

**Youth employment and training  
in Italy and in Britain:  
laws, policies and practices**

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# Introduction

## 1. Foreword

Nowadays many international organisations (e.g. ILO 2012) and the European institutions (e.g. European Commission 2012) promote actions to support 'apprenticeship'. This is regarded as an effective policy to tackle youth labour market problems, such as high unemployment and inactivity rates, low educational levels and difficult school-to-work transitions, as well as to reduce skills mismatch between labour demand and supply. Likewise, many national governments, including Italy and Great Britain, have supported 'apprenticeships' and promoted reforms of national vocational training systems in recent decades. Most of these policies share the common inspiration of the German 'dual model', as an ideal solution for youth work-based training and youth access to the labour market.

However, evidence seems to suggest that the Italian and the British policies match to only a limited extent the standards of German 'apprenticeship', at least in the later stages of training programmes, and notably in some sectors and for some occupations. 'Apprenticeship' in contemporary Britain and Italy shows deficiencies mainly on the side of training quality and of the system's institutional infrastructure. Moreover, as the present work argues, an increasing distance separates laws, policies and their actual implementation in practice. In other words, Britain and Italy share a common policy trend, whereby governments' efforts to reform 'apprenticeship' have blurred, at least to some extent, the meaning of the phenomenon, and indeed moved training practices away from an appropriate definition of the term.

Focusing on contemporary developments, this research investigates what 'apprenticeship' means – and has meant – in Italy, in Britain and in Germany in the past five decades; how the phenomenon has changed over time, from both a

quantitative and a qualitative perspective; and what factors might explain such trends.

By comparing the development of youth employment and training policies, along with what has been termed 'apprenticeship', in Italy and in Britain, this work suggests the economic and political-institutional determinants that potentially explain the similarities and differences between developments in the two countries. One hypothesis is that, in both Britain and Italy, political and institutional factors have accompanied economic ones in shaping the evolution of youth employment and training. One possible, but still open, question is whether the former factors might have prevailed over the latter. To assess this hypothesis, the present study uses a three-tier methodology: description, comparison and analysis, organised in successive chapters.

The central ingredient is a British-Italian comparison, where the territorial scope extends to Italy and Great Britain (although data for the past decade refer mainly to England). Germany is introduced at points to facilitate the British-Italian comparison, particularly for attributes that are similar in those countries but different from Germany. Britain and Italy are promisingly interesting cases, because they show similar fluctuations in youth policies in the last half century, despite the wide differences, for instance, in their political and institutional systems. Otherwise said, it seems potentially interesting to investigate the two countries' similar outcomes, flowing from potentially different causal variables, such as the role of unions and the political and electoral systems. Germany, instead, is considered as a background case, different from the first two. Instead of introducing alternative youth policies in the 1980s, the country chose to support the apprenticeship system. First, by making youth eligible for apprenticeship with prevocational training courses; second, by using youth labour market policies in the 1990s and 2000s, not as a substitute for apprenticeship but as a tool to support it. A potentially interesting question, thus, is how could the German political system ensure such an extensive, longterm and deep commitment to apprenticeship.

The study of contemporary ‘apprenticeship’ in chapter one is based on a comparative description of the systems, grounded on an understanding of what ‘apprenticeship’ means. This shall be clarified by considering not only what is referred to as ‘apprenticeship’ by governments, at the purely nominal level, but also what should be the minimum requirements for a programme to be considered, at a functional level, to constitute an ‘apprenticeship’ (chapter one, section one). In other words, a distinction will be drawn between: official definitions and a standardised definition. Official definitions indicate what national governments define ‘apprenticeship’ to be, by means of programmes’ names and their content, norms and minimum legal requirements (‘Apprenticeship’ with capital ‘A’). The standardised definition, built around internationally comparable criteria, indicates what apprenticeship is here taken to be (‘apprenticeship’, with little ‘a’).

In this connection, ‘apprenticeship’ systems are described by a twofold measurement: of their formal size and of their actual size. On the one hand, official statistics count who is considered a participant of what is named as ‘Apprenticeship’; on the other hand, there are those who are to be considered ‘apprentices’, from a functional viewpoint.

This work, however, does consider official definitions of ‘apprenticeship’, but only insofar as this is interesting from a political science point of view. From a wider social science perspective, including that of economics and education, looking only at ‘official’ definitions is potentially uninteresting and even empty. Thus, in England at present, any work-based learning that is publicly subsidised, including prevocational programmes and adult on-the-job training, is officially counted as part of the ‘Apprenticeships’ programme, even though much of it cannot be considered ‘apprenticeship’ from a functional standpoint.

The present research is subject to informational limitations as well as to the typical limits of the comparative method (chapter three, section one), and those of the institutional analysis (Ryan and Wolter 2010, p. 34). On the one hand, to consider a large a number of potential explanatory variables (economics, industrial relations,

politics, culture, etc.) is to incur the problem of over-determination, among the others. On the other hand, empirical difficulties stand out, such as the problem of measurement. Some attributes are qualitative and immeasurable (such as many aspects of training quality); others are measurable, but only as ordinal variables (such as the presence of 'apprenticeship' in a country), which may involve missing observations and limited validity, for instance due to the variation of the term's meaning across countries, or problems related to data comparability, if statistics are taken from national governments databases. In this study qualitative evidence is combined with quantitative information, collected in a database of national apprenticeships and youth labour market programmes in Italy and Britain.

As a result of these limitations, the conclusions of this work unavoidably remain tentative, confined to suggesting the factors that are consistent with the historic patterns to be explained, and to noting those that are not.

## **2. Theoretical background**

The approach to the analysis of 'apprenticeships' across time and countries is a multidisciplinary one, borrowing from labour economics, political economy, sociology, industrial relations, pedagogy and comparative political science, within a framework dependent on institutional analysis of European political economies. These disciplines have all, in one way or another, seen interest in the topic of vocational education and training (VET) in the last decade. Interest in skills and training, traditionally confined to educational sciences, thus spread to other disciplines, particularly political science, associated with efforts to classify the core institutional attributes of the national models of advanced democracies (Hall and Soskice 2001). Recent studies of the political economy of skills formation have broadened and deepened this approach, focusing variously on political-economic institutions (Thelen 2004; Busemeyer and Trampusch 2012), electoral systems and partisan politics (Cusak *et al.* 2007), social and labour market stratification (Iversen and Stephens 2008), welfare and social policy reform (Thelen 2010).



This body of work has generated a vivid and fluid, although hardly settled, debate, opening different research patterns. However, it consistently suggests that the ability of a country to develop human capital is conditioned by, and reflected in, the institutional context of political economy and adjacent domains (notably, industrial relations, welfare state provision, labour market structure) – factors that will be considered in this work too.

Two main streams can be identified in the literature on the institutional attributes of advanced political economies: the ‘functionalist’ and the ‘historical contingency’ approach.

The former seeks an economic, deterministic explanation of mechanisms of coordination, supra-market as well as in-market, among employers’ associations and trade unions in national economies. The explanation is normally taken to be consistent with the achievement of ‘efficiency’. This approach developed, alongside personnel economics<sup>1</sup> (Lazear 1999), primarily in the Varieties of Capitalism (VoC) literature (Hall and Soskice 2001).

The VoC literature provides a theoretical framework to understand similarities and differences among advanced political economies. This approach starts from the microeconomic analysis of how companies solve coordination problems in five dimensions: industrial relations, pay and productivity; vocational education and training; corporate governance; inter-firm relations, coordination vis-à-vis firms’ employees (Hall and Soskice 2001, p. 7). National economies are classified around a core distinction: Coordinated Market Economies (CMEs) and Liberal Market Economies (LMEs), which are considered as ideal types at the poles of a spectrum. Both categories are seen as resistant to change, primarily because of

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<sup>1</sup> Personnel economics began as a strand of economics that would apply general principles of economic and mathematical approaches to human resource management: in this connection it would answer questions about traditional topics, such as price setting of goods and services within a company, including pay, and then became a research area that analyses wage structures and promotions in hierarchical organisations.

complementarities between institutional attributes across the various dimensions. Their characteristics are summarised in table 1.

*Table 1: Main features of LMEs and CMEs according to VoC literature*

<b>Criteria</b>	<b>LMEs</b>	<b>CMEs</b>
Mechanism	Competitive market arrangements	Non-market relations
Equilibrium	Demand/supply and Hierarchy	Strategic interaction of firms and other actors
Inter-firm relations	Competitive	Collaborative
Mode of Production	Direct product competition	Differentiated, niche production
Legal system	Complete and formal contracting	Incomplete and informal contracting
Function of the Institutions	Competitiveness Freer movement of goods	Monitoring Sanctioning of defectors
Employment	Full-time, General skill Short term, Fluid	Shorter hours, Specific skill Long term, Immobile
Wage bargain	Firm level	Industry level
Education and Training	Formal education in schools and colleges	Apprenticeship, industry-specific skills
Unionisation Rate	Low	High
Income Distribution	Unequal (high Gini index)	Equal (low Gini index)
Innovation	Radical	Incremental
Comparative Advantage	High-tech and service	Manufacturing
Policies	Deregulation, antitrust, tax-break	Encourages information sharing and collaboration of firms

*Source:* Hall and Soskice 2001

The classification proposed in VoC literature, and even just the indicators used to build it, are potentially relevant to the framing of the countries analysed here. While Britain fits clearly into the LME category, and Germany in the CME one, Italy shares attributes of both models, and more with the latter.

An important aspect in VoC literature is the analysis of the coordination among employers' and among unions in the field of training policies, a potentially relevant issue here. On the one hand, the possibility of success of 'apprenticeship' has to be conceived in relation to the ability of governments to persuade employers to cooperate with each other (Culpepper 2003), despite the impact of global

economic changes (Traxler 2003). On the other hand, concerning the unions, a central issue is the political implications of the market failures involved in the neo-liberal approach to collective goods, including skills (Streeck 1989).

The VoC approach has achieved a “level of theoretical sophistication, explanatory scope, and predictive ambition that has rapidly made it close to hegemonic in the field” (Howell 2003, p. 103). Nevertheless, an extensive literature – critical of the VoC approach (e.g. Crouch 2005) – recognises determinism and path dependency, which are seen as underlying heterogeneity, complexity and change, with such endogenous factors as active human agency, politics and conflict shaping social outcomes (Howell 2003). Among others, a critical issue concerns the ability of VoC analysis to explain institutional change, limited as it is by the hypothesis of institutional coherence and stability, and non-convergence between LMEs and CMEs.

In this connection, the ‘historical contingency’ approach offers an alternative, as it highlights the dysfunctions of historical processes, the existence and nature of institutional change, as well as the economically undesired results that follow from interactions among historical agents. This strand has developed primarily in political science, where institutional development tends to be studied in terms of critical junctures and punctuated equilibria. This approach attributes, although not always explicitly (Pierson 2000, p. 265), significant importance to temporal processes and to history, to explain political outcomes. The history-agent approach emphasises the role of historic agency and political coalitions in generating gradual institutional change. “Institutions do not survive through ‘stasis’ or by standing still but rather precisely through their ongoing adaptation and renegotiation in response to shifts in the political, market, and social environments” (Thelen 2004, p. xiii; 2007). This approach illuminates changes in the political coalitions on which institutions are founded. It thereby analyses the reconfiguration – even radical – of such institutions, considered as resources that agents use to manage conflict, politics and to trigger change. The idea is that “institutional change [...] should be regarded not as a subject of its own, but as a constitutive feature of any social

formation, which requires social systems of all sorts to be conceived in a way that avoids creating the illusion of static equilibrium as an empirical or ideal condition” (Streeck 2004, p. 1). The history-contingency approach has been applied also to the study of the politics of collective skill formation (Busemeyer and Trampusch 2012), and, more specifically, in the field of vocational training (Thelen and Busemeyer 2008).

The two approaches described above, the functionalist-microeconomic one, and the institutional-historic one, are often treated as alternatives. This work considers them as complements when it comes to explaining cross-national training patterns. One reason is because neither alone can explain both the functional differences between the national economic institutions and the role of institutions and political coalitions and agents in promoting change historically. Table two summarises the possible contributions and possible dysfunctions of employers’ and workers’ representatives in promoting apprenticeship, suggesting the influence of such institutions on training related decisions of employers and individuals (Ryan and Wolter 2010, p. 34).

*Table 2: An alternative approach to VoC and historical contingency*

	<b>Employers’ representatives</b>	<b>Workers’ representatives</b>
Possible contributions	Skill needs Associations: general skills training Sanctions against skills poaching	Distrust reduction Improved information More and better training
Possible dysfunctions	Private rent seeking Conflict of interests: SMEs/large firms Informational limitations	Youth/adult conflicts of interest Plant egotism: workplace vs. centre Conflictual ideologies

*Source:* adapted from Ryan and Wolter 2010

In other words, this study proposes a hybrid approach, one that combines both the functional and the historical ones. It recognises the institutional differences between Italy, Britain and Germany, while underlining the role of institutions and agents in promoting change in public youth policies and institutions, set within the historical context (chapter four).

### **3. Presentation of the work**

This research is divided into three parts, two descriptive and one analytical. Chapter one describes ‘apprenticeship’ in contemporary Italy, Britain and Germany, with the goal of measuring for each country the distance between official national definitions and a standardised functional definition. It thus shows the gaps between the formal content of laws and their practical implementation (section 1.2). The analysis focuses mainly on manufacturing and retail, as two sectors whose skill requirements and training methods potentially contrast sharply. The chapter measures the size of ‘apprenticeship’ systems in the three countries and summarises the contemporary situation of apprenticeship systems in Italy and England, by contrast to Germany.

Chapter two investigates how ‘apprenticeship’ got to be what it is in contemporary Britain and Italy. It describes and compares the historical development of the laws, policies and programmes that governments have passed in the last give decades the area of youth employment and training. It also charts the evolution of the scale of activity in both apprenticeship and youth labour market programmes. The period of study stretches from 1960 until 2010. This chapter describes – quantitatively and qualitatively – the similarities and differences between policy trends in each country, by identifying three broad historic periods. The first one, characterised by the traditional systems of ‘apprenticeship’, runs from the 1950s to the beginning of the 1970s. The second period covers the late 1970s to the mid-1990s, when both Italy and Britain experienced a policy transition from apprenticeships to youth labour market programmes (YLMPs). During the third period, which has lasted until the present, governments in both countries have returned to favouring ‘apprenticeship’, although with considerable changes in the definition and meaning of the term. Chapter two contains four diagrams, representing the stocks and inflows in both apprenticeships and YLMPs, in Italy and in Britain, from 1960 until 2010, expressed both with absolute data, as published in official statistics, and (with interpolation to cover missing values) as a share of employment in the whole economy.

Having acknowledged this historical chronicle, chapter three then analyses a range of factors – economic, political and institutional in nature – that might contribute to an explanation of the patterns described in chapter two. The analysis seeks to establish which factors are, and which are not, consistent with the evidence. The chapter presents, among others, a two-country combined diagram representing activity in apprenticeship and youth programmes in Italy and Britain, and ‘Modern Apprenticeship’ in England, again from 1960 to 2010. The key findings are that ‘apprenticeships’ reforms of the last two decades in Italy and in Britain, have led to a common outcome, namely an expanded and blurred idea of ‘apprenticeship’ in both countries, although the systems show strengths and excellency in some sectors. This seems to result from continuous, politically driven, and often superficial, innovation, which reflects an increasing distance between legal provisions and their heterogeneous implementation in practice (chapter one). By contrast, the German apprenticeship seems to show less changes, conserving high-quality standards, despite criticisms and heterogeneity. Contemporary ‘apprenticeship’ systems have flown from patterns of public policy, which in Italy and Britain share some similar aspects, although they are distinguished by quantitative and qualitative differences. These can be summarised under two major shifts, namely: from ‘apprenticeship’ to the adoption on YLMPs in the 1980s, and a ‘return’ to Apprenticeship from the mid-1990s onwards (chapter two).

Finally, this work identifies the determinants – economic and institutional or political in nature – that are plausibly relevant for explanation, although without leading to any definitive conclusion. Nevertheless, it reasonably concludes that economic determinants have accompanied the political and institutional ones, in shaping Italian and British youth policies changes of the last half century. These results are presented as constituting a preliminary exploration, pointing to options for further research.

The intended contribution of this work is the filling of a gap in the comparative research literature on ‘apprenticeship’, which is often restricted to Anglo-Germanic comparisons, to the neglect of the Italian case.

Moreover, a dataset covering five decades for Italy and Great Britain should help identify differences and similarities in the public policies of the two countries. These are seen to differ in terms of important macro-economic and socio-political factors, including labour market and productive structures, welfare regimes, industrial relations, and aspects of the education and training systems, such as compulsory schooling.

Finally, the elaboration of a standardised definition of ‘apprenticeship’, although limited and partial, could be used to develop research at an international level for different purposes. The first might be to encourage more scientific debate on what should be referred to as ‘apprenticeship’, with the intention to promote, particularly in Italy and Britain, educational and employment success for youth. Second, a standardised definition of ‘apprenticeship’ could support the elaboration of policy strategies and help orient the reform of national ‘apprenticeship’ systems – a task that appears to feature at present on the policy agenda of the current British Government (UKCES 2011) and the Italian one (Ministero del Lavoro 2012). For instance, the UKCES ‘employer ownership agenda’ places responsibility and reward for investment on employers for managing Apprenticeships, and encourages partnerships between employers and colleges, to develop skills and create opportunities. Likewise, the Italian policy agenda is investing in apprenticeship training, to promote youth employment, mobility, and school-to-work transitions. This point seems particularly relevant, in a time of employment crisis, when the problems of youth are at the heart of public debate.

## Chapter one

### Attributes of 'apprenticeship' in contemporary Italy, Britain and Germany

#### 1. Introduction

Comparing 'apprenticeship' across countries is a notoriously difficult task and it can lead to considerable ambiguities. One reason lies in the various meanings the term assumes, and has assumed, in different times and spaces (Fluitman 1989; Ní Cheallaigh 1995; Green *et al.* 1997). Hence, a first key issue is understanding what 'apprenticeship' means in each country today. Not only in terms of what is referred to as 'apprenticeship' in official definitions, that is to say, on a 'nominal' level; but also at a 'functional' level, in terms of standard minimum requirements in all countries. In other words, a distinction should be drawn between 'official' definitions, i.e. what national governments have defined 'apprenticeship' to be by means of norms and minimum legal requirements, on the one hand. On the other hand, a 'standardised definition', built around internationally comparable criteria, showing what (true) apprenticeship is here taken to be, mainly regarding its educational attributes.

There are several reasons that justify the choice of using a normative definition. First, this is necessary for scientific reasons: comparing different national definitions requires a common base, otherwise said, a lowest common denominator, or a set of minimum requirements, to be confronted with the individual cases. If no criteria are imposed in defining a phenomenon across countries, one is left only with national definitions, which reflect national politics and governments' political priorities, and which are then hard to compare objectively and scientifically. In other words, if only a nominal definition is used,



'apprenticeship' can cover anything and everything that a government says it does. A different issue is the choice of the standardised minimum requirements: the definition used here aims at being consistent with the pedagogical case for the right to education and with the ideal, powerfully argued by educationists "notably Kerschensteiner, who favoured apprenticeship as a mode of education, technical and even general, instead of simply vocational training and practical learning. It suggests the desirability for apprentices of a status that shares particular features with those of the full-time student and the regular employee, while being at the same time clearly separated from both." (Ryan 2011, p. 404).

This leads to the second motivation for using the standardised definition proposed in this work, namely the ambitions of post-war, as well as contemporary, governments to raise the workforce's skills to an intermediate or high level, not a low or null one, and that of integrating young people in the education system, also by means of apprenticeship.

A third reason for adopting this method can be explained in counterfactual terms, by asking what would be the alternatives to a moderately high standard definition. Answers are multiple but not all equally valuable: for instance, one could imagine the consequences of applying the English definition of apprenticeship – which nowadays means any, and all publicly financed work-based learning programmes – to other countries, and to what extent that would be attractive or unattractive for national governments; probably, unattractive.

Finally, this work does indeed consider official definitions of apprenticeship, in chapter three, as this may be interesting from a political science point of view: in other words, to understand why national governments change and have changed so much apprenticeship definitions, and what are the relative political implications. Differently, from a wider social science perspective, including that of economics and education, looking only at official definitions is potentially uninteresting and even empty. By the way, this chapter is not about political science, as it concerns

the description of apprenticeship systems, and understanding of their similarities and differences, regarding a common reference point.

Intrinsic to the distinction between official definitions and the standardised one, is the question about the distance that separates laws, policies and practices in each country. This analysis provides information about the gaps between the rules, such as those provided by laws and collective agreements, their formal translation into governmental policies, and how the latter are implemented in practice.

The general aim of this chapter is presenting a description of 'apprenticeships' in contemporary Italy, Britain and Germany, which is internationally recognised as an example of success in work-based VET and which informs the normative definition adopted here. The analysis of national cases will give evidence of the distance between official definitions and the standardised content of 'apprenticeship', thereby highlighting the gaps between laws and practices in each country. In this connection, 'apprenticeship' systems should be appraised by a twofold measurement, of both their formal size and their actual size. On the one hand, official statistics count those who are officially considered as participants of as entrants to what is named as 'apprenticeship'. On the other hand, there are those who should be considered as 'apprentices', from a functional viewpoint.

This research argues that in Italy and Britain the strenuous efforts to change and expand the definition of apprenticeship are moving away from and blurring the meaning of the phenomenon. Moreover, an increasing distance between laws, policies and practices in the two countries contributes to scarce transparency in 'apprenticeship' systems. Gaps mainly lie on the training quality side, and on the systems' deregulation, with specific reference to some sectors. These parallel processes stand out in stark contrast with the coordinated and transparent mechanisms of Germany and its performance in youth careers and school-to-work transitions.

The analysis focuses mainly on manufacturing and retail sectors, under the assumption that, roughly in all countries, some of their features represent respectively the traditional and modern 'apprenticeship' models, and the shift in the sectoral distribution of apprentices volumes, with a flood of apprenticeships from the former to the latter. Finally, some of the most significant differences and gaps in apprenticeship rules and practices are to be found especially across these two branches of the economy. Also for these reasons, fieldwork for England has been carried out concerning manufacturing and retailing: key informants from bodies or association representative of the sectors' companies have been interrogated, with semi-structured qualitative interviews.

Data sources are national official statistics and on-field interviews with key informants. Due to the distance between 'apprenticeship' definitions, relevant obstacles concern data collection: while Labour Force Surveys are informative for Italy and Britain, where 'apprenticeship' is mainly an employment contract, statistics about education and training or youth activity are valuable for Germany.

