Foreign labor developments

International developments in apprenticeship

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As the need for a better-educated and trained work force grows, Organization for Economic Cooperation and Development (OECD) countries are placing increased emphasis on improving education and training programs. In late 1988, the U.S. Department of Labor and the OECD cosponsored a symposium in Paris on "Innovations in Apprenticeship and Training." Numerous training specialists from government and academia represented OECD member nations at the meetings.[1]

Discussions at the symposium centered on ways to meet needs for a skilled work force in countries facing rapid social and economic changes. The emphasis was on workplace training programs. Apprenticeship proved to be the main topic because it is the best known example of a structured program of study and on-the-job training, and because the U.S. delegation expressed interest in learning how to apply lessons from apprenticeship training programs to more general labor market training.

By way of background, this report focuses on apprenticeship training in Austria and Germany, France, the United Kingdom, and the United States. As shown in table 1, the importance of apprenticeship training varies greatly among these countries. In Austria and Germany, apprentices account for 7.4 percent and 7.1 percent of total civilian employment, while in the United States, they account for only 0.3 percent of such employment.

Each of the countries discussed below is working to improve its apprenticeship program. In the United States, the Department of Labor recently initiated its Apprenticeship 2000 project in an effort to strengthen and expand its apprenticeship program. France recently enacted a number of legislative initiatives to strengthen its apprenticeship system. In the United Kingdom, apprenticeship-type training is primarily delivered through the recently enacted Youth Training Schemes. In Germany and Austria, where apprenticeship provides the majority of youth training, the governments are making an effort to improve their respective systems under the "Education 2000" and "Qualification 2000" programs.

Austria and Germany

In Austria and Germany, apprenticeship is the main form of vocational training for young people.[2] In Austria, approximately one-half of 15-year-olds enter the system after leaving full-time school. The system has a capacity of 245,000 positions (almost one-tenth of total employment), with about 60,000 apprentices entering each year. In Germany, the majority of 16-year-old secondary school graduates go into the apprenticeship system. In 1984, there were approximately 1.8 million participants in vocational training under this system. The minority of youngsters who do not go into apprenticeship in Germany either attend vocational training schools or go to college.

In both countries, there is an official list of occupations for which apprenticeship is the recognized, or in some cases the only, way of receiving initial training. In Austria, there are 245 such occupations, although most boys enter only 10 trades, including sales clerk, cook, waiter, car mechanic, office clerk, and electrician. Most girls enter three trades: hairdresser, sales clerk, and typist. In Germany, where there are currently 450 apprenticeable occupations, the authorities are attempting to consolidate apprenticeship categories to encourage broader training.

The duration of apprenticeship is 2 to 4 years. Under both systems, apprentices typically spend 1 or 2 days a week at a vocational school and the remainder with the employer, where, under the supervision of a master, the apprentice follows a predetermined training program. The employer is responsible for offering an apprenticeship contract and selecting the apprentice. One of the incentives for hiring apprentices is that they are paid only a training allowance, which in Austria amounts to 40 to 50 percent of a journeyman worker's wage, and in Germany is 20 to 40 percent of the national average wage.

Reform efforts are under way in both Austria and Germany to address some of the problems in their systems. A number of experts believe the duration of training for some occupations is excessive—for example, 2 years to learn to be a sales clerk or a waiter. Moreover, the demand for apprenticeable positions at times exceeds supply. In September 1984, there were 50,000 young people registered at the German labor offices who could not be placed in apprenticeships; two-thirds of these were girls. The inflexibility of the system is also criticized. For example, it took the Germans 10 years to revise their descriptions of mechanical engineering occupations. And there is concern that apprenticeship training does not keep up with technological change. In part, this is because large numbers of apprentices are trained in small firms on obsolete equipment. Finally, in times of economic downturns (such as 1984), firms are less likely to offer apprenticeship training and to retain graduates as employees.

The unemployment rate for apprentices tripled between 1979 and 1984, and many skilled apprentices often were able to find only unskilled or semiskilled positions.

France

In France, as in Austria and Germany, apprentices enter into a contract with employers.[3] This entitles the apprentice to receive each week 3 or 4 days of on-the-job training with the company, and 1 or 2 days at a college or a training center where the apprentice can acquire the theoretical knowledge to reinforce practical on-the-job training. Most apprenticeship training takes place in nonunionized small companies.

After increasing by 26 percent between 1976 and 1982, apprenticeship levels have been declining in recent years for a number of reasons: Apprenticeship was often seen as a dumping ground for school dropouts. It had been primarily restricted to traditional sectors of the economy which were decreasing in importance. And many of the apprenticeable positions offered did not correspond to young people's needs or to the changing skills requirements of the labor market. Today, there are approximately 220,000 apprentices in France. About 15 percent of compulsory-school graduates receive apprenticeship training.

Recently, the French Government has sought to strengthen apprenticeship. In 1987, the Government enacted a law to ex-

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pand the apprenticeship system by (1) extending apprenticeship to firms of all sizes and in all sectors of the economy; (2) liberalizing the age restrictions, so that apprenticeships now are available to young people 15 to 28 years old; and (3) using the apprenticeship system as a preparation channel for all technical school diplomas, including the technical "baccalaureates" and even the higher level "trade certificates." About 300 technical diplomas can now be obtained through the apprenticeship system, although the trend is to consolidate occupational categories whenever they overlap.

