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**Country - Italy**

1. **National youth employment**

The average youth unemployment rate in the EU28 in December 2014 was 21.4% – this compares to 15.6% in 2007. In Italy the rate was 42.0% in 2014 and 20.4% in 2007. Over this seven year period it has been young people who have been predominantly affected by unemployment e.g. the national unemployment rate in December 2014 was 12.9%[[1]](#footnote-1) and the number of 15-29 year olds not in education, employment or training (NEETs) was 22.2% in December 2014**[[2]](#footnote-2)**. There is also a wide difference in unemployment rates between the north (7.7%) and the south (19.6%) of the country.[[3]](#footnote-3) In May 2014, around 5.2 million young people (under the age of 25) were unemployed in the EU; of these 700,000 were in Italy.

There are more than one million Italians aged from 15 to 24 who are NEET and this number almost doubles in the 15 - 29 age range. In Italy the number of people suffering from long-term unemployment is particularly high and 40% or more of those young people without a job are long term unemployed. **[[4]](#footnote-4)**

Employment of young people

Young people seem particularly disconnected from the labour market in Italy. The youth employment rate in 2012 was 18.5% while in the EU28 it was 32.5%. Since the start of the economic crisis, all Member States have experienced falls in youth employment. In Italy youth employment levels fell from 24.5% in 2007 to 16.3% in 2013.[[5]](#footnote-5) The employment rate for young people aged who are aged between 15 and 24 and have completed upper secondary and post-secondary was 28.0% in 2012. This compares with the EU28 rate of 43.2%.

Skill Needs[[6]](#footnote-6)

CEDEFOP has many initiatives to forecast skills needs. Through its Skillsnet network members are involved in activities related to the identification of skill needs such as forecasting, employer surveys and sectoral analysis. CEDEFOP uses employers’ surveys as a tool to identify skill needs and skill gaps at the workplace level. The aim of their work is to develop a tool or instrument to reliably identify skills, competences, occupations and qualifications that will be needed by public and private enterprises in Europe in the future. This information is used as an input into a broader analysis of skill needs. Using these studies of skill needs and job opportunities in Italy it is possible to predict:

* an expansion in the demand for staff working in business and other services, non-marketed services, and distribution and transport sectors;
* an expansion in the demand for the following occupations – technicians, associate professionals, managers and professionals;
* up to 2015, an increase in the number of people employed with high and medium levels of education and a fall in the employment of people with low levels of education.







Source: EU Skills Panorama/ CEDEFOP

**2) VET system in Italy**[[7]](#footnote-7)

In recent years there have been several reforms which have aimed to make vocational education and training (VET) more flexible and responsive to the needs of the labour market. These reforms have been in a context where VET is characterised by many levels of governance with a broad involvement of national, regional and local stakeholders. The Ministries of Labour and Education define the general framework and policies. Regions and autonomous provinces are in charge of providing vocational programmes and most apprenticeship-type schemes.

Students usually make their choice between general education and VET at the age of 14. At upper secondary level, the following VET programmes are available:

* five-year programmes at EQF Level 4 in technical schools (*istituti tecnici*) to prepare students for technical and administrative jobs, and in vocational schools (*istituti professionali*) to prepare students to work in the production section. Italy has a very significant industrial sector - mainly based in the north of the country. These programmes combine general education and VET. Graduates have access to higher education;
* three to four-year VET programmes organised by the regions (*istruzione e formazione* *professionale, IeFP).* These modular programmes aim at developing basic, transversal, technical and occupational skills and include on-the-job training (especially traineeships);
* a three to four-year apprenticeship-type scheme which offers qualifications at EQF Levels 3 and 4. These apprenticeships include on-the-job and classroom training. The minimum entry age is 15.

At the post-secondary level, there are several options which include traineeships and lead to different qualification at EQF Level 4 or 5. VET courses also exist at post-higher education level. Higher education and research apprenticeships (*apprendistato di alta formazione e* *ricerca*) enable 18 to 29 year olds to acquire qualifications which are usually offered through school-based programmes at secondary, post-secondary and tertiary levels. These programmes include qualifications from EQF Level 4 to 8.

Professional apprenticeships (*apprendistato professionalizzante o contratto di mestiere)* for 18 to 29 year-olds offer qualifications which are covered by collective bargaining agreements. These last up to three years (five years for the crafts sector). Workers whose employment is affected by restructuring can participate in this scheme in order to re-qualify and have a better opportunity to return to the labour market.

In Italy, the term VET tends to only be used for programmes that are under the control of the Ministry of Labour and the Regions and Autonomous provinces. Technical and vocational school programmes are considered to be part of the ‘education system’ under the Ministry of Education’s responsibility.

