Upgrading Informal Apprenticeship

I. Introduction

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Agenda

I) Defining informal apprenticeship systems
   5 major elements of apprenticeship
   Why do we talk of informal apprenticeship systems?
   Formal – informal – traditional apprenticeship

II) Understanding informal apprenticeship systems
   Why do they work?
   The financing mechanism
   Why they sometimes do not work

III) Upgrading informal apprenticeship systems
   How to upgrade apprenticeship systems?
   Issues and policy options
   ILO tools and publications
I Defining informal apprenticeship

What it is –
What it is not

Why do we talk of informal apprenticeship systems?
Five major elements of informal apprenticeship according to ILO R60 and R117

- Training system and not just a way of learning
- Training contract between learner (apprentice) and trainer (master craftsperson)
- The core of training takes place in an enterprise
- Training for a trade/recognized occupation
- Systematic and long-term (initial training)

Do not confuse apprenticeship with

**Enterprise attachment**
(the trainee is mainly trained in a centre)

or

**Internship** (only partial skills)

or

**Family helper**
(main purpose is contribution to business)
Why do we talk of informal apprenticeship systems?

A training contract

training & allowances

Master Trainer  Apprentice

labour service

Embedded in rules and regulations
Formal, informal or traditional apprenticeship systems?

Institutional Framework

- **traditional**
  - Rules based on customs, social norms or traditions
  - enforced by...
    - the family

- **informal**
  - Rules based on customs, social norms or traditions
  - enforced by...
    - social networks
    - Informal associations
    - clans

- **formal**
  - Rules based on legal acts or formal regulations
  - enforced by...
    - Governments
    - Trade unions
    - Employers organizations
II Understanding informal apprenticeship systems

Why do they work?

The financing mechanism

Why they sometimes do not work
Why do they work?

Traditional way skills are transferred to the next generation (Pre-industrial Europe, informal economies in Africa and Asia)

• They make economic sense to employers:
  • Employer recovers training investment when apprentice has become productive but still works at lower wage level than skilled workers
  • Best candidates can be retained
  • Apprentices *learn while they earn* and have incentives to stay until the end – higher wage after completion
• Skills are relevant: training is embedded in work processes, and employers train, who know what skills are needed on the labour market.
The financing mechanism

Master craftsperson only **invests** in training if apprentice makes a **credible commitment** to stay in the **recovery period**.
Why they sometimes do not work

- **Drop outs**
  - Apprentices leave the company before completing apprenticeship for a better wage somewhere else (lack of incentive to complete)
  
  thus master craftspersons have little incentive to invest in training and offer more apprenticeship places

- **Exploitative practices**
  - Master craftspersons keep certain skills to themselves to prevent apprentices from leaving – and thus make apprentices stay for very long periods without imparting skills

- **Child labour**
Two dimensions for upgrading

Informal institutional Framework
(rules + enforcement)

Functional outcome

Provide incentives for master craftsperson and apprentice to participate in apprenticeship

Development outcome

- Relevance / quality of skills?
- Equity of Access?
- Employability of apprentices?
- Social protection?
- Productivity and competitiveness of enterprises?

Aim: training takes place

Aim: Decent Work

Aim: training takes place
III Upgrading informal apprenticeship systems

Why upgrade?
Benefits of a good apprenticeship system
How to upgrade?
Issues and policy options
ILO tools and publications
Issues for upgrading informal apprenticeship

Quality of training
Enhance access to new skills and technology for mentors
Provide new skills for apprentices
Monitor and assure training quality and content

Financing
Ensure that incentives are in place that businesses and apprentices participate

Decent work and equality
Abolish child labour in informal apprenticeship
Improve working conditions and health and safety at work
Improve social protection
Strengthen gender equality

Linkages between IA and formal systems
Promote contracts
Promote recognition of skills in formal labour markets
Support formalization of unregistered businesses
ILO tools and publications

- Policy brief
- Resource guide
- Workshop report
- Research publications
  - Forthcoming: Comparison of informal apprenticeship systems across countries
    - in Tanzania, Malawi, Egypt, North Sudan, Tunisia, Bangladesh
    - in Ivory Coast and DRC (effect of reintegration of ex-child soldiers on informal apprenticeship – jointly with IPEC)
  - in Ghana: Financial arrangements, youth livelihoods

- Technical cooperation projects in:
  Zimbabwe, Bangladesh, Benin, Burkina Faso, Tanzania, Egypt
Thank you for your attention!

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