

# **European Construction Sector Observatory**

Policy fact sheet

Austria Fit for Construction / Talents for Austria Thematic Objective 2

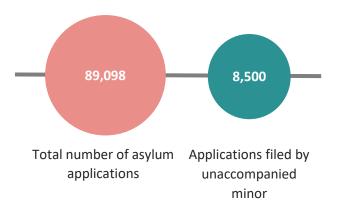
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## In a nutshell

Implementing body	Landesinnung Bau Steiermark (Federal Economic Chamber); BauAkademie; Talenteentwicklung Missethon GmbH (Talent Development Missethon GmbH
Key features & objectives	Initiative to help unaccompanied minor refugees (UMRs) to complete an apprenticeship in the construction industry. Participating UMRs are provided with a 12-18 month training package, including basic and cultural education and job-specific coaching to enable them to succeed as an apprentice in a local construction company and successfully integrate into Austrian society.
Implementation date	2015 ('Talents for Austria' launched) 2016-2018 ('Fit for Construction')
Targeted beneficiaries	Unaccompanied minor refugees (UMRs); local construction companies
Targeted sub- sectors	2,045,125 ('Talents for Austria' annual budget) 1,094,250 ('Fit for Construction' annual budget)
Budget (EUR)	446,731
Good practice	$\star \star \star \star \star$
Transferability	$\star \star \star \star \div \div$

Since the escalation of the refugee crisis in 2015, Austria has seen a sharp increase in asylum applications. A record 89,098 asylum applications were received in 2015, of which 8,500 were filed by unaccompanied minor refugees who were often found to be staying in inappropriate accommodation<sup>1</sup>. At the same time, the country is facing an increasing shortage of skilled workers in various occupational sectors, one of which is the construction sector.

Number of asylum applications in 2015



The integration of young refugees into the Austrian labour market is centralised under the control of the Austrian Employment Agency – 'Arbeitsmarktservice' (AMS).

Based on the experience of the AMS in the region of Steiermark, approximately 40% of migrant apprentices drop out before the end of their apprenticeship. Language and cultural assimilation difficulties are the main barriers that hosting construction companies report<sup>2</sup>.

'Talents for Austria' ('Talente für Österreich') was launched in 2015 as a regional initiative to help to address the integration challenge facing unaccompanied minor refugees (UMRs). The initiative is designed to provide accommodation, primary care, education, job training and job placements for UMRs. Talents for Austria is based on a holistic pedagogical concept that focuses on linguistic competence, knowledge of customs, lifestyles and culture, as well as specific job training. Its purpose is to prepare UMRs for vocational education, training, apprenticeships, and ultimately work, at the same time as helping businesses to fill apprenticeship vacancies.

Talents for Austria utilises a 'boarding school' approach that centralises all related services under one roof. 'Fit for Construction' (Fit für den Bau) is the construction sector component of the Talents for Austria initiative. It is a pilot project that was launched in 2016 to enable UMRs to access construction sector apprenticeships, with a view to gaining full-time employment (FTE) in the sector.

Fit for Construction is being implemented in Niklasdorf and is providing accommodation for young migrants on the former site of the construction company, Hinteregger.

The Fit for Construction project was largely welcomed by local construction companies, the local population and the refugees themselves.

The project successfully prepared and mediated the placement of 12 refugees in apprenticeships at local construction companies. The work enabled the government to make savings on social benefits, it enabled construction companies to fill apprenticeship vacancies and it has made a contribution to UMR integration into Austria's social and economic system. The project has received significant international attention in the media and was awarded by the UN and by EU Institutions as a best practice approach to integrating refugees into the labour market.

Despite the success of the project however, legal changes introduced by the incoming government and decreasing numbers of refugees arriving in Austria led to the closure of the refugee school in Niklasdorf in 2018.

The broad success of the project led to the establishment of two further topic-specific training sites that are still in operation. One is focused on gastronomy and the other is focused on local and regional small and medium-sized enterprises.

# 1. General description

The Talents for Austria<sup>3</sup> initiative was based on a holistic pedagogical approach that combined five primary elements, as shown in Table 1. Firstly, participants were provided with full-time accommodation (24/7) that resembles boarding school accommodation. The participants were provided with tutoring and regular access to recreational activities. They had to complete two principal education blocks during weekdays: the basic education block and a vocational education block in preparation for their apprenticeship.

The basic education block consisted of four lessons per day covering German language, English, mathematics, social studies and science, Austrian culture and values. At the end of the programme, participants received an official and internationally recognised German language certificate (level A2 or B1). In addition, participants also received two lessons per day on specific vocational construction subjects to help them prepare for their apprenticeship.

With the support of an extensive network of local construction companies, Talents for Austria selected participants for apprenticeships.

