Overcoming the work-inexperience gap through quality apprenticeships – the ILO’s contribution

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**Summary:** The ILO works with constituents on improving transitions from school and training to decent work. Apprenticeship systems in the formal and informal economy are important means to smooth transitions and provide quality skills that are of relevance to labour markets. Work on upgrading informal apprenticeship focuses on building on local traditions and practices, improving the quality of training, skills recognition, decent work and the participation of women. Increased international attention to and demand for quality formal apprenticeship has led the ILO to expand its work on apprenticeship with research endeavours and ensuing practical applications in member countries.

**Keywords:** ILO, skills development, formal apprenticeship, informal apprenticeship

**Introduction**

After a period of fading interest in apprenticeship systems internationally, the aggravated global youth employment crisis has brought apprenticeship back to the policy agenda. It is recognized that countries with well-established apprenticeship systems tend to be better at managing school-to-work transitions for youth, and enjoy lower ratios of youth unemployment rate to adult unemployment rate. However, “export” of apprenticeship systems to developing countries has, in many cases, failed and thus doubts about the transferability of successful apprenticeship systems persist in the international skills development community. At the same time, in countries with large informal economies, skills continue to be transmitted by means of informal apprenticeship – in several countries the predecessor of successful formal apprenticeship systems. In other countries, formal and informal apprenticeship systems co-exist, often because formal systems at the time of establishing responded to different economic realities. In other cases, more recently established formal systems still struggle to find ways of incorporating informal apprenticeship in the mainstream system or of building bridges between formal and informal apprenticeship.

Renewed interest in apprenticeship systems was echoed in tripartite discussions at the International Labour Conference in the context of countries with apprenticeships having lower youth unemployment rates. Discussions highlighted

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repeatedly that apprenticeships are effective means of bridging school and the world of work for young people by making it possible for them to acquire work experience along with technical and professional training. The Conclusions on skills for improved productivity, employment growth and development (ILO 2008a) and the Resolution and conclusions on youth employment: A call for action (ILO 2012a) resonate this, calling on the ILO to engage in the promotion of quality apprenticeships, including in developing countries.

In 2010, in response to a G20 request, the ILO developed a Training Strategy for strong, sustained and balanced growth which focuses on the building blocks of effective skills systems. The importance of apprenticeships is highlighted in that strategy.

In May 2012, the G20 Labour and Employment Ministers concluded in Guadalajara that countries should foster

"...sharing of experience in the design and implementation of apprenticeships programmes and explore ways to identify common principles across the G20 countries by facilitating a dialogue among our social partners who have presented us a shared sense of the importance of apprenticeships."

In response to that agreement, the ILO prepared an overview of apprenticeship systems and issues and presented it to the G20 Task Force on Employment (Steedman 2012). The ILO’s experience and the conclusions drawn from this overview are reflected in that Task Force’s position paper on Key elements of quality apprenticeships.

The ILO’s concept of apprenticeship

The ILO defines apprenticeship in its Apprenticeship Recommendation (R60, 1939)

“... the expression apprenticeship means any system by which an employer undertakes by contract to employ a young person and to train him [or her] or have him [or her] trained systematically for a trade for a period the duration of which has been fixed in advance and in the course of which the apprentice is bound to work in the employer’s service” (para.1).

and its Vocational Training Recommendation (R117, 1962), which defines apprenticeship as

“Systematic long-term training for a recognized occupation taking place substantially within an undertaking or under an independent craftsman should be governed by a written contract of apprenticeship and be subject to established standards” (para. X. 46).²

² Recommendation No. 117 of 1962 supersedes Recommendation No. 60 of 1939, and both have been replaced by Recommendation No. 195. Since Rec. 195 (2004) does not include a definition of the expression
Apprenticeship is one of the oldest social institutions, having ensured skills transmission from one generation to the next over centuries, and still does so in many countries with large informal economies. “Modern” apprenticeship has ambitious goals – to enhance general education and to develop technical knowledge and skills to internationally competitive standards. Its implementation in complex modern labour markets requires high levels of trust and cooperative behaviour between public authorities, employers, training providers and young people. The cooperation and trust required can only be achieved by robust social dialogue.

Social dialogue means the negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers on issues of common interest relating to economic and social policy. In apprenticeship, social dialogue needs to be the primary means for selecting apprenticeship trades; designing the governance and financial set-up of the system; determining skills standards, the legal status of apprentices, trainers and apprenticeship firms; negotiating working conditions and labour rights and so forth.