This chapter is structured in four parts: section two analyses official 'apprenticeship' definitions, and proposes a standardised one. The third section investigates the size of apprenticeship systems in terms of inflows and stocks, while the fourth one is dedicated to apprenticeship 'quality', mainly with reference to educational contents. A concluding section summarises the main findings and assesses the distance – especially in Italy and England – between what is officially named as 'apprenticeship' and how things should ideally work, thereby pointing to the following chapters.

## 2. Definitions and meaning

'Apprenticeship' definitions can be investigated from two different angles, by looking at: first, the official definitions that governments have officially attributed to the term; second, a standard, internationally comparable, definition that allows an evaluation of what is nominally called 'apprenticeship'. This section will analyse the two perspectives in this sequence, for each of the three countries.

### 2.1. Official definitions

The first country to legally regulate 'apprenticeship' was Germany, with a law of 1897 (Thelen 2004, p. 7). Italy followed, with Law n. 25 in 1955, and then came England with the 1964 *British Industrial Training Act*<sup>2</sup>. More recent legal interventions are the German *Berufsbildungsgesetz* passed on August 14 in 1969; the 2009 *Apprenticeships, Skills, Children and Learning Act*, introducing the first statutory definition of 'apprenticeship' in Great Britain; and the 1997, 2003 and 2011 reforms in Italy. Table 3 reports the official definitions of 'apprenticeship' in the three countries, with details for beneficiaries and different types of programmes.

The German *Berufsbildungsgesetz* defines 'apprenticeship' as a *training programme*, with a wide basic vocational education, for the practice of a professional qualified activity, providing the necessary specialist skills and knowledge in organised vocational courses, and having the goal of enabling the gain of the necessary professional experience<sup>3</sup>. Apprenticeship has both an educational and occupational value, with the specific aim of leading young people

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2 This Act set up the Industrial Training Boards (ITBs) system, including levy-grant powers for ITBs to finance apprenticeship training (see chapter two, p. 116).

3 «Die Berufsausbildung hat eine breit angelegte berufliche Grundbildung und die für die Ausübung einer qualifizierten beruflichen Tätigkeit notwendigen fachlichen Fertigkeiten und Kenntnisse in einem geordneten Ausbildungsgang zu vermitteln. Sie hat ferner den Erwerb der erforderlichen Berufserfahrungen zu ermöglichen», *Berufsbildungsgesetz*, 14 August 1969, [http://www.bibb.de/dokumente/pdf/bbig\\_1969.pdf](http://www.bibb.de/dokumente/pdf/bbig_1969.pdf)

to a qualification that will allow – and legitimate – their entrance in the labour market as competent and skilled workers.

In Great Britain, ‘apprenticeship’ is defined as an employment contract, in relation to an apprenticeship framework, under standard or alternative completion conditions. In England these are: that the person has entered into an apprenticeship agreement in connection with a recognised apprenticeship framework; that the person has completed a course of training for the competencies qualification identified in the framework; that, throughout the duration of the course, the person was working under the apprenticeship agreement; that the person should meet the requirements specified in the framework for the purpose of the issue of an apprenticeship certificate<sup>4</sup>. In 2009 the Government introduced the Specifications for Apprenticeship Standards in England (SASE), which define “the minimum requirements to be included in a recognised English Apprenticeship framework. Compliance with the SASE will be a statutory requirement of the Apprenticeships, Skills, Children and Learning (ASCL) Act”. Briefly, the SASE include the general attributes of Apprenticeship Frameworks and the obligatory components of Level 2, Level 3 and Level 4 Apprenticeships<sup>5</sup>.

Italy today regulates apprenticeship under the *Consolidated Act* of 14 September 2011, modified by Law n. 92 of 28 June 2012. ‘Apprenticeship’ is defined as a “permanent employment contract for youth training and employment”<sup>6</sup>. The Italian definition introduces the concurrent dual nature of apprenticeship (educational and employment related), but it leaves no doubt about the rootedness of Italian apprenticeship in labour market contractual tools, and in employment law.

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<sup>4</sup> Art. 1, par. 1, 2, *Apprenticeships, Skills, Children and Learning Act 2009*, [www.legislation.gov.uk/ukpga/2009/22/section/1](http://www.legislation.gov.uk/ukpga/2009/22/section/1)

<sup>5</sup> Any Level 2, Level 3 and Level 4 Apprenticeship should include: ‘Qualifications Concerned with the Sector’, ‘Functional Skills’, ‘Employee Rights and Responsibilities (ERR)’, ‘Personal Learning and Thinking Skills (PLTS)’, ‘Guided Learning Hours (GLH)’ (<http://webarchive.nationalarchives.gov.uk/+http://www.bis.gov.uk/assets/biscore/corporate/migratedD/publications/S/SASE-Specification>)

<sup>6</sup> « L'apprendistato è un contratto a tempo indeterminato per la formazione e l'occupazione dei giovani»; art. 1, par. 1, of the Legislative Decree, n. 167, September 14 2011 (*Consolidated Act on Apprenticeship*) [www.normattiva.it/atto/caricaDettaglioAtto?atto.dataPubblicazioneGazzetta=2011-10-10&atto.codiceRedazionale=011G0209&currentPage=1](http://www.normattiva.it/atto/caricaDettaglioAtto?atto.dataPubblicazioneGazzetta=2011-10-10&atto.codiceRedazionale=011G0209&currentPage=1),

Table 3: Official definitions of ‘apprenticeship’ in Italy, England and Germany

	Italy	Great Britain (England)	Germany
<b>Legal definition</b>	A permanent employment contract for youth training and employment <sup>(a)</sup> .	An employment contract, in relation to an apprenticeship framework, under the standard or alternative (English) completion conditions <sup>(b)</sup> .	Training with a wide basic vocational education, for the practice of a professional qualified activity, providing the necessary specialist skills and knowledge in organised vocational courses, enabling the achievement of the due relative professional experience <sup>(c)</sup> .
<b>Beneficiaries</b>	15-29; 15+ for workers “in mobilità”	16 +	15 +
<b>Typologies</b>	1) For a vocational qualification or diploma 2) For a contractual qualification 3) For higher education or research	1) Intermediate Level Apprenticeships (L. 2) 2) Advanced Level Apprenticeships (L. 3) 3) Higher Apprenticeships (L. 4)	Berufsausbildung

Sources: <sup>(a)</sup> Art. 1, par. 1, *Consolidated Act on Apprenticeship*, Legislative Decree, n. 167, September 14, 2011, [www.normattiva.it](http://www.normattiva.it); <sup>(b)</sup> Art. 1, paragraph 1 and 2, *Apprenticeships, Skills, Children and Learning Act 2009* [www.legislation.gov.uk/ukpga/2009/22/section/1](http://www.legislation.gov.uk/ukpga/2009/22/section/1); <sup>(c)</sup> Par. 1.2, *Berufsbildungsgesetz*, 14 August 1969, [http://www.bibb.de/dokumente/pdf/bbig\\_1969.pdf](http://www.bibb.de/dokumente/pdf/bbig_1969.pdf).

All countries use ‘apprenticeship’ as the label attributed to programmes combining work-based learning and off-the-job learning, taking place both at school and in companies, whereby apprentices learn a job and gain some kind of qualifications recognising the achievement of a mastership in a given occupation. Wide differences though exist among ‘apprenticeships’, in terms of training content and its quality, types and values of qualifications, beneficiaries, educational levels, etc. Undoubtedly, the educational and training nature of ‘apprenticeship’ is far more emphasised in the German official definition, while the Italian and the British ones stress more the employment condition and the contractual relationship. In Germany completing an ‘apprenticeship’ ensures *skills* and *knowledge* and leads to an externally recognised qualification for a professional *qualified* activity, with a value in the occupational labour market. By contrast, this is not always the case in

the other two countries<sup>7</sup>. The Italian legal definition, ex article 1 of the *Consolidated Act n. 167/2011* clearly states that ‘apprenticeship’ offers training by means of a permanent employment contract. At the same time it does not say anything about the value of such training outside the individual company, although this is made relatively clear in the following articles. In the British official definition, the existence and the value of the qualifications gainable through ‘apprenticeship’ is easy to identify; nevertheless it is questionable the extent to which they are valuable currencies in the labour market<sup>8</sup>.

The difficult equilibrium between the occupational nature and the training function of apprenticeship characterises the history of training contracts in Europe, with educational goals not always sufficiently balancing occupational ones, like typically in Italy (Biagi and Tiraboschi 1999). Equal distance should separate apprenticeship from both the world of education and the world of work. At a descriptive level, at least, it should be distinguished both from school-type, full-time vocational education and training, and, likewise, from active labour market policies (ALMPs). A different and successive step concerns the evaluation of possible overlaps between apprenticeship, full-time VET and ALMPs. To the purposes of this work, it is important to claim that, unless certain minimum requirements are met, as those outlined in the ‘standardised’ definition, work-based training programs for youth might be confused with internal labour market training programs (Marsden 1986; Piopiunik and Ryan 2012; Freeman 2008, pp. 640-58).

Employment goals, not just educational ones, are potentially important in youth labour market programs, as a prior outcome to be achieved. Such was the case both in Italy and in Britain in the 1980s, when youth unemployment rates grew

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<sup>7</sup> See the distinction between Occupational Labour Markets and Internal Labour Markets in the Introduction of this work; and in Marsden and Ryan, 1991.

<sup>8</sup> Evidence on apprenticeship qualifications returns suggests that, for instance, a Level 2 NVQ is not associated with higher pay, whereas a Level 3 one is (McIntosh *et al.* 2002). This work concludes that vocational qualifications are typically associated to lower returns than those associated with academic qualifications of the same level, especially for part-time courses (*ibi*, p. 18).

extraordinarily. However, responses to high youth unemployment, to the educational system's failure, and to social exclusion, can be different. For instance, Germany introduced a 'transition system' to include youth who could not find apprenticeship places, without leaving them unemployed, but helping their transitions to high quality apprenticeship programs. A different choice is, and has been in Italy and Britain, 'altering' apprenticeship for ALMP related reasons, as chapter two argues.

To some extent these differences reflect the traditional models of apprenticeship in each country and the role they have historically covered in national economies (see chapter two). However, in some ways, apprenticeship's embeddedness in labour market and employment relations has been more clearly remarked in the most recent reforms in Italy and Britain.

Despite this – quite simple but obvious – difference between Britain and Italy on the one hand, and Germany on the other hand, a common narrative has flourished in the first two countries. This pretends to transfer the German model in domestic policies, and shape national apprenticeship systems around its main attributes, at least as these are promoted and presented at a political level. Nevertheless, as this chapter argues, practice in Italy and Britain have not always consistently followed such direction. Both countries tended to expand the meaning of 'apprenticeship', not only in practice, as we shall see, but also at a statutory level.

For instance, Italy and Britain opened 'apprenticeship' age limits up to adult workers, taking the distance from the traditional idea that apprenticeship is for young people to enter the labour market, by gaining training and work experience. In Germany, apprenticeship continues to be regulated and to work as a contract for young people. In Italy apprentices can be hired when they are no older than 29 years and 354 days, which is not too far from the end of higher education for many Italian young people. The quasi totality of Italian apprentices are indeed 'young' workers and first entrants. However, a special provision of the 2011 reform introduced the possibility of hiring workers irrespectively of their age, provided



that they are suspended from work and included in a specific passive labour market policy<sup>9</sup>. The British system, instead, generalised the possibility of hiring adult apprentices, by fixing only a minimum age threshold, namely sixteen<sup>10</sup>. As it shall be said, this builds on an existing practice of hiring former – adult – employees as apprentices, for retraining purposes, excluding broader and higher educational goals.

Table 3 shows also the variety of levels and typologies of ‘apprenticeship’. Germany conserves the traditional and successful *Berufsausbildung*. Nevertheless, VET programs at higher education level have been experimented, such as *Duale Studium*, a program carried out in universities or vocational colleges with integrated vocational- or practical-training in a company.

In Italy the legislative decree n. 267/2003 introduced three new typologies of ‘apprenticeship’, marginally reformed but renamed by the 2011 reform<sup>11</sup>. The latter (legislative decree n. 167/2011) defines ‘*apprendistato per la qualifica e il diploma professionale*’ the programme for 15 to 25 year olds. While working, young people can gain a three- or four-year upper secondary vocational qualification, thereby completing the right-duty to stay in education for twelve years. So far, the so called ‘first level’, or ‘type 1 apprenticeship’ has been regulated for 43 occupations, 22 in the case of three year qualifications, and 21 for four year

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9 Article 7 of the Consolidated Act on Apprenticeship (n. 167/2011) disposes that for the sake of their professional qualification or re-qualification, it is possible to hire – with an apprenticeship contract – workers included in the lists of the mobility scheme. This allows employers to hire – as apprentices – also 29+ workers “in mobilità”, that is to say workers who were made redundant by a company in consequence of financial hurdles, to whom the State guarantees an economic benefit *in lieu* of their salary, and a support in their job placement. These workers are indeed included in a special list, wherefrom they can be selected by potential employers for a job. No data is yet available on the concrete use of this measure. But it is easy to imagine that it is not likely to have a large scale impact, due to the bureaucratic and administrative burden it implies.

10 Chapter 2, “Study and Training”, of the 2009 Apprenticeship Act, by a negative provision, excludes from the beneficiaries of apprenticeship, among other categories, any person of compulsory school age (or, in Scotland, school age); nor a person to whom applies the duty to participate in education or training for 16 and 17 year olds. No provision can be found on maximum age limits. The legislative technique, making large use of continuous cross-references, does not ease a straightforward understanding the meaning of the law.

11 Article 3 “*Apprendistato per la qualifica e il diploma professionale*”, Consolidated Act on Apprenticeship, n. 167/2011.

diplomas<sup>12</sup>. For each occupation the Joint Conference of the State and the Regions has defined the general features of the relevant training courses (*'profili formativi'*). The second typology, *'apprendistato professionalizzante o contratto di mestiere'*, is considered the Italian traditional 'apprenticeship'. It is an employment contract for 18-29 year olds to gain contractual qualifications valid within the scope of the collective labour agreements that define and recognise them. The last typology (*'apprendistato di alta formazione e ricerca'*), also called 'higher apprenticeship' or 'third level apprenticeship', is for people aged 18 to 29 years old. This comprises two distinct typologies, namely apprenticeship for higher education and apprenticeship for research. The former leads to an upper secondary and tertiary qualification, a title for technical specialisation, or gives access to Regulated Professions. The latter leads to the contractual qualification of 'researcher' (with no value in the public education system), provided that this is recognised by relevant collective labour agreements. So far 'type 2' apprenticeship (the *'professionalizzante'*) is the most – and only one – used: in 2009, 72.2 per cent of all apprenticeship contracts were of type 2, while 27.8 per cent was still regulated under Law n. 196/1997<sup>13</sup>. Higher apprenticeship is experimented within pilot projects financed by the Ministry of Labour, while the first level apprenticeship has never been implemented so far.

Great Britain introduced a number of 'apprenticeship' levels too, each – nominally – corresponding to higher levels and value. Apprenticeship is mainly developed at 'Level 2' (Intermediate Level Apprenticeships) and 'Level 3' (Advanced Level Apprenticeships). Selected sectors (e.g. advanced manufacturing and technology) have developed 'Level 4' and 'Level 6' Apprenticeships, leading to higher education

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12 Some commentators claim that this is a German-like apprenticeship, as it combines different learning settings, at work and in school, and the qualification gained at the end of the apprenticeship period has a public value (Tiraboschi 2011). However, many features of the apprenticeship system in Germany are not encompassed.

13 Law n. 196/1997 was still extensively applied, most likely because the Biagi Law (2003) was still not applicable, either for under 18 year olds, or in sectors that had not completed its enactment process.

qualifications, including Bachelor's degrees<sup>14</sup>. All Apprenticeships, at least in England, lead to a number of qualifications: a 'competencies' qualification, relative to occupational skills, formerly known as National Vocational Qualifications (NVQ); a 'knowledge qualification' (although some sectoral framework have merge these two components), formerly known as Technical Certificates (TC); a 'functional skills qualifications' (e.g. Maths and English); the Employer Rights and Responsibility (ERR) and the Personal Learning and Thinking Skills (PLTS) qualifications.

To describe the three 'apprenticeship' systems, it is also interesting to look at the levels of attainable qualifications, comparing them against the European Qualifications Framework, a device to translate qualifications from one national system to another. In doing so, however, one should remember that reference is made to formal and official equivalencies, although their real effectiveness may be questioned.

In Italy the first and the third type of 'apprenticeship' can formally lead to upper secondary and tertiary qualifications, including Doctorates, both in general and in vocational qualifications. This means EQF levels from 3 to 8 (ISFOL, 2011b). Type 2 'apprenticeship', instead, does not lead to a vocational education qualification, but to a contractual qualifications, which has no reference in the EQF. 'Apprenticeship' in Italy can be used in all sectors<sup>15</sup>, in principle for all occupations, but only to the extent that such occupations are recognised by social partners in the relevant

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14 This is the case of SEMTA, the Sectoral Skills Council for Advanced Manufacturing and Engineering sectors, which developed frameworks at Levels 4, 5 and 6. These, though, were formally embedded only in Scottish legal regulation, while the English National Apprenticeship Services has not adopted them yet. The interview with SEMTA raised the issue of how different apprenticeship Levels are used: starting a Level 2 'Apprenticeship', and then pass on to Level 3, might be a strategy to get double public funding in some sectors, without considerable increase in content, training quality or up skilling.

15 Apprenticeship has mostly been confined to the private sector, which is what the law allowed for in the last decade, when apprenticeship has been regulated by legislative decree n. 276 of 2003, exclusively applied to the private sector. Nevertheless, data show that public services, such as health, social care and others, have regularly used apprenticeships, and in 2009 at least 25,000 youth entered these sectors. Apprenticeship, thus, has been used also in the public sector in Italy. However, this possibility was recognised – by law – only by the legislative decree n. 167 of 2011. Nevertheless – in practice – this is not likely to be possible: article 7 of legislative decree n. 167/2011 required the Minister of Public Administration to take action within one year since the approval of the Act, but this has not occurred.

collective labour agreements. In principle, a specific legal provision (article 6, paragraph 3, legislative decree n. 167/2011) foresees a national repository (*‘Repertorio nazionale delle professioni’*), connecting vocational qualifications to occupational standards and job roles, but this has never been created.

In England, instead, there is a limited number of ‘apprenticeship’ occupations, defined in almost 200 Apprenticeship Frameworks. To each framework a number of job titles, and the relative working tasks are associated. The educational level of English Apprenticeships is formally upper secondary (EQF levels 3, 4 and 5), although Level 4 Apprenticeships can lead to Bachelor’s Degree, which is level 6 of the EQF (QCA 2010, p. 17).

Finally, in Germany, ‘apprenticeship’ is accessible for a defined number of occupations (around 360), which is constantly revised and updated so that the system be well structured but flexible enough to adapt qualifications to labour market changes and needs. EQF levels of the qualifications attainable with German apprenticeship are 3 and 4 (DQR 2011), possibly leading to higher education levels. This would be the case of apprenticeships qualifications gained at the *Fachhochschulen*, should these be recognised as equivalent to University degrees.

To describe some of the institutional features of the three ‘apprenticeship’ systems, a brief presentation of the Actors involved and of the sources of funding follow. The responsible Ministry for apprenticeship is Employment and Welfare Ministry in Italy, that of Education in Germany and the Department for Business, Innovation and Skills, acting through the United Kingdom Commission for Employment and Skills (UKCES) in Great Britain<sup>16</sup>. The National Organisation in charge for apprenticeship administration is the Directorate General for active and passive labour market policies of the Ministry of Employment in Italy, the Skills Funding Agency (SFA) in Britain and the central board of the Federal Institute for Vocational Training (*Bundesinstitut für Berufsbildung, BIBB*) in Germany. The National Organisations in charge of advice on apprenticeship matters are two technical

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<sup>16</sup> See figure 5 in Annex 1 for a visual representation of the English vocational education system.

agencies of the Ministry of Employment in Italy, namely ISFOL (institute for workers' continuous training) and ItaliaLavoro, which is in charge of managing active labour market policies. In England this role is covered by the National Apprenticeship Service (NAS), and in Germany by the BIBB central board. Finally, the representation of employers, of trade unions and of vocational trainers is mandatory only in Germany<sup>17</sup>. In Britain employers' representation makes an exception, as the system can be described as 'employers based' (although, in content, their role would need more evaluation).

As far as funding mechanisms are concerned, in Italy public resources – managed by the Regions - fund part-time vocational education, while company training is entirely financed by private parties. This 'dual' model resembles the German one, where public money funds part-time education and programs set up to help disadvantaged youth to get apprenticeship places; on the other hand, workplace training is privately funded. In Great Britain public funding is available for part-time education only in occupations for which it is required, and not at all Apprenticeship Levels and not all ages (100% for 16-17 year olds, 50% for 18-24 year olds). Workplace training is publicly subsidised, by public grants, paid to the training provider (employer, training company, colleges) for all of the required training<sup>18</sup>.

## **2.2. Standardised definition**

It is difficult to compare nominal definitions across countries, even just because of the wide and deep differences among and within national systems. Therefore, a standardised definition helps determine what is and what is not 'apprenticeship', on the basis of evidence on how it works in practice.

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17 "The monitoring bodies include government and trade union as well as employer representatives to guard against vocational education being confined to the skills required by a single employer" (Rose and Wignanek 1990, p. 92).

18 The British apprenticeship system has been referred to as a training 'quasi-market', which though differs from a free market (Ryan and Unwin 2001).

'Apprenticeship' has been widely<sup>19</sup> understood as a program of work-based learning, which is more than on-the-job learning, that combines part-time formal education with training and experience at the workplace, and results in an externally recognised vocational qualification. This definition well encompasses the main institutional aspects of the underpinning employment and training relationship, and it accounts for one of key attributes of apprenticeship, namely the blending of an occupationally oriented programme, of theory and practice, with technical and general knowledge as well as practical skills.

Nevertheless, this definition still disregards some important elements of apprenticeship quality, in particular of on-the-job training quality and its educational and professional value. A number of criteria could be added to the above mentioned definition, although not all of them can be included in the standardised definition, which should by contrast include only minimum requirements.

The first criterion to add is the educational value, and therefore the quality, of work-based training, to be supervised and influenced by external regulations or standards, which ensures 'training'<sup>20</sup> be more than and different from internal labour market training. The importance of on-the-job learning quality and of its complementarity with other learning experiences, is confirmed by pedagogic literature (Greinert 1994; Deißinger 2001; Gonon 2009). The minimum requirement of 'externally recognised on-the-job training standards' seems to be crucial to reinforce and qualify the standard definition.

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19 Similar definitions are used by Ryan (2011, p. 403), Steedman *et al.* (1998, p. 11) and Wolter and Ryan (2011, pp. 522-3).

