



# HOW TO MAKE APPRENTICESHIPS WORK ?

## - the OECD perspective

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## Summary:

1. OECD and WBL
2. Policy messages
3. Final thoughts



# OECD work on WBL



# Organisation for Economic Co-operation and Development (OECD) – quick facts



Paris based, staff of 3 000



Better policies for better lives



250 publications/year, **PISA** test, Economic Outlook, OECD.Stat, etc.



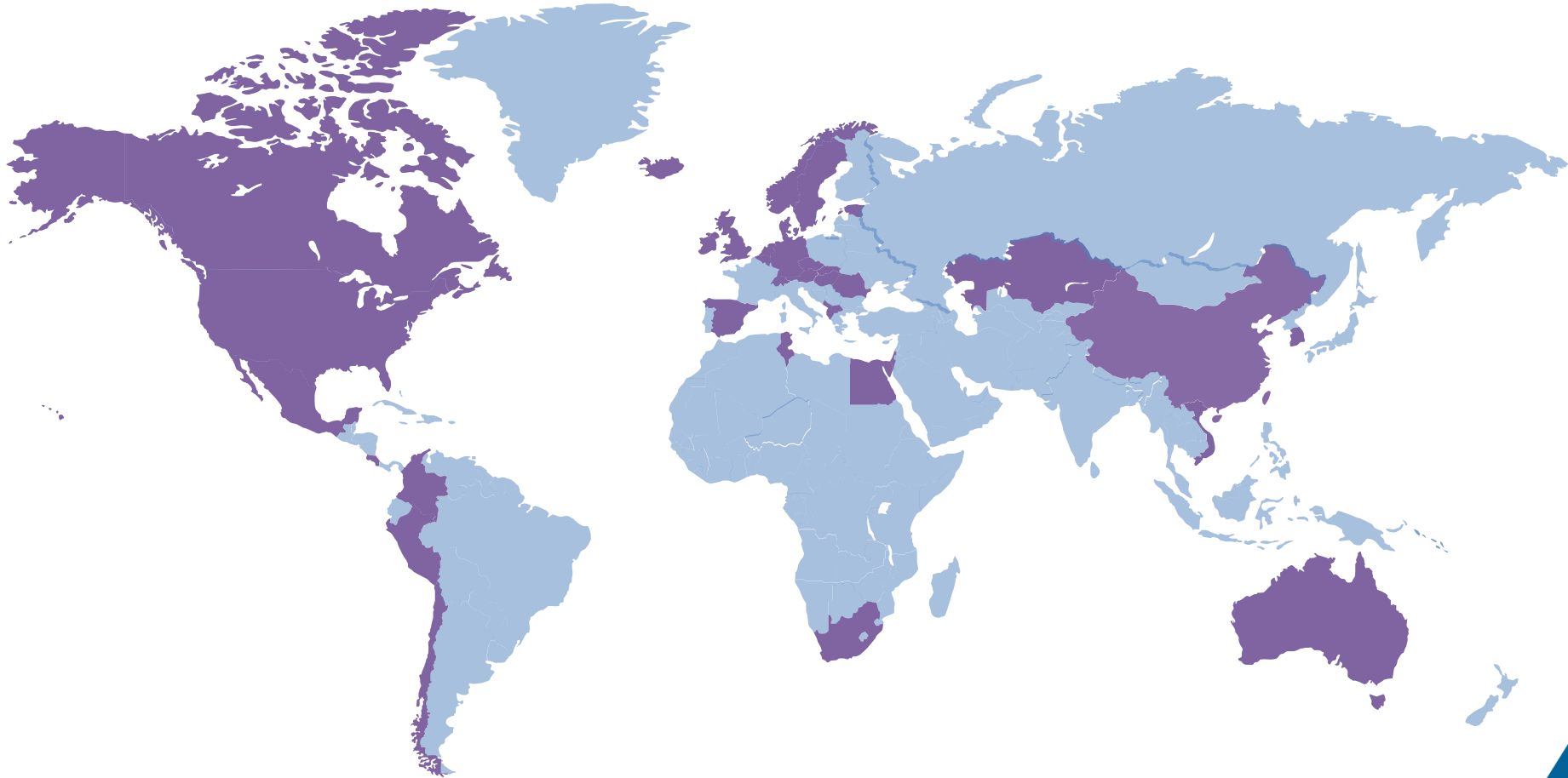
**35 member countries:** 22 of the 28 EU countries plus US, Canada, Australia, New Zealand, Japan, Korea, Mexico, etc.



