

Executive summary

After a period of relative neglect in many countries, apprenticeships and other forms of work-based learning are experiencing a revival, in recognition of their effectiveness in easing school-to-work transition and serving the economy.¹ The challenges, however, of engaging individuals, employers, social partners and education and training systems in such learning are significant. This synthesis report draws out policy messages on how to design and implement high-quality apprenticeships using material from the OECD project Work-based Learning in Vocational Education and Training. It draws on analytical work conducted throughout the project and policy messages set out in six published policy papers. It poses seven questions commonly asked by governments seeking to either introduce or reform apprenticeship systems for young people and/or older workers: 1) can apprenticeships provide a useful contribution in every country? 2) Should employers receive financial incentives for providing apprenticeships? 3) What is the right wage for apprentices? 4) How long should an apprenticeship last? 5) How can a good learning experience at work be ensured? 6) How apprenticeships can be made to work for youth at risk? and 7) How to attract potential apprentices?

Key findings

Analysis of apprenticeship systems around the world shows that central to effective provision is the simple realisation that apprenticeships will only work well if they are attractive to both apprentices and employers. Getting the cost-benefit balance right for both sides is essential for effective policy. While it is tempting for governments to provide financial subsidies to employers to take on apprentices, more productive approaches focus on influencing the balance of interests built into apprenticeship design. One size does not fit all, and the balance should reflect the type of apprenticeship and learner. Apprenticeship duration and apprentice wages should respond to the differing costs and benefits incurred. Attractive apprenticeships provide young people and adult learners with the prospect of long-term skilled employment. However, prospective apprentices often poorly understand what apprenticeships can offer, and it is a challenge for careers guidance services to ensure that young people have ample opportunity to fully understand apprenticeships before key decision points.

Key messages

Can apprenticeships provide a useful contribution in every country?

Interest in apprenticeships is growing across OECD countries. Whereas apprenticeships were once seen as a route for just a small proportion of learners in construction or the trades (such as plumbing or car maintenance), in a number of countries they have also become a route into administrative, managerial or professional employment in the public and third sectors as well as the private sector. The attractiveness of apprenticeship lies in their rare capacity to provide, with confidence, skills that are undoubtedly in demand in

the labour market. At their best, apprenticeships clearly signal labour market relevance because they have been designed with employers and other social partners, and they are primarily delivered in real workplaces with real employers. High-quality apprenticeships offer a form of learning that is relevant across economies and countries. However, in order for them to flourish there must be fair competition between apprenticeships and alternative forms of education and training. No artificial incentives should undermine the relative attractiveness of apprenticeships. Equally, one size does not suit all in apprenticeship provision. It should be expected that the design features of apprenticeships (such as wage and duration) will vary by national and sectoral context to ensure that they are attractive to both employers and prospective apprentices. This variation reflects differences in the cost-benefit balance of the apprenticeship. The secret to rolling out apprenticeships is to get the balance right between the costs and benefits incurred by employers and apprentices. Tools now exist to help policy makers get this balance right.

Should employers receive financial incentives for providing apprenticeships?

The balance between costs and benefits is particularly relevant to discussions over whether employers should receive financial incentives to provide apprenticeships. There is certainly a strong case for public investment in apprenticeships – particularly where they are focused on providing young people with an educational launch pad for their working lives – but governments should be wary of universal tax breaks or subsidies aimed at employers. With the possible exception of well-designed and implemented employer-driven levy systems, governments would be better served by targeting funding at measures to increase how quickly apprentices develop skills and become fully productive. In other words, where there is employer resistance to apprenticeships, governments can intervene to tip the cost-benefit balance more in their favour. Measures such as actions to help improve the quality of in-company training and reducing administrative costs can make a difference and are especially important for smaller employers.

How much should an apprentice be paid?

The greatest cost incurred by employers is apprentice wages, and governments should take care to oversee a labour market that ensures pay is high enough to attract prospective apprentices, but low enough to reflect the fact that a significant proportion of the apprenticeship will be spent in unproductive tasks. This balance will vary between different types of apprenticeship and is best identified by sector or occupation through, for example, collective bargaining. Governments should consider setting a minimum wage to protect individuals from exploitation, and addressing additional financial barriers that might prevent apprenticeships from being attractive to older workers.