20 A shared definition of training would indeed be needed to talk about 'vocational education and training', as countries have historically referred to different practical definitions of training. For instance, "historically Britain has emphasised an either/or approach: a youth is either in school studying for an academic qualification [...] or else is employed full time earning the market rate for his or her skills. Germany, by contrast, has a both/and approach; the dual system requires that a youth be in work and in school; training at the workplace and education in a vocational school are regarded as both necessary and mutually supporting" (Rose and Wignanek 1990, p. 46).

Second, a key feature is the presence of adequately trained and qualified training staff, such as tutors, supervisors and assessors. They are in charge of developing the 'holistic learning potential' of apprenticeship, that is to say the degree of coherence and integration among different learning experiences, their tools, outcomes, times, places, and their knowledge and competence development potential. This is a crucial aspect of apprenticeship training, although it is often disregarded from those who study 'apprenticeship' as an employment contract or from the viewpoint of labour economics. From a pedagogic point of view, a tutor guarantees the appropriate conditions for making the work experience a learning opportunity, or, otherwise said, work as a means not as an end in itself<sup>21</sup>. This can be achieved when, among other conditions, a degree of reflexiveness, in due spacial and temporal conditions, accompanies working actions. By the way, the importance of qualified criterion as a precondition for making apprenticeship work, is coherent also from an economic angle. Assuming that the problem of youth vocational training in a country is insufficient demand, which might be well the case of Britain and Italy, then governments should design policies to boost such demand. The underpinning assumption that from increased demand a higher level of training supply will flow is wrong insofar as training is not like any other material good. A demand increase is not sufficient to increase supply, because to this end more qualified trainers are needed, and this is a function of the current workforce's skill level. Despite its theoretical importance, one might say this criterion is too restrictive to become a functional one for international comparisons.

A third possible element, key to define apprenticeship, yet lacking in the definition mentioned above, is the presence of a well defined occupation, with links to existing job roles and their descriptions. In other words, the 'occupational identity' of apprenticeship programmes indicates the extent to which the occupation that

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21 Bertagna (2006) distinguishes between work as a mean versus work as an end in itself (*lavoro come mezzo vs. lavoro come fine*). But also, Rose and Wignanek (1990): "The amount of training that youth are said to receive depends on upon the definition employed. [...]. The critical distinction is therefore between nominal training, that is, training as an activity without regards to its outcome; and instrumental training, as a means to the end of gaining occupational skills and a recognised vocational qualification (*ibi*, p. 59).

'apprenticeship' should train people for is defined, identifiable, associated to occupational standards of a specific job role and to the relative job description. Despite the relevance of this criterion (Deißinger 1996), it does not seem sufficiently convincing to be included in the standard definition, especially because occupations' classification differ so much across countries that comparison would lead to unclear results.

Fourthly, apprenticeship beneficiaries, in principle, or at least, coherently with the original meaning of apprenticeship, should be young people, who enter the labour market to perform a specifically identified occupation. Including age restrictions in the standardised definition would be reasonable, because the educational and developmental needs and interests of young people are greater than, and different from, those of adults, and this is recognised in the writings of pedagogical educators (Kerschensteiner, Dewey *et al.*). Moreover, a range of other tools, such as further education or active labour market programs, have been or can be purposely designed to accompany adult workers to entering or re-entering the labour market, even in the case the job is new to them and requires training or up-skilling. This criterion is anyway not included in the standard definition.

Finally, according to some contemporary pedagogues (Bertagna 2006), apprenticeship training is never given without education and vice versa <sup>22</sup>. Briefly, this idea flows from a holistic conception of human beings, who contemporarily develop theoretically, personally, culturally (education side), but also acquire abilities and skills, in contrasts with the spatial and temporal splitting of learning experiences. As a consequence, the two terms, 'education' and 'training', should always be mentioned together, also when talking about vocational programs.

A possible standardised definition of 'apprenticeship' could therefore be the following: apprenticeship is a programme for young people to learn a defined

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<sup>22</sup> According to a group of modern pedagogues, knowledge and competence, study and work, theory and practice, are complementary. Education, therefore, is always entrenched and not separable from vocational training. Likewise, there is no training experience, even the simplest one, that does not require good quality education (Bertagna 2006).



occupation, that holistically integrates part-time vocational education and training, with regulated on-the-job learning, and work experience at the workplace, and it results in an externally recognised vocational qualification.

Taking for granted that not all 'apprenticeship' systems fulfil the minimum requirements of this proposed definition, there is a need to give evidence, and possibly measure, the distance between what is called 'apprenticeship' and what should work as 'apprenticeship'. Borrowing from previous research (Ryan, Gospel and Lewis 2007), it is possible here to use 'Apprenticeships', with capital 'A', as a label for any programme which is named so; and call 'apprenticeships', with little 'a', the high standards programmes meeting all the criteria of the 'standardised' definition. In principle, it is therefore possible to distinguish and size two populations: how many people participate to what governments call 'Apprenticeships', and those who are engaged in what 'should' be called 'apprenticeships'. Clearly, the two populations overlap, since some 'apprenticeship' is not 'Apprenticeship' (Ryan, Gospel and Lewis 2007). In this connection, 'apprenticeship' systems should be appreciated by a twofold measurement. If we accept this distinction, by comparing official definitions against a functional definition, a gap should emerge between laws and practices in each country. Provided that the distinction between 'apprenticeship' and 'Apprenticeship' will be used throughout the whole work for both Italy and Britain, it is relevant to anticipate that the use of 'Apprenticeship' seems to be less consistent for contemporary Italy, which shows more continuity with respect to Britain.

### **3. Quantity**

To introduce 'apprenticeship' systems in contemporary Italy, Britain and Germany, this section presents data on their scale and coverage, for inflows (the average number of people entering 'apprenticeship' every year) and stocks (the average number of people in training every year).

A few methodological issues require attention. Regarding Great Britain, information has been collected for England, from the national Statistical First Release<sup>23</sup>. Most recent data is available for 2010/1 for almost all indicators in the three countries; but, in cases of relevant changes, data for 2009/10 are reported too. Since 2009, Italy and England passed ‘apprenticeship’ reforms, whose effects might not be visible yet. The impact of the 2008 economic and financial crisis won’t be discussed here, although in all countries this had a negative impact on national labour markets, particularly affecting young people and their access to employment. ‘Youth population’ is considered up to 24 years old<sup>24</sup>. Total working population is calculated using thousands of employees in employment.

Table 4 presents data (thousands and percentages) on ‘apprenticeship’ inflows, standardised by youth population, and ‘apprenticeship’ stocks, standardised by the number of employees in employment in the whole economy (see table 1 in the annex of this chapter), both for 2009/10 and 2010/1. Comments will first address the systems’ size and then their changes over time.

*Table 4: Size of ‘apprenticeship’ systems*

		Italy		England		Germany	
		000s	%	000s	%	000s	%
<b>Inflows</b>	2009/10	283.083	4.19	279.700	4.07	559.96	6.01
	2010/11	289.076	4.30	457.200	6.65	570.140	
<b>Stocks</b>	2009/10	594.668	2.58	491.3	2.01	1,571.457	4.39
	2010/11	541.874	2.57	665.9	2.72	1,508.328	4.19

*Sources:* Italy: ISFOL, 2012, p. 16 tab 11; p. 5 tab 1 (2009, 2010); England: BIS, 28 June 2012, table 1; Germany: BIBB, 2012, p. 14, table 1, p. 108, table A4.2.2-1; *Statistisches Bundesamt*, 2011, p. 141, table 6.5.1.

*Note:* basis for the percentage columns is youth population for inflows; employment in the whole economy for stocks (see table 1 in Annex).

23 This is emphasised because the SFR, drawing from micro data of the the Individualised Learning Record, uses quite a broad definition of ‘Apprenticeships’, basically understood as a set of qualifications achieved both through workplace learning and with a training provider.

24 This contrasts with Italian reality, where youth extends, at least, up to 29 years old.

In 2009 the number of people entering an 'apprenticeship' was quite similar in Italy and in England, while it accounted for about a half of the German one. In Italy 283,083 people started an 'apprenticeship' in 2009, equal to 4.19 per cent of youth population. In England 279,700 did so, covering 4.07 per cent of youth, whereas Germany counted more than half million new apprentices (559,960), which represent 6.01 per cent of all young people.

Starts by sector concentrate in manufacturing and services (see figures 1, 2, 3 in the annex to this chapter). To compare numbers, a standardised measure of 'apprenticeships' (volumes) by employment in each sector would be needed. However, as this can be considered marginal for the purposes of this work, may a brief comment suffice. In absolute numbers, both in Italy and in England services sectors cover the biggest share of all 'apprenticeship' starts in 2009, followed by starts in manufacturing. In Germany, in absolute numbers, apprentices start in two main sectors, namely 'Industry and trade' and 'Craft.

Also the number of people in training (stocks) differs considerably between Italy and England from Germany. In 2009/10 there were 594,668 'apprenticeship' contracts in Italy, and 491,300 in England, respectively equal to 2.58 and 2.01 of the total workforce in employment. In Germany, apprenticeships were more than half a million (1,571,457), covering almost 5 per cent of all employed people (4.38%).

Coming to trends, a number of changes can be observed from 2009/10 to 2010/1. In England 'apprenticeship' starts jumped from 279,700 to 457,200, involving from 4,07 to 6,65 per cent of the youth population. The increase was more moderate in Italy: in 2010 nearly 6,000 young people started an 'apprenticeship' more than the entrants in 2009, which is only a marginal increase on the youth population (0.11%).

The English boom of 'apprenticeship' starts reflected on the expansion of the number of people being trained, or at least employed, as 'apprentices'. This grew

from 491,300 to 665,900, an increase of 0.71 percentage points on the total of employees in employment in England. In Italy, instead, despite the slight increase of starts, the number of apprentices declined of about half million, from 594,668 in 2009/10 to 541,874 in 2010/1 (that is 0.01% of total workforce in employment).

Volumes in Germany, as mentioned, are and remain considerably larger, both in absolute and in relative terms, also over time. 'Apprenticeship' starts were 559,960 in 2009/10 (equal to six per cent of youth population), growing to 570,140 in the following two-year course. Apprentices remains more the one million and a half: 1,571,457 young people were trained as apprentices in 2009 (4.39 per cent of all employees) with a minor drop in 2010, down to 1,508,328 apprentices (an impact of just 0.2 per cent on the working population).

To conclude about 'apprenticeship' starts, England registered a considerable growth, while Italy and Germany recorded moderate stability in the system's coverage, with minor decreases from 2009 to 2011<sup>25</sup>.

Cross country variation also concerns the composition by average age of apprentices in training. While in Italy under-18s account only for 3.8 per cent (ISFOL 2011), this group (up to 19 year olds) represents 30.5 per cent of English apprentices (BIS 28 June 2012) and a half of the German ones, where the 16-18 age group covers 47.9% of all apprentices (BIBB 2010, p. 47). From 18 to 24 years old is the age span when people, in all countries, are most likely to be trained as apprentices: 33.2 per cent of apprentices in Italy are aged 22-24; 37,8 per cent are 19-24 year olds in England; while in Germany 46.6% are aged between 19 and 24 (27% aged 19 and 20, and 19.6% from 21 to 24).

Adult people can be apprentices in Italy and England. In Italy 28 per cent of apprentices are older than 25. Provided that they can be hired until their 29 and, in the time data refer to, apprenticeship was uniquely the '*professionalizzante*' whose

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25 These are likely to be due to general economic and financial instability, typically affecting youth more than adult employment (among the others, Garonna and Ryan 1996).

maximum duration was four years, these people could not be older than 33. In Germany, average apprentices age (at entry) has increased in the last fifteen years: it was 18.5 in 1993 and 19.7 in 2008 (BIBB, 2010: 180). This results from a decrease of the under 16, 16 and 17 year old starters and an increase of 18+ apprentices: the group of the 16 year olds and younger dropped from 24.8 per cent to 11.5 per cent; 17 year olds also decreased from 27.7 to 17.9 per cent. Those who started an apprenticeship in their 20 and above almost doubled: 20 year olds from 7.6 to 13.1, 21 year olds from 4.5 to 8.6 per cent (BIBB 2010, p. 180). Over 25 year olds cover almost one-third (27.2 per cent) in England, which also records 4.5% of all apprentices in their fifties.

A peculiar attribute of English apprentices is that many of them, before starting their 'apprenticeship', were formerly employed by the same employer. The Business Innovation and Skills Department (BIS) reports that in Great Britain in 2011 "seven in ten Apprentices [...] worked for their employer before starting their Apprenticeship" (BIS 2012, p. 19), with significant variation by country and frameworks though. Focusing on this dimension, the 'service' sector frameworks (e.g. 'Retail', 'Customer Service') stand out for being more oriented to select Apprentices from their former employees. As an example, while in 'Team Leading & Management' and 'Retail' nearly all apprentices (respectively 99 and 90 per cent) worked for the same employer prior to enrolment, this figure decreases to 47% per cent for those employed under a framework in 'Engineering'. The interviews accounted for differences in practices: the Sectoral Skills Council (SSC) for retailing (Skillsmart Retail) confirmed that older former employees would be conventionally hired as Apprentices, although companies nowadays tend to hire younger apprentices. The advanced manufacturing and engineering SSC (SEMTA) declared that engineering companies do use Apprenticeship to hire former employees, but they do so with former Apprentices, to support their career. For England, the 2009 National Employer Skills Survey states that "one in six employers [...] mainly (five per cent) or only (11 per cent) offer Apprenticeships to existing staff [...] and three-quarters of employers would at least consider offering

Apprenticeships to existing staff” (NESS 2009, p. 209)<sup>26</sup>. This is informative about the routes to Apprenticeship, in different sectors, in England, and about the extent to which employers see Apprenticeships as a tool for up-skilling existing workers, rather than a pathway for recruiting and training new staff. It is, at least, possible to infer that the original function of ‘apprenticeship’ has been ‘expanded’ in England (Fuller and Unwin 2008; 2003). No data is available for Italy and Germany. One could argue that it is not common, but it would be necessary to have data on it.

As regards the composition by educational level, the majority of Italian apprentices in 2007 had a lower secondary level or no qualification (54.6%), one-third gained an upper secondary level title or diploma (31.7%), 9.1% entered apprenticeship with a vocational qualification and 4.7% with a university degree. In Germany in 2007/8, half of apprentices had a lower secondary qualification, gained at the *Hauptschule* (the lowest grade) in 26.7% of cases, and at the *Realschule* (institutes for technical education) in 38.2% of cases. Another 20% entered apprenticeship with a qualification of upper secondary level: 10.3% at the *Fachhochschule*, (vocationally oriented tertiary education), and 8.4% in *Allgemeine Hochschule*, or general higher education colleges (BIBB 2010, p. 46). No data has been collected for England. However, on average<sup>27</sup> English apprenticeship entrants, compared to other countries, attain lower educational levels, and the same is true for math skills<sup>28</sup>.

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26 These results vary little by the size of establishment, though large employers (with more than 200 employees) are less likely to offer apprenticeships only to new recruits than the smallest establishments (20 vs. 27%).

27 National average hides variation by Apprenticeship frameworks, in terms of entry requirements. For instance, to enter a Level 2 Apprenticeship in Engineering Manufacture (Operator and Semi-skilled), beside motivation and commitment to training, the Framework developed by SEMTA requires a 14 to 19 Diploma in Engineering or Manufacturing, having, among other qualifications, GCSEs in English, Maths and Science, possibly with 5 grades D to E, having completed tests in basic numeracy, literacy, communication skills and having spatial awareness; apprenticeship candidates may also be interviewed and tested in the selection process. By contrast, there is no specific minimum entry requirement to access neither Level 2 nor Level 3 Apprenticeships in Retail, as specified, for each Pathway, in the Retail Framework developed by Skillsmart Retail.

28 “The quality of apprenticeship entrants is a function of HE participation and average attainments at the end of compulsory school. At the margin, high levels of HE participation divert young people away from apprenticeship. Employers in England have to contend with high levels of HE participation and average mathematical attainments at the lower end of the scale compared with other apprentice countries. Apprentices with low school attainments require a more intensive training effort to reach required standards and increase employers’ costs” (Steedman 2010, p. 16).

## 4. Quality

The choice of criteria for ‘apprenticeship’ quality is largely disputable, as ‘quality’ is a multidimensional and hard-to-measure phenomenon. Having acknowledged the importance and complexity of selecting the indicators that better describe and assess apprenticeships’ quality<sup>29</sup>, this chapter considers the following: the statutory minimum duration of the programme; the minimum duration of off-the-job training, or, more precisely, of part-time vocational education; the qualification of in-company and off-the-job training staff; assessment methods, if any, to be checked against their validity and reliability; completion rates of apprenticeship programmes.

Section 4.1 describes the individual aspects of ‘apprenticeship’ training quality selected. To the purposes of this chapter, for each criterion, it distinguishes between legal regulation, or minimum statutory requirements, and implementation in practice. Likewise, section 4.2 summarises ‘apprenticeships’ attributes in contemporary Italy, England and Germany, looking at their legal regulation, if any, and then to practices. The criteria analysed in Sections 4.1 and in 4.2 do not perfectly overlap (the former refer to apprenticeship training quality, the latter concern the standard definition of ‘apprenticeship’ program as a whole); nevertheless they are presented in the same section because apprenticeship training quality is considered here as the ‘core’ of what apprenticeship should be.

### 4.1. A selection of indicators for quality

Table 5 reports the rules for selected aspects of ‘apprenticeship’ quality, while practices are discussed in the text, after rules. Data for Italy are broken down by ‘apprenticeship’ typology, due to considerable differences among them both in the

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<sup>29</sup> See, as a recent and rich example, the model proposed by Ursula Beicht *et al* in a 2009 BIBB report (Beicht *et al.* 2009).

legal regulation and in their actual implementation<sup>30</sup>. Information for Great Britain mainly refers to England, although this might coincide with regulations for Wales. Information for Germany does not consider variations by *Länder* nor by sector, and by considering the national system as homogeneous in practice.

*Table 5: Selection of indicators for apprenticeship quality*

		Italy (*)			Great Britain (England)	Germany
		T1	T2	T3		
<b>a) Programme minimum duration, months, 2012</b>		6	6	6	12	24
<b>b) Off-the-job minimum training, hours/year, 2012</b>		400	0	0	100	400
<b>c) Training staff qualification, legal minimum requirements</b>	<b>In company</b>	0	0	0	0	2
	<b>Off-the-job</b>	1	0	1	0	2
<b>d) Assessment methods</b>		2	0	1	1	2
<b>e) Completion rates, 2009</b>		n.a.	66	n.a.	71	86

Sources: Italy: ISFOL 2010; 2011, p. 16; England: BIS 1 May 2012; DS/SFR June 12; fieldwork; Germany: BIBB 2012, p. 92, Figure A4.1.2-2; Steedman 2010, p. 24.

Notes: (\*) T1= Apprenticeship for a vocational qualification or a diploma; T2= Apprenticeship for a contractual qualification; T3= Apprenticeship for higher education or apprenticeship for research.

(a) Programme minimum duration, months, 2012: minimum duration in months, defined by law.

(b) Off-the-job min. training, hours/year, 2012: share of part-time vocational education and training

(c) Training staff qualification, legal requirements: 0= no requirements; 1= either occupational or pedagogical qualifications; 2= occupational and pedagogical qualifications.

(d) Assessment methods: 0= no legal minimum requirements; 1 = internal (in company); 2 = external

### *Programme minimum duration*

The minimum duration of apprenticeship programmes is considered as an indicator for their quality, insofar as, first, more time spent in learning means, other things equal, more learning. Second, minimum duration should guarantee to all young people the possibility to engage in the complex educational and

30 As concerns 'type 3 apprenticeship' in Italy, the tables in this chapter report information only for 'apprenticeship for higher education', but comments consider apprenticeship for research too.



occupational learning experience of apprenticeship. A third, marginal, argument for minimum duration is the need to understand the workplace as a new socialisation arena and a new learning venue, as well as to familiarise with adult colleagues and with basic social rules in the workplace.

In Italy 'apprenticeship' minimum duration has been repeatedly reformed in the last decade. Traditionally set at two years, it was repealed in 2008 by law decree n. 112. The *Consolidated Act* approved in September 2011 confirmed that 'apprenticeship' had to have exclusively a maximum duration regulated by law. This was three years for the '*apprendistato professionalizzante*', while in the case of the two other typologies, this had to be proportionate to the length of vocational education and training or higher education course leading to the same recognised qualification. Nine months after its approval, the legislative decree n. 167 of 2011 was amended by Law n. 92 of 28 June 2012, the so called 'Legge Fornero', from the name of the Minister of Welfare who promoted it. Article 1 paragraph 16, letter a) of this law introduced a six months minimum duration for all apprenticeship contracts.

In England a 12 months minimum duration for 'apprenticeships' was announced by John Hayes, Minister of State for Further Education, Skills and Lifelong Learning, on 19 December 2011, applying only to young people aged 16-18 and entering in force from 1 August 2012. As its discretion, the National Apprenticeship Service will assess whether this minimum requirement should extend to older learners (19+); in any case, having considered apprentices' previous experience and knowledge, this threshold could be reduced to six months.

In Germany 'apprenticeships' last minimum 24 months and maximum 36 months by law (BBiG § 25 *Ausbildungsordnung*, paragraph 2.2); however, for some occupations, different provisions can extend the minimum threshold<sup>31</sup>.

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31 For instance, in 2011, for the first time, the Federal Ministry of Economics and Technology has introduced new legal minima for two occupations with a training period of 3.5 years minimum a 5 years maximum (until 2016); these are the technical product designer and the technical system planner (BIBB 2012, p. 93).

Due to the extremely recent changes in legal provisions, evidence of practice refers exclusively to the previous legal requirements on minimum duration, before reforms were introduced.

In Italy, in 2009, 54.6% of all apprentices stayed less than 3 months in the program. After this critical threshold, which can be explained considering also seasonal employment, 34.3% of apprenticeship contracts stopped before the first twelve months since the start. Between January 2008 and September 2009, 85.5% of the 513,466 terminated apprenticeship contracts ended before the natural expiry date (ISFOL 2010, pp. 13-4).

Before the new regulation, England was adopting a 'driving test' structure, that is to say apprenticeship did not have a fixed duration, but it concluded when apprentices were considered 'competent', although it could be argued whether it was – and it is – clear what that means. Duration of 'apprenticeships', *de facto*, coincided with the duration of the public grant subsidising training. In the latest years, the actual length of stay for apprentices in England is fifteen months, but 3.2% of all apprenticeships would last maximum 3 months, 15.7% from 4 to 6 months, 38.7% 7 to 12 months and the absolute majority, 42.3%, more than 13 months. Variation is wide across sectors and in many cases it has overall declined in the last three years: in 2009/10 the average length of stay ranged from 9 months (8 in 2010/1) in 'Information and Communication Technology', to 11 months (10 in 2010/1) in 'Business, Administration and Law', 14 months (12 in 2010/1) in 'Retail', reaching up to 19 months in 'Engineering and Manufacturing Technologies' and 23 months in 'Construction, Planning and the Built Environment' (BIS 1 May 2012).