Social partners have a VET advisory role and, in particular they help to design and regulate professional apprenticeships. They also promote company level training plans, provide continuous training and manage professional funds which help to finance learning in line with companies’ needs and the needs of the apprentices.

**3)** **Apprenticeship training**

**3.1 Definition of apprenticeship[[8]](#footnote-8)**

Following reforms in 2011 the Italian apprenticeship system is part of a political strategy role and is considered a major way to support young people to gain access to the labour market. In this context the reforms were negotiated and an agreed with social partners, national government and regional authorities. However a structured and organised national system of control and monitoring of the training is still lacking because of the many levels of governance at the national and regional level.

Sometimes the system in Italy is not considered[[9]](#footnote-9) as one apprenticeship system. Instead it is seen as three distinct types of apprenticeships with specific objectives, governance and implementations rules. Apprenticeships are based on a mixed model that includes on-the-job and off-the-job training. The three types of apprenticeships have employment contracts which combine work and training and are delivered at all education levels from compulsory education to higher education (including doctorates at EQF Level 8).

An apprentice is an employee with a specific training programme that lasts from six months to three years providing. It provides at least 200 hours of work-based learning during the trainee’s first year – the amount of time spent at work increases each year. The practical implementation of apprenticeships differs significantly across Regions/Autonomous Provinces and among sectors of the economy.

In June 2015 the Jobs Act introduced a number of additional measures to simplify the rules and bureaucracy, and to provided economic incentives for companies to start apprenticeship. With the most recent reforms (2015) an apprenticeship is defined and seen as ‘a permanent employment contract for youth training and employment’. This reform is one way to expand and strengthen the integration of the apprenticeship in the school system. It mainly concerns apprenticeships that lead to a diploma or vocational qualification (type 1 as defined below) and apprenticeships for higher education and research (type 3 as defined below). The reform broadens the spectrum of education qualifications that are available, makes the curricula more flexible in order to respond to the length of the training programme, and tries to balance an apprentice’s salary with their education duties.

**3.2 Legislative framework**

The apprenticeship system is new features in the three types of contract available in the country: (more detail in 3.5)

* apprenticeships lead to a diploma or vocational qualification (type 1). They are targeted at young people aged from 15 to 25 and enable them to complete compulsory education;
* professional apprenticeships or job contracts enable young people aged from 18 to 29 to gain a vocational qualification by completing a three year (or five years in craft) training pathway (type 2);
* apprenticeships for higher education and research (type 3). These enable apprentices to gain tertiary level diplomas (technical or academic) or a doctorate degree from the education system. Apprenticeship for higher education and research are not widespread and there are some Regions without this kind of apprenticeship contract.

**3.3 Some work based learning programmes**

In Italy work based learning pathways also include traineeships. These are organised on an ‘alternance’ based model and combine school with periods of work-place training. They seek to improve the quality and relevance of learning and training process by combining study and training in school and the workplace. To strengthen the work-based learning component of training, the latest law reform in 2015 made alternance compulsory for all students.

**3.4 Number of students**

In recent years the number of apprenticeship contracts has fallen. The latest available data include apprentices hired under the previous regulations and show that 504,558 apprentices were employed in 2011 – this was a fall from the previous year.

The main sectors are manufacturing, vehicle trade and repair and construction.

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Data from ISFOL - *Istituto per lo sviluppo della formazione professionale dei lavoratori* - suggests that in 2011, out of approximately 500,000 apprentices, about 95% were Professional apprentices, 1.3% were Training apprentices, and only 0.2% were Advanced training and research apprentices.[[10]](#footnote-10) This shows the importance of these sectors and the value of collective agreements.

Apprentices represent 13.9% of the total national number of employed people.

**3.5 Contractual arrangements**

An apprentice in Italy has a regular employment contract and each young person is paid for their work. At the same time each apprentice has a period of learning which enables them to acquire the knowledge and skills needed to obtain a qualification. The age limit for an apprenticeship is 29 years.