In formal apprenticeship systems, the actors for social dialogue are national or sectoral organizations of workers and employers jointly with governments. Dialogue on upgrading informal apprenticeship is often led by small business associations, sometimes by trade associations and unions, parents or youth associations, non-governmental associations and community groups, and in some cases local or national governments.

Formal apprenticeship depends on a clear governance structure which needs to take account of costs and benefits for employers and at the same time the rights of apprentices and the benefits to them. Governments should play a facilitation role while social partners need to be in the driver’s seat – to a much larger extent than what is commonly the case in many national skills development systems that do not include apprenticeship.

How does apprenticeship benefit ILO constituents?

Employers and their organizations benefit in many ways: Employers have their staff trained according to practical requirements, and apprentices contribute to production while constituting a unique source of recruitment. Apprentices constitute a “pool” of competent labour for companies and for a sector as a whole due to the transferable nature of the skills acquired. This reduces the risk involved in poaching since other companies train to the same skill level and skilled workers are available on the market, in other words the more companies are involved in apprenticeship training, the lower the risk of poaching. In addition, apprenticeship increases the awareness of the importance of learning within a company. Where apprentices are recruited as full-time employees the return from apprenticeship on the firm’s investment is substantial (Steedman 2012).

For young people, apprenticeships open a first job that can lead to career-long productive employment, combines training with earning, opens access to social
protection and coverage under national labour law. While apprenticeships make full use of the often under-appreciated richness of the workplace as a learning environment, they also bear risks for youth. Apprentices in both informal and formal apprenticeships can be subjected to hazardous working conditions, or be exploited as cheap labour while not acquiring the expected skills. Safeguards are needed in both contexts. When apprenticeship is managed by the social partners within a legislative framework democratically determined, benefits to young people are considerable. A number of recent studies confirm that a completed apprenticeship greatly increases a young person’s chance of being employed (Quintini et al. 2007).

Governments also benefit from apprenticeship systems in many ways. If employers train, it means that they share the cost of skills development. Compared to full-time institution-based training, apprenticeships are much more cost-effective, including when governments provide additional financial incentives for employers. Another important advantage of apprenticeship as a means of skills delivery is the superior matching of training to labour market demand that results from apprenticeship training being contingent on the offer of a place from employers. Training supply therefore is closely linked to labour demand, reducing the risk of skills mismatch (Steedman 2012).

The following additional elements are important contributors to a successful system:

- dividing training responsibilities clearly between school and work-based learning sites ensures that the two learning sites mutually support each other;
- providing career guidance to expand young peoples’ awareness of apprenticeships and the kinds of jobs they can lead to and avoid gender stereotyping so that apprenticeships broaden career choices for young women and men;
- incorporating entrepreneurship with technical training inspires young people interested in starting their own business someday to choose apprenticeships and also raises the social status of vocational training;
- considering an appropriate balance between specific and transferable skills, also reinforcing core skills such as problem solving, teamwork, and communication;
- providing a structured system of skills tracking, testing and certification, against competencies defined in advance, in order to improve skills signalling;
- applying sector-based approaches facilitates cooperation between concerned parties because people know each other.

**Apprenticeship in the informal economy**

Informal apprenticeship remains the main provider of skills in many countries with large informal economies. Based on a mostly oral training agreement, a young person acquires the skills of a trade or craft from an experienced crafts-person while working in a micro or small enterprise. This private arrangement is embedded in social norms and traditions of a society and community and thus depends on values, rules and customs, enforced by society, kin-groups or the business community.
What interests the ILO?

Many advantages of formal apprenticeship equally apply to informal apprenticeship, such as the direct market relevance of acquired skills, making use of the workplace as a learning environment, imparting core skills alongside technical skills, and inducting apprentices into the business culture and networks and thus facilitating transitions to the first job. At the same time, weaknesses in the system are more prevalent given the informality of the business, lack of formal rules and of formal enforcement mechanisms. Child labour is a major concern for the ILO, and informal apprenticeship cannot be corrupted into hidden child labour. Other concerns related to possible exploitation of young people include apprenticeship periods that exceed four or five years that trap apprentices in a state of dependency without acquiring additional skills, excessive working hours with little or no right to time off; hazardous working conditions, lack of access of apprentices to social protection in case of illness or occupational injury, and insufficient wages or allowances. The ILO is also concerned about how informal apprenticeships could do a better job of opening a wider range of livelihood opportunities for young women and avoid reinforcing gender stereotypes and occupational segregation.