Interviews with key informants from the Sectoral Skills Council of Advanced Manufacturing and Technology (SEMTA) and retail (Skillsmart Retail) confirm this picture. While SEMTA officials declared that average minimum duration is 36 months and 42 for Level 4 Apprenticeships, Skillsmart Retail reported that the average length of stay is of 9 months, although it will increase due to the new

regulation of a 12 months minimum duration for 16-18 years old. Skillsmart Retail also claimed they are going to encourage a minimum 12 months duration even for older apprentices to companies in the sector. From the interview with the Association of Colleges emerged that new regulations on minimum duration might be ineffective, as most apprentices are older than 18 (precisely in their 24) and were already employed by the same company before starting an Apprenticeship. This commentary inferred the too broad definition of Apprenticeship in England, which is used also for purposes other than those it should pursue.

In Germany, research suggests that in practice, from 2002 to 2011, the number of occupations lasting on average 42 months declined from 64 to 54, while those with a training period of 36 months remained relatively constant (252 in 2002 and 250 in 2011). The number of training occupations with a shorter training period of 24 months, instead, increased from 31 in 2002 up to 38 in 2011 (BIBB 2012, p. 93).

#### *Off-the-job learning minimum training hours per year*

As far as 'off-the-job learning' is concerned, the term indicates here the share of part-time schooling aimed at educating and providing general and theoretical knowledge to apprentices.

In Italy this component is generally addressed under the label of 'formal training', but it changes according to different apprenticeship typologies. For the first level apprenticeship, the 2011 *Consolidated Act on Apprenticeship* demanded to the Joint Conference of the State and the Regions the power to determine a minimum 'formal training' threshold, which was set then at 400 hours per year in the agreement of 15 March 2012<sup>32</sup>. In the case of the most common apprenticeship (*'professionalizzante'*), it is necessary to distinguish two paths of training: 'formal training' and 'job specific training'. The former aims at providing 'basic and transversal competences', inside or outside the company, to be delivered either in

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32 [http://www.tecnostruttura.it/cms/file/DOCUMENTI/2207/file\\_PUNTI\\_ODG\\_ALLEGATI\\_SR\\_237\\_12-Schema-Accordo-090312\[1\].pdf](http://www.tecnostruttura.it/cms/file/DOCUMENTI/2207/file_PUNTI_ODG_ALLEGATI_SR_237_12-Schema-Accordo-090312[1].pdf)

or out the company, for a maximum of 120 hours in three years, which coincide with the maximum duration of the programme<sup>33</sup>. On the other hand, job specific training provides 'technical-specific' skills and it is entirely regulated by collective bargaining. By contrast, the Regions regulate 'general training', having heard social partners, and considering the apprentices' age, their educational attainment level and competences (article 4, paragraph 3, legislative decree n. 167/2011). However, if the Regions do not take action to organise training courses, there is no statutory duty for companies to offer part-time VET, unless sectoral collective labour agreements decide that. For higher level 'apprenticeship', the Italian Law does not mention any minimum off-the-job learning standard, as the regulation of the whole contract is demanded either to the Regions, or to *ad hoc* agreements between single companies (or the relative employers' association) and higher education institutes. Nevertheless, Article 6, paragraph 1 of the 2011 Act demands the power to define training standards for higher 'apprenticeship' to the Ministry of Employment and of Education, in agreement with the Regions and autonomous provinces. However, in most cases, namely for existing educational qualifications (e.g. Master's or Bachelor's Degrees) training standards are already defined by the Ministry of Education in terms of credits, training hours, etc. Moreover, 'higher apprenticeship' (excluding 'apprenticeship for research') must comply with the standards set by Universities and other educational bodies, if a qualification recognised at a public level is to be achieved. After the 'apprenticeship for research' was introduced in 2011, also private training or research institutions, thus not necessarily a publicly recognised body, can sponsor 'apprenticeship' at a 'high level', although it is not clear what this means in terms of contents and outcomes.

In Britain, 'apprenticeship' part-time vocational education historically coincided with the so called 'day-release', when apprentices would leave companies to go to colleges or local training providers. The 2009 Act though does not encompass it explicitly: it adopts an outcome oriented approach, which provides requirements

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<sup>33</sup> Article 4, paragraph 3, of the 2011 Apprenticeship Act disposes that company training be integrated with public training supply for 'basic and transversal competences'. The maximum programme duration is extended to 5 years in the case of apprenticeships for artisanal occupations.

only for learning outputs. Today, all 'Apprenticeships' need to include a share of theoretical, knowledge based element, as this is required by the SASE, leading to the completion of what used to be called a 'Technical Certificate' and that is today named 'Knowledge Component'. This can be taught off-the-job but also inside companies, at colleges or private training providers, such as Group Training Agencies (GTAs) or Apprenticeship Training Agencies (ATAs)<sup>34</sup>. All 'Apprenticeships' need to include a minimum number of 'off-the-job learning hours'. Paragraph 19 of the Specifications of Apprenticeship Standards for England (SASE) states that "An Apprenticeship framework must specify the number of off-the-job GLH [Guided Learning Hours] that an apprentice is to receive per year, which must be at a minimum of either 100 GLH per year or 30% of the total GLH per year whichever is the greater, and how these are to be evidenced"<sup>35</sup>. While 'off-the-job training' has to take place away from the everyday work area, it can still develop at the employers premises: it is defined as could include courses, workshops, training sessions, distance learning, workbooks, CD-ROMs, etc.<sup>36</sup> As a result, an apprentice may not consider being given a CD to study as being 'off-the-job training', but the law does. This makes it difficult to measure the share of apprentices getting training and leads to easily confuse 'off-the-job training' with internal labour market training. By contrast, 'part-time vocational education' takes place in schools and teaches transferable knowledge, with a value and a recognition outside companies, in the occupational labour market.

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34 Requirements for knowledge delivery in apprenticeship are detailed at a sectoral level in the 'Apprenticeship Framework', which any employer or other organisation can develop to the extent it complies with the relevant Standards. The process of training design and delivery is broken down to 'units of learning', where one unit equals 10 credits, which, in turn equal 10 GLHs. For more information about ATAs and GTAs see <http://coata.co.uk/>

35 <http://webarchive.nationalarchives.gov.uk/+http://www.bis.gov.uk/assets/biscore/corporate/migratedD/publications/S/SASE-Specification>

36 'On-the-job training', instead, is training where someone provides advice, guides and coaches apprentices showing them how to do something during everyday work.

Casual research, based on the Cambridge Regional College (CRC) website<sup>37</sup>, investigates the amount of Apprenticeships in which day-release is present within the relevant framework, in addition to workplace-based learning. The CRC programme outlines required day-release only in 23.4 per cent of the total of Apprenticeships (15.4% full day, 8.1% half day). It is possible to find day-release in 11.5% cases, while there is no requirement for day-release in 65.1% of cases. Most Apprenticeships with required full-time day release are in Engineering and Hairdressing, while the majority of the programmes requiring part-time day-release refer to Children's Care Learning and Development. Finally, Customer Service, Health and Social Care and Retail, followed by Hospitality and Catering, result as the Sector Frameworks, where day-release is not required.

In Germany, the minimum requirement for part-time vocational education in the *Berufsschule* ranges from 8 to 12 hours a week (Ryan 2011, and *Arbeitsagentur*, on line), that is to say an average of 10 hours a week, or, otherwise said, more than a full day a week. Assuming that students go to school for 40 weeks each year, and considering that 'apprenticeship' cannot last less than 2 and no more than 3 years, the range of minimum off-the-job training ranges from a total of 640 to 1680 hours a year. Yet, by weighting the average minimum duration by the number of occupations in each category (38 lasting 24 months and 250 lasting 36 months, without including the 54 lasting 42 months), and calculating the annual average, the result is 400 hours. All apprentices leave the workplace to get part-time vocational education in *Berufsschulen* one day, or at least eight hours, a week ('day release'), in alternative to a few weeks a year ('block release') (see table 2, in the appendix of this chapter).

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37 Evidence is limited and partial, as it is based on the materials of the Cambridge Regional College website, as a guide to national framework requirements, related to number of entrants in 2010/1.

Turning to practice, the picture differs considerably in Great Britain and Italy from Germany. The analysis will look at information available about the share of apprentices participating to 'part-time vocational education' and, when available, to off-the-job learning practice.

In Italy, 'part-time vocational education' refers to the training supply organised and by the Regions and the Autonomous Provinces, which is funded with public resources, at least part of it, but can take place both in or outside companies. Data refer to people employed with a contract of '*apprendistato professionalizzante*' regulated by article 49 of the legislative decree n. 276/2003 (52.7% of all participants to training) and of apprenticeship as ruled by Law n. 196 of 1997. Data for 2008 also include 661 people involved in (public) training activities taking place within a pilot project for higher apprenticeship financed by the Ministry of Welfare. No data is available for under 18 apprentices, because the apprenticeship typology they can access had not been implemented to any relevant extent since its introduction, in 2003 (ISFOL 2011, 2012). In 2008 169,595 apprentices enrolled in any kind of training activity organised by the Regions and Autonomous Provinces, which equals 26.3% of all employed apprentices. This means that on average only one out of four apprentices was involved in off-the-job vocational training (ISFOL 2011, p. 16). Moreover, of all apprentices who enrol in a public part-time course, only 117,669 (69.4%) complete their training during the year. In 2009 only 142,198 apprentices (-16.2%) were 'involved in training', and 136,784 in 2010 (an additional decrease of 3,8 percent). This results in a shrunk coverage of apprenticeship training, decreasing from 26.3% in 2008 to 23.9% in 2009, while it remains stable at 25.2% in 2010 (ISFOL 2012, pp. 22-3)<sup>38</sup>. Completion rates do also decrease in 2009 (65.5%) and stabilise in 2010 (69.9%). Little is known about

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<sup>38</sup> This increase, more than to a wider public training supply, is due to a drop employment, larger than the decrease in training activities. Local training systems adjust training supply to the reduction of training demand, consequent to the drop in employment apprenticeship. As a result, despite variations in apprenticeship training starts between 2008 and 2010, the ration between apprentices employed and those 'enrolled in training' is stable and close to one out of four. In considering apprentices participation to local public training systems, it is necessary to consider the considerable gap between northern and southern regions, confirmed across years: North-east and North-west regions account for 40% of all 'trained' apprentices, while southern and central regions do not count for more than 10 per cent.

employers' training supply, which is funded by private resources and can be provided inside or outside companies. This has been monitored in a sampling survey, updated in 2005, considering only companies with more than 10 employees, which represent the minority of all enterprises in Italy. Scarce information is available about the quality of apprenticeship training, both public and private. The feedback that employers, their associations and unions give about Italian public vocational training, though, has historically been largely negative, confirming its reputation of a low quality and scarcely effective one (Landi and Vittore 1997) <sup>39</sup>.

As for Britain, it is appropriate to recall the uncertainty about the definition of 'off-the-job training', its educational value and the appropriateness of the didactic methods of its delivery, which is difficult to trace<sup>40</sup>. 'Off-the-job training' rates are discouraging, both on average in the whole economy and particularly in certain sectors. It seems that in Britain, only 11% of all apprentices receive off-the-job training, and 35% receive both on- and off-the-job training. Therefore less than half of all British apprentices receives any off-the-job training (BIS 2012, p. 25; see figure 4 in the appendix). Having said that, nothing is known about the share of apprentices receiving part-time vocational education nor about its quality. Moreover, 20% of all apprentices, that is to say one in five, receives neither on- nor off-the-job training, and 34% receives on-the-job training only. Variation by sectors is particularly relevant. Some Frameworks are more structured than others, as including wider shares of part-time vocational training for technical or specific skills, to which a higher proportion of Apprentices undertaking off-the-job training is associated. This is the case for 'Children's Care, Learning and

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39 To move forward and change the system, on 17 February 2010, the Italian government, the Regions and social partners signed an agreement about the Guidelines for training in 2010, which encourage trainers and companies to offer more work-based and competences oriented patterns for skills development, mainly at the workplace.

40 As reported by 'City and Guilds', one of the major providers in the history of British vocational education and training, it is very difficult to check if, to what extent and how 'Guided Learning Hours' are delivered. Being the overall design of British apprenticeship 'outcome oriented', it largely obscures the process dimension. This is not sufficient in itself, but it still needs to be considered, at least to prevent the boundaries of work-based training and working without any learning purpose from blurring.



Development' (59%), 'Electrotechnical' (58%), 'Engineering' (57%), 'Health and Social Care' (52%), 'Construction' (51%), and 'Hairdressing' (51%). At the opposite pole of the spectrum, 'Retail' (23%), 'Customer Service' (31%) and 'Hospitality & Catering' (32%) are sectors far less likely to include off-the-job training in their Frameworks. This was true also before the new regulation was approved: research from 2008 reported wide differences in the number of off-the-job training hours per week: 10 in Engineering, 9 in Motor Industry, 8 in Electro-technical, 8 in Construction, 5 in Hairdressing, 2 in Hospitality and 1 in Customer Service and Retail (Steedman 2008, p. 8).

As regards the kind of apprenticeship training providers, these can be companies, GTAs and ATAs and other private training providers, and Further Education (FE) colleges<sup>41</sup>, whose role is especially regarded for high quality part-time vocational education. However, at least in England, less than one-third of apprentices nowadays receives any kind of services from a FE college, including assessment, not just formal education (157group 2011, p. 11). Data for 2009/10 confirm that only a small part of the 279,680 'Apprenticeship Starts' were delivered by a General FE College (less than 58 thousand), while the majority (186,500) by private companies publicly funded. For another 30 thousand programmes, training was delivered by other public funded bodies, such as Local Authorities; and a minority by Special Colleges and other providers. The same rough proportion apply to 'Apprenticeship Achievements' by Training providers (see table 3 in the appendix). Data on the 'private category' does not separate companies training their own staff, from specialist training companies. Yet, due to their considerable volume, the latter must be much larger than the former. Moreover, it is not clear what share of the Apprentices sponsored by non-college providers do part-time vocational education at a college, but this figure should not be too high. Nor it is clear what share of those sponsored by a college get part-time vocational education at the college, which probably do not cover 100 per cent.

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41 The Association of Colleges represents and promotes the interests of FE colleges in the UK: <http://www.aoc.co.uk/> They did not refer to any data source and explicitly admitted that they were expressing their views, on the basis of their guess and their pulse on the situation.

Unfortunately, not all the four on field interviews provided more information. The Association of Colleges (AoC) reported that 250 out of 350 FE colleges provide apprenticeship training in England, mostly as prime contractors, but also to provide certain elements of the Framework, or as subcontractors of part of the programme. In any case, FE principally deliver the 'knowledge component' of Apprenticeship, formerly called 'Technical Certificate'. FE colleges work (and compete) with 500 training providers, in particular Apprenticeship Training Agencies (ATAs).

SEMTA and AoC<sup>42</sup> shared doubts about the quality of ATAs' and GTAs' training, while confirming the importance of colleges in providing technical education. SEMTA also confirmed that all apprentices in the companies they represent get 'day release' for vocational education related to the knowledge component of the relevant Apprenticeship Framework. To this end, two-thirds of them go to FE colleges, while the others are trained by FE colleges' or GTAs' staff at the employer's premises. As far as Guided Learning Hours are concerned, Engineering frameworks require off-the-job training largely beyond minimum standards, in terms of duration and quantity<sup>43</sup> (e.g. on average, Engineering apprentices spend a minimum of 980 hours doing off-the-job training). Engineering Frameworks stand out for their detailed and complex content, closely respondent to companies' skills needs, for demanding entry requirements, and for their strong component of off-the-job general education.

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42 According to the AoC there are around 80 ATAs, working like temporary workers agencies, especially with SMEs, which are not able to go through the whole process of apprenticeship if left alone. According to AoCs, the chance that new actors bring about innovation to the 'apprenticeship market', might be hindered by the requirement of compliance with the "Agency Workers Regulations 2010", defined by the Confederation of Apprenticeship Training Agencies (COATA). This is an umbrella organisation set up by 11 Apprenticeship Training Agencies (ATAs) across the UK to promote and support the development of the ATA model (criticised by AoC, including the regulation that would hinder innovation): <http://coata.co.uk> [last access January 2013].

43 To exemplify, a Level 2 Apprenticeship Framework of SEMTA sectors is the one for Engineering Manufacture (Operator and Semi-skilled), with seven pathways: Aerospace, Marine (Ship, Yacht, Boat building, maintenance and repair) Mechanical Manufacturing Engineering, Engineering Maintenance and Installation, Fabrication and Welding, Materials Processing and Finishing, Engineering Technical Support. As an example, looking through the knowledge components of these frameworks, there are qualifications such as Diploma in Engineering – Military, Marine and Air Engineering or Certificates in Light Vehicle Maintenance and Repair Principles (QCF).

The picture is less encouraging and more obscure in Retailing. The interviewee of Skillsmart Retail declared that all apprentices receive 'day release', while official statistics report that retail stands out for the little share of apprentices involved in off-the-job training, and presumably in part-time vocational education courses. During the interview it was stated that 70 of the 200 apprentices who completed their Framework in 2011-2012 had been trained in a FE college, but it is not clear the share of Apprenticeships by type of providers. As regards the number of Guided Learning Hours, the sector showed off thresholds very close to the minimum legal requirements<sup>44</sup>. Contents of a retailing frameworks vary across levels and by the relative pathways: for instance, Level 2 Apprenticeship has two Pathways, namely Retail and Retail Specialist, each with different learning (knowledge or competence) units, but typically no entry requirements. Looking at the knowledge component, this includes 'core units'<sup>45</sup> accompanied by specific units (e.g. Beauty, Newspaper, Garden, Food Safety Retail Units).

#### *Training staff qualification, minimum legal requirements*

Italy, Great Britain and Germany largely differ as concerns the legal requirements, and the practice, relative to apprenticeship training staff qualification. Table 6 distinguishes between training staff providing training in the company or on-the-job, and off-the-job, with the latter referring to part-time VET. In both cases the law may require qualifications for occupational skills, closely related with the job apprenticeship leads to, and qualification for pedagogical skills, typical of educators and trainers, or none of them.

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44 As an example, minimum 285 GLH for Level 2 Intermediate Apprenticeship in Retail, of which 103 off the job, and 377 GLH for Level 3 Advanced Apprenticeship in Retail (Sales Professional) and 101 off the job; for 'Advanced Apprenticeships', pathway in Visual Merchandising, the minimum of off-the-job training is always 101 hours, although the total GLHs are 447.

45 Among the 'Core Units' are 'Understanding the business of retail', 'Understanding customer service in the retail sector', 'Understanding how a retail business maintains health, safety and security on its premises', 'Understanding the retail selling process', 'Understanding the control, handling and replenishment of stock in a retail business', 'Understanding how individuals and teams contribute to the effectiveness of a retail business', 'Understanding customer service in the retail sector', 'Understanding visual merchandising for retail business', 'Understanding retail consumer law', 'Understanding the handling of customer payments in a retail business'.

It is not easy to find information about rules for training staff qualification in England, nor have the experts and key informants interviewed been able to address to relevant regulations. More information has been collected for practices (*infra*, p. 54 ff.).

Germany is the only country where both on- and off-the-job trainers need to have an occupational qualification and pedagogical qualification. To become a trainer in *Befursschulen* different routes and rules are defined by the *Länder*. The principle is that the teacher of part-time vocational education needs to be skilled first occupationally and then pedagogically (but also vice versa), and take a period of work practice before becoming a qualified teacher. As regards on-the-job training staff, the person in charge of apprentices training is the *Meister* (*Industriemeister* or *Handwerksmeister*, depending on the company's sector), a status that has been statutorily regulated and confirmed by customs for generations. Beside specific provisions, for instance for civil service or professions, the general rule is that the *Meister* has to have a superior qualification in the relevant occupation<sup>46</sup>.

In Italy, the *Consolidated Act on Apprenticeship* does not foresee any legal requirement for apprenticeship training staff. Article 2), letter d) of the Act merely requires the 'presence of a tutor or a contact person', as an obligatory element of any 'apprenticeship' contract. Further specification might be provided by collective bargaining, by means of 'cross sectoral agreements' (*accordi interconfederali*) or collective labour agreements signed at a national level by employers and workers comparatively most representative. Hence, in principle, no legal minimum requirement for off- and on-the-job training staff qualification is statutorily defined, either for pedagogical or for occupational skills.

Again, it is necessary to analyse this indicator by 'apprenticeship' typology. Type 1 leads to vocational education and training qualifications, a subject falling, by

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46 "To qualify as a Meister a German worker must normally have gained a relevant vocational certificate, had several years' experience in the practice of the occupation, and successfully completed further study leading to an advanced qualification as a master workman" (Rose and Wignanek 1990, p. 74).

Constitution, under the exclusive competence of the Regions, who 'legitimise' public VET bodies, who also deliver apprenticeship training. The Agreement signed on 15 March 2012 by the Joint Conference of the State and the Regions regulating this type of apprenticeship's training does not mention any requirement for off-the-job training staff qualification. Concerning, on-the-job training staff qualification, before the last reform, the Ministerial Decree of 28 February 2000 required Regional and Provincial administrations to set up training courses for company trainers, aimed at developing the basic skills necessary to accompany apprentices in the company and in their work. Nowadays the law leaves to collective labour agreements – at a national, local or company level – the duty to regulate 'company training'.

As concerns the '*professionalizzante*', training staff qualification requirements are left to the Regions for off-the-job training, and to collective bargaining for on-the-job training. In practice, the collective agreements that mention all the three 'apprenticeship' typologies, foresee a single regulation for the on-the-job trainer for all of them.

In the case of 'apprenticeship for higher education', the Italian law leaves the overall regulation of training to public bodies at a Regional level, yet still leaving to collective labour agreements – at a national, local or company level – the duty of regulating 'company training'. However, if the Regions do not intervene, since 2008, higher apprenticeship contracts can start on the basis of an *ad hoc* agreement between a single employer or an employers' association, and a training institution. Against this extreme deregulation, it still is true that higher apprenticeship leads to upper secondary and tertiary qualifications, falling under the jurisdiction of the State. As a consequence, off-the-job trainers (for example, University professors) will be qualified at the (pedagogical) standards required by the Ministry of Education. Concerning their occupational skills, the law sets no requirements apart from those strictly related to their job as trainers. Qualifications requirement for on-the-job trainers, instead, will be entirely defined by collective bargaining.

Apprenticeship for research, even though the *Consolidated Act* regulates it together with apprenticeship for higher education, needs to be treated separately. This type of apprenticeship does not lead to any public recognised qualification and it does not necessarily involve a public training body. This apprenticeship is fully deregulated in all its aspects, including training staff qualification, which is left to the will of social partners or, more likely, of single employers.

