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# Austrian Corporatism and Institutional Change in the Relationship between Apprenticeship Training and School-Based VET

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### Introduction

Within the context of collective skill formation systems, Austria presents a case in which a well-developed vocational education and training (VET) system provides a differentiated set of pathways for youth as they prepare their transitions from school to work. If we wish to draw lessons from a comparison of collective skill systems, the dynamic relationship between a strong dual apprenticeship training system and a robust school-based training system is one of the key factors differentiating VET in Austria from the VET systems in Germany and Switzerland (Gruber, 2008: 46). Indeed, we argue that the Austrian collective skill system as well as contemporary changes within it cannot be understood without understanding full-time vocational schooling in Austria.

The variety of options this “mixed” VET system provides can be seen as one of its defining strengths (Lassnigg, 1999: 28; Schermaier, 2001: 63), especially in times of economic turbulence that demand quick responses to shifting labor markets. Serious disequilibria in the apprenticeship market in 1996 led to a variety of initiatives by the social partners and the state (e.g., Mayer et al., 2000). The skill formation system has experienced considerable changes, such as the creation of the Vocational Baccalaureate (*Berufsmaturität*) in 1997, followed by pilot projects supporting the combination of apprenticeship with baccalaureate (*Lehre mit Matura*) in 2008; the introduction of a new form of workshop-based apprenticeship training; and the modularization of the apprenticeship occupations.

In this chapter, we trace the historical processes leading to these recent changes and ask what the distinctive developments of the dual system in Austria have been. With a focus on the period since the 1970s, we examine crucial factors shaping this development and reveal how institutional legacies have become challenged by new demands from the state, trade unions, and employers. We argue that the specific development of the Austrian apprenticeship system has been influenced strongly by the evolution of Austria's small-state corporatism and by changes in the relationships among and the relative importance of other organizational forms in skill formation, such as full-time school-based VET and universities of applied sciences, over which the state has more control.

After a short overview of the Austrian VET system, we outline our historical-institutionalist approach. Then, we contrast two political logics: partisan politics and federalism in the school trajectories on the one hand and corporatist policymaking in apprenticeship on the other. Subsequently, we apply this approach to the evolution of the Austrian VET system from its origins to contemporary society, identifying crucial factors which influence change, such as centralized federalism, privatization of large public firms, and accession to the European Union (EU).

### The Austrian VET system

Austria's VET system consists of two sectors—dual apprenticeship and full-time school-based VET—that are regulated by different governance systems. Dual apprenticeship is jointly governed by the economic affairs ministry and the social partners (mainly the regional branches of the Economic Chamber), while the school sector is governed by a centralized bureaucracy under the joint responsibility of the education ministry and the nine federal states, with the social partners exerting primarily consultative influence. The VET system provides a large proportion of the population with relatively specific intermediate-level skills. With its high degree of standardization of formalized vocational skills and occupations, Austria maintains a comprehensive system of “authoritative certification of skills” (Busemeyer, 2009).

VET in Austria is characterized by a variety of programs and pathways. Apprenticeships, usually taken up by 15–18-year-olds for two to four years, are offered in around 260 trades and entail company-based training supplemented by attendance in part-time schools for apprentices (*Berufsschule*).<sup>1</sup> Additionally, there are two major types of school-based VET. First, VET schools (*Berufsbildende Mittlere Schulen*) typically serve youth between 14 and 18 years of age for three to four years and provide vocational qualifications for mainstream employment. Second, VET colleges (*Berufsbildende Höhere Schulen*) offer

**Table 6.1** Initial VET programs at upper secondary level in Austria

Program	ISCED equivalent	Ratio VET/general education	Ratio school/practice	Further qualification options <sup>a</sup>
VET college	4A	60/40	90/10	Higher education
VET school	3B	60/40	90/10	Vocational Baccalaureate
Apprenticeship	3B	90/10	20/80	Vocational Baccalaureate

<sup>a</sup> This refers to options next to direct entry into the labor market or self-employment. The Vocational Baccalaureate is explained in detail in the text.

Source: Adapted from Tritscher-Archan (2009: 27, 75).

youth aged 14–19 a five-year course that leads to a double qualification: an upper level vocational qualification with a recognized vocational certificate *and* the certificate providing access to higher education studies (*Matura*).

As in Germany, the apprenticeship-oriented portion of the VET system in Austria reflects the vocational principle (*Berufsprinzip*) as an “organizing principle” in terms of teaching and structures (see Deißinger, 2001 on the German case). In contrast to apprenticeship training, full-time school-based VET is oriented toward more broadly defined fields of employment. VET schools and colleges emphasize a philosophy of “education mediated through vocations” (*Bildung im Medium des Berufs*) that embraces pedagogical considerations, giving voice to educationalists (e.g., Lassnigg, 2010). Such differences are evident in the ratios of *VET to general education* and of *schooling to practice* in the major VET programs at the upper secondary level (Table 6.1).

The programs listed in Table 6.1 are linked to certain occupations: VET colleges are important in engineering or construction (and as a pathway to the *Matura* in business and service programs); VET schools are typical in business and are in this area at least somewhat more attractive than apprenticeships; apprenticeships are concentrated in a few broader service occupations, such as retailing, secretarial work, hairdressing, and restaurant work, and in such craft occupations as automotive technician, electrician, plumber, and metalworker, with training in industry representing only a small proportion of apprentices (around 10 percent) (e.g., Tritscher-Archan, 2009: 75–6).

In terms of enrollments at upper secondary level, the various VET pathways together constitute around 80 percent, leaving academic secondary education at approximately 20 percent (see Table 6.2). Yet, when interpreting these figures, we argue that VET colleges must be considered as a hybrid organizational form because of the double qualification they offer (VET diploma and baccalaureate). Internationally, these VET colleges are unique, and as we will show they have strongly influenced the overall development of the Austrian skill formation system.

Instead of offering horizontal mobility, such as through the provision of open credit points, the Austrian VET system “rather provides second-best

## Relationship between Apprenticeship Training and School-Based VET

**Table 6.2** Share of learners in the tenth year by educational program, school year 2007/8, in Austria (in %, sorted by size)

Pathway	%
Apprenticeship	39.5
VET colleges	27.3
Academic secondary education	20.3
VET schools	13.0

Source: Tritscher-Archan (2009: 9).

alternatives in the case of failure within the area of first choice” (Mayer et al., 2000: 13). Its structure exhibits a status hierarchy extending from the VET colleges at the top to the apprenticeship system at the low end (see Table 6.3). An indicator for the strength of full-time school-based VET is that apprenticeship credentials can be earned in VET schools and colleges, but not the other way around. With regard to inputs, this hierarchy is also evident in the enrollment requirements: the selective VET colleges require good grades during compulsory schooling; VET schools require medium-level grades; and apprenticeship programs do not set any formal compulsory school achievement requirements. In apprenticeship, companies themselves are the gatekeepers, with the sole formal requirement being the completion of compulsory schooling. Another indicator for this informal but highly significant hierarchy of VET options, in terms of outcomes, is the conventional rate of return to investment based on the wage equation, which decreases in steps from higher education to apprenticeship (see Lassnigg and Vogtenhuber, 2009: indicators D13 and D14; Vogtenhuber, 2009). While this hierarchy is evident in average achievement levels and outcomes, there is also considerable overlap among VET options: at the individual level, an apprenticeship graduate might rank above a VET school graduate.<sup>2</sup>

**Table 6.3** Stylized depiction of current “status hierarchy” of organizational forms in the Austrian VET system

	School-based VET	Dual VET
Higher-end	VET college	<i>Lehre mit Matura</i>
Medium	VET school	
Lower-end		Apprenticeship Workshop-based apprenticeship training <sup>a</sup>

<sup>a</sup>Workshop-based apprenticeship training is explained in the text.