As mentioned above there are three different types of contracts:

* Type 1 - (*Apprendistato per la qualifica ed il diploma professionale*), for 15 to 25 year olds. This enables them to complete their compulsory education or acquire a professional qualification or diploma after three or four years of training (ISCED level 3). It is regulated by the Regions and Autonomous Provinces by a specific agreement which established 21 providers of three-year courses, and 21 technician profiles for four-year courses. These profiles are based on the ‘National Index of Qualifications’ (*Repertorio nazionale delle qualifiche*) which is used for other education and vocational training pathways. Training activities, provided in and outside the enterprises, last a minimum of 400 hours per year; additional training in enterprises can be agreed through the collective bargaining process. In March 2013, a technical body was created by the Ministry of Labour to establish a ‘Repertoire of apprenticeship professional profiles’ to harmonise the many professional qualifications which could be obtained in different types of apprenticeship. The technical body is also looking at the correlation between the educational standards which are regulated by the Regions, and the professional standards which are defined by the social partners in collective labour agreements;
* Type 2 - ‘professional apprenticeships’ (*Apprendistato professionalizzante e di mestiere*) for 18 to 29 year olds. These enable apprentices to gain a professional qualification when they complete three-years of training (five in the case of the crafts sector). Training is divided into two areas: basic training (120 hours over a three-year period) which is regulated by the Regions and Autonomous Provinces and provided by VET agencies, and professional training which is provided by the companies in accordance with the collective bargaining agreements. These professional apprenticeships award qualifications which are recognised in the labour market according to the collective agreements;
* Type 3 -‘higher education and research apprenticeship’ (*Apprendistato di alta**formazione**e* *Ricerca*) enables apprentices aged from 18 to 29 to gain secondary or tertiary level diplomas from the education system or a doctorate degree. The Regions and Autonomous Provinces, in agreement with the social partners and public institutions, agree on how to organise the training, the content of the curricula, and the duration of the contracts.

During an apprenticeship the apprentice salary is based on salary that would be earnt by a qualified member of staff. The salary increases during the contract and moves from 60% to 95% of the salary given to a qualified worker. However a collective agreement could set the apprentice's maximum wage two levels lower than the wage of a skilled employee. The 2015 reforms to the apprenticeship system have encouraged type 1 and 3 apprentices. This has been achieved because the company’s payments to trainees have been reduced when they are at school.

A company tutor is required to assist the apprentice who works the same number of hours as the other company employees. There is a written apprenticeship contract which defines the roles and responsibilities of all parties, as well as setting out the terms and conditions of the apprenticeship, the apprentice’s probationary period, occupation, tasks, wage increases, both the entry and final grade which determines the salary levels and the qualification. The training programme is an integral part of the contract. The employer and the apprentice must sign the contract and agree the training programme.

The apprenticeship contract gives companies the opportunity to train new workers, and enables them to reduce their social security contributions. These reductions are based on the size of the enterprise. Companies with up to nine employees (micro enterprises) are exempt from paying all social contributions for the first three years of the contract. In the fourth year there they contribute 10% of their taxable social security remuneration. Companies with more than nine employees contribute 10% of their taxable social security remuneration throughout the apprenticeship.

In 2014 the legislation set a maximum number of apprentices that an enterprise could take – this is dependent on the size of the business. Companies with up to 50 employees can engage apprentices if, in the previous 36 months, at least 20% of their previous apprentices have successfully completed their programme. It is important to note that the majority of Italian enterprises are very small with many micro enterprises. This makes it more difficult to establish organisational procedures for apprenticeship. Regions can set up their own incentives for enterprises that take on apprentices.

During their initial vocational training apprentices can go abroad if their employers agree to be part of a programme. During the time abroad, the sending company is responsible for the apprentice and continues to pay their salary and social taxes as the apprentice is covered by Italian social insurance. A mobility period can be short (15 days) or long (e.g. six months).[[11]](#footnote-11)

**3.6 Bilateral cooperation**

The labour and education ministries of Germany and Italy have reached an agreement on promoting youth employment. The agreement is set out in a Memorandum of Understanding. Base on this agreement a joint work programme has been established including in-depth discussions on effective practice in relation to Dual training. The work programme for vocational education cooperation includes detailed expert discussions on the principles of the Dual system of vocational training and the introduction of pilot projects based on good practice

German and Italian EURES partners (a co-operative network between the European Commission and the Public Employment Services in the European countries) also provide information about jobs and apprenticeship vacancies in Germany as part of a tour of Italian towns and cities which began in 2013.

The Association of German Chambers of Industry and Commerce (DIHK) has signed a memorandum of understanding with its Italian counterpart to encourage dialogue between the two nations regarding their vocational education systems.[[12]](#footnote-12)

4**) Drop-out rates from school and apprenticeships and alternative pathways for young people**

Italy is one of the five EU countries with the highest school drop-out rates. Eurydice and CEDEFOP (the European Centre for Development and Professional Training) report that 17% of pupils leave early.[[13]](#footnote-13)

**5) Future in the apprenticeship system**

Italy’s objective is to strengthen VET to support its enterprises and citizens, and to fight rising unemployment rates. Recent policy packages have focused on the youth guarantee scheme, reducing the formalities for enterprises, promoting company cooperation, and the need to develop better connections between education and training and the labour market. Apprenticeship schemes are considered an important part of the youth guarantee scheme.

