

Name of the instrument in English	Basic subsidisation
Country	 Austria
Type of instrument	Grants for companies

Level of operation	National
Part of the country where the instrument applies	nap
Sector(s) in which the instrument applies	nap
Legal basis	Berufsausbildungsgesetz (BAG) (Vocational Training Act): paragraph 9c; Land - und Forstwirtschaftlichen Berufsausbildungsgesetz (Vocational Training Act on Agriculture and Forestry): paragraph 2; Richtlinie zur Förderung der betrieblichen Ausbildung von Lehrlingen gemäß § 19 c BAG (Directive of the Federal Ministry of Science, Research and Economy on Subsidies towards training of apprentices according to BAG par. 19c)
Objective(s) and target(s)	To fund apprenticeship places in companies in general, support apprentices with learning difficulties, apprenticeships abroad and trainers training.
Year of introduction	2008
Year of termination	No foreseen end to the instrument (ongoing)
Governance (management, operation, monitoring and evaluation)	Austrian Economic Chambers (Wirtschaftskammer Österreich, WKO) are responsible for management and day to day operation of the instrument. IBW Austria - Research and Development in VET is responsible for monitoring and evaluation. The Federal Ministry of Science, Research and Economy is also involved in the management. All trade unions are involved when it comes to major changes of the instrument.
Eligible group(s)	The instrument is targeted at companies which are entitled to train apprentices according to the Vocational Training Act (BAG) or the Agriculture and Forestry Vocational Training Act (LFBAG). Local authorities, political parties and training institutions are not entitled.
Education and training eligible	The instrument only supports apprenticeships. It applies to ISCED 3B level.
Source of financing and collection mechanism	State

Financing formula and allocation mechanisms	<p>In the 1st year of apprenticeship, employer receives subsidy equal to 3 monthly apprentice wages; in the 2nd year - 2 monthly apprentice wages and in the 3rd and 4th years - 1 monthly apprentice wage. In total, employer receives around 15% of the apprentice overall remuneration.</p> <p>The maximum amount that a company may receive is EUR 2,100 per apprentice.</p> <p>Funds are disbursed to all eligible applicants on the basis of legal entitlement.</p>
Eligible costs	<p>The instrument is not linked explicitly to any specific types of costs. It is calculated, though, on the basis of the wages (see 'financing formula'). Thus, it may be assumed that it subsidises wages indirectly.</p>
Volumes of funding	<p>Total public funding amounted to EUR 130,900,000 in 2015.</p> <p>No EU funding involved.</p>
Beneficiaries/take up	<p>Funding through the instrument was made available for 108,168 apprentices in 2014 ('funding cases'). No exact figure exists on the number of companies corresponding to these apprentices. The number of funding cases has constantly been rising during the years: 2009: 34,262; 2010: 66,102; 2011: 96,019; 2012: 102,125; 2013: 116,099; 2014: 108,168. This is explained by a growing number of eligible apprenticeship agreements as only the ones founded after 2008 are eligible.</p> <p>29,256 companies were eligible in 2016 (without supra-company apprenticeships).</p> <p>No data are available on companies withdrawals.</p> <p>However, cases of withdrawal are considered by national experts as exceptional (e.g. due to bankruptcy).</p>
Monitoring/evaluation reports available	<p>Different monitoring studies are produced by IBW, such as the annual report on the situation of youth employment and apprenticeship education in Austria (see sources). An evaluation report was produced by IBW and +F131 OIFB in 2016 (see sources).</p>
Monitoring/evaluation results	<p>The 2016 evaluation (see source) analyses the whole range of funding schemes regulated by paragraph 19c of the Vocational Training Act. They are seen as a holistic funding system. Although the evaluation shows overall positive results, some aspects could be improved. In relation to the 'basic subsidisation', the evaluation shows that the instrument promotes considerable incentives to push the employers' cost-benefit ratio for the training period to an average of zero (it is above zero if you also consider the time after training). While the conjunction of apprentices' wages and 'basic subsidisation' is generally assessed as good, the decline of funding by every training year contradicts the rising employers' costs by every training year (wages of apprentices increase with each consecutive year of training).</p>
Sources	<p>Berufsausbildungsgesetz (BAG) (Vocational Training Act): paragraph 9c; Land - und Forstwirtschaftlichen Berufsausbildungsgesetz (Vocational Training Act on Agriculture and Forestry): paragraph 2; Richtlinie zur</p>

Förderung der betrieblichen Ausbildung von Lehrlingen gemäß § 19 c BAG (Directive of the Federal Ministry of Science, Research and Economy on Subsidies towards training of apprentices according to BAG par. 19c)

Austrian Economic Chambers (Wirtschaftskammer Österreich, WKO), <https://www.wko.at/service/Austrian-Economic-Chambers.html>

IBW Austria - Research & Development in VET (Institut für Bildungsforschung der Wirtschaft (IBW)), <http://www.ibw.at/en>

IBW, ÖIBF (2016): Hintergrundanalyse zur Wirksamkeit der betrieblichen Lehrstellenförderung (gemäß §19c BAG). Vienna.

Online:

http://www.ibw.at/components/com_redshop/assets/document/product/146183...

Different studies by IBW (Institut für Bildungsforschung der Wirtschaft), e.g. annual 'Bericht zur Situation der Jugendbeschäftigung und Lehrlingsausbildung in Österreich' (Report on the situation of youth employment and apprenticeship education in Austria):

<http://www.ibw.at/de/ibw-studien>

Related apprenticeship schemes

Dual apprenticeship

 AUSTRIA

Source URL: <https://www.cedefop.europa.eu/tools/financing-apprenticeships/financing-instruments/basic-subsidisation>