



OECD/EC/G20 Conference on Quality Apprenticeship
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ILO Presentation
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Quality apprenticeship and the G20 Employment Task Force

- At its October 2012 meeting in Geneva, the ETF agreed a set of *Key Elements of Quality Apprenticeship*.
- These Elements cover ILO concerns about quality of training and fair treatment of apprentices, as employees, at the workplace.
- The B20 and L20 announced their *Joint Understanding on Key Elements of Quality Apprenticeship* in June 2013 to increase youth employment, and emphasized the importance of labour law, social security coverage, and equal opportunities for young women in apprenticeship systems.

ILO's subsequent work to promote implementation of Quality Apprenticeship has focused on:

- 1) filling knowledge gaps on apprenticeship in small enterprises, and
- 2) enabling constituents to develop and expand the availability of quality apprenticeships.

1) Research findings

Since most employment is in **small enterprises**, increasing apprenticeship opportunities to the scale needed to combat youth unemployment requires increasing apprenticeships in smaller businesses. At its October 2012 meeting, the ETF asked what constrains small and medium-sized enterprises (SMEs) from taking on more apprentices.

- An overview report commissioned by the ILO identified SMEs' major constraints as: operations being too limited to provide sufficient scope of apprenticeship training; concern that trained apprentices would be "poached" by other firms, leaving the SMEs with no return on their training investment; and higher relative costs compared to large firms in terms of time devoted to training by experienced workers and to meeting regulations governing training quality and working conditions. The review also identified what is working in some places to encourage SMEs to take on apprentices: pooling training across small firms; contracts that clarify expectations for post-apprenticeship employment; and public-private cost-sharing schemes. Where the constraints are overcome, small enterprises report the value of apprenticeships in terms of a higher-skilled workers and improved productivity. (*Hilary Steedman, "The effectiveness of quality apprenticeships for small and medium-sized enterprises," ILO, 2014 forthcoming*)
- Empirical case studies of a handful of **SMEs in India** compared their costs and benefits of providing apprenticeships and found a positive return for the firms as early as the first year following a completed apprenticeship, and in most cases already accruing within the apprenticeship period itself. The report tested the application of a method for providing empirical evidence of the business case for quality apprenticeship: Returns on Investments. This method can be used by employers' organizations, governments and trade unions to prompt enterprises to investigate the potential benefits of participating in apprenticeship programmes and thus can be an effective advocacy tool. (*Sandra Bothboeck, "Using Cost Benefit calculations to assess returns from apprenticeship investment in India: Selected SME case studies," ILO, 2014 forthcoming*)

Reports forthcoming on the Global Public-Private Knowledge Sharing Platform on Skills for Employment, at www.skillsforemployment.com – a one-stop shop for research, policy briefs, case studies and advocacy materials from the ILO, the OECD, UNESCO, the World Bank, the private sector and academic institutions.

2) Implementation support

ILO member States and social partners are increasingly asking for advice on how to build up apprenticeship systems. Many countries are motivated to improve apprenticeship by the evidence that youth unemployment rates closely mirror adult rates in countries that have strong apprenticeship systems but are typically two to three times higher elsewhere. These countries are looking to the ILO as an objective knowledge broker to help them apply research findings and agreed principles of quality apprenticeship to their own circumstances.

At regional meetings for southern and eastern European countries last December and for Arab States last May, the ILO convened representatives of governments, employers and trade unions to share experience and aspirations. They identified sectors and occupations where new apprenticeship systems could be launched – meeting the criteria of job growth potential, current skill gaps, and thus employers' interest. Prospects included occupations in retail, tourism, computer technology and banking, which could also be attractive to more young people. Taking a sector approach can rally support for concrete actions to build up institutions that connect social partners, schools, and public agencies which are needed to sustain effective apprenticeship systems.

The ILO works with constituents to apply research findings and agreed principles of quality apprenticeship to their circumstances and opportunities. Several countries are looking for financial partnerships to extend advisory support from the ILO, including through the EU's youth guarantee programme, in order to develop demonstration programmes in selected industries as the vanguard for broader apprenticeship systems.

Multinational companies who benefit from apprenticeships at home and need high-skilled workers in their manufacturing operations elsewhere can be drivers of change to expand apprenticeships. The ILO looked into three German automotive and electronics companies in the southern US which had worked with community colleges and local government to develop apprenticeships in mechatronics, a high-technology field combining mechanical and electrical engineering with computer programming. By developing curriculum and teacher training with community colleges and developing cost-sharing arrangements with local government, the new apprenticeship programmes met company needs for skilled workers and raised the perception of apprenticeship as an educational pathway of choice for young people who appreciated "earning while learning" the skills needed in actual jobs. The case studies also documented that there could be opportunity to expand the transformational power of these innovations if promoted to other industries and companies by trade unions, industry and education institutions. (*Monika Airing, "Innovations in quality apprenticeships for high-skilled manufacturing jobs in the US," ILO, forthcoming 2014*)

The ILO supports the tripartite European Apprenticeship Alliance and the Global Apprenticeship Network, established by the International Organization of Employers, as opportunities for knowledge-sharing and advocacy among employers and trade unions.

Take-away messages of the success factors for expanding quality apprenticeship:

- Apprenticeship systems are part of labour market systems and institutions, with apprentices protected by an employment contract and covered by labour law and social protection schemes;
- Building up new apprenticeships in selected sectors strengthens alliances, applies good principles to local circumstances and can have demonstration effects for large and small businesses in other industries, and
- Employers' Associations and Trade Unions are key drivers of change to expand apprenticeship opportunities and to ensure that quality training leads to productive and decent work.

This key ILO message was articulated by Director General Guy Ryder at the launch of the B20 and L20 "Joint Understanding on Key Elements of Quality Apprenticeship," 18 June 2013 in Geneva: "When you look at apprenticeship systems around the world, the most important success factor is practically always social dialogue. Apprenticeships work because they link classroom and workplace training and because they tap the knowledge of both employers and workers on what training is needed and how to deliver it."