continuance of public training subsidies to companies – the Ministry of National Economy is more open to reform Hungarians ILO interpretation of child labour protection and therefore reducing public training subsidies.

The final discussion rounded up lessons learned and experiences made during the study visit. It highlighted again the differences between school-based and company-/demand-based apprenticeship systems, at general topic for reflecting about enhancing IVET-reform in Hungary.





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Recommendations

A new aspect in apprenticeship is the positive feature that students, due to their age and flexibility can be trained more efficiently than adults hired from the labour market, already having some work-specific skills and experience. This factor is worth incorporating into the CBA calculator.

As both companies use productive work of apprentices as company benefit, productive work should be incorporated in the CBA-tool. Yet, an open question arises as it is not clear of how to get empirical data on productive work.

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