During their apprenticeships, the apprentices received support from an integration coach to ease their transition from classroom tuition into practical implementation. Apprentices and employers were also both given access to additional external support throughout the apprenticeship period. Support included expert advice and assistance with all steps of the recruitment process and beyond the start of work, should questions or uncertainties arise, as well as further job searches and career development. Table 1: Talent for Austria approach to UMR integration

7 days a week tutoring and recreational activities
5 days a week,
4 lessons per day
For an apprenticeship in shortage occupations, 2 lessons per day
Integration coach
For employer and employees

Source: Talents for Austria presentation<sup>4</sup>

Targeting UMRs between the ages of 15-25, Fit for Construction carried out an apprenticeship selection process in the autumn of 2016. 42 interested UMRs that were being accommodated in facilities all over Austria were invited to the Construction Academy Übelbach. Originally, a number of around 30 participants was envisaged, since the facilities provided optimal conditions for such a number. As a result of the selection process, 35 candidates were invited to take part in the programme.

The Fit for Construction team was largely composed of teachers and social workers. The German classes were given by qualified language teachers. Construction-related vocational training was provided by vocational education experts.

The project was financed by the regional government of Steiermark and the construction section of the Economic Chamber in Steiermark. As shown in Table 2, the Fit for Construction project received almost EUR 1.1 million in annual funding. The largest portion (81.7%) of that funding was

dedicated to providing the migrants with primary care, including accommodation, food, clothing, etc. The remaining portion (18.3%) was allocated as school funding, because the programme has been officially recognised as a provider of basic and professional education. Additional project funding was also provided by Talents for Austria. Table 2: Annual budget of Fit for Construction (EUR)

Total financing	1,094,250
Primary care	894,250
School funding	200,000

*Source: Expect more project<sup>5</sup>* 

The project has also received private sector funding from supporting construction companies in the form of sponsorships. In return for financial contributions in line with company size, the logos of sponsors are added to the project website<sup>6</sup>.

### 2.

# Achieved or expected results

In times of large migratory movements and a growing shortage of apprentices and skilled workers in many European countries, Talents for Austria provided a workable solution that is beneficial to young migrants, local construction companies and the government. It provided young migrants with the education, skills and support they need to gain employment and successfully integrate themselves into Austrian society. It helped construction companies to fill their apprenticeship vacancies while addressing the skills shortage in the construction sector. It also helped the government to make significant cost savings, by enabling asylum seekers to contribute to the Austrian social security system instead of being recipients of social welfare benefits.

Twelve UMRs participated in the Fit for Construction programme and all have successfully started as apprentices in local construction companies.

Delays in the asylum process resulted in lower than expected participants taking part. On average, roughly one third of persons entitled to asylum find a job after 5 years. At the same time, average expenses of EUR 10,000 per year considered to be a needs-based minimum income. Together with aforementioned success rate of one third, this could mean that savings of EUR 80,000 are achieved every year<sup>7</sup>.

Beyond the employment of its apprentices, Talents for Austria draw on additional impact as a result of its communication outputs, as well as attention from traditional media. As shown in Table 3, the achieved communication outputs included the project website<sup>8</sup>, 370 newsletter subscribers and considerable social media presence including 1,200 Facebook followers. 32 articles in 2017 have also given the project very good coverage in the press. The project had been promoted actively through direct interaction with companies and public organisations.

The project had built a network of 120 local enterprises that are potential hosting companies for apprentices as well as a network of 'buddies' to engage in leisure activities with the young migrants.

Leading members of the Talents for Austria team have also participated on expert panels, together with experts from the UN and representatives from EU Member States.

Table 3 summarises the main impacts achieved by Talents for Austria.

State-of-the-art web presence and social media outputs	Website
	1,200 Facebook followers
	370 newsletter subscriptions
Impact in traditional press	32 articles published in 2017 in local, regional and national media
Open house policy' encouraging visits from locals, public officials, business owners and press	Average of 1 visit per week
Network of local enterprises for apprenticeships	20 local 'buddies'
Participation in expert panels	UN; Governments of Serbia, Bulgaria, Turkey, France, Steiermark Region

#### Table 3: Impact of Talents for Austria

Awards	2018 UN Public Service Award
	Finalist 2017 European Public Sector Award & official EU Best Practice
	Only Austrian finalist of the 2017 PWC Social Impact Lab for social enterprises
	2018 Alpine Pluralism Award
	2018 Josef Krainer Heimatpreis
Language courses and certifications	13 language courses for adult refugees with 150 attendees in 2017
	Close to 200 language certifications (A1, A2, B1, B2)