Practice in Italy is discussed by apprenticeship typology. As far as type 1 is concerned, because no reliable information has been collected, one could assume that, as a rule, off-the-job trainers, working at Regional VET bodies, should be sufficiently qualified from a pedagogical viewpoint, as they have to lead pupils to publicly recognised qualifications; however, it is mostly unlikely for such trainers to be occupationally qualified at satisfying standards. Moreover, although it is not possible here to scan through all Regional acts, it is worth observing, on the one hand, the scarce, or even marginal, Regional intervention in setting requirements and organising training for apprenticeship off-the-job trainers. On the other hand, many Regions intervene setting standards and organising training courses (from eight to sixteen hours) for on-the-job training staff, for all apprenticeship types. The Regions, thus, continue to intervene on in-company trainers' regulation; if this goes beyond their competence, it is true that in many cases Regional training remains the only opportunity for those workers appointed as apprenticeship trainers from one day to another to get any kind of information and preparation to play their role as tutors. If this is the picture of Regional regulation, that of collective bargaining initiative is not less patchy.

Provisions for apprenticeship in sectoral collective agreements are mostly common to, and valid for, all types of apprenticeship. A best practice of on-the-job training staff qualification requirements can be found in the Regulated Professions' collective agreement, signed in November 2011. As stated by letter D of article 27, the tutor is identified before training activities start and is in charge of following the development of the training programme attached to the employment contract. The tutor can be the owner of the company (typically a law firm), another

professional employed by the same company or another person previously delegated as such. In this case, the tutor holds the same qualification which the apprenticeship is aimed to, and possesses adequate skills and a pay grade equal or above to the one that the apprentice will achieve at the end of the apprenticeship. In the case of manufacturing, by contrast, the relevant agreement simply mentions the requirement of a tutor or contact person at the company level (not necessarily in each productive unit, whom apprentices can refer to, because of his or her 'adequate skills'. Commerce, instead, was the first sector to deregulate the role of the trainer, by introducing the figure of the '*referente aziendale*', namely a contact person 'in charge of the function identified by the training program', holding 'adequate skills' and a qualification at the same – or preferably upper – level as the one the apprentice will achieve at the end of the apprenticeship.

Data is available for the Regional expenditure destined to training courses for company trainers for on-the-job training (ISFOL 2011, p. 19; 2012, p. 28). Since 2003 the number of trained trainers has been constantly decreasing, with a steep drop in the last years. While in 2008 around 30 thousand company tutors participated to Regional training activities (-24% from 2007), the number of trained company trainers was 22,854 in 2009 (-22.9%) and 16,451 in 2010 (-28%). This negative trend cannot be associated with new legislative provisions, leaving company trainers training to collective bargaining, as data refer up to 2010 and apprenticeship reform was passed in 2011. The trend may partly be because some tutors had already been trained to abide by legal requirements and therefore did not need to come back to courses. Nevertheless, it would help understanding if training activities for apprenticeship trainers are being progressively abandoned as a priority for Regions and companies. Moreover, considering that the role of tutors is covered by employers themselves, who presumably hold no pedagogical skills, they could enormously benefit from this training. If this is the average situation, there are some best practices: the Autonomous Province of Bolzano stands out for its German-like tradition, where *Meisters's* training is rigidly regulated, both for pedagogical and occupational skills. Likewise, in North-east Regions the tradition of the '*Maestro artigiano*', something like a trainer in craft occupations, has led to

define regulations, in principle legally binding at a Regional level, for their qualification requirements.

Investigating practice in England is equally difficult, due to the plethora of bodies, acronyms, continuous changes and wide variations across sectors. At a glance, there are no legal requirements for training staff qualification, neither for off-the-job nor on-the-job trainers, neither for pedagogical nor for occupational skills. Yet, a deeper look reveals a multilayered system, with an overlapping – but not easily escapable – standards and regulations. Depending on the decision of the ‘Apprenticeship’ prime contractor (i.e. the body that receives funding from the State), training can be delivered either by the employer itself, or by a private training provider, or by a FE college<sup>47</sup>. In each case, trainers will have different experiences and qualifications, also depending on the industry. Terms of reference, or standards, or even proper regulations, indeed, can be defined by Sectoral Skills Councils, although mainly for apprenticeship assessors and verifiers, not for trainers. For England, the Register of Regulated Qualifications<sup>48</sup> contains details of Recognised Awarding Organisations and Regulated Qualifications, including teaching qualifications<sup>49</sup>. The Office for Standards in Education, Children’s Services and Skills (OFSTED)<sup>50</sup>, then, is in charge of inspecting that workers meet the necessary qualifications for their occupation.

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47 As mentioned in the comment about off-the-job training, the composition of apprentices by type of provider, though, is not always clear from official data, nor could key informant provide any data about it.

48 The Register of Regulated Qualifications (<http://register.ofqual.gov.uk>) is compiled by the Office of Qualifications and Examinations Regulation (OfQual, <http://www.ofqual.gov.uk>), which is responsible for regulating qualifications, examinations and assessments in England and vocational qualifications in Northern Ireland, and it contains “the title and number of the qualifications, their structures and rules of combination and details of the units or components that make them up [last access January 2013].

49 Among the latter, there are the Diploma in ‘Teaching in the Lifelong Learning Sector’ (DTLLS), the ‘Certificate in Teaching in the Lifelong Learning Sector’ (CTLTS), or the ‘Preparing to Teach in the Lifelong Learning Sector’ (PTLLS), which can then lead to a Post Graduate Certificate in Education (PGCE), and which is anyway required to gain a ‘Qualified Teacher, Learning & Skills Status’ (QTLS).

50 The OFSTED reports directly to Parliament as an independent and impartial body in charge of inspecting and regulating services which care for children and young people, and those providing education and skills for learners of all ages that sets and assesses the necessary qualifications for trainers; <http://www.ofsted.gov.uk/> [last access January 2013].



For on-the-job staff, the interview with SEMTA suggests that local awarding bodies may check apprentices are not left alone in engineering companies but they are supervised while they work fully and highly qualified men, and that requirements do exist also at a regulatory level, referring to OfQual and OFSTED. By contrast, Skillsmart Retail, as well as the Association of Colleges, reported that there is no statutory regulation for on-the-job training staff. In retailing, in practice, there usually is a mentor, or a tutor, at the workplace, although this does not need to be qualified at any given level; it is often the employer who serves also as a supervisor of the young person.

Nothing, though, is said about trainers for part-time vocational education. To this regard, the Association of Colleges claimed that no requirements is defined neither for occupational nor for pedagogical skills of trainers. Traditionally, occupational skills were taken for granted, while pedagogical skills were not required, although trainers would normally attend courses for basic skills (communication, etc.) and be expected to become fully skilled teachers in two or three years. Over time, having acknowledged a lack of appropriate pedagogic skills, the latter were required as compulsory requirement for trainers. Yet, nowadays, trainers' pedagogic skills are taken for granted, but no minimum requirement is set neither for pedagogic nor for occupational skills.

#### *Assessment methods*

In Germany, assessment is conducted by occupationally based committees set up by Chambers at local level and it is carried out on both training paths, namely in-company and at the *Berufsschule*. Examinations for a vocational qualifications (*Prüfung*) differs from academic ones because it includes both practical and written tests. The assessment committee must contain an employer's representative, an employee's representative, and a *Berufsschule* teacher. Apprentices' knowledge and skills are externally assessed, as this is necessary for the award of vocational qualifications, and their legitimacy and recognition in the labour market (Rose and Wignanek 1990, p. 91).

In Italy, there is no legal provision for apprenticeship assessment. In principle, the Regions have the exclusive competence upon ‘competences certification’, as this leads to a publicly recognised outcome, i.e. a vocational qualification or any other certificate. While private sector agents, namely social partners, are in charge of regulating the contract through collective bargaining, having acknowledged the *possibility* of recognising, on the basis of the learning outcomes acquired throughout the internal and external training process, the contractual qualification and the competences acquired, to the purposes of initial and continuous training (article 2, paragraph 1, letter f) of the legislative decree n. 167 of 2011). Moreover, collective bargaining needs to consider that training provision and the contractual qualification, that *could possibly* be acquired, may be registered in the ‘Citizen’s booklet’ (a portfolio), introduced by article 2, paragraph 1, letter i), legislative decree 10 September 2003, n. 276. Collective bargaining therefore regulates in company on- and off-the-job training and its ‘registration’; each sector can define procedures to evaluate the degree of skills development and occupational qualification of apprentices at the end of their training.

In practice, it is not clear when a contractual qualification can be awarded and, in the opposite case, what proofs and in what venue the employer could present to prove that the young person has not achieved a satisfying level of competence. There is employment inspection, but it investigates the formal aspects of training, especially part-time vocational education, if this is available in the Region where the company operates. The tool that inspectors should be checking is the mentioned ‘Citizen’s Training Booklet’, which, however, is not concretely operative. Companies do indeed merely register the numbers of hours of training the apprentice attend, using traditional books or registers. Competencies certification, on the other hand, is not a widely extended practice in Italy, nor is validation of non-formal and informal learning a realistic possibility.

Again, it is necessary to distinguish by apprenticeship typology. In the case of ‘first level apprenticeship’, since vocational three-year qualifications and vocational four-year diplomas are awarded by the Regions, the latter will define the

procedures to assess and certify apprentices' competences developed in part-time VET. These are likely to be school-based tests and evaluations. In the case of type 2 apprenticeship, employers are responsible for registering all training experiences of apprentices, on- and off-the-job, both inside and outside the company, while the Regions certify competences. In principle they could also act as awarding bodies of certificates that 'translate' occupational skills, acquired at the workplace, into credits for the educational sector. This could serve as a stepping stone for an ideal educational ladder, and to allow career progression, for instance, in further education. However, this seems to have never occurred in Italy. Assessment for higher apprenticeship takes place in upper secondary or tertiary institutions, such as Universities, where rules and standards are defined by the Ministry of Education. Different provisions, mostly in terms of methodology, can be agreed by the Regions or, in case of *ad hoc* bilateral agreements, between employers (or their representative association) and a higher education body. Yet, especially when Universities are involved in the process, this is not likely to be the case, as they are keen in maintaining the value of their qualification, without too many changes in the awarding process. Finally, apprenticeship for research, being a totally deregulated contract, might foresee whatever procedure, method and standard for apprentices assessment and certification, insofar as this does not interfere with the sphere of competence of the Regions.

In Britain the whole Apprenticeship programme design is 'outcome based', that is to say little importance is given to the training *process*, its inputs such as instruments, learning venues, etc. The statutory definition of 'apprenticeship' itself says that apprenticeship is such when all the elements of the relative Framework are completed. Assessment and evaluation to the purposes of 'completion' are therefore steps of particular relevance. 'Completion' is achieved when there is evidence that an Apprentice has gained every element of their Apprenticeship framework. It is possible to simplify saying that assessment and examination are carried out by qualifications' awarding bodies, which are responsible for assessing and collecting evidence of completion and apply for an Apprenticeship certificate,

now also on-line<sup>51</sup>. Certification is carried out by Sectoral Skills Councils in charge of checking that evidence provided by awarding bodies meets the criteria of the relevant framework. Different steps are taken for the different components of each Apprenticeship Framework: assessment for the 'competence element' (former NVQs), is carried out internally by an assessor, who could be part of training or production staff; while knowledge is tested and assessed where it has been taught, typically externally, in colleges or by training providers.

As reported by City and Guilds when interviewed, NVQ assessors (A) are normally employed by the employer and endorsed by the awarding body; their task is assessing apprentices 'on-the-job training' and compiling their portfolio, having observed or tested them (methods largely depend upon cost effectiveness limits). Their observations cannot be disputed by the Internal and external verifiers, even just because the time when the 'on-the-job training' took place is past and there are no other process requirements that can be checked. As this might question the assessment reliability, internal verifiers (IV) are employed by the same employer and endorsed by an awarding body, to check the quality of assessors' work. They might not be internal to the company but 'peripatetic'. Finally, external verifiers (EV) are paid and endorsed by awarding bodies and check once a year the work of Internal Verifiers. Sectoral Skills Councils set the standards for assessors and verifiers, as there is no legal minimum requirement. As an example, *The Retail Sector's Assessment Principles for the Qualifications & Credit Framework*<sup>52</sup> defines a set of low requirements for the role of supervisors and managers in the assessment

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51 The recently set up Apprenticeship Certificates England (ACE) process is an online system whereby apprentices, or learning providers or employers acting on their behalf, apply for Apprenticeship certificates. It is certified by the Alliance SSC, working with SEMTA, to check that SASE requirements be met and an Apprenticeship Certificate can be issued.

52 Skillsmart Retail (January 2012). *Retail Sector's Assessment Principles for the Qualifications & Credit Framework*, [www.skillsmartretail.com](http://www.skillsmartretail.com) [last access January 2013].

process to be conducted possibly in a workplace environment<sup>53</sup>, and the same for Internal and External Verifiers<sup>54</sup>. These requirements cannot be described as demanding, since even a person having worked less than six months can be appointed as Internal Verifier, and therefore be responsible for assessment Quality Assurance.

### *Completion rates*

The last indicators selected for measuring apprenticeship quality are the programmes' completion rates. In 2009 these were equal to 65.5 per cent for type 2 apprenticeship in Italy, 70.9 per cent in England and 86 per cent in Germany. No information could be collected for type 1 and type 3 apprenticeships in Italy, as these have never been implemented or just to a marginal extent (a few hundred higher apprenticeship contracts in almost ten years).

In England, completion rates have registered considerable improvement from 46.9 per cent in 2005-06 to 70.9 per cent in 2009<sup>55</sup>. In Italy the completion rate for the

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53 "Assessors in the retail sector should have an in-depth knowledge of, and be competent in performing, the occupational requirements of the generic competence-based units as well as any specialist units for which they do not use expert witness testimony. This competence will have been acquired either in direct employment in the occupational role to which the unit relates, or in employment as a manager, supervisor or in-house trainer of employees carrying out the role. It is unlikely that occupational competence will have been achieved in less than twelve months of employment as a retail assistant, or less than six months in a managerial position, but individuals with less experience could be considered as assessors if sufficiently occupationally competent" (Skillsmart Retail 2012, p. 7)

54 IV and EV "must have a current understanding of the structure, content and occupational requirements of the units that they are internally verifying. This understanding will have been acquired while working directly within the relevant occupational area in either an operational or a support function. The level of understanding should be sufficient to allow the Internal Verifier to judge whether the assessor has fully assessed learners against all the assessment criteria in the unit. It is unlikely that a person could have gained this level of understanding in less than six months of being employed in the retail sector, but individuals with less experience could be considered as Internal Verifiers if they have the required level of understanding".

55 In England data mostly vary by level of apprenticeship: in 2010/11, 75.3 per cent of Level 2 apprenticeship were completed, compared with 78.6 of Level 3 and 84.6 of Level 4 apprenticeships (SFR June 2012, table 7, 10). One could imagine the investment, both on the side of the apprentice and of the employer is higher as the Level grows, and with it the training burden. A study on 'Apprenticeships' completion rates has been carried out for the Learning and Skills Council by Gambin, Hasluck and Hogarth in 2009.

*professionalizzante* was 69.4 per cent in 2008, 65.5% in 2009 and 69.9% in 2010, the lowest in the countries considered. Looking at historical data for Germany, high success rates seem to be a constant feature of apprenticeships<sup>56</sup>.

A brief summary of what has been established so far follows. Two are the main conclusions: apprenticeship quality attributes widely vary across and within countries; considerable distance separates rules from practices in Italy and in England. A comment for each follows.

First, a major difference separates Italy and England from Germany, in terms of minimum requirements for apprenticeship quality rules. This has been recorded for the programme minimum duration: German requirement doubles the English one and is four times as higher as the Italian one. Coming to part time vocational education, only in Germany apprenticeship is regulated and works at high level standards, considering that type 1 apprenticeship in Italy, despite the high formal requirement, has never been implemented. Large distance by country also concerns trainers' qualification requirements, loose and deregulated in Italy and England, tight and regulated in Germany. Regulation for assessment methods exists in all countries, but their reliability, validity and the overall quality assurance is disputable in England; while in Italy, legal provisions interest only the apprenticeships types that are non existent in practice. Finally, completion rates is quite high in all countries, with Germany ranking first, followed by England and Italy; what apprenticeship 'completion' means, however, is an open question in the last two countries.

Second, Italy<sup>57</sup> and England record a considerable gap between law and how this is implemented in practice. Programme minimum duration requirements make an exception, as it has been regulated in 2012 and evidence is not available yet. The other indicators share a loose statutory regulation, and a low level practical

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56 In 1989, "nine-tenths of youths pass the vocational examinations that they sit. And the pass rate is similar across fields" (Rose and Wignanek 1990, p. 92).

57 Because type 1 and type 3 apprenticeships are not implemented, reference is made exclusively to type 2.

implementation. Part-time vocational education is vaguely defined, or it foresees relatively demanding requirements (e.g. maximum 120 hours in three years). In practice, only a little share of apprentices receive part-time vocational: one-fourth in Italy, less than one-third in England. Likewise, the law demands the duty to regulate trainers' qualifications requirement to social partners and their bargaining instruments. If sectoral collective labour agreements in Italy have not always satisfyingly responded to the legal concession, Sectoral Skills Councils in England have acted differently, often setting the rod at a low level. No regulation about apprentices assessment methods is foreseen in Italy, nor is there evidence that any has been implemented. In England regulation is detailed but, in sum, although practice varies across sectors, employers can control to a certain extent the whole 'outcome based' learning process of the apprentice, including assessment.

## 4.2. Overview

This section summarises the main findings of Section 4.1, with the aim of sizing the distance between the official definitions of 'apprenticeship' in the three countries and the 'standard' definition proposed here (*infra*, p. 29 ff.). The analysis turns to comparing the three countries among each other, against the criteria<sup>58</sup> of the functional definition of 'apprenticeship', as they are legally regulated (table 6) and as they work in practice (table 7). The implicit assumption is that all the quality dimensions are of equal importance and they are assessed qualitatively: consequently numbers do not have a quantitative literal meaning. The case of Germany is here considered as heterogeneous, but the reader should beware of the many criticisms of the system: for instance, as concern training quality in some *Handwerk* enterprises in particular, unpaid overtime work, and, more evidently, the

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<sup>58</sup> Because work experience is a homogeneous attribute, both in rules and in practice in all countries, it does not affect variations. Qualitative field research, however, could in principle analyse work practices, to see, for instance, the degree of reflexiveness that apprenticeship can develop at the workplace, in order to make of productive work a learning experience. But, within this research, this is not feasible, although it would be informative to its purposes.

mismatch between demand and supply of apprenticeship places, with the former outnumbering the latter.

### Rules

Table 6 considers the formal rules of the system, provided by laws or collective agreements, using a two point scale, that indicates if the legal provision is foreseen by the system or not.

Table 6: List of comparable criteria: rules

	Italy			England	Germany
	T1	T2	T3		
<b>Open to young people only (a)</b>	0	0	0	0	1
<b>Occupational identity (b)</b>	1	1	0	1	1
<b>Part time vocational education and training (c)</b>	1	0	1	0	1
<b>On-the-job training standards (d)</b>	1	1	1	1	1
<b>Training staff qualification (e)</b>	<b>Off-the-job</b>	1	0	1	1
	<b>In company</b>	1	1	1	0
<b>Externally recognised VET qualifications (f)</b>	1	0	1	1	1
<b>Closeness to the 'functional' definition</b>	<b>6</b>	<b>3</b>	<b>5</b>	<b>4</b>	<b>7</b>

(a) *Open to young people only* (legal possibility to hire only under 25): 0= people of any age can be hired as apprentices; 1= only under 25 year olds can be hired as apprentices.

(b) *Occupational identity* (degree of apprenticeship occupations' statutory regulation): 0= there are no defined occupations for apprenticeship; 1 = apprenticeship leads to a defined occupation;

(c) *Part-time vocational education and training* (compulsory part-time VET in apprenticeship): 0= apprenticeship does not include compulsory part-time VET; 1 = apprenticeship includes part-time VET;

(d) *On-the-job training standards* (statutory provision of externally recognised standards on on-the-job training):0= not required by law; 1= required by law;

(e) *Training staff qualification* (legal minimum requirements for training staff qualifications, considering both pedagogical and occupational skills): 0= no qualification is required; 1 = qualification is required;

(f) *Externally recognised VET qualifications* (legal recognition of apprenticeship VET qualifications) 0= apprenticeship does not lead to an externally recognized VET qualifications; 1 = apprenticeship leads to an externally recognized VET qualifications.



Only Germany, out of the three countries, restricts apprenticeship access to young people (*infra*, p. 24); by contrast, legal provisions in Italy<sup>59</sup> and in England allow employers to hire adult workers with an apprenticeship contract.

Coming to occupational identity (*infra*, p. 31), in Italy this is a feature of type 1 apprenticeship (43 regulated occupations) and type 2 apprenticeship (in theory, it is legal to start an apprenticeship for any occupation recognised by national collective labour agreements). Higher apprenticeship, instead, leads to upper secondary or tertiary vocational qualifications, whose definition is not linked to an 'occupation' as such<sup>60</sup>. In England, Apprenticeship can be started for about 200 occupations under a specific 'Apprenticeships Framework', which includes the definition of the occupations the programme can lead to, and it connects them to the relevant job title and job role. In Germany, by definition apprenticeship provides vocational education and training for the practice of an identifiable professional qualified activity.

As far as part time vocational education and training is concerned (*infra*, pp. 43 ff.), the German law requires apprentices to attend part-time vocational education in *Berufsschulen*, as an inescapable component of apprenticeship. In England each framework must include 100 off-the-job Guided Learning Hours (GLH) for the sake of 'Apprenticeship' completion, but clearly these do not necessarily coincide with part-time VET (*infra*, p. 45). In Italy, 'type 1 apprenticeship' include a minimum of 400 annual hours of 'formal training', inside or outside the company, but respecting Regional public standards. There is no legal obligation to deliver part-time

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59 The only partial exception is apprenticeship for a vocational three- or four-year qualification, which can be accessed by 18-25 year olds; but, because young people have the right and duty to stay in education and training until they are 18, in principle, they could start a job, after that be suspended and then be hired as apprentices while they are 'in mobilità', only after 18. Provided that this is a purely theoretical hypothesis, at least so far, it could be argued that, with reference to under 18, 'type 1' apprenticeship in Italy partially meets the criterion of 'Apprenticeship' openness to young people only. In principle, also 'type 2' and 'type 3' apprenticeships could be started at 17, in case candidates already hold a vocational qualification; as a result, also these typologies would be theoretically open only to young people, for one year, from 17 to 18; but this is a marginal hypothesis, which can be reasonably disregarded in this analysis.