# OECD VET and Adult Learning team

## More than 40 reviews in 30 countries

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# Why Work-based learning ?

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**Successful pathway to skilled jobs ever since medieval times.**

- ✓ offers real on-the- job experience with the use of up-to-date equipment
- ✓ helps development of soft skills
- ✓ improves school to work transition
- ✓ can generate the production and the recruitments benefits to employers



**Countries with a high share of youth apprenticeship have fewer disconnected youth.**



# Apprenticeship - part of Work-based learning

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**Job shadowing**

**Traineeship**

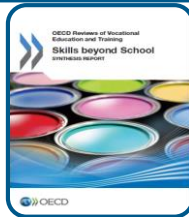
**Apprenticeship**



# OECD advise countries on how to make their work-based learning systems better



## Insights from the Work-Based Learning project



## Reviews of VET systems in around 30 different countries



## Survey of Adult Skills data - PIAAC



## New analysis on apprenticeships targeting older adults





# What are the issues we are looking at?

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**How to design work-based learning programmes that are attractive to both employers and students?**

**How to ensure their quality?**

**How to develop work-based learning in small and medium size companies?**

**How the costs of work-based learning should be shared?**

**How to develop work-based learning in different sectors and at higher levels?**





# Policy messages



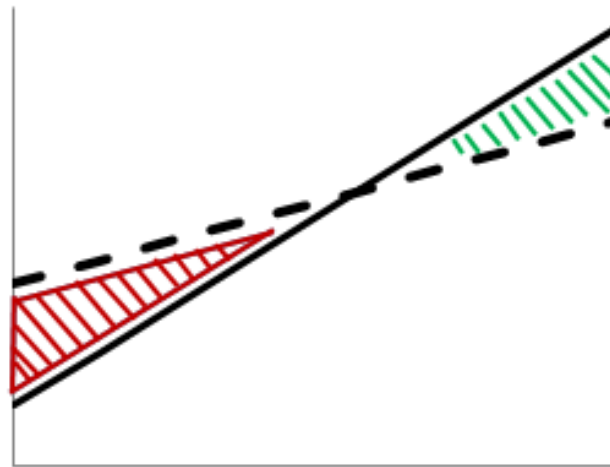
# Understanding the cost-benefit balance of work-based learning

COST BENEFIT



- Why would employers offer work-based learning?
- Work-based learning will only be offered widely if schemes work for employers

Costs,  
benefits



At the end apprentice does productive work but receives low wage - **benefit** for employer