#### Source: Talents for Austria Factsheet<sup>9</sup>

In addition to wide-spread press coverage, the project has received multiple awards. It was a finalist at the 2017 European Public Sector Awards making it an official EU Best Practice (150 submissions from 30 EU countries and agencies). It was also a finalist for the 2017 PWC Social Impact Lab for social enterprises, in a finale of 10 projects (140 submissions from the Netherlands, Germany and Austria). In 2018, the project received the UN Public Service Award as one of 437 public administrations in 78 countries. Starting in 2003, the UN award is presented annually to public administrations that have made an innovative contribution to accomplishing the United Nations' goals for sustainable development<sup>10</sup>. The project was also awarded the 2018 Alpine Pluralism Award, which highlights activities in the field of integration in the European Alpine Space (France, Italy, Germany, Slovenia, Switzerland and Austria) to increase public awareness and inspire others to take similar action. Most recently, Talent Development Missethon was awarded the 2018 Josef Krainer Heimatpreis ('Homeland Award'), in

recognition of its achievements for the region of Steiermark.

A key issue that has had an important impact on the implementation of the project is the legal framework for asylum seekers in Austria.

Until recently, asylum seekers were able to obtain a 3-year residence permit while their specific asylum request was considered. A law introduced in 2012<sup>11</sup> enabled them to work in shortage occupations; however, asylum seekers in apprenticeships had no assurance that their application for asylum would be successful. Although the uncertainty of the residence permit process for UMRs placed a burden on the project, the UMRs were spending their time actively while waiting for the results of their asylum request<sup>12</sup>.

More recently however, the government policy has created a new legal framework for asylum seekers. Fearing a 'pull effect', the new national government decided to no longer give asylum seekers job opportunities before their asylum requests are confirmed. This new policy imposed a major limitation on the programme, as from now on only successful asylum seekers are entitled to participate. First of all, the government's decision had a positive impact, since it creates clarity for all involved about the asylum procedure in relation to work, this in turn creates clarity and certainty for the government, authorities, employers and The decision supports the asylum seekers. objective of avoiding a 'pull effect'. On the other hand, the decision has had an impact on businesses, the state and on the integration of asylum seekers. Companies that already find it difficult to fill apprenticeships are now having an even harder time. More state funding is required to look after asylum seekers, and asylum seekers must endure a longer period of time 'out of work', which makes integration even harder.

Due to the declining numbers of refugees and the recent change in government policy, the refugee school in Niklasdorf, which was specifically focused on the construction industry, had to close in the summer of 2018.

## 3.

# Perspectives and lessons learned

### From an industry perspective, the project created a win-win situation.

Instead of refugees being a financial burden on the government, they can contribute to the social security system and better integrate into society. The construction industry further emphasises the human resource value of the project as it provides well-educated specialists that are urgently needed at a time when there is a shortage of workers in the sector. The industry also recognises the personal benefits that the project affords to refugees – providing them with job opportunities that contribute to society and an income to live on<sup>13</sup>.

From an implementation perspective, the Managing Director of Talents for Austria views apprenticeships as an ideal vehicle through which to integrate young refugees into Austrian society.

Firstly, they helped to address the shortage of apprentices in rural areas of Austria and they help to save costs. Secondly, and of equal importance, they also provided young migrants with a daily structure and an important perspective on Austrian society and values. The aim was to motivate and aid integration<sup>14</sup>.

On the success factors of the initiative, Talent Development Missethon GmbH highlighted the strong and personal relationships between apprentices and companies that have been forged during the project. The 5-step process developed by the project has also played an important role, for example, the close cooperation with various stakeholders such as businesses, communities, etc. Overall, the organisation operated an open and transparent communication policy with high interest in sharing content and experiences. Last but not least, the project team shared the common vision to maximise the preparation of apprentices and optimised their placement as apprentices in companies<sup>15</sup>.

In terms of challenges, some parts of the local population were critical of the project in the preparation phase. Prior to the establishment of the 'boarding school', town hall meetings were held by the municipality to inform residents about the project and address their questions and concerns. New ideas put forward by residents at these meetings were integrated in the general project concept as a result (e.g. the definition of common ground rules for living together at the place of residence). An additional challenge was the time delay experienced when piloting the programme because of unforeseen difficulties in recognising the construction sector as a shortage occupation sector. Although the pilot project had mobilised a strong interest group, the failure to achieve a timely recognition of the specific job profiles produced delays between 6 to 12 months, which therefore prevented trained participants from starting their apprenticeships<sup>16</sup>.

From the perspective of the UN Public Service Award, the project made an important contribution to the empowerment of young refugees.

According to the organisation, the apprenticeship preparation process implemented by the project enabled migrants to better integrate linguistically, culturally and professionally in Austrian society<sup>17</sup>.

From a municipality perspective, the project was an exemplary integration project.

The municipality emphasised the importance of helping young migrants/refugees to integrate and become a valuable part of the local community, with all rights and obligations, and enrich the community<sup>18</sup>.