60 For instance, a Bachelor's Degree in Engineering, an Executive Master in Economics, or a Doctorate in Law, are all achievable under a higher apprenticeship contract but they are not – per se – definable in terms of 'occupations'.

vocational education and training for 'type 2' apprenticeships. For higher apprenticeship, it is reasonable to claim that part-time education is, at least in principle, included in any contract, if this leads to academically recognised qualifications. Apprenticeship for research, finally, does not foresee any legal obligation neither for off-the-job nor for part-time vocational education.

The criteria 'on-the-job training standards' refers to the existence of externally recognised constraints or influences on what happens when apprentices are trained on-the-job. Standards may refer to contents, duration, didactic methods, etc., assuring that apprentices do actually learn while they are in companies and that work is a means to occupational training and not only productive activity. In Italy the law leaves to collective bargaining the power to define and regulate 'company training', in all typologies; in principle there should be externally recognised standards for on-the-job training, at least at an industry level. Similarly, in England, the SASE require 'Apprenticeship Frameworks' to "specify the number of GLH that an apprentice is to receive per year (*infra*, p. 45). In Germany, detailed curricula for on-the-job training are defined at the Federal level and delivered at the local level in companies.

For training staff qualification (*infra*, pp. 52 ff.), Italian law demands to collective bargaining the power to define the role and competences of on-the-job training staff, while for off-the-job training staff, qualification is legally required only for type 1 and type 3. In England, instead, no requirement is set by law for on-the-job staff, while, at least in principle, OFQUAL defines teachers' and trainers' qualifications requirements. In Germany both the company's *Meister* and teachers in the *Berufsschulen* need to be qualified to train apprentices.

Finally, if 'externally recognised vocational qualification' are considered those recognised wherever but outside the employing company, all apprenticeship systems meet the requirement, at least to the extent that this has a value for other

employers<sup>61</sup>. In England all programmes must lead to an NVQ, which is an occupationally oriented qualification. In Italy type 1 and type 3 lead to educational qualifications and type 2 to apprenticeship contractual qualifications, insofar as these are included in the collective labour agreement applied by the company hiring the apprentice, and provided that such company applies any collective agreement.

### *Practices*

Table 7 is based on the same indicators as Table 6 but it reports how countries perform them in practice. Since heterogeneity is taken into account for all variables, it uses a three point scale. As concerns Italy, the *professionalizzante* is the only apprenticeship typology considered: institutional developments – mainly at a Regional level – for type 1 and 3 implementation, indeed, have not yet turned into concrete opportunities to train and employ young people with such contracts, apart from marginal experimental activities. Since equivalent minor projects have started also in England and in Germany, but nothing is said about them, the Italian ‘type 1’ and ‘type 3’ apprenticeships are not considered, for the sake of a balanced comparison. For those criteria that cannot be assessed in practice, due to lack of evidence, this section considers the level of analysis that is closest to ‘practice’ (*versus* rules); for instance, the law enactment process at sectoral level.

First, considering ‘young people’ as those aged under 25, no country but Germany uses apprenticeship only for young people. Italy and England indeed use apprenticeship for 25+ people in around one-third of all apprentices are older than 25, the age when adulthood starts (*infra*, pp. 36 ff.).

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61 Both in England and in Italy it is reasonable to claim that most apprenticeship qualifications have, at the most, a ‘market value’, that is to say they to the extent that employers and their ‘representative’ associations, including Sectoral Skills Councils, recognise and use them. By contrast, if ‘external recognition’ indicated qualifications with a public educational value, such as a degree or a title gained in education, then, only German apprenticeship, ‘type 1’ and ‘type 3’ apprenticeships in Italy always lead to an ‘externally’ recognised vocational qualification.

Table 7: List of comparable criteria: practices

	Italy (T2)	England	Germany
<b>Open to young people only <sup>(a)</sup></b>	0	0	2
<b>Occupational identity <sup>(b)</sup></b>	1	2	2
<b>Part time vocational education and training <sup>(c)</sup></b>	0	0	2
<b>On-the-job training standards <sup>(d)</sup></b>	1	1	2
<b>Training staff qualification <sup>(e)</sup></b>	0	1	2
<b>Externally recognised VET qualifications <sup>(f)</sup></b>	0	1	2
<b>Closeness to the 'functional' definition</b>	2	5	12

- (a) *Open to young people only* (evidence that apprentices are only under 25): 0= no/low; 1= mixed; 2= high;
- (b) *Occupational identity* (degree of apprenticeship occupations' regulation): 0=no/low; 1= mixed; 2= high;
- (c) *Part-time vocational education and training* (share of apprentices receiving or at least involved in VET courses): 0= no/low; 1= medium (50%); 2= high (>50%);
- (d) *On-the-job training standards* (influence of externally recognised standards on on-the-job training): 0= low; 1= mixed; 2= high;
- (e) *Training staff qualification* (level of training staff qualification, considering both pedagogical and occupational skills, and in company and off-the job staff): 0= low; 1= mixed; 2= high;
- (f) *Externally recognised VET qualifications* (recognition of apprenticeship vocational qualifications): 0= no/low; 1= mixed; 2= high.

Second, occupational identity is well defined in England and Germany, while evidence is mixed in Italy. In Germany apprentices can be hired for 360 occupation-specific qualifications (*Berufe*), collected in a repository (accessible also on-line<sup>62</sup>), which tend to be defined with a high degree of specificity<sup>63</sup>. In Italy national collective labour agreements should have regulated (also) 'type 2' apprenticeship occupations before 25 April 2012: despite social partners initiative to sign agreements on apprenticeship (even beyond the deadline), most of these do not say much on about the occupations the contract it can be used for, but good

62 <http://www.bibb.de/de/26171.htm>

63 "For an employer or a youth, the important point is not the height of a training standard but its relevance for a given job [...]. The validity of a qualification is [...] important, for an employer wants to be sure what a certificate represents" (Rose and Wignanek 1990, p. 91).

practices exist<sup>64</sup>. In England, instead, ‘Apprenticeship Frameworks’ provide details about apprenticeship occupations, for different levels and different ‘pathways’<sup>65</sup>. As far as part-time vocational education and training is concerned, Italy and Britain score ‘0’, because respectively 23.9 and less than 33 per cent of apprentices receive (or, in Italy, ‘are enrolled in’) part-time vocational education activities; whereas in Germany 100 per cent of apprentices go to *Berufsschulen*.

Coming to on-the-job training standards (*infra*, p. 66), Italy and England only partially meet the ‘functional’ criterion, due to the extremely wide sectoral variation. Detailed examples follow, as the criterium ‘externally recognised on-the-job training standards’ is the one that has been chosen to upgrade the standardised definition of apprenticeship (*infra*, pp. 29 ff.). In Italy, for instance, the agreement for ‘metalworking’ simply refers to the systems of employees’ classification included in national collective labour agreements applied by each company hiring apprentices, as a source for on-the-job training, but nothing is said a part that it can take place ‘on-the-job and with ‘coaching’. By contrast, the national collective labour agreement of Regulated Professions, or, again, the agreements signed by social parts representing Commerce, specify the duration of company training (mainly in terms of hours), its management during the whole duration of the contract, training methods, including coaching, e-Learning, and the contents of occupational (mainly on-the-job) training. In England, both the Apprenticeship Frameworks developed by SEMTA for advanced manufacturing and engineering, and by Skillsmart Retail for retailing, include a section on ‘On- and off-the-job guided learning’, which reports information about the ‘Total GLH’ required for each pathway, distinguishing between on- and off-the-job, and how requirements will

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64 One example is the agreement signed by Confindustria, CGIL, CISL and UIL for ‘manufacturing’, covering a whole broad range of industries: this short agreement merely claims the intention of supporting further action by second level bargaining in defining more details for apprenticeship contracts. Commerce agreement, instead, defines apprenticeship training programs, also in terms of job titles and relative job descriptions. Likewise, although more obviously, the updated national collective labour agreements of Regulated Professions explicitly refers to specific professions.

65 As an example, Level 2 Intermediate Apprenticeship in Engineering Manufacture, developed in seven different pathways, among which Aerospace, train people to become an Aero engine mechanic (in charge of disassembling aero engines and components for cleaning and inspection); as well as a Semi-skilled aircraft maintenance fitter, who, for instance, carries out scheduled maintenance under the supervision of aircraft systems.

be met. The sections about how the GLH requirement will be met with on-the-job learning is informative about what have been here called 'on-the-job training standards'. The Retail Apprenticeship Frameworks brief and general description<sup>66</sup>, contrasts with the detailed one of SEMTA Framework, which identifies general standards for compliance with assessment strategies<sup>67</sup>, but also didactic methods for apprentices on-the-job learning<sup>68</sup>, standards for the overall management of the training process<sup>69</sup>, and information about possible on-the-job training contents<sup>70</sup>. In Germany the on-line *Berufe* repository collects occupational frameworks, which provides detailed training regulations, including training contents, assessment and evaluation procedures, etc., a document of correspondence between the training plan and the vocational training curriculum; the curriculum framework; and the Europass Supplement certificate.

Table 7 synthesises practice for off- and on-the job training staff qualification requirements (*infra*, pp. 52 ff.). For Italy, having considered that Regional spending for company tutors' training has considerably dropped in the last years, and that not all the sectoral agreements of apprenticeship regulate on-the-job trainers

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66 "The on-the-job GLH should be planned, monitored and evaluated by the learner, tutor, mentor/manager and employer, using an Individual Learning Plan. Within the Retail Apprenticeships this will be delivered through the competence-based components, and may draw upon elements of the Key/Functional Skills delivery" (Skillsmart Retail, p. 76)

67 The minimum on-the-job GLH "should be delivered in accordance with the Awarding Organisations delivery and assessment guidance, which includes the additional requirements as set down in Semta's Engineering unit assessment strategy [...]" (SEMTA 2011, p. 120).

68 "Apprentices are required to generate evidence in the workplace to demonstrate completion of the competence qualification, this may be through: apprentices generating a portfolio to record evidence of unit completion in accordance with the Awarding Organisations requirements and this will be regularly reviewed by the assessor and mentor. A period of one hour per week has been set aside for mentors to review the ongoing progress of their apprentice; or Generation of portfolio evidence may be paper based, electronic with other mediums such as video evidence. Evidence may be gathered throughout the whole apprenticeship period".

69 To exemplify, first, planning, revision and evaluation of progress should be carried out jointly between the apprentice and an appointed mentor or manager. Second, "apprentices should receive regular reviews from the mentor and assessor in order to ensure they remain on target to complete the competence qualification in the allocated time".

70 "Environmental awareness; Employability skills; Team working and communications; Task specific workplace instructions or team briefings; Taught sessions by the workplace line manager/instructor Induction where activities are covered within normal work duties Coaching of learners".

requirements (*infra*, pp. 54), the criterion is not fully met. The same for England, due both to the wide sectoral variation, and to the gaps between policies and practices<sup>71</sup>.

Finally, having agreed about its meaning, an ‘externally recognised VET qualification’ is never achieved through ‘type 2’ apprenticeships in Italy, it can always be gained in Germany, and it is not clear if and to what extent this is true for England.

To sum up, provided that the analysis is purely qualitative and numbers are used without pure quantitative meaning, the German legal regulation of ‘apprenticeship’ most closely resembles the standardised definition of ‘apprenticeship’. ‘Type 1’ apprenticeship in Italy follows. After that, the Italian higher ‘apprenticeship’, English Apprenticeship, and, as last, the Italian *apprendistato professionalizzante*.

To sum up practice, again, Italy’s and England’s scores are considerably lower than Germany, whose apprenticeship system results the closest one to the standardised definition of apprenticeship. A degree of heterogeneity characterises a number of indicators both in Italy and in England, and their loose statutory regulations complicate a precise account of practice. For England data have not been broken down by Apprenticeship level, although variation interests this dimension as well. It might suffice recalling what has been observed about routes to apprenticeship and usage of Levels 2 and 3 in different sectors.

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71 On the one hand, indeed, interviewed SEMTA officials revealed that apprentices are constantly monitored by fully skilled training staff, at least from an occupational view point; while Skillsmart Retail admitted that even the shop owner or the manager can act as a trainer for the apprentice, without necessarily having either specific pedagogic or occupational qualifications. By the way, this is not even required by the Retail Sector’s Assessment Principles for the Qualifications & Credit Framework (see page 37 and footnote n. 37). On the other hand, while it is true that OFQUAL defines college trainers’ qualification, it is not known the share of apprentices trained by such trainers, as no reliable data is available about how many of them go to college for part-time vocational education (this research claims that share hardly reaches one third in some sectors, but it could be much higher in others).

## **5. Conclusions**

This section offers a summary of the main findings and what these suggest in terms of future trends. Section 5.1 summarises the rationale of this chapter, recalling the analysis of ‘apprenticeship’ official and standardised definitions, on which basis it elaborates a new measurement of ‘apprenticeships’ in the three countries, namely: how many programmes are officially considered ‘apprenticeships’, and how many programs can and should be considered ‘apprenticeship’ in one agrees with the standardised definition proposed here. Section 5.2 uses this chapter main findings to assume what the trends of the contemporary apprenticeship systems are in Italy, Britain (England) and Germany, and introduces the historical outlook offered by Chapter two.

### **5.1. Main findings**

This chapter thus far offered a comparative analysis of the key attributes of ‘apprenticeship’ systems in contemporary Italy, Britain and Germany. To this end, it scientifically compared ‘official’ definitions attributed to the term ‘apprenticeship’ by national governments, against a ‘standard’ definition that specifies what apprenticeship should be – in terms of minimum requirements – in all countries (Section 2). Sections 3 and 4 described the size and the key quality attributes of apprenticeship, using a two level analysis, which distinguished the rules from the practices. Section 4.2 concluded shedding light on two aspects: first, apprenticeship systems’ differences across and within countries, with Italy and Britain clearly differing from Germany, and characterised by wide sectoral differences; second, the distance between law and practice in Italy and Britain.

These concluding remarks move on from those findings offering a further instrument to measure and understand the gap between what is referred to as, and what should work like, ‘apprenticeship’. A twofold measurement is proposed to distinguish two populations: on the one hand, those who participate to



government programmes called ‘Apprenticeships’; on the other hand, those who can be functionally considered ‘apprentices’ at an internationally comparable level. Drawing from previous research, upper case (‘A’) and lower case (‘a’) are here used to indicate respectively the official and the standardised versions of apprenticeships (Ryan, Gospel and Lewis 2007). It is possible to label ‘Apprenticeship’, with big ‘A’, any program which is named so, although it does not meet all the criteria of the functional definition, or stands far from them. By contrast, ‘apprenticeships’ would be the high standard programmes meeting all the criteria of the ‘functional’ definition. Obviously the two populations overlap, rather than having mutually exclusive membership: some ‘apprenticeships’ are not ‘Apprenticeship’ and, although evidence is not sound, ‘Apprenticeships’ may also meet the high level criteria of the standardised definition. As recalled above (*infra*, p. 33), this distinction, while it well fits to the British case, it seems to be less consistent with Italy, as this country shows relatively less changes in the history of ‘apprenticeship’ policies.

To size of the two populations, one method is implementing the standardised definition, by measuring all the minimum requirements it includes. However, this would be far too complicated – and, to an extent, impossible – owing to lack of the necessary data. One way to do that, indeed, would be studying micro data for each apprenticeship contract in the three countries, which is not possible because micro data are not available in all countries, like in Italy. Quantitative analysis would not even be necessary: qualitative methods would be required, for instance, to learn about trainers’ competences, or even just about the external regulation of on-the-job training in each sector. Similarly, identifying ‘*the*’ indicator that, in all countries, clearly separates ‘Apprenticeships’ from ‘apprenticeships’, at least in principle, is difficult and may be disputable. Consequently, the most feasible possibility is choosing *one* indicator that, better than others, encompasses the ‘core identity’ of ‘apprenticeship’. Because, at a nominal level, this would differ across countries, international comparison uses functional criteria, and thereby draws the boundaries of ‘apprentices’ population. To identify such a criterion, the underpinning assumption is that ‘apprenticeship’ differs from other work-based

training programmes and from full-time vocational training insofar as it blends part-time vocational education, off- and on-the-job learning, and work experience, by combining different learning venues. A first possible step, hence, could be looking at the extent to which – in practice – part-time vocational education is, at least, part of ‘apprenticeship’ programs. In other words, looking at the share of apprentices involved in part-time vocational education. The following step would be selecting only those who are ‘young’ apprentices, that is to say under 25; and then continue with the other minimum standard criteria of the agreed definition. This procedure, despite completeness, may lead to error, though: for instance, by deducting over 25 year old apprentices, the resulting measure would exclude apprentices that in Italy are considered as ‘young’. However, this goes beyond the scope of the present analysis. The ‘share of apprentices involved in part-time vocational education’, although partial and rough, will therefore suffice to move a first step toward a deeper understanding of ‘Apprenticeship’ and ‘apprenticeship’ policies and practices in contemporary Italy, England and Germany. This way to implement the standardised definition is certainly partial, as already acknowledged. Yet it gives, at least, an idea of how small ‘apprenticeship’ population is compared to that of ‘Apprenticeships’. The latter, by the way, would be even smaller, if other indicators were considered, and therefore the boundaries of the definition were further restricted.

Table 8 shows the stocks (in thousands and as percentage of total employees in employment) of the so called ‘Apprenticeship’ programmes (first row) and the stocks of those identified as ‘apprenticeships’, because they include part-time vocational education and training (second row). Unfortunately, data is not always available for the same time span in all countries, but all data in table 8 refer to 2009 and 2010<sup>72</sup>.

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72 For a detailed comment of ‘apprenticeships’ in these years, please refer to section 2 and 3 of this chapter.

Table 8: 'Apprenticeships' and 'apprenticeships' in Italy, England, Germany, 2009/10

	Italy		England		Germany	
	000s	%	000s	%	000s	%
<b>Official definition</b>	595.0	2.59	491.3	2.0	1571.46	4.4
<b>Standardised definition</b>	142.0	0.62	162.13	0.66	1571.46	4.4
<b>Ratio standardised/ official definition</b>		<b>0.24</b>		<b>0.33</b>		<b>1.0</b>

Sources: Italy: ISFOL 2011; England: AoC 2011.

Note: Italian and British (English) data for the standardised definition are based on the share of apprentices receiving (England) or enrolled in (Italy) part-time vocational education.

The first row reports official statistics for Apprentices stocks, recorded by governmental sources. In 2009 in Italy these were around six hundred thousand, in England five hundred thousands, and one and a half million in Germany. These figures respectively account for 2.6, 2, and 4.4 per cent of the total working population.

The second row gives the number of 'apprenticeships', calculated using the share of young people in 'Apprenticeship' who received, or at least were enrolled in, any kind of part-time vocational education. Evidence for this indicator is still weak, although more accurate than that available for others included in the standard definition. In England probably much less than one-third of Apprentices receive vocational education. Yet, there is no reliable data about it, nor did the on the field interviews provide it. Likewise, for Italy, there is no information about the extent to which the apprentices 'enrolled' in part-time Regional courses, do effectively attend them, and with what outcomes. Completion rates may be a useful indicator to conclude that almost 70 per cent of those enrolled conclude the courses, but it is not clear if the latter are held in colleges, or in companies, which would be an option accepted by law. Nor it is clear what knowledge content is taught in part-time VET courses, to what extent they integrate with the occupational skills learnt on-the-job, and if, and how, do they contribute to achieving the relevant apprenticeship qualifications. However, available data suggests that 'apprentices' (lower case) would be only 23.9 per cent of all 'Apprentices' (upper

case) in Italy; less than one-third in England; and one hundred per cent in Germany. In numbers, 'apprenticeships' are 142 thousands in Italy, 162 thousands in England and 1,571.5 million in Germany. These figures account respectively for 0.6%, 0.7% and 4.4% of the total working population. While no variation between the two populations affects the German case<sup>73</sup>, this is of about 450 thousand units in Italy and 330 thousands in England. Likewise, the ratio of 'Apprenticeships' over 'apprenticeships' varies across countries: 0.24 in Italy, 0.33 in England and, because the two populations coincide, '1' in Germany.

All this suggest that Italy and Britain record a considerable discrepancy in terms of the functional/nominal distinction: in these countries governments use the word 'Apprenticeship' as a label to indicate something that, from an international comparative perspective, is not 'apprenticeship', as far as neither rules nor practices are concerned. In Germany, instead, 'Apprenticeship' indicates programmes that, both in rules and in practice, meet the qualitative criteria of the standard definition. This is confirmed by the recognition of German apprenticeship all over the world, for training quality, and its unique features. In other words, whereas apprenticeship in contemporary Germany still resembles what can be called 'apprenticeship' in all countries, according to the standard definition adopted, Italian and English 'apprenticeship' systems stand far from it.

## 5.2. Trends

This section looks at contemporary apprenticeship systems in the three countries, from a historical perspective, to be further discussed in the next chapters.

First, the overall distance of Italy and Britain 'Apprenticeship' system from the functional definition, indicates a parallel trend in the two countries, mostly in

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<sup>73</sup> As mentioned, the German case is considered as homogeneous, both in laws and in performance; nevertheless, criticisms concern also the dual system, both in terms of poor training quality in some *Handwerk* apprenticeships and in the increasing lack of apprenticeship places, with demand outnumbering supply.

terms of changes of apprenticeships' contents and function. This has moved the Italian and the British Apprenticeships away from what is here referred to as the 'functional' standard identity of apprenticeships. On the contrary, assuming the national case is homogeneous, this is not true in Germany. As mere descriptive observation, Italy and Britain therefore stand as opposite to Germany, despite national governments have continuously promoted national reforms, and still continue to do so, as inspired to the German apprenticeship, as the leading model to be followed and emulated. One question concerns the extent to which Italian and British 'Apprenticeship' share similarities with youth labour market programmes, more than with 'apprenticeship' (*infra*, p. 33). In this respect, evaluative research of active labour market policies that considers also Mediterranean countries is nowadays scarce and more would be welcome (Piopiunik and Ryan 2012, p. 35).

Second, in Italy and in England a gap separates formal rules from real practice: although in different ways, and probably for different reasons (as discussed in chapter three), the two systems record a lack of transparency and coordination, possibly as a result of substantial deregulation, despite repeated reforms, such as the numerous legal interventions in Italy, and the ongoing reorganisation and rebranding process in England.

A different issue concerns the evaluation of their effectiveness in helping youth transition to the labour market, thanks to reliable qualifications. Although evaluation evidence has not been extensively considered thus far, research suggests positive results for countries with mass-apprenticeship systems. By contrast, active labour market programs (ALMPs) record mixed effects on the participants' employment probabilities (positive, insignificant and in some cases even negative), and their cost is, anyway, considerably high (Piopiunik and Ryan 2012; Ryan 1998). One assumption is that Italy and Britain closely resemble those European countries promoting such ALMPs.