VET colleges offer more advanced curricula and access to higher prestige occupations than do the VET schools. In the “dual system,” the recently established option of an apprenticeship coupled with an additional tertiary entry certificate (*Lehre mit Matura*) ranks highest in terms of prestige because it enables future opportunities in tertiary education (see below). This attractive

option is followed by regular apprenticeships, which are also coveted to some degree—particularly in attractive training enterprises. However, young people with poor records at school often opt for apprenticeship instead of VET school because they are fed up with schooling and can immediately earn some money, although their future earnings are expected to be less (Interview A1).<sup>3</sup> Of course, within this opportunity structure, there is much variation and overlap, especially in certain occupational fields. We turn now from the training organizations to the relevant interest groups in Austrian corporatism.

### Interest groups in Austrian VET

A crucial factor in Austria is that the transmission of interests between collective actors does not so much follow the logic of conflict or lobbying, but tends to be characterized by negotiation and the search for compromise (Tálos, 2005: 192). Corporatist social partnership is responsible for an idealization of pragmatic cost-benefit calculations, which at least partly resolves antagonisms between different interests groups in VET (Pelinka, 1996: 38). The core organizational base of Austrian social corporatism is made up of the Economic Chamber, the Chamber of Labor, and the Agricultural Chamber, all with compulsory membership, and the Trade Union Federation (Tálos, 2005: 186). Unlike these actors, the Federation of Austrian Industries (Vereinigung der österreichischen Industrie, IV) is not an “official” part of social partnership; however, a representative is included in employers’ negotiation teams.<sup>4</sup> Given their importance, we review the different stakeholders in VET in the context of Austrian social partnership.

The Austrian Chamber of Labor (Österreichische Arbeiterkammer, AK) is the statutory interest-group organization of dependent employees in Austria. Membership is compulsory for all employees except public servants and white-collar workers belonging to management. The AK has rights for consultation in VET (e.g., commenting on drafts of laws and regulations, nominating members of the federal and regional VET councils). In addition, it supports its members concerning issues involving apprenticeship contracts. The Chamber of Labor operates in the nine federal states of Austria. It works closely with the Austrian Trade Union Federation (with whom the responsibility for collective bargaining rests) in aspects related to the economic and social situation of blue- and white-collar workers. The AK supports the Austrian Trade Union Federation with its important intelligence unit.

As the main body representing Austrian workers, the highly centralized Austrian Trade Union Federation (Österreichischer Gewerkschaftsbund, ÖGB)

is more than just an umbrella organization. While officially it is not aligned with any one party, the ÖGB is close to the Social Democratic Party of Austria. Unions do not support (or oppose) school-based VET as a whole, but do champion the school-based part of apprenticeship as a quality-enhancing factor (Interview A1). Within the apprenticeship system, the trade unions have always supported public regulation and control as well as the extension of the part-time school, whereas employers have tended to favor the company-based component (Piskaty, 1996: 51). While the trade unions have no direct formal responsibilities in VET, they are involved in the collective agreements which cover apprenticeship wages, and assist apprentices in representing their interests at the company level.

The Austrian Federal Economic Chamber (Wirtschaftskammer Österreich, WKÖ) is the statutory interest association of employers. Membership is compulsory for all independent entrepreneurs. Because of the structure of Austrian economic enterprises, the WKÖ is dominated by small and medium enterprises (SME) (Mayer et al., 2000: 20). The WKÖ employs many specialists, who take part in policy discussions. Operating in the nine federal states via highly differentiated organizations representing the various economic branches, these Economic Chambers have, via Apprenticeship Offices (*Lehrlingsstelle*), a semipublic status in the apprenticeship system, because some core administrative responsibilities (compulsory registration of training agreements, accreditation of training enterprises, appointment of examination bodies) are delegated to them.

In the state administration, the following ministries are most relevant in VET: the Federal Ministry for Economy, Family, and Youth (Bundesministerium für Wirtschaft, Familie und Jugend, BMWFJ) operates the company-based sector of apprenticeship training with involvement of the social partner organizations; the Federal Ministry for Education, the Arts, and Culture (Bundesministerium für Unterricht, Kunst und Kultur, BMUKK) is responsible for all school-based forms of VET (including part-time vocational schools that supplement apprenticeships); and the Federal Ministry of Science and Research (Bundesministerium für Wissenschaft und Forschung, BMWF) regulates higher education. Further, the Federal Ministry of Labor, Social Affairs, and Consumer Protection (Bundesministerium für Arbeit, Soziales, und Konsumentenschutz, BMASK) influences VET by administering the Public Employment Service (Arbeitsmarktservice, AMS), which provides the means for labor-market policy measures and organizes the market for apprenticeships (*Lehrstellenmarkt*) as a separate segment of the labor exchange. Thus, an elaborate web of government authorities regulate VET.

Austrian parliamentary politics were traditionally dominated by two major parties: the Social Democratic Party of Austria (Sozialdemokratische Partei Österreichs, SPÖ), which has strong ties to the Austrian Trade Union Federation as well as the Chamber of Labor, and the Austrian People's Party

(Österreichische Volkspartei, ÖVP), which is the Christian democratic and conservative party with close links to the Economic Chamber. The Freedom Party of Austria (Freiheitliche Partei Österreichs, FPÖ), a national populist political party in Austria fighting against social partnership, has played a significant role since the late 1980s, and the size of their electoral support has begun to approach that of the two major parties. This distinct stakeholder configuration in the social dialogue on VET is further developed and theoretically embedded below.

### Analytical framework

Institutional changes in the Austrian VET system are discussed here mainly as a consequence of specific political struggles and strategic interests. Such a power-based account can be derived from recent work by historical institutionalists (e.g., Thelen, 2004), who draw attention to institutions as “distributional instruments” (Mahoney and Thelen, 2010: 7–8) and imply that the balance of power between actors and the prospects to form interest coalitions are crucial sources of institutional change (see also Busemeyer and Trampusch in this volume on the dimensions of variation in the institutional design of training).