— Benefits

- - Costs

Time

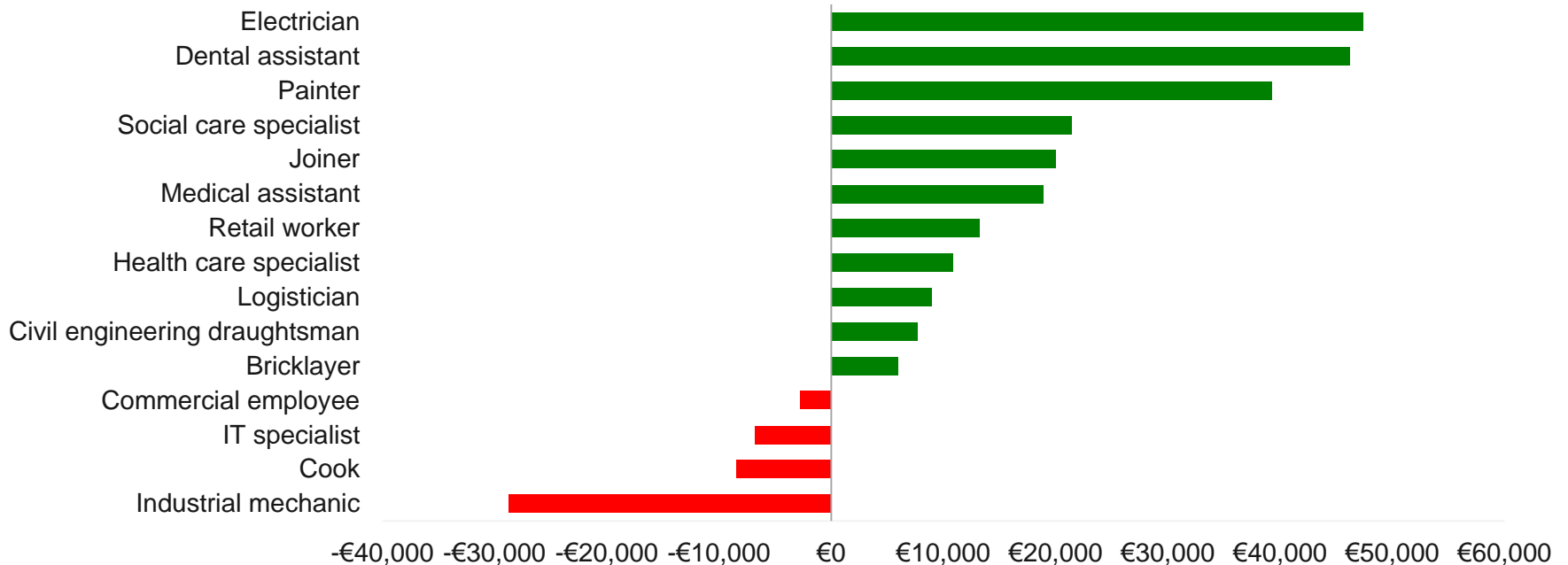
At the beginning apprentice receives a wage but no productive work - **cost** for employer



# Should employers receive financial incentives for providing apprenticeships?

## The cost-benefit balance of apprenticeships to employers in Switzerland

Net benefits reached by the end of the apprenticeship programmes



Source: Mühlemann, S. (2016), "The Cost and Benefits of Work-based Learning", OECD Education Working Papers, No. 143, OECD Publishing, Paris.



- Use financial incentives with caution and evaluate their impact
- Explore options for enhancing non-financial incentives for employers