These processes have been, so far, put in a contrasting perspective with the German case, which is no doubt a mass apprenticeship country with strong initial

training systems, “associated, among young people who have left formal schooling, with stronger labour market attachment, a lesser concentration of unemployment on young people and absolutely lower rates of youth inactivity” (Piopiunik and Ryan 2012, p. 35). The national apprenticeship system records high quality vocational education and training, and high employers’ coordination. The effectiveness of the whole system continues to mark a sharp distance from other countries, including Italy and Britain. However, evidence of the weaknesses of German apprenticeship do exist. Yet, they tend to concern other aspects than the ones considered here, which were mainly related to apprenticeship quality. For instance, one of the main governmental and social concerns, is the mismatch between apprenticeship places’ demand and supply, with the latter being insufficient.

Having considered the national and comparative description reported thus far, a first set of questions concerns how did Italy and Britain come to have such an apprenticeship system, and what historical transformations of youth employment and training laws, policies and practices, shaped such a change. Answers to these questions should clarify the genesis of the ongoing and cumbersome reform processes of ‘Apprenticeships’ in Italy and Britain. These questions will be addressed in chapter two.

A second set of questions may concern the reasons that might have motivated and might explain these changes throughout history, distinguishing between economic, and political or institutional determinants. These questions will be addressed in chapter three.

## Annex 1

Table 1: Background indicators, 2009/10, 2010/1

	Italy		England		Germany	
	2009/10	2010/1	2009/10	2010/1	2009/10	2010/1
<b>Youth population</b>	6748,13	6727,37	6866,1	6872,1	9312,30	
<b>Employment</b>	23025,00	22872,00	24387,50	24456,75	35762,00	35964,00

Source: Italy: ISTAT, on-line demographic data and historical series; England: NOMIS, mid-year population estimates and employees in employment in England, quarterly data; Germany: Statistisches Jahrbuch, 2011: 44, 83.

Table 2: Minimum off-the-job training, 2011, Germany (hours)

	12 months	24 months	36 months
<b>Min</b>	8*40 = 320	640	960
<b>Max</b>	12*40 = 480	960	1440
<b>Average</b>	400	800	1200
<b>Monthly</b>	33,33	800/24 = 33,33	1200/36 = 33,33
<b>Annual</b>		33.33*12 = 400	33.33*12 = 400
<b>Weighted average</b>		400*(38/288)+400*(250/288) = 400	

Having acknowledged that part-time vocational education lasts from 8 to 12 hours a week (10 on average); assuming that each year students go to school for 40 weeks; considering that apprenticeship last minimum 2 and maximum 3 years, the range of minimum off-the-job is between 640 and 1440. On average, in 2 year programs, apprentices attend a total of 800 hours of part time vocational education; while this is of 1200 hours in 3 year programs. These numbers then need to be weighted for the number of occupations lasting respectively 2 and 3 years (without considering the exceptions of those lasting 42 months): the former are 38 and the latter 250, with a total of 288 (BIBB 2012, p. 93).

*Table 3: Apprenticeship Starts, Achievements by Provider Type (2009/10)*

	<b>General FE College</b>	<b>Sixth form College</b>	<b>Special Colleges<sup>1</sup></b>	<b>Other Public Funded<sup>2</sup></b>	<b>Schools<sup>3</sup></b>	<b>Private Sector Public Funded<sup>4</sup></b>	<b>Total</b>
Starts	57.790	440	4.090	30.770	70	186.510	279.680
Achievements	36.200	290	2.040	20.970	30	111.950	171.490

1) Special Colleges include Agriculture and Horticulture Colleges; Art, Design and Performing Arts Colleges and Specialist Designated College.

2) Other Public Funded includes Central Government Department, Central Government NDPB, Public Corporations & Trading Funds, Local Education Authority (LEA), Social Services, Other Local Authority, Police Authority, Fire Authority, Local Authority Dept, Local Authority, NHS-English Foundation Trust, NHS-English Non Foundation Trust, NHS-Other Organisations, Independent school or College, UFI Directly Funded Hub, Dance and Drama School, External Institution, Higher Education Organisation, School Sixth Form (not College), Special learning needs establishment, Other Public Organisation, Charitable, Non-Charitable, Other Voluntary Organisation, LSC Region, Special College, Academy, Academy-Converter, Academy-Free School, Academy-Sponsor Led, External Institution, Institution funded by Other Govt Dept and University Technology College.

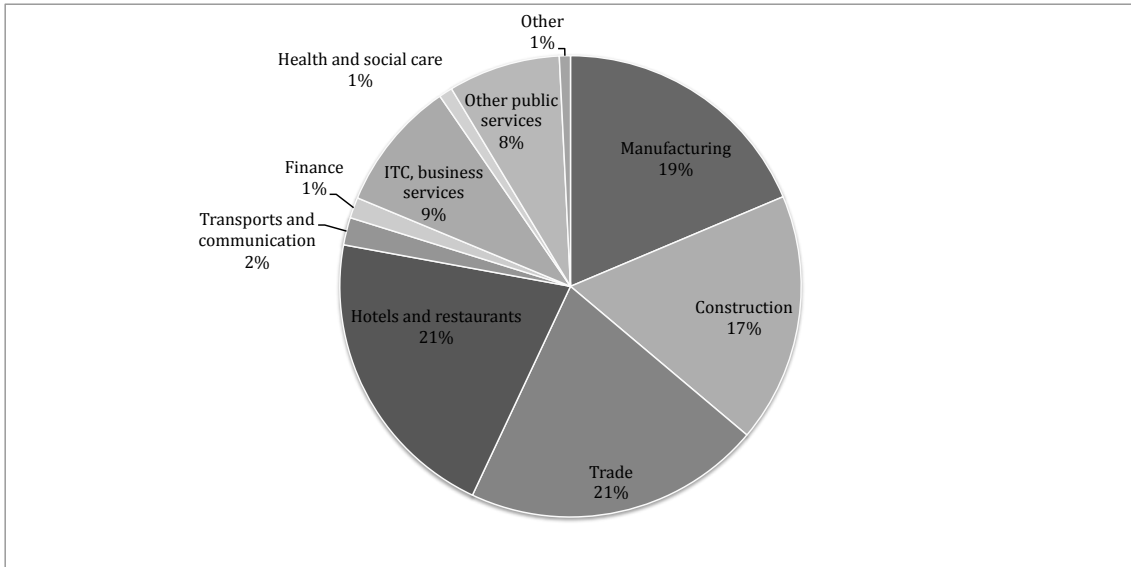
3) Schools includes City Academy with 6th Form, City Technology College, Pupil Referral Unit, School-Community, School-Community Special, School-Foundation, School-Foundation Special, School-Independent-SEN Apvd, School-Non-Maintained Special, School-Other Independent, School-Other Independent Special, School-Voluntary aided, School-Voluntary controlled, Sixth Form Centre and School-Independent-SEN Apvd.

4) Private Sector Public Funded includes Community Interest Company, Company Incorporated by Royal Charter (England/Wales), Employer Association, Independent Association, Industrial/Provident (England/Wales), Limited Liability Partnership, Limited Partnership, PRI/LBG/NSC/S.30, PRI/LTD BY GUAR/NSC, Private Limited Company, Private Unlimited Company, Public Limited Company, Sole Trader, Trade Union, Chamber of Commerce/Trade, Organisation in Business in its own right, Other Private Organisation and Business Link.

Source: The Data Service 2012: 2009\_10

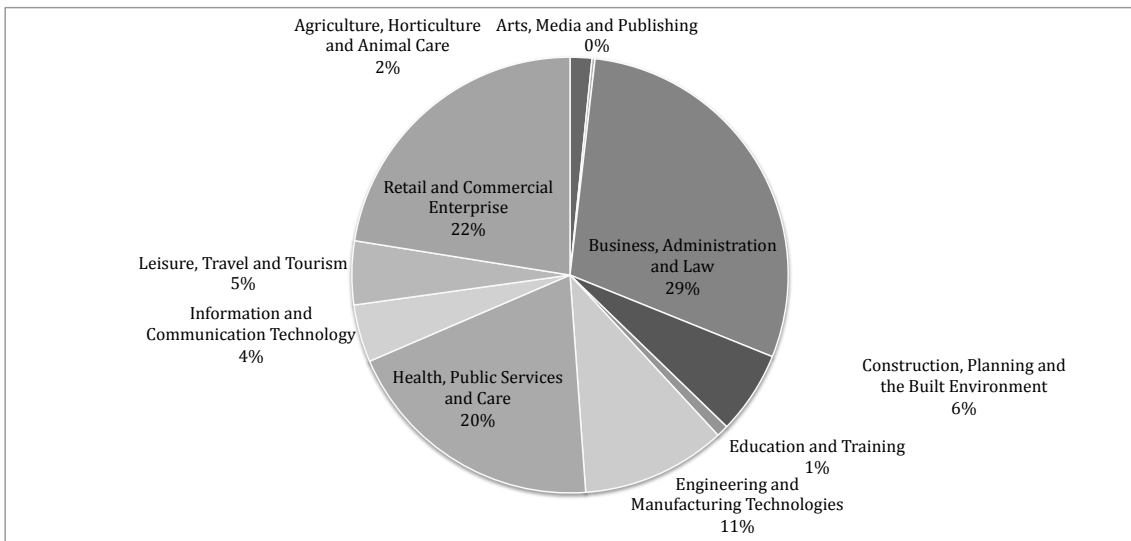


Figure 1. Apprenticeship starts in Italy, by sector, 2009



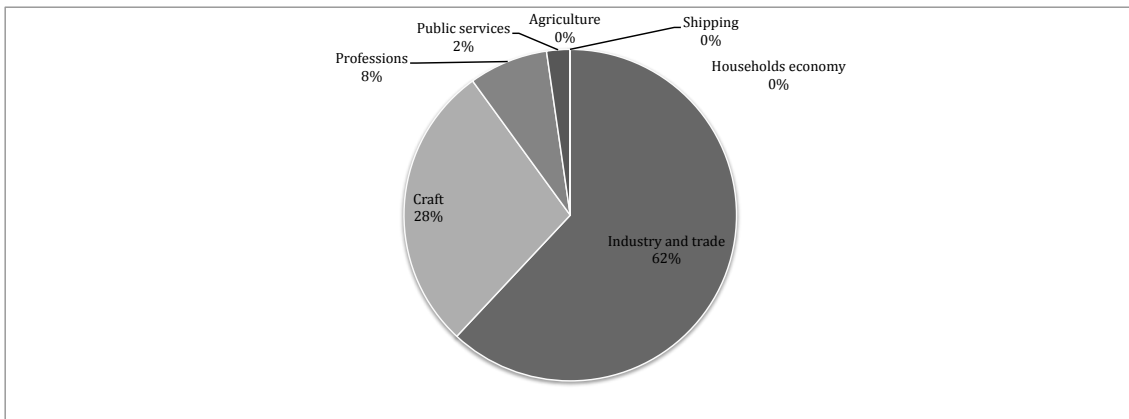
Source: Author, on ISFOL 2012, p. 16, table 11

Figure 2: Apprenticeship starts in England, by sector, 2009/10



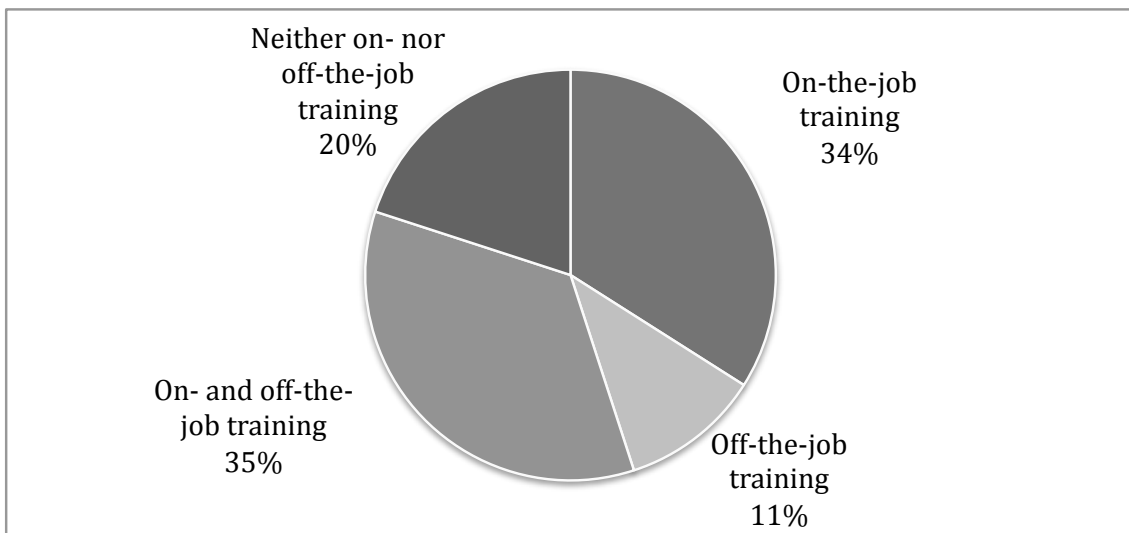
Source: Author on BIS 2 February 2012

Figure 3: Apprenticeship starts in Germany, by sector, 2011



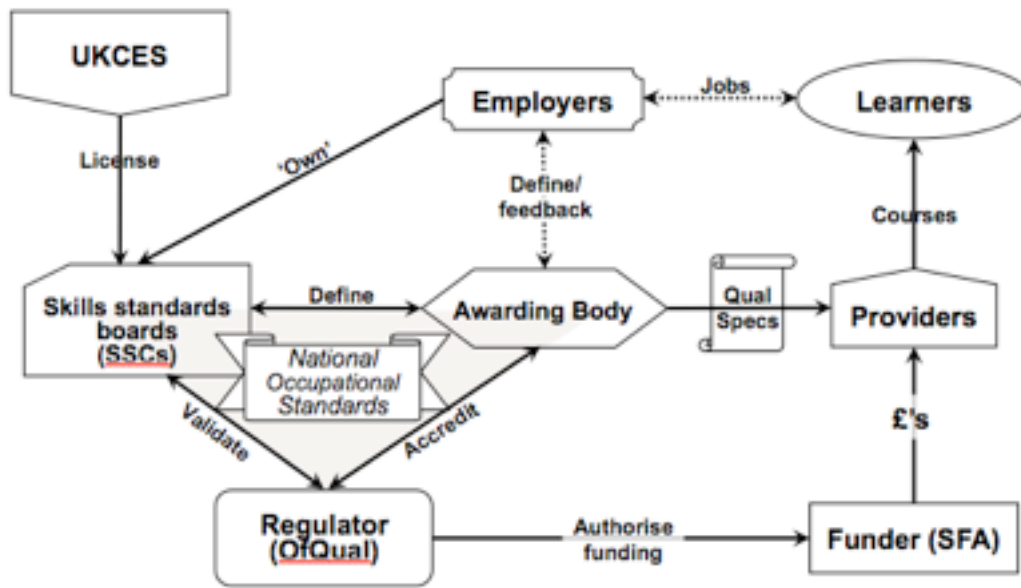
Source: Author on BIBB 2012b, p. 18

Figure 4: Proportion of GB Apprentices receiving on- and off-the-job training, 2011



Source: BIS 2012, p. 25

Figure 5: the English vocational education system operation



Source: City and Guilds, Centre for Skills Development April 2012

## **Chapter two**

### **The evolution of ‘apprenticeships’ and youth labour market programmes in Italy and in Britain since 1960**

#### **1. Introduction**

This chapter looks at ‘apprenticeships’ and youth training and employment programmes in Italy and Great Britain from a historical perspective, describing their developments and relevant policy changes since the postwar decades to the early 2000s. The economic, and political-institutional reasons that might explain Italy’s and the Britain’s apprenticeship systems’ differences and changes will be analysed in Chapter 3.

The research questions that inspired this analysis concern two aspects, which are interesting from a public policy perspective, for both countries. “Deregulation of the youth market, and the neglect of apprenticeship in favour of public training schemes” (Marsden and Ryan 1990, p. 360). Both Italy (Garonna 1986) and Britain (Marsden and Ryan 1990) in the 1980s experienced deregulatory public policies for youth labour markets. At that time, apprenticeship systems were allowed to languish, giving way to alternative public training schemes, which outnumbered apprentices at the end of the 1980s. This practice continued until the beginning of the next decade, when, following the perceived failure of youth public schemes, and at the heart of a new wave of public uncertainty, the Italian and the British governments reversed their strategies, in favour of political support for, once again, Apprenticeship schemes. This led to considerable growth in Apprenticeships that started since the late 1990s until the first decade of 2000s, parallel to a severe drop in the size of youth labour market programmes.

Sections two and three report, respectively for Italy and Britain, the changes in apprenticeship systems in the last five decades, as opposed to youth employment and training schemes. The account reports legal regulations and provides an overall quantitative (volumes of youth involved) and qualitative (education and training aspects) description. Section four outlines similarities and differences in historical trends across countries, and section five concludes.

This chapter contains four diagrams, two for Italy (figure 1 and 3) and two for Britain (figure 2 and 4, in section four), representing the trends of work-based programmes in each country, from 1960 until 2010. Figures 1 and 2 show diagrams built with data of the stocks and the inflows into apprenticeships and in other work-based training programmes. All data in figures 1 and 2 are taken from official statistics, and elaborated by the author.

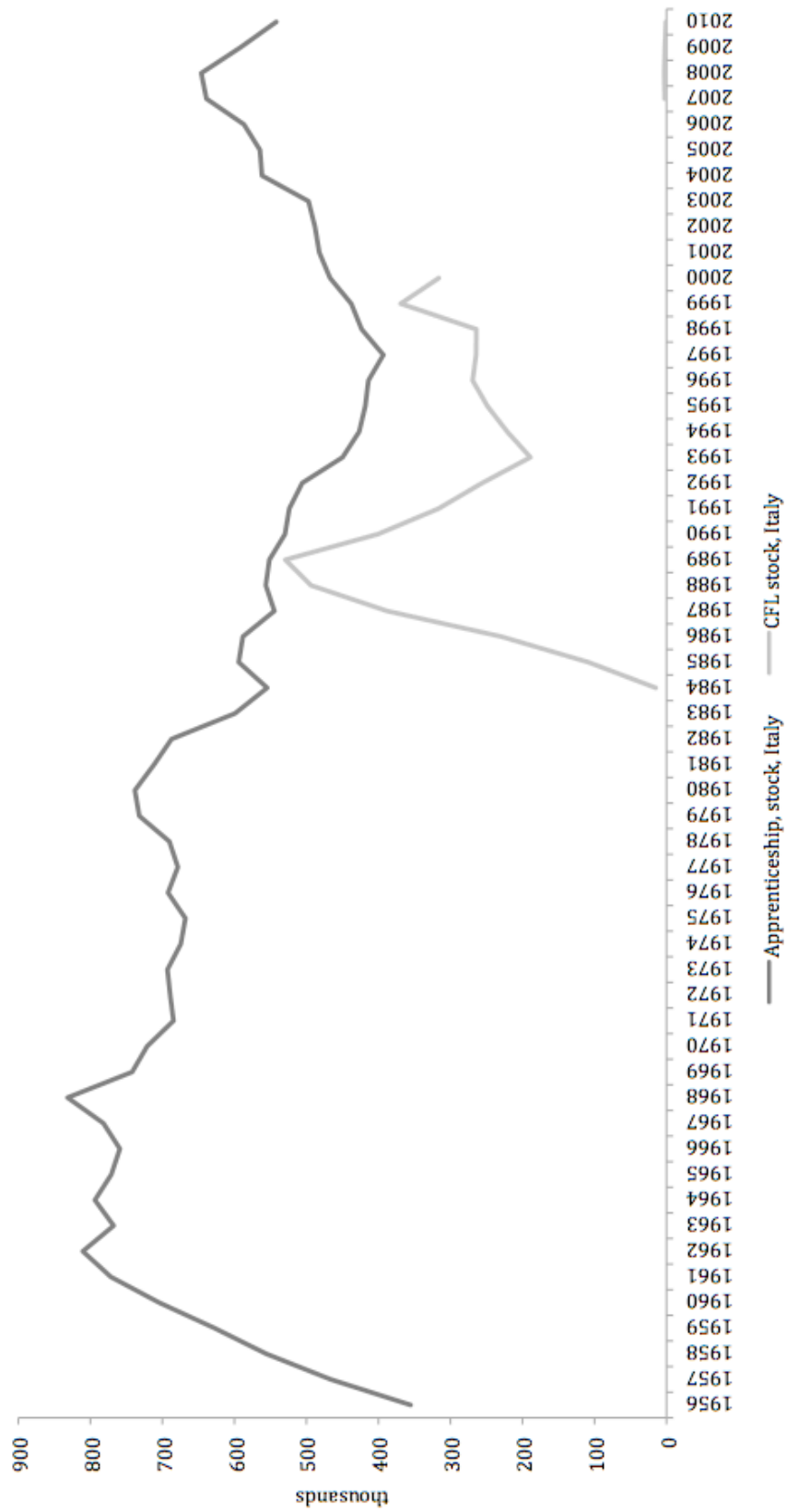
Figure 1 for Italy has two series: apprenticeships' stocks from 1955 to 2010, and the stocks of the *Contratti di Formazione e Lavoro* (CFL) from 1983 to 2010. Unlike all the other diagrams, covering the 1960-2010 period, figure 1 starts in 1955, to show the big changes occurred before the 1960s. Data for the CFL cover the years from 1983 to 2002: information is not available for the first type of *contratti*, introduced in 1977, but literature reports that they remained small until 1983; hence, it is acceptable to use data confined to the period from that year onwards. The CFL continued to be used in the public sector also after 2002.

Figure 2 has six series, for Britain. Four series show data for Great Britain: i) apprenticeship inflows from 1960 to 1974; ii) apprenticeship stocks from 1983 to 2001; iii) Youth Labour Market Programmes (YLMPs) inflows from 1977 to 1994; iv) YLMPs stocks from 1976 to 2002, with data missing for 1978-1982 and for 1991-2. Finally, figure 2 reports – for England – v) Modern Apprenticeship (MA) inflows and vi) MA stocks, from 1994 to 2010, with data missing for inflows from 1998 to 2001.