Relevant in this context is the “small-state argument,” which Katzenstein (1984, 2003) prominently made for Austria and Switzerland, because it recognizes the relative vulnerability of a small (and export-oriented) state like Austria regarding developments in the international political economy that seem to facilitate corporatism: small, tightly coupled, socioeconomic systems show great adaptability (via consensual politics and, in the case of Austria, via centralized decision-making) to survive in a rapidly changing environment (Katzenstein, 2003: 17). For instance, to mediate the influence of exogenously induced structural economic change (see Campbell, 2004), small states exposed to global trade flows have relied on interventions on the supply side of the economy to raise the workforce skill level (Culpepper, 1999: 6). Austria’s accession to the EU in 1995 is an example for another exogenous influence that reifies such patterns of domestic adaptation (Katzenstein, 2003).

Austrian social partnership arose in part from the traumatic experiences of wars, the loss of empire, and economic crisis, ultimately leading to an ideology of institutionalized concertation practices (Katzenstein, 2003). Stressing the pivotal role of political actors in ensuring stability, Katzenstein applies a neo-Weberian framework to explain how internal rigidity can nevertheless lead to external flexibility in small states. At the core of his argument, and central to our analysis, is *inclusiveness*, characterized by “an ideology of social partnership expressed at the national level; a relatively centralized and concentrated system of interest groups; and voluntary and informal coordination of

conflicting objectives through continuous political bargaining between interest groups, state bureaucracies, and political parties” (Katzenstein, 1985: 32). Indeed, Austria is often considered a corporatist country par excellence (Afonso and Mach, forthcoming: 16), and the exemplification of the *social* variant of democratic corporatism (ibid.: 3), characterized by a centralized state and central decision-making, strong executive power, and strong labor (ibid.: 5).

Notwithstanding the potential for concertation and centralized decision-making in the corporatist realm as well as in crucial issues of national interest, the Austrian political system also includes a strong federalist element that makes policies very complex, potentially hindering transformative change. Compulsory education and apprenticeship (via its part-time school element) are affected by this federalist framework.<sup>5</sup> Moreover, institutional inertia in apprenticeship is reinforced by the relative dominance of SMEs, which are more cost-sensitive than large firms and wish to maintain their access to cheap labor with specific skills (Culpepper, 2007: 613). Furthermore, Katzenstein (1984) argues that (industrial) reform policies in small European states are not typically comprehensive and overarching, but rather selective and ad hoc. While this favors incremental and gradual adaptations, these reforms are nevertheless guided by the need to adapt rapidly to new exogenous and endogenous challenges.

To analyze these governance and organizational changes over time and to evaluate the path-dependent trajectory of Austria’s VET system, we build on the arguments of historical institutionalists concerning modes of incremental change that may nevertheless add up to transformative change in the long run (see Streeck and Thelen, 2005), especially the modes of layering, meaning “the introduction of new rules on the top or alongside existing ones,” and drift, meaning “the changed impact of existing rules due to shifts in the environment” (both quotes from Mahoney and Thelen, 2010: 15–16). For layering, the mechanism of change is differential growth, such as when small amendments set into motion dynamics that eventually crowd out or supplant the old logic of an institutional configuration (Streeck and Thelen, 2005: 22–4). For both layering and drift, significant institutional change may be masked by relative stability on the surface. In the case of drift, the environment of an institutional configuration changes, independently of whether active political maneuvering is involved, and results in an altered scope, meaning, or function (ibid.: 24–6).<sup>6</sup> Both of these concepts help clarify institutional changes occurring in VET, which, as an organizational field, spans the boundaries between state and market as well as education and economy (see Powell and Solga, 2010). The impact of these adjustments is evident in shifting positional values of educational pathways and credentials that affect participation rates. In fact, we argue that the Austrian case of institutional change in the two



sectors of the VET system suggests that layering and drift may well be interrelated, as one triggers or significantly influences the other through the “active” or “passive” agency of collective actors. The Austrian case shows that drift may come in the form of layering which takes place in the environment of a specific policy field (see below, Phase III) and that actors may creatively apply layering *within* that policy field to fight the consequences of drift (see below, Phase IV).

In addition to the preferences and interests of the collective actors outlined above, individual educational aspirations and related patterns of stratification (see, e.g., Lutz, 1983) are also fundamental to our understanding of changes in Austrian VET. The positive evaluation of individuals and the choice of particular educational pathways by youth and their families interact with the preferences and interests of the collective actors. Thus, we also investigated the political responses to shifting interests in education and training opportunities.

The structure of Austria’s VET system—partially coordinated by social partners, partially controlled by the state—requires particular attention to conflicts of interest as well as coalitions across the spheres of education, economy, and the state. Along with more general social and labor market policies, VET is one of the key areas of competence for the social partners (Tálos, 2005: 193). However, the social partners influence the governance of the different segments of the VET system to varying degrees: first, influence is strongest with regard to apprenticeship training and advanced vocational education. In these segments, the WKÖ and (less so) the AK are strongly involved in the steering processes, and they themselves offer a wide range of organizational set-ups for training. Second, with regard to full-time school-based VET as well as universities of applied sciences, the social partners also have some influence, especially when these organizations maintain close ties with firms. Here, the WKÖ and the AK are involved in policy processes through various board and committee memberships, and in contributing ideas and commenting on policy draft papers (mostly concerning the development of curricula and their vocational content). Third, the influence of social partners is weakest with regard to compulsory education, general academic education, and universities (Autorenkollektiv Bildungspolitik und Sozialpartnerschaft, 1996: 141; Mayer et al., 2000: 34–6).

Thus, the governance of the multitiered VET system varies considerably. The school-based sector, which falls within the authority of political parties and government policies, is governed by basic school legislation and by complex overlapping responsibilities in federalism. The alternative sector of apprenticeship is corporatist (relying on social partnership), strongly embedded in industrial relations and collective bargaining, and affected by regulations guiding firms’ occupational and economic structures and by the chambers.

To understand changes in this institutional configuration, we rely on process tracing (e.g., George and Bennett, 2005) and focus our analytical narrative on critical phases in the historical development of the relationship between apprenticeship training (corporatist) and full-time vocational schooling (state-provided). The data stem from a variety of sources, ranging from government documents and official statistics to secondary literature. To account for more recent changes and to understand more fully the ideas and decision-making processes of key actors and interest groups, we conducted expert interviews that provided insights into ideological principles and historical legacies of organizational forms in skill formation.

