


# Focus on apprenticeships (2016)

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Focus on skills and learning

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## Summary

Apprenticeships can deliver benefits to both employers and individuals. Employers can better meet their skill needs, and individuals are likely to develop better employment prospects.

## Key facts:

- Apprenticeships can deliver benefits to both employers and individuals. Employers can better meet their skill needs, and individuals are likely to develop better employment prospects. Apprenticeships therefore have the potential to improve the extent to which the supply of and demand for skills are matched.
- Apprenticeships have an important role to play in supporting the attainment of ET2020 goals, such as reducing dropouts, and increasing the share of individuals with upper secondary level qualifications.
- Apprenticeships can also support tackling youth unemployment. This is recognised by the European

- Union that has launched the Youth Guarantee <sup>[1]</sup> programme.
- Securing these benefits depends heavily upon the plentiful provision of high quality apprenticeship programmes by engaged employers. This would be the condition for persuading greater numbers of both employers and young people to participate in this mutually beneficial form of vocational education and training. Governance and regulatory systems of such programmes must also be in place to ensure training is of the highest possible standards.
  - Improving the provision of high quality apprenticeships, at upper secondary level and above, has become an EU policy priority. The establishment of the European Alliance for Apprenticeships has played an important role in bringing together governments, [social partners](#), and companies, to increase the volume and quality of apprenticeships across the EU.

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## Apprenticeships: a tool to support youth employability

As a result of the economic crisis, the youth unemployment rate in the EU has increased markedly over recent years. The European Commission has responded to the rise in youth unemployment through its Youth Guarantee, <sup>[2]</sup> Youth Employment Package, and Youth Employment Initiative. <sup>[3]</sup> Central to these packages is the role of apprenticeships. The emphasis placed on apprenticeships reflects the relative effectiveness of this form of vocational education and training (VET) – compared with others – in ensuring that young people make a successful transition into employment. <sup>[4]</sup> The combination of school and work-based learning, which is inherent to all apprenticeship systems, is seen to reap benefits for both the individual apprentice (e.g. skills development and relatively good employment prospects) and the host employer (e.g. the acquisition of skills of direct relevance to the workplace) <sup>[5]</sup>.

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## What is an apprenticeship?

What is meant by an 'apprenticeship' differs across the EU, as do the systems in place to deliver this form of VET. Cedefop defines apprenticeship as follows: *(see below)*

### Definition of Apprenticeship

Systematic, long-term training alternating periods at the workplace and in an educational institution or training centre. The apprentice is contractually linked to the employer and receives remuneration (wage or allowance). The employer assumes responsibility for providing the trainee with training leading to a specific occupation.

Source: Cedefop (2010) *Terminology of European education and training policy: A selection of 100 Key Terms*

In addition, an apprenticeship also has the following characteristics: <sup>[6]</sup>

- following successful completion, learners acquire a qualification and receive an officially recognised certificate;
- apprentices usually have the status of employees.

Therefore, not all activities that combine learning at the workplace and at school constitute an apprenticeship [7].

Data collated by Cedefop show that different forms of work-based learning exist in almost all EU Member States. [8] The most developed apprenticeship systems, with all the key characteristics set out in the above definition, are found in countries which have ‘dual training’ systems such as Germany, Austria and Denmark. Outside of the dual system, apprenticeships vary in their scale and scope. Some countries, such as the Netherlands and France, have a recognised apprenticeship system in place, but it is not the main mode of VET delivery. In other countries, such as Croatia and Ireland, apprenticeships are confined to some sectors and occupations (typically skilled trades and technician occupations). [9]

Further information on apprenticeship training in Member States can be obtained from the country studies produced by Cedefop. [10]

## What benefits do apprenticeships bring?

Apprenticeships are seen as being relatively successful from a number of perspectives. The European Alliance for Apprenticeships has succinctly summarised the benefits which apprenticeships confer on employers, learners, and the state (see Table 1).

**Table 1: The Benefits of Apprenticeships**

WHO BENEFITS FROM APPRENTICESHIPS?		
Employers	Learners	Society
<ul style="list-style-type: none"> <li>• Skills</li> <li>• Mastering skills development</li> <li>• Recruitment</li> <li>• Targeted recruitment with lower costs</li> <li>• Productivity</li> <li>• Apprentices also work and produce</li> <li>• Innovation</li> <li>• Fresh perspectives from apprentices</li> <li>• Reputation</li> <li>• Enhanced standing and recognition</li> </ul>	<ul style="list-style-type: none"> <li>• Skills</li> <li>• Practical skills that employers look for</li> <li>• Work experience</li> <li>• Valuable and practical experience to put on CV</li> <li>• Quicker job</li> <li>• Apprentices find jobs quicker than their peers</li> <li>• Better paid</li> <li>• Apprentices get better paid in their first job</li> <li>• Longer contract</li> <li>• Apprentices stay longer in their first job</li> <li>• High earnings over the lifecycle for those completing an apprenticeship compared with other VET graduates<sup>11</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Skills</li> <li>• Skills in line with labour market needs</li> <li>• Connecting education with work</li> <li>• Worlds of education and work connect and align</li> <li>• Youth employment</li> <li>• Easier access to labour market for young people</li> <li>• Social inclusion</li> <li>• Participation in education, working life and society</li> </ul>

Source: European Alliance for Apprenticeships (2015) *Good for Youth, Good For Business*, p. 17