For young people with a university degree access to the labour market is not easy and does not seem to reduce their risk of unemployment. The employment rates of those with high and medium level qualifications are decreasing. In order to boost youth employment new legislation in April 2014 modified the arrangements which covered two major types of contracts involving younger workers: fixed-term contracts and apprenticeship. One of the reasons for these changes was to abolish the justification clause which had previously asked companies to explain why they wanted a fixed-term contract for longer than 12 months. Now employers can extend the duration of a fixed-term contract up to five times and the new limit is 36 months.

The many levels of governance and the uncertainty about vocational training regulation are seen as the main reasons for the weak growth of apprenticeship in Italy in recent years. In order to overcome these difficulties, the regulation concerning the employers’ duty to define the vocational contents of the employment relationships has been simplified. Employers are now obliged to provided general vocational training (up to a limit of 120 hours per year) only if the Regions give them a list of public training providers within 45 days of agreeing an apprenticeship contract.

Employers often underestimate the importance and effectiveness of the training element of the apprenticeship contract. They also complain about a lack of support in the administrative arrangements and feel they have the full responsibility to provide and monitor the apprentice’s training. Within the Italian action plan for the Youth Guarantee, there is more emphasis on promoting apprenticeship in order to improve the quality, supply and attractiveness. These actions include:

* introducing better financial support arrangements for enterprises to hire young apprentices. This includes reducing the salary cost of the professional apprenticeship, looking at greater flexibility and more simplification in the creation and description of the training agreement, and making a clearer match between learning and the needs of the companies;
* strengthening Dual training by encouraging the exchange of best practice, promoting traineeships and apprenticeship opportunities for students in their final year of lower secondary schools, designing and implementing a National Repository of occupational standards and apprentices profiles which can be used for vocational qualifications and diplomas, creating professional standards in partnership with social actors in order to support national job contracts for apprentices’ qualifications, training pathways and certification of competences;[[14]](#footnote-14)
* communication campaigns which include the creation of a National directory of companies which are involved in alternance or apprenticeship schemes. This helps to improve the visibility of these companies and makes it easier for their needs to be met by the VET schools.
* improve the efficiency of support measures, services delivered to young people such as training, apprenticeships, assistance for employment search, etc. were standardised in terms of costs, modalities and duration, and an increased use was made of private placement agencies.[[15]](#footnote-15)

The Dual system will be tested in an Italian context through a series of pilot initiatives which aim to implement apprenticeship contracts using the renewed set of policies and legal provisions.

CEDEFOP intends to work closely with practitioners, companies, apprentices and those who work on apprenticeship on a day-to-day basis through a thematic country review (TCR) on apprenticeships. In July 2014, the Ministry of Employment hosted a launch event to review what is missing in the Italian apprenticeship system. By understanding the strengths, weaknesses and challenges, the review would support the creation of a quality apprenticeship system for 15 to 25 year olds. This would help the integration of a Dual system which combined learning at school and learning at work.[[16]](#footnote-16)

**6) Evaluation of the existing system and potential ways to improve it [[17]](#footnote-17)**

Comments from Federmeccanica[[18]](#footnote-18) (a member of CEEMET) on their apprenticeship system identified that successful programmes involve schools and companies which have a shared the aim of improving the preparation students receive to enter into the job market. Even when the aims of ‘apprenticeship systems’ and ‘alternate programs’ are similar, the students have different needs. Consequently it is important to adjust the training to ensure young people develop the right competences to employment.

The introduction of several kinds of programmes will help create the idea of ‘student status’ without a labour contract. In relation to the constraints facing the professional apprenticeship Federmeccanica referred to:

* the requirement to hire an equal number of apprentices and qualified workers;
* the obligation to hire 50% of the apprentices at the end of their programme before hiring other apprentices.

In January 2014, CONFCOMMERCIO[[19]](#footnote-19) prepared a report on apprenticeship (data from 2012) showing that:

* In the commerce sector, more that 10% of the employees, in the age range where it’s allowed, have a professional apprenticeship contract ( type 2);
* The share of contracts (in the commerce sector) that goes on as a permanent contract is 34,1%, although the cause of ending is unknown either employee choice or employer decision.

