

The Italian Apprenticeship

COST-EFFECTIVENESS OF APPRENTICESHIP SCHEMES

Cluster Seminar 17-18 settembre 2015

Legislative framework

Definition of apprenticeship: <u>permanent contract</u> aimed at training and employing young people.

Two models:

- 1. Apprenticeship to earn a school diploma
 - Apprenticeship leading to a qualification or vocational qualification, high school diploma and postsecondary vocational education diploma;
 - Apprenticeship for higher education and research
- Professional apprenticeship "apprendistato professionalizzante": professional training which is provided by companies in accordance with the collective bargaining agreements

Both models are regulated as actual contracts of employment. Once the training is completed both the employer and the employee can decide to end the contract. Otherwise the contract stands as a regular <u>permanent contract</u>.

The recent reform (legislative decree n. 81/2015) has the intent to increase the use of the first model regarding apprenticeship leading to a qualification and vocational qualification.

Data available in Italy and in the commerce sector

According to the most recent data available (ISFOL monitoring 2015 based on data from 2013):

- Professional apprenticeship represents 91% of the total number of apprenticeship contracts.
- Apprenticeship is mostly used in the commerce sector (24,2%), followed by the manufacturing sector (23,8%).

In January 2014, CONFCOMMERCIO 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 this type of contract (professional apprenticeship);
- 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 (employee choice/employer?).



Professional apprenticeship is quite used in our sector (commerce)



Cost and benefit

WHY AN APPRENTICESHIP CONTRACT?

The choice to use an apprenticeship contract is tied to the need to hire someone who still needs to be trained, with a <u>stable</u> contract



COST

- Same regulation as regular contracts;
- Mandatory training as provided by the law and by the collective bargaining agreements. Furthermore the hours of training must be considered as working hours and they are paid as such.

BENEFIT

- Economic (contribution cuts, specific subsidies, lower compensation compared to other employees);
- Chance to train young people in a more adequate way which sometimes it is not possible to achieve in school



Professional vs Dual apprendiceship

Why is the professional apprenticeship more used in comparison to the dual apprenticeship system?



PROFESSIONAL

Training is regulated by the social partners (number of hours and terms), which makes it more compatible with companies needs and more cost efficient



- High costs for companies due to too many hours of theoretical training (many more paid hours compared to the professional apprenticeship)



BUT

Latest reforms have introduced a mechanism to reduce the costs deriving from the dual apprenticeship in order to support its use. In particular, the number of training hours outside the company was reduced and compensation is related only to the number of working hours spent inside the company.

Furthermore, on the educational side, the school reform (the so called "Buona Scuola") introduced a dual training system.