### Historical developments

#### *Phase I: Origins of apprenticeship training and school-based VET before 1945*

The development of the Austrian VET system is not the result of explicit design (Lassnigg, 1997: 24). Rather it exemplifies contradictions, unplanned elements, and unintended consequences (see Pierson, 2000: 483–6). Therefore, we chart the institutionalization of the skill formation system from its beginnings to examine the principles and norms codified in a complex and contradictory system not amenable to wholesale change at the discretion of any specific actors (see Engelbrecht, 1984, 1986, 1988). We argue that the Austrian VET system should be understood as a segmented one—with French and German forebears—and emphasize that apprenticeship training and school-based VET have evolved separately from each other.<sup>7</sup>

The roles played by diverse actors today reflect the evolution of Austria's skill formation system. Apprenticeship, which was originally organized completely by the guilds and craft organizations, has the oldest tradition, stretching back to the twelfth century (e.g., Gruber and Ribolits, 1997: 19). The first cornerstones of the “modern” system were laid during the “enlightened” absolutist monarchy in the era of the French revolution (Engelbrecht, 1984), when Austria's territory was much larger and much of the main economic thrust was situated outside of the country's current borders, such as in Bohemia. At that time, the first high-level VET institutes were established by the state and various private initiatives alongside the traditional apprenticeship system. Full-time vocational schooling in Austria has a long tradition. The first institutions were established under the reign of Maria Theresia in 1774 (Barabasch et al., 2009), including some vocational programs offering access to higher education (Rothe, 2001: 65). Reforms inspired by the Austrian politician and school reformer Armand von Dumreicher represent a crucial phase institutionalizing school-based VET (Schermaier, 1999: 133), as this late

nineteenth-century reform movement adopted the French institutions of school-based training as a model and laid the cornerstones for today's secondary and higher education. Dumreicher's reform proposals influenced both the development of a well-organized, centralized vocational schooling system, established in Austria between the 1880s and World War I (Gruber and Ribolits, 1997: 27), and attempts to establish vocational schools to accompany apprenticeships, which at the time were provided on a voluntary basis. Thus, the Austrian collective skill system constitutes a mixed structure that unifies elements not only of neighboring Germany's dual-corporatist system but also of the French state-bureaucratic VET system (see Greinert, 2005 on the German and French systems).

With the Trade Law (*Gewerbeordnung*) of 1859, the old guild structures were abolished and the Economic Chambers became institutionalized, crucially influencing the genesis and configuration of the apprenticeship system (see Schermaier, 1999: 54). After World War I, Austria lost some of its most economically developed regions and consequently most of its internal trading partners (*ibid.*: 6). Immediately after the war, the new republic (First Republic, 1918–38) was constituted in economically and socially challenging circumstances, with the palpable danger of revolution (Katzenstein, 1984). It was in this period that key social regulations of social partnership originated. During the sequence of different regimes in the interwar period, the apprenticeship system was expanded, and the accompanying part-time school was increasingly subjected to local regulation, which laid the groundwork for the influence of the social partners in its governance (Engelbrecht, 1988: 189–97).

### *Phase II: Institutionalization of the national VET system (1945 – early 1970s)*

The end of World War II signifies another historical breakpoint, especially since Austria was reconstituted as an independent country. Today's institutional arrangements in education and training as well as social partnership still rest on agreements representing the status quo of the postwar era (Pelinka, 1996: 38). Soon after the war, attempts were started to negotiate new solutions, including that of placing full-time VET schooling under a comprehensive system of federal control. In this context, the Ischler Conferences (Ischler Tagungen) from 1946 to 1952 were especially significant events, because the structure of full-time VET schooling was negotiated on the basis of agreements among the system's collective actors (BMUKK, 2009: 20).

By the early 1960s, the Austrian educational system had been reconstructed by abolishing German laws from the occupation period (Schermaier, 1999: 98–110), while reinstating some of the older laws from the First Republic (despite being partly outdated) (see Engelbrecht, 1998: 21). The period from

1962 to the mid-1970s witnessed an extensive reorganization of the educational system, as the profiles of all educational organizations were renewed and policymakers had to recognize that demand had risen dramatically. Engelbrecht (1998: 19) suggests that education policy was rather reactive, as policymakers sought to acknowledge changes in societal and economic conditions by reforming school structures and curricula to improve the fit between socio-economic conditions and schooling.

In parliamentary politics, the key drivers of education policy were the two main parties, the Austrian People's Party (ÖVP) and the Social Democratic Party (SPÖ). The school law of 1962, the product of extended negotiations between the political parties, tried to "resolve" the traditional political conflict about schools by codifying basic organizational structures within constitutional laws. Some observers have argued that this law represents an "analogous" case to social partnership because of the long-lasting and concerted negotiations between the dominant parties, for which the concept of "school partnership" (*Schulpartnerschaft*) has been coined (Pelinka, 1996: 33, 35). At the time, both the ÖVP and SPÖ were interested in reaching a compromise to prove the viability of the grand coalition (Engelbrecht, 1988: 479). Yet, the road to negotiation had also been paved by constitutional law, meaning that changes to the educational structure could only be made by a two-thirds parliamentary majority (see Engelbrecht, 1998: 19–20).<sup>8</sup>

In this period, social partnership expanded its strong influence on, but not *de jure*, control of apprenticeship. This influence was concentrated in the Ministry of Commerce, which also administers the Trade Law as the core regulation of this system. Such contextual issues like the basic occupational structure dominated educational and training issues. Only since 1969 has apprenticeship been regulated by a specific Vocational Training Act (*Berufsausbildungsgesetz*) (Gruber and Ribolits, 1997). From the context of this period, compulsory membership in the Economic Chamber has remained a key issue to the present day. Compulsory membership must be enforced and requires "selection criteria," which are constituted by the occupational structure of apprenticeship (by which members are also organized). Hence, if the structure of apprenticeship is changed, these selection criteria must be adapted accordingly. Given this linkage, Austrian apprenticeship has a kind of "built-in brake" against structural change, which is essentially due to organizational rationales that are not needed for educational or qualification purposes.

Generally speaking, the period up to the early 1970s represents the "heyday" of Austrian corporatism (see Katzenstein, 1984; Tálos, 2005: 192) in which school-based VET and apprenticeship were brought together into an overarching VET system, albeit as distinct segments. Indeed, the governance structure of these systems remains largely divergent up to the present day

because of the different paths of historical evolution for apprenticeship and school-based VET.