#### 4.

## **Conclusions and recommendations**

In the context of the large numbers of refugees arriving in Austria in 2015 and the administrative burden of processing asylum requests, the Fit for Construction project has provided an innovative solution with social and economic advantages for different stakeholders, such as asylum seekers, construction companies and government (reduced expenses). Given the topical nature of the debate around increasing numbers of refugees in Europe and an open communication attitude, the project has from the very start received a lot of attention and praise from the media. This fact has been consolidated by the multiple awards the project has received.

Overall, the Fit for Construction / Talents for Austria programmes should be considered to be very good practice measures. On a scale of 1 (low) to 5 (high) stars, these programmes are rated at 5 stars.

There are a number of reasons to support this scoring, of which two are particularly important. The first is the relative scarcity of targeted designed measures to channel asylum seekers/UMRs into construction sector apprenticeships and help them to integrate into society. The second is that this Austrian measure has adopted a holistic approach to apprenticeships for refugees/UMRs which addresses the support needs of both apprentices and employers throughout the entire apprenticeship process from preparation to recruitment, apprenticeship, career development and beyond.

Fit for Construction serves as an example of how to develop a vocational education model and programme that combines apprenticeships in construction companies with professional schooling over a period of 3 years. It therefore provides an interesting case-study for other countries that are interested in developing their own model. The model and programme could potentially be transferable to any EU country that is facing a skills shortage in their domestic sector and that has a migrant population that would benefit from work opportunities and better integration.

Countries that have a legal framework in place that enables asylum seekers (and migrants in general) to work in shortage occupations would probably be best placed to implement this type of measure.

The key is to allow for sufficient investment to provide professional schooling for participants. It is also advisable to ensure that construction job profiles are officially recognised as shortage occupations. Had the Fit for Construction project anticipated the difficulties that would occur with this recognition process, the delay of 6-12 months experienced by the participants could have been avoided. Given the importance of ensuring that these preconditions are in place, the ease with which this policy measure may be transferable is rated at 3 stars, on a scale of 1 (low) to 5 (high) stars.

Interestingly, the Fit for Construction project leader believes that this type of measure is more suited to environments outside of cities (smaller towns and rural locations) than within cities, although the measure has not yet attempted to set up a school in an Austrian city. He argues that there tend to be fewer shortage occupations in cities, and that outside of cities it is easier to connect with the local population and build an inclusive, holistic and sustainable initiative. One could also argue that the relatively small-scale nature of this pilot project lent itself well to a smaller environment. The only obvious barrier that might preclude this type of measure being implemented at scale in any environment would be a resource issue, because the holistic nature of the project implies a considerable investment in each participant. However, providing that careful consideration and effort is afforded to ensure that a similar project sufficient industry support has and is commensurate with the target environment, the

occupational needs within that environment, and the level of investment available/required, there is

no reason why it could not be implemented elsewhere and at scale.

## Endnotes

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- 2 Interview with Dr. Missethon, Director of Talent Development Missethon GmbH.
- 3 Talents for Austria Initiative: http://talente-entwicklung.com
- 4 Presentation by Missethon & Abl (2016): Talents for Austria Boarding School and job training preparation for young refugees.
- 5 Expect more project: http://www.expect-more-project.eu/download/EXPECT%20MORE\_AT\_good%20practices.pdf
   6 Call for sponsorships for Fit for Construction, Talents for Austria:
- https://www.wko.at/branchen/stmk/gewerbe-handwerk/bau/Merkblatt.pdf 7 Talents for Austria, Executive Summary of EPSA 2017 Nominee:
- http://epsa2017.eu/files/EPSA2017018\_FINAL\_Talents\_for\_Austria\_revised.pdf
- 8 http://talente-entwicklung.com/de/schule/
- 9 Talents for Austria Factsheet:
- http://www.alpine-space.eu/projects/pluralps/pluralism-award/austria/talents-for-austria.pdf
- 10
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- 11 Kleine Zeitung, Asylum seekers in teaching should be allowed to complete their apprenticeship, August 2018: <u>https://www.kleinezeitung.at/politik/innenpolitik/5486324/Regierung-konkretisiert\_Asylwerber-in-Lehre-sollen-diese-noch</u>
- 12 Interview with Dr. Missethon, Director of Talent Development Missethon GmbH.
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   UN Award for Refugee Project Talents for Austria, June 2018:

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- 15 Interview with Dr. Missethon, Director of Talent Development Missethon Gmbh.
- 16 Ibid.
- 17
   UN Award for Refugee Project Talents for Austria, June 2018:

   https://www.meinbezirk.at/leoben/lokales/un-auszeichnung- fuer-fluechtlingsprojekt-talente-fuer-oesterreich-d2719016.html
- 18 Talents for Austria, Boarding and vocational schools prepare for unaccompanied minor refugees:

https://www.asyl.at/adincludes/dld.php?datei=112.16.ma,talente fr sterreich.pdf