The ILO has been looking into the practice of informal apprenticeship since the late 1970s. Although interest from the research community persisted, countries and development agencies continued to prioritize the strengthening of formal TVET systems, expecting that informality would decline as countries grew and developed. After the turn of the century, the informal economy moved back into focus in international debate, including at the International Labour Conference in 2002, which addressed decent work deficits in the informal economy and identified practical ways to address them and to move economic activities along the continuum towards formalization. The discussion emphasized that equipping young people and workers with better skills would prepare them for more formal work of higher productivity.

Practices in informal apprenticeship, in particular in well-researched West African countries, were relatively well known, and some project experience on strengthening small business associations operating in the informal economy started to emerge in the 1990s. In some North African countries, policies to fight the informal economy have led to a decline in informal apprenticeship, reducing opportunities of skills acquisition for youth. Against this background, the ILO felt the need to put a stronger focus on understanding the functioning of the system and the underlying informal institutions that on the one hand are critical to sustain the system, but on the other perpetuate bad practices. Also, research on countries in East Africa should expand the knowledge base around informal apprenticeship in the African region.

The objective of more recent ILO research and knowledge-sharing workshops with constituents and experts around this topic has been to identify feasible ways to upgrade the informal apprenticeship system while maintaining its important function of transmitting skills to the young generation on a large scale. The ILO commissioned studies in Democratic Republic of Congo, Egypt, Ghana, Ivory Coast, Malawi, Mali, Sudan, Tanzania, Tunisia, Zambia, Zimbabwe, and organized an experts meeting on upgrading informal apprenticeship in 2007 in Geneva (ILO 2008b).

ILO lessons learned so far?
Informal apprenticeship is very diverse and varies according to the local context. Practices can be similar within one trade, but follow different modalities and customs in another trade in the same locality. It is also affected by demographic pressures, increasing rural-urban migration, and globalization, and thus keeps adapting to changing contexts, while conserving its core function.

Some Western African countries maintain strong traditions of graduation ceremonies which act as an incentive for apprentices to finalize their apprenticeship, since they gain public recognition of their skills. Some business associations promote quality in apprenticeships and offer skills testing after completion. Apprenticeships in East Africa have a tendency to be more flexible, shorter, and address older youth than in West Africa. Forms of informal apprenticeship through clusters of craftspeople also exist.

Young people entering into informal apprenticeship come from very different educational backgrounds, ranging from school drop-outs to graduates of technical institutes. There is a tendency that disadvantaged young women and men, from a migration background, with disabilities, or from minority groups face more difficulty in accessing informal apprenticeship. Gender stereotypes are also typical.

The following table lists some strengths and weaknesses of the system, and the rationale behind them.

<table>
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<th>Table 1: Selected strengths and weaknesses in informal apprenticeship</th>
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<td><strong>Strengths</strong></td>
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<td>Self-regulating training system that provides employable skills to large numbers of youth</td>
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<td>Training is cost-effective</td>
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<td>Informal apprenticeship enables access to skills training for poor youth in urban and rural areas</td>
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<tr>
<td>Apprentices are inducted in a business network and therefore enjoy high levels of employability</td>
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| **Weaknesses**                                                   | **Rationale**                   |
| Lack of access to new skills or technology                      | Traditional skills transmission mechanism perpetuates existing skills. Intervention: Establish links with larger enterprises or formal training institutions and foster cooperation among businesses. Provide skills upgrading courses for master craftspersons and apprentices |
| Perpetuates occupational segregation, restricts opportunities for girls | Traditional gender patterns and beliefs in society. Intervention: Create awareness among businesses to change recruitment practices, empower girls to apply for apprenticeships in traditionally male trades. Encourage women in non-traditional trades to take on apprentices |
Recognition of acquired skills is restricted to the local area or network of the master craftsperson

Local customs limit skills recognition to the master craftsperson’s network.
Intervention: Expand the scope of recognition by introducing credentials by business associations or formal training centres with credibility and wider outreach

Source: Adapted from ILO 2012b.