### *Phase III: Expansion of VET colleges (1970s–mid-1990s)*

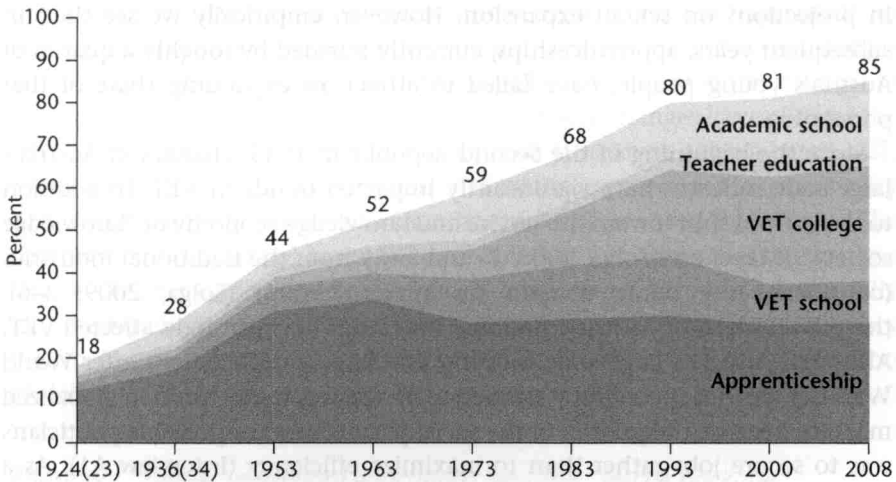
Building on the insights gleaned from the analysis of the two earlier phases, in this section we identify and discuss the following central factors that led to a remarkable expansion of VET colleges in Austria: the historically emergent and persistent coexistence of a strong apprenticeship system and a well-established school-based VET system jointly absorbed the differential qualification demands of trade and industry. Austrian social partnership and small-state corporatism shaped the institutionalization of apprenticeship, whereas school-based VET has evolved as a distinct segment, sharing a loose common framework with apprenticeship. Specific interests of small enterprises, represented strongly by the WKÖ, favor apprenticeship, while larger enterprises, represented by the Federation of Industries (IV), have developed greater interests in the VET colleges and in higher education. These are crucial factors driving the distinct evolution of the Austrian VET system.

Below we also show that two further conditions—not necessarily specific to Austria—interacted with the factors described above to trigger the VET college expansion. The first condition is that structural changes in the economy shift training from traditional industries to more service-based and knowledge-intensive industries and increase the attractiveness of school-based VET programs that offer individuals better access to higher education. The second crucial condition has been the political response to the rise in the educational aspirations of individuals, which has promoted the VET colleges as an alternative to the traditional path of “elite” academia. In this sense, VET colleges also serve as a largely unintended corrective to the early and inegalitarian tracking of lower secondary education.

Notably, the major expansionary trends of different segments in the VET system occurred at different times: until the 1960s, apprenticeship training expanded, and since the 1970s, expansion has been strongest in VET colleges. In 1971, the new social democratic government presented a strategic program to develop upper secondary education, which was marked by the search for compromise as well as by a long-term implementation phase. Backed by the IV, this program clearly shifted the emphasis to the expansion of the VET colleges at the expense of academic schooling (Lassnigg, 1985: 11–13) (see Figure 6.1 and Table 6.4).

While the foundations for the further expansion were based on decisions taken under the SPÖ-led government, the expansion itself was then largely driven by changes in the socioeconomic context—namely, structural economic changes and the acknowledgment of an “escalating” demand of

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**Figure 6.1** Development of participation rates in upper secondary education, Austria, 1924–2008 (in % of youth aged 14/15–19)

*Note:* The years in brackets are for the measurement of the demographic values; as indicated, they differ slightly from the years for the measurement of the participation rates. Since the 1970s, teacher training is mainly situated at the postsecondary and tertiary levels.

*Source:* Lassnigg (1998: 20), updated by the author.

individuals for upward mobility through education (see Engelbrecht, 1988: 514). As is frequently the case (see Lundgreen, 2003), the magnitude of increasing demand for education of the population was underestimated by the policymakers at the time (Lassnigg, 1995: 463). Nevertheless, the expansion was financed by a state long proud of its high levels of educational expenditure (see Lassnigg, 2009: 8). This policy strategy also satisfied the social partners, since sufficient space was left for the development of apprenticeship

**Table 6.4** Development of participation rates in upper secondary education, Austria, 1924–2008 (in % of youth aged 14/15–19)

Proportion	1924 (23)	1936 (34)	1953	1963	1973	1983	1993	2000	2008
Academic school	2	5	3	6	12	12	14	15	17
Teacher education	1	1	1	2	2	1	2	3	3
VET college	2	2	3	4	7	13	21	25	27
VET school	2	4	6	6	11	13	14	10	10
Apprenticeship	11	16	31	33	28	29	30	27	28
Total	18	28	44	52	59	68	80	81	85

*Note:* The years in brackets are for the measurement of the demographic values; as indicated, they differ slightly from the years for the measurement of the participation rates.

*Source:* Lassnigg (1998: 20), updated by the author.

in projections on school expansion. However, empirically we see that, in subsequent years, apprenticeships, currently pursued by roughly a quarter of Austria's young people, have failed to attract an expanding share of that population.

Since the beginning of the Second Republic in 1945, changes in Austria's large-scale industry have significantly impacted trends in VET. In addition to the general shift toward the service and knowledge economy or "knowledge society" (Mayer and Solga, 2008: 2) and away from the traditional industries (considered the home domain for apprenticeship) (Solga, 2009: 3–6), the privatization of Austria's national industries have strongly affected VET. Although Austria's large-scale industry was largely nationalized after World War II, it was not successfully attuned to increasing competition in globalized markets, because the priority of the social partners and responsible politicians was to secure jobs rather than to maximize efficiency (Interview A1). As a consequence, from the 1980s onwards, a debate ensued about such liberalization and privatization. However, the subsequent privatizations have failed in the sense that Austria has not established "national champion companies" as have, for example, Germany, France, and even some smaller countries (see Afonso and Mach (forthcoming) on privatization of important national industries in Austria). Instead, large-scale industry has been divided up by now into smaller (sub-)enterprises or has been bought by foreign companies or both. This is especially consequential for apprenticeship as large-scale nationalized industries used to be major providers of training within the dual system (Interviews A7, A8). When threatened, the training infrastructure of these privatized companies has been taken over by various forms of publicly-supported training institutions, which later provided one of the bases for the creation of workshop-based apprenticeship offered outside firms (see below). Because of the overall small proportion of industry involved in Austrian apprenticeship, and the large share of public enterprises in this sector, which mostly discontinued apprenticeship programs after being privatized, Austria could not pursue a segmentalist strategy (see Thelen and Busemeyer in this volume; see also introduction by Busemeyer and Trampusch).

The failure to bolster large, internationally competitive corporations is one reason why individuals now find apprenticeship less attractive when choosing between different programs in VET. Collective actors are confronted with a situation in which individuals have increasingly opted for VET colleges because of the double qualifications these institutions offer. The VET college expansion affects the development of the apprenticeship system in a major way, and we argue that this signifies an unintended "layer" on top of the dual training system. However, this signifies drift for apprenticeship in the sense that it suffers further marginalization. The results were twofold: first, apprenticeship was not forced to innovate because the pressure to do so was absorbed

by the expanding school-based sector, and second, it was not “upgraded” (as was partially the case in Germany).<sup>9</sup> In the competition between full-time schools and apprenticeship, school-based VET has emerged as the stronger or more dynamic sector (see Lassnigg, 1999: 29). These changes have allowed the costs of training to be shifted to the state, as it finances school-based VET, whereas apprenticeship is jointly financed by the apprentices via opportunity costs and the enterprises by their investments in time and infrastructure. The cost per student in school-based VET is about ten times above that in part-time schools. Recently, the public contribution to apprenticeship has substantially increased through various forms of subsidies. Thus, all forms of contemporary VET in Austria reflect the expansion of public investment in the production of skills.