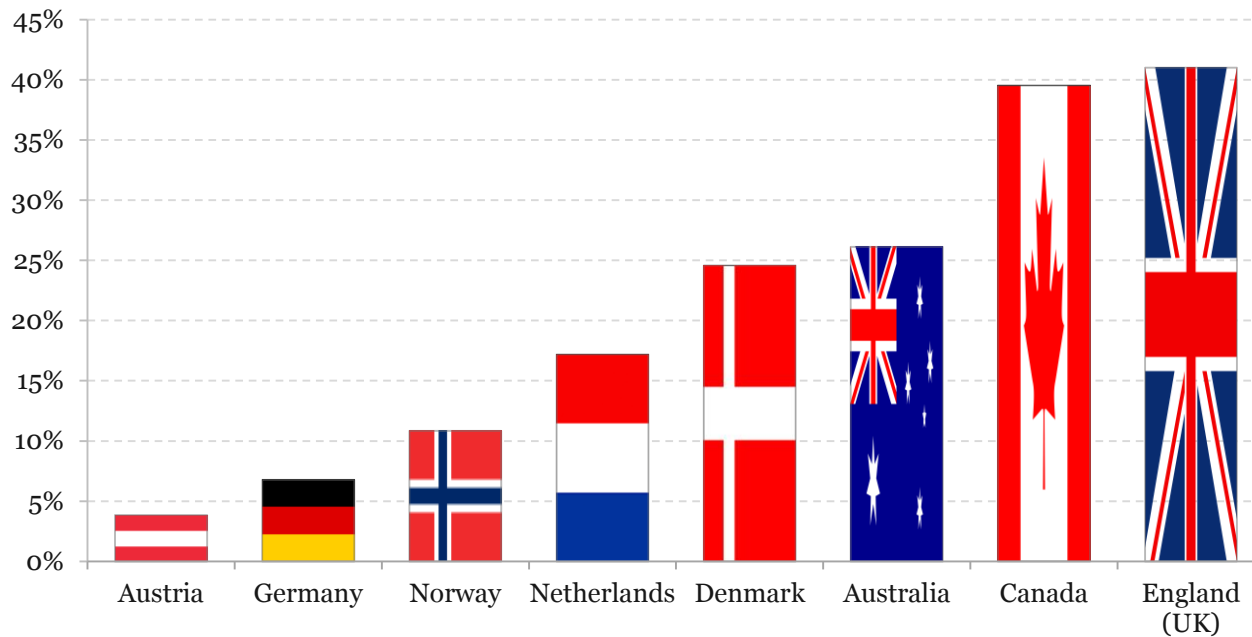


# What is the right wage for apprentices ?



## How old are apprentices?

Share of 25-year-olds and older among current apprentices



Source: Kuczera M. (2016), Striking the Right Balance: Costs and Benefits of Apprenticeship, OECD.



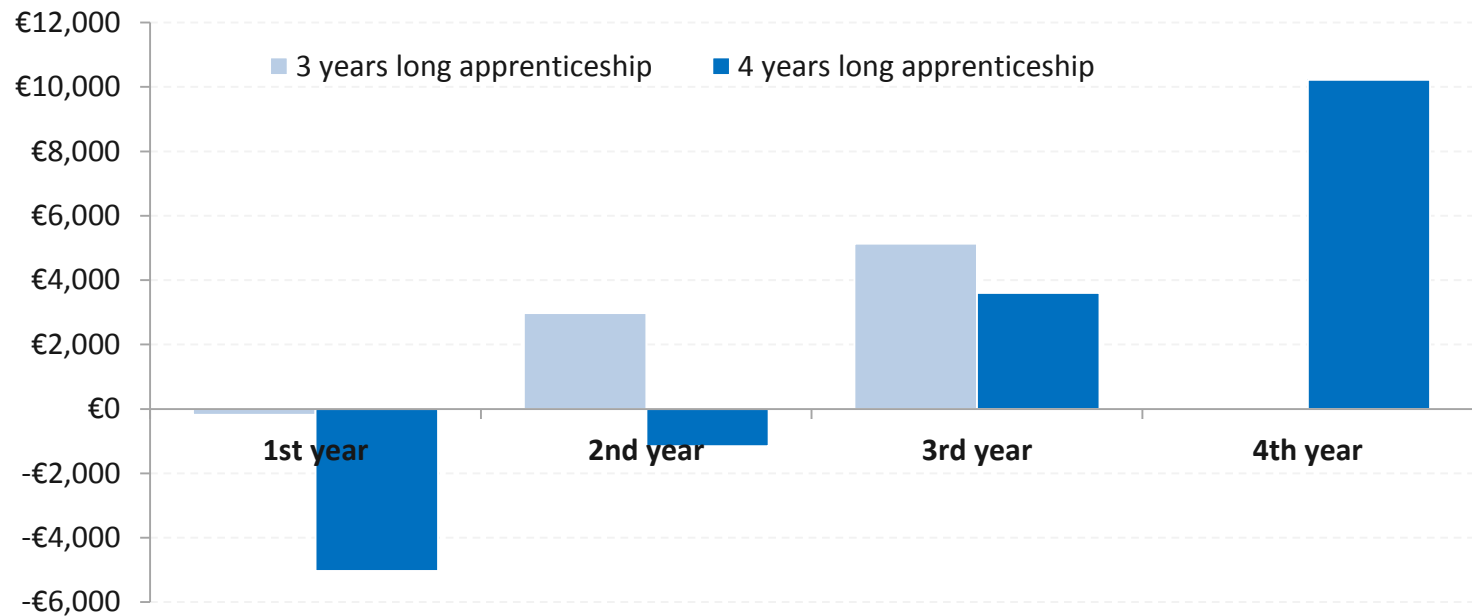
**Set up the apprentice wage that takes account of:**

- Wages of skilled and unskilled employees
- Characteristics of the apprentices



# How long should an apprenticeship last?

## Net benefit of apprenticeship training in Switzerland



Source: Mühlemann, S. (2016), "The Cost and Benefits of Work-based Learning", OECD Education Working Papers, No. 143, OECD Publishing, Paris. , based on data from the 2012/13 cost-benefit survey in Germany.