How long should an apprenticeship last?

Apprenticeship duration should reflect both the difficulty of skills being learnt and the characteristics of the learner. When the apprentice wage is low (below the marginal productivity of the apprentice), getting duration right is important to ensuring that apprenticeships are attractive: too short and employers lose out on the cost-benefit balance, too long and apprentices will be subject to exploitation. This is why the engagement of social partners is so positive in apprenticeship design: organisations representing employers and workers can argue out the optimal length of the programme of training. Attractive apprenticeships will, moreover, respond to the higher levels of skills and experience that older workers can be expected to bring with them. Countries

have developed approaches to shorten the duration of apprenticeships for these learners. Such tools, when based on robust assessments, serve to build greater equity and efficiency into apprenticeship systems.

How to ensure a good learning experience at work?

On-the-job training is a critical element of any apprenticeship, but it cannot be taken for granted that employers will have the capacity to train well. Governments or social partners can require or encourage apprentice supervisors to undertake training themselves, and help managers to design work practices to maximise apprentice learning within productive tasks. Final apprenticeship examinations should recognise the importance of on-the-job training by going beyond tests for theoretical and technical knowledge and skills; for example, assessments should also address the fuller demands of the associated occupation, such as personal interaction or social skills. Simulations and role-playing exercises with examiners are innovative means of testing the full range of knowledge and skills required by an apprenticeship.

How to make apprenticeships work for youth at risk?

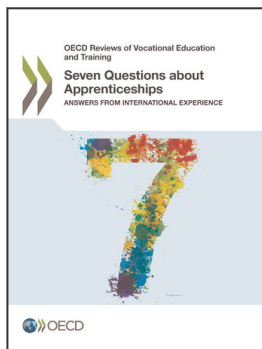
In many countries, apprenticeships are seen as a vehicle for improving outcomes for young people who have struggled to find employment or to continue in education after the completion of compulsory schooling. International evidence suggests that apprenticeship systems can help to make school-to-work transitions easier for such youth. While many countries offer employers subsidies to take on apprentices with weak academic profiles or from disadvantaged backgrounds, there is little convincing evidence of the efficacy of such financial incentives. More effective are interventions designed to increase the speed with which a “youth at risk” apprentice can become a skilled, productive worker, and so cover the costs incurred by employers in their training. These include changes to the standard duration of an apprenticeship, preparatory programmes to help make a young person more attractive to a recruiter, or personalised support to tackle problems encountered by an apprentice whilst undertaking the apprenticeship.

How to attract potential apprentices?

If apprenticeship systems are going to be successful, apprenticeships must be attractive to a wide range of young people. Attractive apprenticeships develop the knowledge and skills that employers demand and offer a genuine gateway to skilled employment. Where the quality of apprenticeships is poor, young people will “vote with their feet” and not participate. However, students and their families often have a weak understanding of what apprenticeships actually have to offer. This is particularly the case where apprenticeships are now available across a wide range of occupations at different skills levels. Career guidance services must ensure that young people make informed decisions at the right time. Evidence from the Programme for International Student Assessment (PISA) database has shown how career aspirations are shaped by gender, socio-economic status and migrant background. These aspirations rarely reflect labour market demand. There is an onus on schools to take a proactive and strategic approach to careers guidance which begins young, broadens ambitions, and ensures that regular encounters with independent and well-trained career guidance professionals are the norm. Essential to effective guidance is giving young people the chance to find out for themselves, through activities such as career talks and job shadowing, what it is like to follow different occupational and learning pathways, including apprenticeships.

Note

¹ Apprenticeships typically involve a structured mix of: 1) time spent at a workplace, during which apprentices develop skills and perform productive work; and 2) off-the-job training and education which is typically overseen by public authorities. In most countries, apprentices spend more than 50% of their time in the workplace. Apprenticeships lead to formal, nationally recognised qualifications.



From:
Seven Questions about Apprenticeships
Answers from International Experience

Access the complete publication at:
<https://doi.org/10.1787/9789264306486-en>

Please cite this chapter as:

OECD (2018), "Executive summary", in *Seven Questions about Apprenticeships: Answers from International Experience*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/9789264306486-2-en>

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