## Challenges to greater take-up of apprenticeships

Despite the range of benefits associated with apprenticeships, there are obstacles to increasing the numbers of young people and employers participating in this form of VET. It has been noted that many young people – and their families – need to be aware of the occupational and career benefits of undertaking an apprenticeship. In some countries, Cedefop has noted, apprenticeships are seen to lead to occupations often associated with relatively poor working conditions and low wages. [11]

Employers may also fail to see the benefit of participating in apprenticeships. Data from the 2010 European Company Survey indicate that 24% of employers with 10 or more employees had an

apprentice in 2010. <sup>[12]</sup> Sometimes employers are concerned about retaining the apprentice post-training and, rather than risk making a training investment that other employers may benefit from, choose not to make the investment in apprenticeships in the first place. <sup>[13]</sup>

The uptake of apprenticeships amongst small and medium-sized enterprises is particularly low. SMEs can be sensitive to the risks of engaging in this form of training, especially if they are unsure of what will be expected of them in the course of training an apprentice, or whether they will be able to retain the apprentice post-training. <sup>[14]</sup> Given that SMEs form such a large part of the population of employers, their sensitivities to making training investments need to be taken into account by policy makers and key stakeholders. <sup>[15]</sup>

“Financial incentives are not enough, though: what matters above all is a supportive business environment offering practical assistance to SMEs. To create such an environment, a coordinated strategy involving all stakeholders in a sector or a community is paramount. If chambers of commerce, employers’ organisations and trade unions, sectoral federations, VET providers and public employment services cooperate, they can promote an apprenticeship culture. To make this work, it is essential that their respective roles and responsibilities be clearly defined.”

Source: [Cedefop 2015, Briefing note - Making apprenticeships work for small and medium enterprises](#)

It is important to understand the way in which the costs and benefits associated with apprenticeship training are shared between the employer, the apprentice, and the state. A series of research reports have addressed this issue. <sup>[16]</sup> The success of the apprenticeship system in Switzerland is sometimes attributed in part to its capacity to deliver high quality training in such a way that the employer does not face a relatively high net cost at the end of the training period. In this regard, employers are willing to provide apprenticeships because, should the apprentice subsequently choose to take employment elsewhere, there is only limited risk that the host employer will not be able to recoup the cost of training. Other countries have developed different systems to ensure that the employer can appropriate the returns on their investment in apprenticeships post-training. <sup>[17]</sup> For instance, the UK will introduce an apprenticeship levy on employers from 2017 onwards.

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## Promoting high-quality apprenticeships

The European Commission has developed 20 guiding principles, designed to ensure that apprenticeships are effective in delivering positive returns to employers, to apprentices, and to the economy and society as a whole. <sup>[18]</sup> The principles emphasise, amongst other things: the importance of governance; improving the attractiveness of this form of VET to employers and young people; and quality assurance. In many respects, all 20 principles need to be in place to maximise the effectiveness of apprenticeship systems. In addition, the European Alliance for Apprenticeships has been established to play an important role in promoting the benefits of apprenticeships to employers and would-be apprentices. <sup>[19]</sup> The Alliance brings together national governments with other key stakeholders, such as businesses, social partners, chambers, VET providers, regions, youth representatives, and think tanks, with the

common goal of strengthening the quality, supply and perception of apprenticeships in Europe.

If apprenticeships are to be effectively promoted then consideration needs to be given to the way in which apprenticeship systems vary across the EU. To this end [Cedefop has developed an analytical framework](#) that allows key insights into the way in which apprenticeships operate and thereby, potentially, allow systems to learn from one another.

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[2] As the European Commission explains, "The Youth Guarantee is a new approach to tackling youth unemployment which ensures that **all young people under 25 years** – whether registered with employment services or not – get a good quality, concrete offer within 4 months of them leaving formal education or becoming unemployed. The good-quality offer should be for a job, apprenticeship, traineeship, or continued education and be adapted to each individual need and situation." For more details see European Commission, (2016), '[Youth Guarantee](#)' viewed 15 March 2016. [ec.europa.eu/social/main.jsp?catId=1079&langId=en](http://ec.europa.eu/social/main.jsp?catId=1079&langId=en)

[3] European Commission. 2016, [Youth employment](#), viewed 15 April 2016 [ec.europa.eu/social/main.jsp?catId=1036&langId=en](http://ec.europa.eu/social/main.jsp?catId=1036&langId=en)

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[7] For the reader who is interested, [Cedefop](#) has produced a classification of different types of work-based learning. [ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7805](http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7805)

[8] Cedefop 2014, [Developing apprenticeships – Briefing Note](#), viewed 18 April

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[9] Apprenticeships are to be extended across more sectors in Ireland.

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[15] See the proceedings from the Cedefop, 'European conference on engaging SMEs in apprenticeship', 9-10 November 2015 [www.cedefop.europa.eu/en/events-and-projects/events/european-conference-engaging-smes-apprenticeship](http://www.cedefop.europa.eu/en/events-and-projects/events/european-conference-engaging-smes-apprenticeship)

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[17] For further evidence see Cedefop's thematic reports on Apprenticeships. For a more theoretical perspective see Acemoglu, D., & Pischke, J.S., 1999, 'Beyond Becker: Training in imperfect labour markets', *Economic Journal*, No. 108, F112-F142. [www.cedefop.europa.eu/en/news-and-press/news/thematic-focus-apprenticeships-and-work-based-learning-structured-programmes](http://www.cedefop.europa.eu/en/news-and-press/news/thematic-focus-apprenticeships-and-work-based-learning-structured-programmes)

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