### *Phase IV: “Higher vocational education” and the “rescue package” for apprenticeship training (since mid-1990s)*

This phase began with the rising problems of the apprenticeship system in the 1990s (see Bock-Schappelwein, 2007) and has focused on the concerted action by a coalition of state actors and social partners intended to safeguard the apprenticeship system. The result is an intentional and continuous layering of incremental innovations in the VET system that does not alter its fundamental organizing principles. Beginning in the late 1990s, these innovations were consolidated in the policy initiative of 2008. Four recent innovations, described below, best characterize contemporary changes in Austrian skill formation: first, the establishment of the universities of applied sciences (1994); second, the training guarantee to the age of 18 and workshop-based apprenticeship training; third, the introduction of the Vocational Baccalaureate (1997) and the *Lehre mit Matura* (2008); and fourth, the modularization of apprenticeship training.<sup>10</sup>

To explain these dynamics, especially the introduction of the Vocational Baccalaureate and *Lehre mit Matura*, we argue that similar factors facilitating institutional change from the 1970s onwards (see Phase III) maintain their relevance today. The coexistence of a strong apprenticeship system and strong school-based VET, and Austrian small-state corporatism remain significant. Structural changes in the economy, affecting the cleavage between SMEs and large enterprises, and political responses to shifting interests in education and training opportunities are still paramount. However, two further conditions—namely, layering and Europeanization—are also important. The “outcome” of the previous phase of institutionalization was “layering” in the form of the expansion of VET colleges on top of apprenticeship training, to the detriment of the latter. The European context has an impact through: first, the establishment of the universities of applied science, which some domestic actors



claimed to be a “prerequisite” for EU accession; and second, the shifting VET policy capacities of the state, the social partners, and the Federation of Austrian Industries.

### ESTABLISHMENT OF THE UNIVERSITIES OF APPLIED SCIENCES (“HIGHER VOCATIONAL EDUCATION”)

The establishment of the universities of applied sciences as a new organizational form in higher education is related to the country’s preparation for EU membership in 1995.<sup>11</sup> Indeed, this late splitting of Austria’s higher education system suggests the “necessity” of an exogenous shock, if Europeanization on the heels of the peaceful revolution of 1989/90 can be so classified. Since 1994, universities of applied sciences offer programs mainly concentrated in technology and engineering, computer science, telecommunications and media, tourism, and economics and management (see Gruber, 2008). These new universities, growing within the existing universe of tertiary education, have altered the structures and the status of the organizations in the fields of higher education and VET. The previously described evolution of the VET colleges—in serving the needs of Austrian enterprises (especially large firms) and in offering a highly attractive pathway for upward mobility—is intrinsically linked with the establishment of the universities of applied sciences. From the 1970s to the early 1990s, the VET colleges served as a substitute for practice-oriented tertiary-level education (Interview A7), that is, for the kind of training universities of applied science now offer. These universities directly compete with the VET colleges: in job advertisements, there is often no distinction made between the certificates of VET colleges and those of universities of applied sciences (Interviews A2, A6). Simultaneously, the universities of applied science also rely on the VET colleges, as around half of all students at universities of applied sciences are VET college graduates (Lassnigg and Vogtenhuber, 2009: 66). Both the VET colleges and the universities of applied sciences serve industry rather than SMEs, for whom apprenticeship matters more. These new universities may accommodate the global trend toward tertiarization. However, their establishment has not significantly improved access to higher education for apprentices (see Winkler, 2008 for details), because of existing differences in the normative goals and curricular requirements connected to each of these organizational forms, despite the regulations in place that formally allow such permeability (Lassnigg et al., 2003: 89).

### TRAINING GUARANTEE AND WORKSHOP-BASED APPRENTICESHIP TRAINING

Around 1997, major policies were initiated with the aim to maintain or rather to resurrect the positive role that the apprenticeship system had historically

played in ensuring smooth school-to-work transitions. Initiatives include the apprenticeship pact (*Lehrlingspakt*, 1997), and the law to secure youth training (*Jugendausbildungssicherungsgesetz*, 1998–2008), which provides training for young people unable to find an apprenticeship and funds (via the public employment agencies) for firms to provide additional apprenticeships (*Blum-Förderung*). Arguably, these policies have lowered standards to make it more attractive for firms to hire apprentices. However, this strategy may backfire because it lowers training quality and, in turn, further worsens the competitive position of apprenticeship vis-à-vis school-based VET (Interview A4). Nevertheless, all relevant stakeholders were in favor of this policy. These initiatives since the late 1990s represent a “rescue package” (*Feuerwehrprogramm*) to stave off a fundamental transformation. Most were initially short term, designed to overcome apprenticeship shortages perceived to be a temporary, not structural, problem. Rather than fundamentally reforming apprenticeship to match contemporary challenges, these policy initiatives incrementally changed the VET system through layering.

Workshop-based apprenticeship training (2–4 years; typical age 15–18) was introduced in 2008 as a more mainstream extension of the “rescue” programs aiming to guarantee training for young people through age 18. The target group for such training comprises compulsory school graduates who, despite every effort, cannot find a company-based apprenticeship. An important aspect is that it “has been set up as an equivalent part of dual VET side-by-side with the regular company-based variant” (Tritscher-Archan, 2009: 33). While the school-based part of apprenticeship training takes place in regular part-time vocational schools, practical training is provided either via internships in enterprises or by training centers (so-called training workshops).<sup>12</sup> The rights and obligations are the same as those for apprentices, except that training remuneration is lower. Such workshop-based apprenticeship training is financed jointly by unemployment insurance and the state and is implemented through the Public Employment Service. The financing of the practical training component and the apprentices’ salaries through public money is one of the most significant differences to regular apprenticeship. Hence, sustaining this type of training comes at high cost (e.g., Hoeckel, 2010) and may in fact soon be considered “too expensive,” given that this sector is likely to expand rapidly, for example, as the consequences of the financial crisis (2008–) play out in the labor market (Interview A5).

### INTRODUCTION OF VOCATIONAL BACCALAUREATE AND “LEHRE MIT MATURA”

To address the diminishing attractiveness of apprenticeship among more qualified young people, measures to improve permeability—unanimously supported by the social partners—were introduced. The Vocational Baccalaureate (1997) and *Lehre mit Matura* (2008) were established. The Vocational

Baccalaureate is an examination that provides access to higher education for graduates of apprenticeships and VET schools, with preparatory courses offered at institutes of continuing education and training.<sup>13</sup> To some extent, this examination includes the recognition of an informal acquisition of competences. Subsequently, in 2008, the *Lehre mit Matura* (3–3.5 years; typical age 15–18) was established, which combines apprenticeship training with simultaneous preparation for the baccalaureate. Albeit a pilot project, *Lehre mit Matura* has been rapidly picked up (Der Standard, 2009). Those who prepare for the Vocational Baccalaureate while simultaneously completing an apprenticeship are exempted from the usual tuition fees for the preparatory courses.