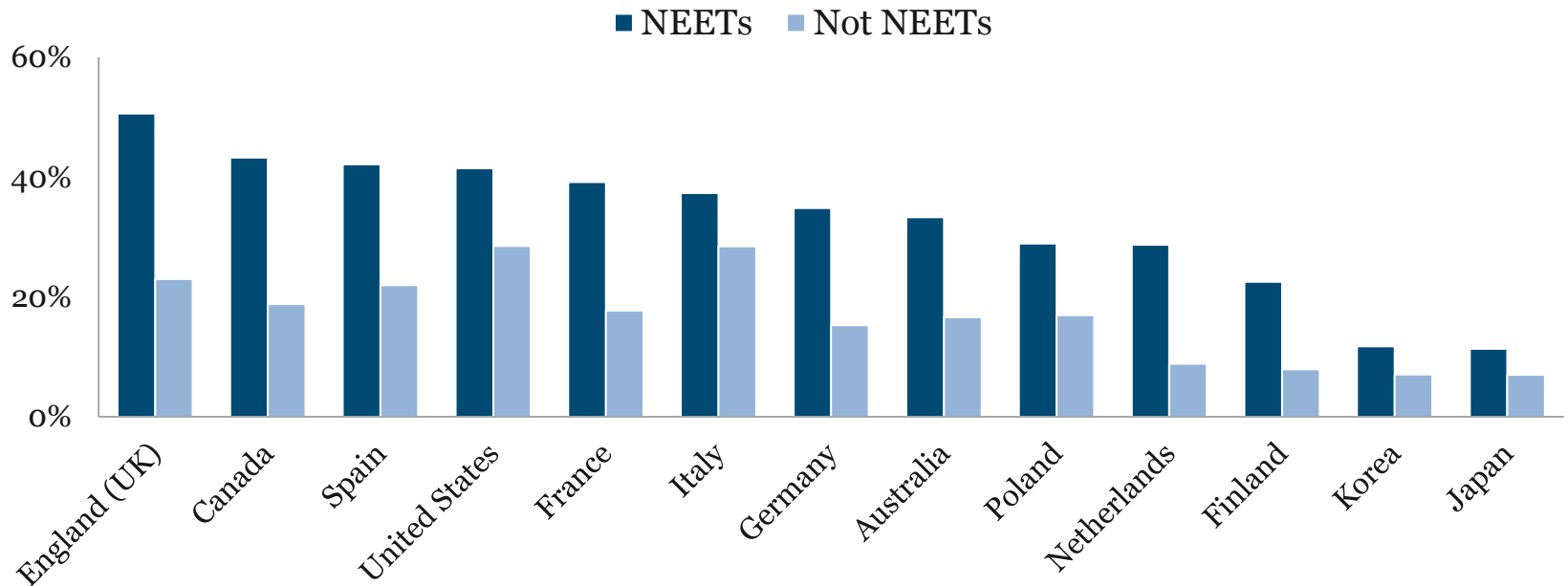
**Adapt duration to reflect the profile of productivity gains**



# Can apprenticeships work for youth at risk?

## Percentage of individuals with weak literacy or numeracy skills

NEET = youth Not in Education, Employment, or Training



Source: Calculations based on the OECD Survey of Adult Skills.

Note: Adults aged 16-29. Low-skilled adults include those with literacy or numeracy skills below Level 2.