Under the reforms, employers and an Apprentice Training Center will share responsibility for carrying out training. Government funding increased from the previous level of 130 million francs per school year to 310 million francs for the 1987-88 school year. In addition, there are a number of financial incentives for firms to enter into apprenticeship contracts. For example, they will be exempt from social security contributions on apprenticeable employees. And the Government can use the threat of a 0.5-percent payroll tax for apprenticeship to encourage employers to finance their training in apprenticeship centers. As before, apprentices will receive a wage that will be a percentage of the legislated minimum wage and will vary depending on the apprentice's age.

United Kingdom

In the 1960's and 1970's, Industrial Training boards provided most of the apprenticeship-type training in the United Kingdom. Most of the boards were disbanded in the early 1980's because they had become inflexible and expensive and were no longer supported by the industries they were supposed to serve. As a result, apprenticeship has become less widespread as a method of initial training. In 1987, 314,000 persons were enrolled in apprenticeship programs.[4]

In a number of instances, the Youth Training Scheme (YTS) has replaced the apprenticeship system.[5] The YTS, first introduced in 1983, offers a 2-year basic training program and planned work experience for 16-year-old school-leavers, and a similar 1-year program for 17-year-olds. Although training is delivered primarily in the workplace, most trainees receive 20 weeks of off-the-job training as well. The Government guarantees a place in the YTS program for every 16- and 17-year-old who wants one, and approximately 60 to 70 percent of 16- and 17-year-old school-leavers now participate. On January 1, 1988, 417,000 young people were in YTS training. All have the opportunity of obtaining a vocational diploma through the program.

The Government provides partial funding for paying trainees an allowance of £28.50 a week in the first year and £35 a week in the second. However, the aim is to shift more of these costs to employers as the benefits of the training become clearer.

Table 1. **Apprenticeship levels in selected countries, 1987**

Country	Total apprentices[1]	Percent of civilian employment[2]
Austria	245,000	7.4
France	220,000	1.0
Germany	1,800,000	7.1
United Kingdom	314,000	1.4
United States	340,000	3

[1] Data are from sources cited in text footnotes 2–6.
[2] Data are from OECD *Quarterly Labor Force Statistics*, No. 4, 1988.

United States

The U.S. apprenticeship system is largely a private-sector program, operating with technical assistance and accreditation from the Federal Government or, where there is a State apprenticeship council, from the State government.[6] During the 12 months ended December 31, 1988, 340,000 apprentices received training through this system. While there are more than 800 apprenticeship occupations, many have no registered apprentices. About 15 occupations, including plumbers, carpenters, machinists, cooks, and firefighters, account for most of the registered apprentices. In the United States, apprenticeship is largely a program for career training of adults who are already employed; the average age of apprentices is in the mid-twenties. Apprentices are paid employees who usually start at 50 percent of journey-level wages and move up the wage scale as their training progresses. Apprenticeship programs average over 3 years in length. In recent years, the relative labor market share of apprentices has been declining.

In an effort to improve and strengthen the apprenticeship system, the U.S. Department of Labor recently launched its Apprenticeship 2000 initiative. Under Apprenticeship 2000, the Department is reviewing the current program and alternatives to determine the most effective role of apprenticeship training in meeting future needs for a highly skilled work force. One of the ideas under consideration is to apply lessons from apprenticeship programs here and abroad to occupations and industries not currently being served by the apprenticeship programs in the United States.

Conclusion

All symposium participants agreed that apprenticeship and training programs are needed to produce skilled workers who can readily adapt to changing occupational demands. However, it was clear from the discussions that there was no standard apprenticeship model for accomplishing this objective. In some countries, apprenticeship is targeted towards teenagers and is more or less a compulsory transition from school to working life. In others, such as the United States, it is a method of imparting new skills to employed adult workers.

While apprenticeship systems may differ among countries, experts at the symposium agreed that there are many common problems: Decreasing numbers of apprentices; inflexibility of apprenticeship training programs; use of outdated technology in training programs; improving coordination between the theoretical and practical components of training; expanding the scope of apprenticeable occupations; expanding access to women and disadvantaged groups.

The relative importance of apprenticeship in the future training schemes of OECD countries is uncertain. Except in Germany and Austria, it currently plays a relatively minor role. The future of apprenticeship as an institution would seem to depend on its capacity to be adapted to the everchanging skill requirements of the OECD economies. □

Footnotes

[1] Representatives at the November 28-30, 1988, symposium included experts from Australia, Austria, Denmark, France, Germany, Greece, Portugal, Sweden, the United Kingdom, and the United States. Roberts T. Jones, Assistant Secretary for Employment and Training, and James D. Van Erden, Director, Bureau of Apprenticeship and Training, U.S. Department of Labor, led the U.S. contingent to the meetings.

[2] For a detailed description of the apprenticeship systems in Austria and Germany, respectively, see *Review of Labor Market Training for the Future* (Organization for Economic Cooperation and Development, 1988), pp. 34–37; and *Mutual Information System on Employment Policies in Germany: Institutions, Procedures and Measures* (Commission of the European Communities, March 1986), pp. 44–45.

[3] For developments in the French apprenticeship system, see "Reform of Apprenticeship in France," *Social and Labor Bulletin* (International Labor Office, September 1987), pp. 527–28.

[4] See *1988 Labor Force Survey* (London, Department of Employment, 1988).

[5] See *Training for Employment* (London, Department of Employment, March 1988).

[6] See "Apprenticeship 2000 Initiative; Public Meetings," *Federal Register*, Jan. 14, 1988, pp. 961-63.