These two innovations present further “layers” in the VET system that do not directly alter its foundations, as both primarily aim to improve vertical permeability between VET and higher education.<sup>14</sup> We argue that these reforms can be understood as the collective actors’ creative usage of institutional layering to avoid further drift of the apprenticeship system. Arguably, building such links between vocational training and higher education (whereby the former becomes a complement rather than being a substitute for the latter) can at best retain the high status of dual training or at least avoid its marginalization (Finegold, 1999: 412–14). It is not yet clear to which extent the mechanisms of permeability represented by the Vocational Baccalaureate and the *Lehre mit Matura* can “turn the tide,” because they remain difficult to accomplish for most youths who opt for an apprenticeship today (given that “high performers” usually opt for other pathways, such as VET colleges) (Interview A8). These institutional innovations and the gradual introduction of general subjects have moved the apprenticeship system closer to the school sector (Mayer et al., 2000: 12). However, increased permeability has not yet diminished the “vocational principle” and its cultural significance.

### MODULARIZATION OF APPRENTICESHIP

The basic occupational structure of apprenticeship, set up by the Trade Law, has been a source of contestation between employers’ and employees’ organizations for decades due to many occupations being considered by the employees’ side as too specialized, which meant the apprenticeships in them offered little preparation for future employment. The developing new modular structure provides for a broader basic training at the beginning and more specialized training at the later stages of an apprenticeship—without changing the overall shape of a “complete qualification.” This structure, which is beginning to be implemented, might also improve the attractiveness of apprenticeship by providing broader qualifications, future opportunities to accumulate more specialist modules, and thus more complex qualifications (see Archan, 2006). However, in 2010, the two structures operate in parallel, as the

basic structure of occupations is still in place and a change toward modules is “only” recommended. More importantly, modularization aims to increase the attractiveness of apprenticeship vis-à-vis school-based VET, a reform which does not break with the traditional organizing principle of dual VET and whose implementation builds on a consensus among the social partners (see Euler and Severing, 2006: 117–20; Trampusch, 2009: 282–3).<sup>15</sup>

Among the important factors in the above-delineated institutional changes is Europeanization, which can be seen to have weakened social partnership in connection with the loss of national autonomy in both general economic policy and monetary policy (Mayer et al., 2000: 24, but see Pelinka, 1996: 36).<sup>16</sup> At the same time, the influence of government, relative to that of the social partners, has increased because of EU accession (Tálos, 2005: 197); that is, state and parliamentary politics take away some decisions from the social partners, in part because of the gradually increasing electoral competition in the domestic arena (Afonso and Mach, forthcoming: 18; Kittel and Tálos, 1999). In contrast, Katzenstein (2003) argues that Europeanization “serves” small European states as a functional equivalent to the exogenous influences of the 1930s and 1940s (*ibid.*: 21). Thus, Europeanization activates “deeply seated institutional memories and practices” (*ibid.*: 24) such that “increasing Europeanization strengthens corporatist tendencies in the small European states” (*ibid.*: 25). Moreover, even if social partnership in Austria is weaker than it was in its heyday, the social partners attribute increasing significance to education policies as being one of their (remaining) instruments of social policy (Pelinka, 1996: 38; Piskaty, 1996: 49). An example for an area in which social partnership works well is the Public Employment Service (Tálos, 2005: 201), which assists individuals and subsidizes training activities in enterprises and training facilities (Mayer et al., 2000: 45).

While facilitating relatively gradual change, the social partners continue to play a pivotal role in reforming an educational system that is, through their engagement, by and large accepted and acknowledged by the Austrian people (Pelinka, 1996: 37). Negotiations within the Austrian social partnership framework do take time, “but in many cases it may also help to avoid equally lengthy and potentially more onerous reform procedures of trial and error, which tend to characterize purely administrative decisions. And perhaps most important: once agreements have been reached, they tend to be adhered to by all actors” (OECD, 1999: 30f.). This also holds for the Vocational Baccalaureate, the introduction of which was recommended by both the representatives of employers and employees (see Mayer et al., 2000: 55).

In this context, SMEs must be considered within the corporatist arrangement of the Austrian VET system because they form the backbone of the Austrian

economy (e.g., Trampusch, 2010). Small employers are more sensitive about costs than large employers and thus rely on apprentices as part of their actual labor force (Culpepper, 2007). The dominance of small employers in the Austrian economy and the on-the-job character of training they offer help explain why Austria retains a highly specific skill system.<sup>17</sup> When we consider this cleavage between small and large firms, it is not surprising that it tends to be the Federation of Austrian Industries (IV), rather than the Austrian Federal Economic Chamber (WKÖ), that pushes for reforms in Austrian education, such as the implementation of the Europeanization processes and the development of a National Qualifications Framework (Interview A3). The IV represents the larger firms, whereas the WKÖ is dominated by SME. Given that larger firms recruit labor from abroad (Interview A4) and are also more dependent on high-end and state-of-the-art skills (Interview A8), the IV has been, broadly speaking, rather “insurrectionary” in pushing for the innovations described above, but it finally settled for gradual adjustments. Instead, the WKÖ can be characterized as an actor which has, at least until very recently (Interview A1), aimed to preserve the traditional configuration of the Austrian VET system (see Culpepper, 2007; Trampusch, 2009; see Thelen and Busemeyer in this volume for parallels to the German case).

In sum, the modernization of Austria’s VET system exemplifies “the politics of incremental steps” (Euler and Severing, 2006: 121). The policy initiatives for apprenticeship since 1996 indicate a pattern of gradual institutional change that reflects layering. However, in contrast to the previous period, “layering” in very recent decades has been resulting from *intentional* policies that seek to bolster apprenticeship—to avoid further “drift.”

## Conclusion

To explain distinctive historical developments of the VET system in Austria, we have focused on Austrian small-state corporatism and social partnership (see Katzenstein, 1984), which mediates institutional change and reproduction in the skill formation system and in the relationship between apprenticeship and school-based VET as a durably distinctive feature of the Austrian VET system. After tracing the origins of Austria’s “mixed” skill regime—which combines a strong dual system and school-based sectors (Phases I and II)—we analyzed two recent historical periods, namely, the expansion of the VET colleges (Phase III) and the policy initiatives around apprenticeship since the late 1990s (Phase IV). We identified the related patterns of change in Austria’s VET system during the Second Republic as *layering in school-based VET*, *signifying drift for apprenticeship* (Phase III) and, subsequently, *layering within the policy field of apprenticeship to avoid such drift* (Phase IV), which indicates

that layering and drift may be closely connected through the agency of collective actors. In this context, we described both rather “accidental” (Phase III) as well as more “intentional” (Phase IV) processes of gradual institutional change. It is crucial to remember that these processes build on the historical evolution of two strong sectors—apprenticeship and school-based VET. Since 1945, we find a continuous “puzzling together” of different organizational forms and fields in skill formation. Because these had previously evolved in relative separation, their enhanced complementarity has required the lengthy process of adjustment presented above.