**7) Cost effectiveness analysis**

The Italian apprenticeship system’s costs are shared between all those who are involved, and employers fund the company-based part of the apprenticeship. Employers consider apprenticeships to be partially attractive to companies, apprentices and the economy. Apprenticeships are costly due to the apprentices’ relatively high wages; developing high quality apprenticeship programmes requires a long term investment and the benefits are not always visible, especially in times of economic crisis.

The December 2013 EU publication - *Apprenticeship and Traineeship Schemes in EU27: Key Success Factors[[20]](#footnote-20)* highlights the impact that apprenticeships have in Italy. Despite the report being produced in late 2013, the data is not recent and focuses the effectiveness of the former system:

* young individuals who were on an apprenticeship scheme have on average a 5% lower probability of being unemployed relative to young individuals on other temporary contracts;
* the effect of apprenticeship in reducing the probability of being unemployed in the next period is stronger (6.3%) for individuals with less than a tertiary education degree;
* having been an apprentice increases the probability of having a permanent contract in the future -apprentices have a 16% higher probability of a stable job than young fixed-term workers;
* the counterfactual analysis of the effects of the 2003 apprenticeship reform (which expanded the use of apprenticeships) shows an increase in the incidence of training under apprenticeships when compared to the other temporary contracts, probably due to the financial support of the regions;
* a previous study on the effects of the 2003 reform in Italy found that the reform also led to an increase in apprenticeship employment, inducing a substitution of external staff with firms’ apprentices, and an overall productivity-enhancing effect: added value per worker increased by 1.5%; sales per worker by 0.9%; and total factor productivity by 1.6%.

*Revised on February 2016 after cluster seminar*

1. EUROSTAT [↑](#footnote-ref-1)
2. EUROSTAT Database/ LFS [↑](#footnote-ref-2)
3. Vocational education and training in Italy Short description - CEDEFOP 2014 [↑](#footnote-ref-3)
4. NEETs Young people not in employment, education or training: Characteristics, costs and policy responses in Europe- EUROFOUND, 2012 [↑](#footnote-ref-4)
5. EUROSTAT Database/ LFS [↑](#footnote-ref-5)
6. Skills forecasts - main results-CEDEFOP [↑](#footnote-ref-6)
7. Spotlight on VET ITALY-CEDEFOP - 2014 [↑](#footnote-ref-7)
8. The European Commission defines apprenticeshipsas formally combining and alternating company-based training (periods of practical work experience at a workplace) with school-based education (periods of theoretical/practical education followed in a school or training centre), and lead to nationally recognised qualification upon successful completion. Most often there is a contractual relationship between the employer and the apprentice, with the apprentice being paid for his/her work. *European Commission “European Alliance for Apprenticeships - Good for Youth, Good for Business”*. [↑](#footnote-ref-8)
9. Minutes - Evaluation of governance structures and financing arrangements in the Italian apprenticeship system- First Stakeholder Workshop Milan, 19 June 2014 [↑](#footnote-ref-9)
10. An international comparison of apprentice pay: Final Report. Low Pay Commission. London Economics. 2013. https://www.gov.uk/.../London\_Economics\_Apprentice\_Pay\_FINAL.pdf [↑](#footnote-ref-10)
11. Euro Apprenticeship-Mobility of Apprentices in Europe [↑](#footnote-ref-11)
12. International Vocational Training Cooperation: Success in Education Export- Federal Ministry of Education and Research, 18/6/2013 [↑](#footnote-ref-12)
13. The others four: Spain with 23.6%, 20.8% in Malta, 18.9% in Portugal and 17.3% in Romania.

 [↑](#footnote-ref-13)
14. Employment Plan 2014 —Italy [↑](#footnote-ref-14)
15. COMMISSION STAFF WORKING DOCUMENT Country Report Italy 2015 including an In-Depth Review on the prevention and correction of macroeconomic imbalances. [COM(2015) 85 final] <http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index_en.htm> European Union’s semester programme. 2015 [↑](#footnote-ref-15)
16. Thematic country review (TCR) on Apprenticeship - Italy Cedefop [↑](#footnote-ref-16)
17. Questionnaire which collected the sector federation’s views on apprenticeships - CEEMET [↑](#footnote-ref-17)
18. Federmeccanica’s focus is on training car mechanics, car technicians and technicians able to work with IT systems and electronics. In these contexts they are involved in setting professional standards related to training for the Professional Apprenticeship.(type 2) [↑](#footnote-ref-18)
19. a member of EUROCOMMERCE [↑](#footnote-ref-19)
20. Apprenticeship and Traineeship Schemes in EU27: Key Success Factors. A Guidebook for Policy. Planners and Practitioners. December 2013. [↑](#footnote-ref-20)