Interventions to upgrade and improve informal apprenticeship need to build on a thorough understanding of local norms and customs. They intend to make use of the enormous potential of informal apprenticeship as a cost-effective mechanism to improve the skills base in the country, while at the same time acknowledge and address its weaknesses. The ILO has identified eleven areas for improvement, all of which are discussed in a resource guide addressing countries in Africa (ILO 2012b).

Examples of ILO support to constituents to upgrade informal apprenticeship

The ILO raises awareness of policy options to upgrade informal apprenticeship through publications, national events, and capacity building workshops. The ILO also works with constituents in selected countries to pilot and implement measures to improve informal apprenticeship through technical cooperation.

- In Niger, provisions for improving informal apprenticeship have been included in the national TVET policy and small pilot experiences were launched in collaboration with the national crafts association.
- In Bangladesh, training quality of informal apprentices is improved in partnership with a large national NGO.
- In Zimbabwe, local crafts associations are promoting basic training contracts and skills standards.
- In Benin, the ILO supports the national crafts association in establishing skills standards and assists in implementing a national certificate for graduated apprentices.
- In Egypt, off-the-job training is being designed for informal apprentices.
- In Tanzania, the national TVET authority piloted tests for the recognition of prior learning with master craftspersons and apprentices.

The following main messages for upgrading informal apprenticeship guide the ILO’s interventions:

- build on a thorough, local and trade-specific assessment of why and how informal apprenticeship systems work;
- capitalize on existing practices;
- put existing business associations in the driver’s seat and strengthen their capacity;
- involve workers’ organizations, parents’ associations, youth groups and/or other community groups;
- combine different measures and include elements addressing aspects of the decent work deficit, such as hazardous working conditions;
- take a step-by-step approach;
- improve training quality by providing new skills to master craftspersons;
• enhance recognition of acquired skills through credible organizations such as business associations;
• address gender imbalance and make informal apprenticeship more attractive to women by encouraging uptake of apprenticeships in non-traditional trades;
• properly monitor and evaluate progress and outcome;
• create links with the formal training system and the formal labour market in order to provide foundation skills and to improve the recognition of acquired skills and explore ways to share the additional costs of this training;
• improve the reputation and public perception of informal apprenticeship, e.g. by considering it part of the national training system.

Formal apprenticeship back in focus
Formal apprenticeships based on robust social dialogue and public-private partnerships (PPPs) help young people overcome the work-inexperience trap that blocks their transition from education and training to employment.

The ILO has agreed on key areas of interest for formal apprenticeships, has identified main success factors around which formal apprenticeship programmes bridge training to productive and decent work and has identified areas of response in research and through other means.

What interests the ILO?
In the ILO report for the International Labour Conference (ILC) in 2008, apprenticeships were emphasized as an important aspect of skill development systems and in the ILO G20 Training Strategy (ILO 2010) quality and formal apprenticeships were identified as important assets of sectoral approaches which benefit from extensive participation of the social partners.

The renewed awareness of the successful impact of formal apprenticeship systems on youth employment in some countries is leading to important questions about how to foster setting up and developing similarly effective formal apprenticeship systems elsewhere, across the spectrum of low-, middle- and high-income countries. In particular the ILO is interested in promoting a better understanding of:

• the role of social dialogue and the meaningful involvement of employers’ and workers’ associations in apprenticeship design;
• definitions and responsibilities of the participating partners in companies and with training providers;
• financing mechanisms for formal apprenticeship systems, including PPPs;
• appropriate national apprenticeship legislation;
• expanding apprenticeships into non-traditional industries and new occupations;
• vastly increasing the number of apprenticeships available to young people by overcoming barriers to apprenticeship in smaller enterprises.
ILO lessons learnt so far

Reviews of formal apprenticeships (Steedman 2012) and the lessons from countries’ experience reflected in the Key Elements for Quality Apprenticeships (G20 Task Force on Employment 2012), reveal that:

- sector-based approaches in skills development sustain PPPs and assure the quality of formal apprenticeships and the quality of apprentices’ subsequent employment;
- combining classroom and workplace learning enables employers to match training to their needs and allows for relevant training that is innovative, responsive to labour market needs and leads to higher productivity, better working conditions and higher transferability of skills within and across sectors;
- combining training with earnings ("learn as you earn"), access to social protection and respect for labour rights, and higher likelihood of post-training employment makes apprenticeship attractive to young people;
- youth unemployment is more likely to far exceed adult unemployment rates where apprenticeship systems are weak (see figure below);

employment services expand young peoples’ awareness of formal apprenticeships and the kinds of jobs they can lead to and avoid gender stereotyping so that formal apprenticeships can broaden career choices for young women and men;
- incorporating entrepreneurship education with technical training inspires young people interested in starting their own business later to choose

Source: Adapted from Steedman 2012.
apprenticeships and raises the social status of vocational education and training;

- some countries with more formal apprenticeships have enjoyed lower youth unemployment during the current recession (see figure below);

![](image)

Source: Adapted from Steedman 2012.