The institutionalization process diversifying VET in Austria reflects the combined effects of a variety of endogenous and exogenous factors, including the nationalization of industries and their later privatization, the shift toward the service-based and “knowledge” economy in the context of globalized markets, the political responses to changes in educational choices of individuals seeking to optimize their career chances, and, last but not least, the influence of the European context. The latter point refers not only to shifts in the VET policy capacities of the social partners since Austria’s accession to the EU in the 1990s but also to the facilitating role Europeanization had with regard to the establishment of the universities of applied sciences (see also Powell and Trampusch in this volume).

Despite the coexistence of two political logics—partisan politics and federalism in school trajectories and corporatist policymaking in the field of apprenticeship—we observe continued complementarity between apprenticeship training and school-based VET. For example, they still serve distinct groups of compulsory school graduates as well as different types of employers, which also reflects the cleavage between SMEs and large firms. But we also find increased competition between these two sectors of the VET system, especially as the VET colleges offer the more attractive pathway by providing general access to higher education. Indeed, we argue that the competitive side of the relationship between apprenticeship and school-based VET has *reduced* dual training’s status as the most central or characteristic element within the Austrian skill regime. This also implies that apprenticeship training should not be regarded as an element necessarily more central to the Austrian political economy model than full-time school-based VET. However, the challenges faced by apprenticeship since the 1990s have led to a coordinated response by the social partners. During this time, the Federation of Austrian Industries has become increasingly influential in its “insurrectionary” role, while the state has amplified its influence in the VET system relative to that of the social partners and corporatism more generally. Nevertheless, the social partners have strategically bolstered their involvement in VET as a means to maintain some influence in social policy.

Although we have discussed Vocational Baccalaureate, *Lehre mit Matura*, workshop-based apprenticeship training, and modularization as attempts to address contemporary challenges, it remains to be seen what intended—and unintended—consequences these reforms will have on Austria’s VET system. Yet, we argue that their creation alone must be considered significant. These “innovations” may be largely interpreted as layers grafted onto the dual training system. While this “layering” seems to help maintain the dual training system, apprenticeship still struggles to “perform” in times of rapid socioeconomic changes, which seem to favor Austria’s school-based VET, especially VET colleges. While the VET policy reforms of the late 1990s may primarily be regarded as a short-term rescue effort to address the “temporary” shortage of apprenticeship opportunities in the dual system, these reforms are no longer short term, as they continue to shape the reform of Austrian skill formation. The resulting contemporary dynamics exhibit further incremental adjustments in the relationship between apprenticeship training and school-based VET with complex patterns of layering and drift representing gradual institutional change.

### Endnotes

1. A prerequisite for starting an apprenticeship is the completion of nine years of compulsory schooling. Hence, after the eight years of lower secondary education, a proportion of those who want to enter an apprenticeship complete their ninth year in the prevocational school (one year, typical age 14–15), designed to prepare students for apprenticeship training in a specialization of their choice. Alternatively, the final year of compulsory schooling can be completed in an upper secondary VET school or college.
2. VET schools have increasingly provided options for immigrant youth that are unavailable in apprenticeship programs; subsequently, the achievement levels of such schools have become more diverse and their prestige has declined (Lassnigg and Vogtenhuber, 2009: indicator B4; see also Neureiter, 2009).
3. All interviews were carried out in Vienna by Lukas Graf with stakeholders in or experts on the Austrian VET system. Interview A1: 15 March 2010; A2: 16 March 2010; A3: 22 March 2010; A4: 24 March 2010; A5: 25 March 2010; A6: 29 March 2010; A7: 30 March 2010; A8: 1 April 2010.
4. The IV represents most of Austria’s large industrial enterprises as well as service enterprises and a number of small and medium enterprises (SME); membership is voluntary.
5. The process of establishing the legal framework for part-time schools for apprentices in the first decades of the twentieth century was complicated; it began with regional initiatives and involved the joint amendment of laws by regional and federal bodies (see Engelbrecht, 1988).

6. Drift need not necessarily be inadvertent if it results from actors' creative use of institutions, such as when a policy is difficult to change "internally" through legislative politics (Hacker, 2004: 248).
7. The supplementary and at first voluntary provision of part-time schooling for apprentices was originally devised so that the newly established school-based VET institutions and traditional apprenticeships overlapped. However, with the increasing legal regulation of the part-time schools, this overlap was gradually phased out between 1905 and 1925, as separate schools and frameworks were built.
8. Moreover, a change of the school law had been made necessary because of legal uncertainties concerning the role and status of the supervisory school authorities (Engelbrecht, 1988: 474).
9. Upgrading here refers to "high-end" apprenticeship programs that are "reserved" mostly for people with a university entrance certificate and that usually offer training in occupations more tightly linked to the service and knowledge economy. However, apprentices in such programs in Germany (e.g., bank clerks, IT specialists) also tend to be older than Austrian apprentices.
10. Further reforms include integrative initial VET (*integrative Berufsausbildung*) (Tritscher-Archan, 2009: 33–4) or double apprenticeship training (*Doppellehre*) (Ebner, 2009: 4).
11. See Graf (2009, 2010) for an application of the varieties of capitalism approach to higher education in coordinated market economies in the context of exogenous pressures due to internationalization.
12. Similar programs were already tested in "lighter" versions from the late 1990s onwards through the above-mentioned *Jugendausbildungssicherungsgesetz*.
13. Historically, several alternative ways to access institutes of higher education exist for those who have not earned the *Matura* from academic secondary education or VET colleges (e.g., the university entrance qualification examination, *Studienberechtigungsprüfung*). However, the introduction of the Vocational Baccalaureate has institutionalized this possibility more deeply and broadly (Interview A8), offering formalized training and providing *general* access to higher education.
14. In Germany, Baethge (2006) speaks of an *educational schism* between vocational training and academic education (see Powell and Solga, 2010 on the impact of contemporary European policies on this institutional divide).
15. The ÖGB also has welcomed modularization, given that it could successfully negotiate its related demands; for example, modularization will not lead to a differentiation between training programs in terms of length (ÖGB, 2007: 39).
16. We note that the IV has gained influence as an active player within the European social dialogue, while the WKÖ and the AK are excluded from this dialogue as the main European interest organizations reject statutory membership organizations (Falkner, 1999: 229).
17. By contrast, Switzerland has shifted toward a more generalist skill system because it is dominated by large employers (Culpepper, 2007).



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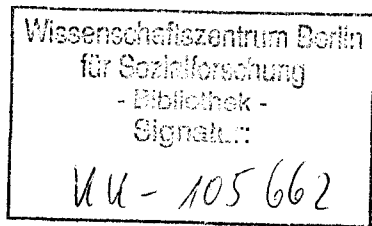
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Edited by  
Marius R. Busemeyer and Christine Trampusch



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