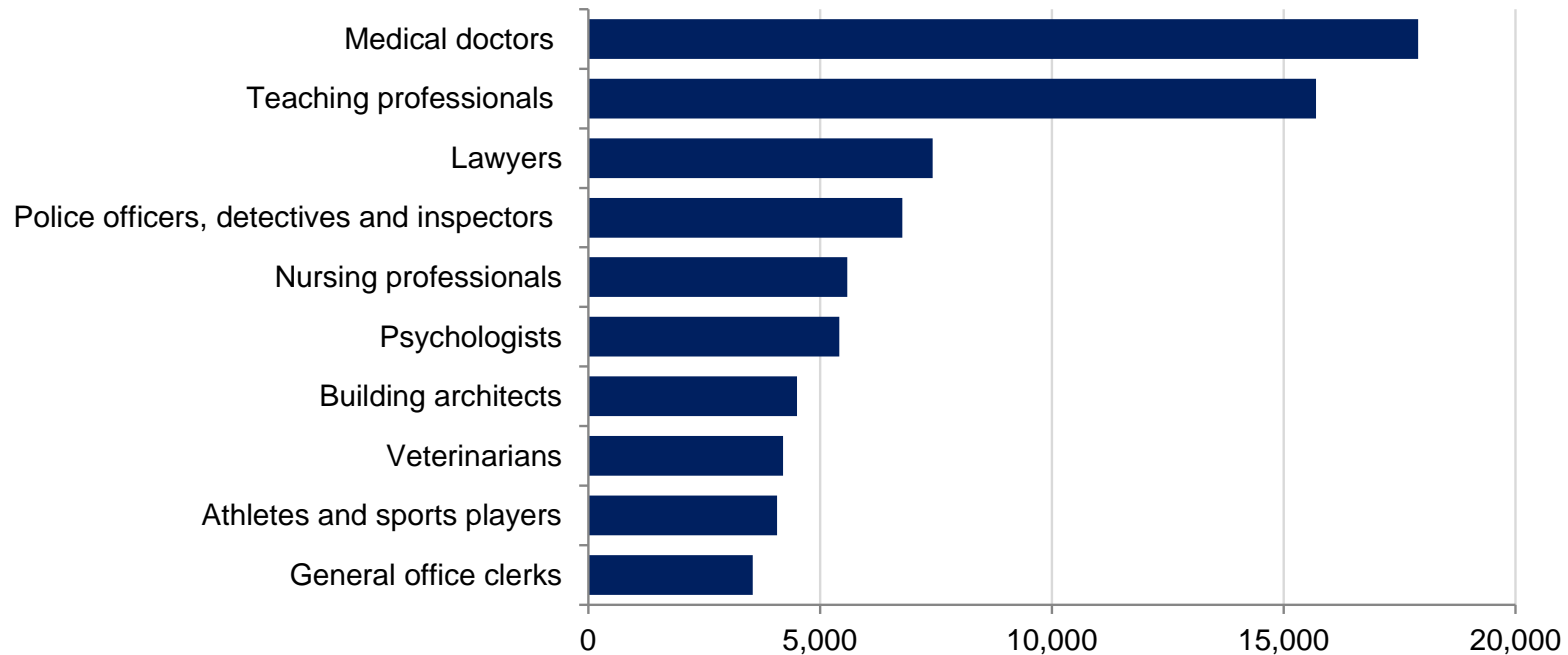


**Better prepare youth at risk and provide support to those in apprenticeships (e.g. remedial courses, mentoring).**



# How to attract potential apprentices?

## Top 10 career expectations of 15 year old in PISA 2015



Source: Own calculations, PISA, 2015



- **Quality apprenticeships: lead to good jobs, no dead end**
- **Career information and exposure to workplaces helps**





# Final thoughts



# Concluding remarks

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- Ensure that apprentices have an opportunity to develop **complex skills** during work placements, and that employers gradually increase the time apprentices spend carrying out **productive skilled tasks**
- Establish apprentice **wages** that are low enough to encourage companies to offer apprenticeships, but high enough to attract good quality apprentices. Apprentice wages should, among others, take account of characteristics of the apprentice population (such as age, relevant work experience).
- Explore options for enhancing **non-financial incentives** for employers, including measures that increase the training capacity of employers.



# Hvala

For more information:  
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