**Examples of ILO support for promoting formal apprenticeships**

Following the ILC in 2012, the renewed focus on formal apprenticeships has been clearly articulated in the “Resolution and conclusions on youth employment: A Global Call for Action”, calling on the ILO to engage in the promotion of quality and formal apprenticeships, including in developing countries. This emphasis has heightened ILO work on apprenticeship, for example:

- a background paper for the G20 Task Force on Employment in October 2012 on “Apprenticeship Systems and Issues” (Steedman 2012);
- participation in the development of “Key Elements for Quality Apprenticeships” together with the OECD for the G20 Task Force on Employment in October 2012 in Geneva;
- international review and national workshops in India 2012/2013 to reform the Indian apprenticeship system, in close collaboration with World Bank;
- coverage of the design of formal apprenticeship systems in the ILO Skills Academy organized by the ILO’s International Training Centre in Turin, Italy in October 2012;
- coverage of financing formal apprenticeship systems within the Workshop on Financing Skills Development Systems in Turin, Italy in December 2012;
- formulation of formal apprenticeship research on “Quality Apprenticeships” in Denmark, USA and (upcoming) in Australia, India, Indonesia, China and
Colombia which includes a particular focus on apprenticeships in small enterprises;

- launching the development of a tool kit for the design and operation of formal apprenticeship systems.

The way forward

The ILO’s current work on quality apprenticeships can be put into three different areas of work:

1. Business Network on apprenticeship

The ILO is conducting a feasibility study to identify the context and potential priorities for creating a Global Business Network on Apprenticeships for Youth Employment and explore modalities for setting it up and maintaining it. This activity is undertaken in partnership with the International Organization of Employers and the World Economic Forum.

2. Formal apprenticeships

Research is being conducted on successful endeavors to build quality apprenticeships (Denmark, North and South Carolina and Tennessee, USA, Australia) on how better working conditions attract young people into apprenticeship and on the relevance of apprenticeships systems for improved working conditions, productivity and image of vocational education and training in small and medium-sized enterprises (SMEs) (case studies in Indonesia, India, China, Colombia); and on how the lack of involvement of SMEs in quality apprenticeships can be overcome (joint research with OECD on involving SMEs in quality apprenticeships).

Tools:
- Forthcoming: Toolkit for apprenticeship development.

Knowledge sharing/capacity building:
- Regional training workshop on developing formal apprenticeship systems in the MENA region in Amman, Jordan, (May 27-31, 2013).
- Skills Academy 2013 with electives on quality apprenticeships (November 25 – December 6, 2013).

Technical cooperation:
- Policy advice on reforming the Indian apprenticeship system, in collaboration with the World Bank; Global review, 11 country case studies, country consultations, national workshops.
- Establishing a formal apprenticeship system – following a sectoral approach in tourism – in Tanzania, including country consultations and national workshops.
- TVET reform project in Bangladesh, advice on legislation for formal apprenticeships, including the provision of innovative delivery models involving industry centres of excellence.
3. Upgrading informal apprenticeships

In addition to studies conducted on how informal apprenticeship systems function in a particular context and how to upgrade them (since 2007: Mali, Ghana, Tanzania, Malawi, Egypt, Sudan, Zimbabwe, Zambia, and Bangladesh), the ILO commissioned a study on the links between formal and informal apprenticeship in Tunisia, and is conducting research on upgrading informal apprenticeship as a means to help rebuild post-earthquake Haiti.

Tools:
- Forthcoming: Guide on skills testing for small business associations.

Knowledge sharing:
- Expert knowledge sharing workshop on informal apprenticeship in Johannesburg, South Africa (April 2013).

Technical cooperation:
- Component on informal apprenticeships in ongoing projects in Zimbabwe, Benin, Egypt, Bangladesh, Tunisia.
References