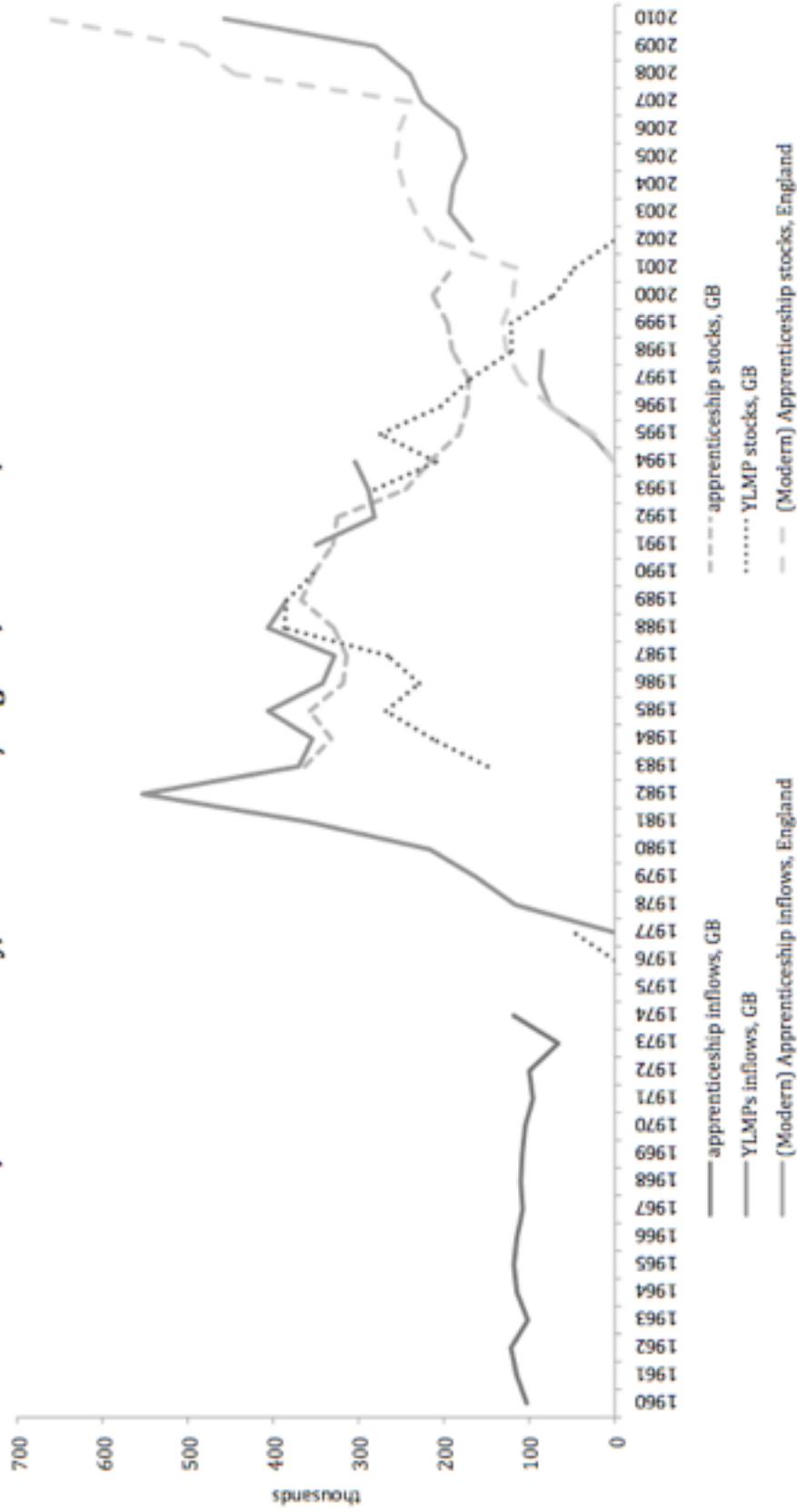
Sources for Italy have been literature, ISTAT and ISFOL databases, mainly built with data from INPS and from the Italian Ministry of Employment's surveys. Whereas, for Britain the main sources have been the monthly issues of the 'Department of Employment Gazette' (continued by the 'Employment Gazette' and 'Labour Market Trends') from 1975 until 2002; issues of the statistical journal 'Social Trends'; row unpublished data from the Labour Force Survey provided by Paul Ryan for Modern Apprenticeship inflows from 1994 until 2001; and the English Statistical First Releases for Modern Apprenticeship from 2002 onwards. It should be recalled data are for Great Britain from 1960 until 1994, while data for Modern Apprenticeship from 1994 onwards are for England only.

In terms of methodology, a key issue regards how to name things. First, the meaning covered by the term 'apprenticeship' in four decades analysed has changed considerably across time and across countries. Two terms will be used for both countries, namely 'apprenticeship' and 'Apprenticeship'. The former indicates the standardised meaning of 'apprenticeship', to which traditional apprenticeship training, as known in the post-war years, is associated; the latter indicates the programmes introduced in the mid-1990s in both countries. As mentioned (*infra*, p. 33), this distinction fits particularly well the case of Britain, where differences between the work-based vocational training route called 'apprenticeship' and the government-sponsored programmed called 'Apprenticeship'. By contrast, it is less consistent in Italy, where there is more continuity over time in 'apprenticeship' policies. As it will be pointed out, less institutional change in this country, might have resulted in less youth public policy changes. Nevertheless, the same two terms will be used for both countries. To indicate the policies introduced for youth employment and training in the 1980s, as an alternative to apprenticeship, the label 'active labour market policies' will be used as a synonym for 'youth labour market programmes' (YLMPs), or 'youth schemes', where the latter indicates precisely the Youth Training Scheme (YTS). In Italy, the different versions of the employment contract for youth introduced from 1977 onwards, will be addressed with the label of '*contratti*', or, when describing the two countries together, with the generic terms recalled above.

**Figure 1: Stocks of Apprenticeships and of Contratti di Formazione e Lavoro (CFL), Italy, 1960-2010, official statistics**



**Figure 2: Stocks and Flows in Youth Labour Market Programs and in apprenticeships, thousands, whole economy, Great Britain/England, 1960-2010, official statistics**





## 2. Italy

This section offers an overview of the historical developments, since the years after the Second World War until 2010, of the laws, policies and practices in youth employment and training in Italy. This chronicle can be divided into three periods, which can be named as follows. The first is the period of traditional apprenticeship, from the fifties until the late seventies. The second, lasting from the late seventies until the second half of the nineties, is the period of the *contratti*. The third is the period of the return of Apprenticeship, from 1997/8 to 2010. Primary emphasis will be given to a description of the quantitative data, accompanied by a historical chronicle of the most relevant legal and policy developments<sup>74</sup>.

### 2.1. Period I: traditional apprenticeship (1955-1968)

After the second World War vocational education and training (VET) was recognised as a Constitutional right<sup>75</sup>. It was mainly oriented to adult workers, to support the process of economic reconstruction and industrial conversion to new production<sup>76</sup>. However, it is hard to talk about a comprehensive vocational training system in Italy, as VET initiatives were mostly fragmented, characterised by varying quantity and quality, and organised independently from the school system and from the labour market. Initial VET (IVET) has been historically understood as independent from general education too, and it developed as a lower status

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74 This description of the legal and policy measures reflects the juridical perspective from which youth training and employment policies have been traditionally studied and reported in Italian literature.

75 The primary source regulating vocational education and training in Italy is the Constitution (the Fundamental Chart) of 1948: according to articles 34 and 35, paragraph 2, compulsory schooling should last at least eight years and the Republic will support the workers' continuous vocational training and enhancement. Training is regulated as a tool to guarantee equal opportunities for all citizens (article 3 of the Constitution) and to promote the national economic development (article 4). Critics observed that including vocational training in the Chapter about economic relationships (and not the previous one, about social-ethical relationships) conceptually links vocational training to employment, while separating culture from work, knowledge from production (Bertagna 2006).

76 The 1949 Law n. 264, for instance, regulated continuous training for adult workers that had been expunged from the productive process due to the Second World War.

opportunity (Sarchielli *et al.* 1976, p. 66). It belonged to the autonomous and decentralised initiative of local or private bodies, falling outside the State responsibilities<sup>77</sup>. As far as IVET is concerned, youth could choose among different pathways to enter the labour market<sup>78</sup>, including apprenticeship training (both part-time courses and on-the-job training)<sup>79</sup>.

Apprenticeship had always been, since preindustrial societies, the major opportunity for youths to be trained, learn a job and enter the labour market (Cambi 1995). By the mid 1950s<sup>80</sup>, apprenticeship was a well known and stable instrument to train youths for a job. By growing by a hundred thousands contracts each year, it more than doubled, from 355,300 in 1956 to 693,000 in 1960 (see figure 1)<sup>81</sup>. Then, apprenticeship represented 3.47 per cent of all employment in the private sector<sup>82</sup>. To interpret the fluctuations in those years, a comparison of

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77 Previous and following reforms of the education system (Casati in 1859, Gentile in 1923) shaped this diarchy, which resulted then in the contemporary stereotypical view of vocational training as a second rank opportunity, narrowly linked to employment, instead of being conceived, like general education, for human capital development.

78 All these pathways were designed at a central level but managed at a decentralised and articulated level. Three were the main options. First, public vocational training institutes that fell within the education system, running parallel to upper secondary education. Local administration and administrative autonomy. Second, training courses organised by the Ministry of Employment, whose aim was guidance for youth to get basic knowledge and school-type skills that were managed by public bodies set up before the war, together with vocational training bodies led by religious, political or social organisations, but also private providers, or, in some sectors, bilateral training bodies, created by collective bargaining. Second, apprenticeship training courses.

79 Since the 1930s, the system has been a dual one, with company based training completely separate from the school based one.

80 As an introduction to the macro-economic situation, it should be recalled that the in 1950s a vigorous productive development grew parallel to an oversupply of workforce, due to migrations from the South to the North and from agriculture to manufacturing.

81 Data are presented only from 1956 because the first law on apprenticeship was passed in 1955, and only since then the State start collecting considerable data about apprenticeships. Data source is ISTAT, *Annuario Statistico Italiano*. ISTAT: *Notiziario ISTAT*, as reported in Sarchielli *et al.* 1976, and ISFOL 1984c.

82 Apprenticeship indeed could not be used, *de iure*, in the public sector. Consequently, the number of apprenticeships will be expressed as a share of private sector employment. Conversely, in Britain, the number of apprenticeships will be expressed as a share of employment in the whole economy, but, as it shall be pointed out, it was not, *de facto*, used in the public sector, or to a marginal extent.

apprenticeship trends with total employment reveals an overall continuous pattern of expansion from 1956 to 1962.

Looking at the characteristics of traditional apprenticeship in Italy, this involves mainly young males. Around 70.5% of all apprentices in 1956, and more than 60% in the years until 1979 (62.5% in 1966, 61.8% in 1976 and 63.2 in 1979), are male. The remaining one-third of female apprentices, hence, grow over time: this might be due partially to the duration of the period in which they were 'apprentices' before being employed, typically longer in sectors hiring females (e.g. clothing, textiles, leather) than in sectors hiring mostly males. Manufacturing is where apprentices, as a whole, are most commonly employed (80.9% in 1956, 70.4% in 1966, 67.7% in 1976), followed by construction and services. The first three manufacturing sectors that employ apprentices are mechanical engineering (around 40%), clothing and furniture (about 25%) and wood (around 10%). Manufacturing companies concentrate in the north of Italy, which is the geographic area where around two-thirds of apprentices work (72.3% in 1956, 64.5% in 1966 and in 1976). Considering apprenticeship duration, the law provides for a maximum of five years, requiring that collective agreements establish the more detailed regulations, without any further restrictions. A survey (Sarchielli *et al.* 1976, p. 58) reports that collective agreements tended to reduce apprenticeship duration, having considered apprentices' age and their educational attainment level. Thus, apprenticeship's maximum duration never reached 5 years: it was 2 years in engineering for 15 year-olds who had completed education, and only 18 months in such sectors as food, wood and shoes manufacturing.

In quantitative terms, the massive growth of apprenticeships in the late 1950s might be due, in part, to the economic growth of the years characterised by the so-called 'economic miracle' (Ginsborg 1996, pp. 160 ff.)<sup>83</sup>. This also led to a decrease of employment in agriculture and a growth in urban-industrial workforce.

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83 It should be recalled that since 1960 the employment structure changes in Italy: after the miracle of the 1950s, Italian economy entered international competition, to stand which it did not invest in technologies but it overused the workforce.

Moreover, apprenticeship system boomed after its first legal regulation. Excluding the acts passed in the 1930s, 'Traineeship', the so-called *tirocinio*<sup>84</sup>, had been since then regulated by the 1942 Civil Code. Articles 2130-2134 of Chapter V 'Employment', regulated only a few essential aspects of the training and employment relationship<sup>85</sup>, such as maximum duration, pay, vocational education, certification. The legal roots of Italian apprenticeship date back to Law n. 55, 19 January 1955<sup>86</sup>. This law regulates the essential aspects of apprenticeship<sup>87</sup>, leaving to collective bargaining the power to regulate all other contractual aspects, including pay. Apprenticeship was dogmatically defined as "a special employment relationship, whereby employers must provide – or allow others to provide, at their premises – an apprentice with the necessary teaching for acquiring technical capacities to become a qualified worker, and whereby they use apprentices' energies in the same company" (article 2). Public resources would go to companies hiring apprentices, in the form of tax breaks and incentives created by the rules, in particular the artisanal sector.<sup>88</sup> Maximum duration was 5 years and on-the-job training should be alternated with theoretical teaching courses provided outside the company.

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84 These norms interest apprentices although the contract is no longer called 'apprenticeship' – considered as too close to a French word – but 'traineeship'. This tool had been introduced in 1938 by the Royal Decrees n. 1906 and n. 1380. See Papa 2010.

85 Literature reveals that in the 1950s and 1960s, VET, and apprenticeship too, remained a complex and contradictory system, pursuing different and contrasting aims: at that stage already, it was not clear, whether the '*tirocinio*' should be considered as an employment contract, as a teaching and learning relationship, or as a contract with two 'goals': employment (pay), education (VET).

86 New laws and regulations were approved in the following years (for instance Law n. 706/1956, and the d.p.r. 1668/1956), bringing about marginal changes to law n. 25/55 or, clarifying its application range (to all sectors and for all qualifications), or providing with detailed regulation of external training that positively limited employment conflicts and guaranteed a punctual implementation of training obligations.

87 Articles 3 and the following ones clarify the categories of potential employers and youth employees the law applies to, the maximum duration and of daily and weekly working hours; apprentices' and employers' duties and rights, training regulations.

88 Incentives were based on an awarding oriented technique, instead of a sanctioning one. This choice needs to be remembered because it will later shape the normative technique of the *contratti di formazione e lavoro* in the 1980s.

Training provision, yet, was precarious and unstable: despite a stable trend in the volume of apprenticeship contracts, the number of formal education courses set up outside the workplace, and the relative enrolments, collapsed in 1963-6, and then stayed below the 1961-2 levels, when they had initially boomed. The share of employed apprentices who attended training courses ranged from 26 per cent in 1956-8 to 44.11% in 1958-9, growing to 61.09 in 1961-2. Since then, the share of trained apprentices dropped to 47.6% in 1963-4 and then stabilised at 44 per cent, until 1967-1968. After that it grew to 48.5% in 1969-70 (Sarchielli *et al.* 1976, p. 76). It has been observed that “The training content of the contract was minimal, concealing the use of apprentices as cheap labour” (Garonna 1986, p. 55). One potential weakness of training provision is reflected in the high pay levels of apprentices, which in manufacturing, for instance, ranged from 75 to 90 per cent, depending on age and educational levels (Sarchielli *et al.* 1976, p. 101).

During the 1960s apprenticeship continued to represent a quantitatively solid system, alternative to upper secondary school for Italian youth. The number of apprentices varied between 700 and 800 thousand for the whole decade, starting from 704,719 in 1960, up to 831,613 contracts in 1968.

There is no guarantee, though, that the growth in numbers corresponded to a growth in quality: there were cases in which apprenticeships was used as a low-cost solution for hiring youths. Hence, in 1968 the government imposed considerable legal restrictions to the use of apprenticeship. Law n. 424 introduced preventive controls at the plant level, and required a prior authorisation of the local Employment inspectorate for companies to have the permission to hire apprentices. Part-time VET courses became obligatory for the whole duration of the contract, which was then maximum five years. The law also detailed specifications about training activities, qualifications, assessment, and the kind of tasks youth could carry out, as well as the maximum number of apprentices in each company. This should be equal to the number of qualified employees in all companies, but in artisanal workshops, where the numerical limits were more favourable. It should be noted that, despite the restrictive legal limits, the norms on

apprenticeship duration and training, that social partners agreed by way of collective bargaining, came to limit the full implementation and law effectiveness.

## **2.2. Period II: the age of the *contratti* (1969-1997)**

The decline in apprenticeship contracts, which started in 1968, continued in the next decade. The 1970s were characterised by social turmoil, which found expression in social movements, and in workers' and students' protests.

In the Italian economy of the 1970s, despite stagnation, employment grew in the tertiary sector and Public Administration, and it remained fairly stable in industrial sectors. Along with the 'survival' of the Italian economy, in the 1970s, high income transfers from the public budget kept the mounting social pressures and the increasing tensions in the labour market under control. A number of factors that would have made this possible have been identified: the technological development of SMEs; social benefits for temporarily suspended workers (*Cassa integrazione guadagni, CIG*), which eased companies restructuring; and strong political unionism (Garonna 1986, p. 51 and 194).

An increasing number of qualified youths were unemployed, also because of the difficult occupational and economic situation consequent to the 1973 and 1979 oil crises. Unemployment rates of 15 to 24 year olds reached historic peaks, from 38.8% in 1977 up to 39.1% in 1980 (ISTAT 2010). A vivid debate thus developed about what kind of education and training opportunities should guarantee youths a job, and to meet the changing skill needs of the economy, increasingly services-oriented. The broader issue under discussion was the role of public policy in sustaining youth employment. Among the existing political proposals<sup>89</sup>, the ones in favour of investments in vocational training, developed in a context of cultural

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<sup>89</sup> The political proposals could be grouped around three main strands: the first was in favour of incentivising employment in private companies; the second promoted the creation of temporary jobs in socially useful services; the third aimed at strengthening vocational training, to be organised and promoted by private companies or by Regional bodies.

controversy, between two cultural models. The first relied on the integration between training and work, and found its full realisation in apprenticeships. The second left training and work separate, with possible connections (such as in the training contract of Law n. 285/77), but still in a context of structural separation (Saetta 1984, p. 2259).

In this context, since the beginning of the 1970s, both institutions and the political and social forces, started affirming that apprenticeship could not adequately tackle the problems posed by growing youth unemployment, as well as the increasing needs for a qualified workforce expressed by companies. Apprenticeship was considered “as being at its last gasp, obsolete, destined, at most, to continue being used in craft workshops, but already on the point of leaving the pace to a new model” (Loy 1987, p. 743). This led all the Regions to suspend, with the consent of social partners (employers’ associations and trade unions), any apprenticeship training activity outside the companies from 1973 *sine die* (Varesi 2001, p. 76)<sup>90</sup>. It was clear that apprenticeship covered a relevant portion of the workforce, but it had lost its original functions and had turned into an instrument to hire low-cost youth employees (Sarchielli *et al.* 1976, p. 5). Likewise, the attention of Italian governments, in those years facing social and political instability<sup>91</sup>, turned to public policies other than apprenticeship<sup>92</sup>. The intense legislative activity of the following years aimed at integrating educational and occupational goals in new employment contracts and active labour market programmes.

The number of apprenticeships was already declining during the first half of the 1970s: the number of apprentices in training dropped from 721,317 in 1970 to

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90 This choice revealed that public authorities and market forces had accepted the collapse of the work-based vocational training model adopted in the previous decades (Varesi 2001, p. 76).

91 In those years, the legal framework was characterised by permanent contradictions between the contrasting goals pursued by the different social and political forces, which impeded the government to achieve coherent solutions, and led to continue compromises. In parallel, a new legal technique was adopted, inspired by an incentivising and awarding philosophy, rather than one based on sanctions.

92 The Law decree of 6 July 1978, n. 351, converted in law n. 479/1978, further intervened on the incentives for private employers to hire youth and on youth employment in the public administration.

668,022 in 1975. The second half of the decade recorded slightly better performances, as the number of contracts had grown to 732,100 in 1979. Despite fluctuations, it was clear that the time to start a new phase had come, either by reforming apprenticeship, or by introducing another tool that could better integrate training and employment for youth (Sarchielli *et al.* 1976; Giacinto 1976, p. 18; Rovetta 1979).

In the late 1970s, the Italian government introduced the first measures to promote youth employment by adopting Law n. 285/1977 (*Provvedimenti per l'occupazione giovanile*). Among the other norms<sup>93</sup>, the act introduced the first training contract alternative to apprenticeship: the *contratto di formazione*. This was a fixed-term, part-time contract that could last maximum one year, with maximum 20 weekly working hours. It was possible to use it for unemployed people, who would be called from placement lists (*chiamata numerica*), to work and attend VET courses, in return for low pay levels. The new *contratto di formazione* proved to be largely unsuccessful<sup>94</sup>: from a quantitative point of view, only 8,300 youth were employed with such contract in three years. Qualitatively speaking, the key issue concerned the role of training in the contract: the *contratti di formazione* interconnected training with work, but left the two separate. The contract pursued short-term employment goals through economic incentives, with training in a parallel position with respect to work<sup>95</sup>, and it was therefore conceived as an ordinary part-time fixed term contract (Varesi 2001, pp. 85-6)<sup>96</sup>. In other words, this contract reflects

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93 Law n. 185/1977 included three groups of norms: first, the creation of special placement lists for unemployed youth from 15 to 29 years old; second, the promotion of youth employment in private companies, by means of economic incentives, Third, the promotion of youth employment in agriculture and, fourth, the support of youth temporary employment in the public sector, for socially useful jobs or services.

94 It has been observed that, due to its poor results, it cannot be considered as a social protection intervention, nor as an emergency-oriented measure.

95 As it has been said, training was 'external' without being 'extraneous' to the contractual scheme (Varesi 2011, p. 83).

96 This is confirmed by two elements: first, the employer is not obliged to train young workers but only to allow their participation to training activities set up by the Regions; second, pay compensates only to the actual working hours, while it does not cover training time.



the separation, explicitly pursued by the law, between employment oriented and training oriented instruments (Saetta 1984). The former were accomplished by employment contracts regulations (placement, pay, classification of workers, contracts' duration, economic incentives). The latter were achieved through regional vocational training activities. As a result, a closer interconnection between training and work was left uniquely to apprenticeship<sup>97</sup>, which was, though, widely considered to be inadequate at that time.

In the first years of the 1980s, along with governmental initiatives, employers' and workers' representatives actively engaged in expressing their views about public policies for youth employment. As part of this action, they signed a significant number of collective agreements at cross-industry level, to better regulate training and to prevent the misuse of apprenticeship, by giving guidelines to differentiate the CFL from apprenticeship<sup>98</sup>. Table 9 synthesises the main characteristics of some of those agreements. It was clear indeed that there was a 'dumping' problem in the use of CFL instead of apprenticeship<sup>99</sup>, insofar as the former was used instead of apprenticeship, because it was cheaper and more flexible. This, however, was true only until 1987, when the law introduced a common incentivising system for the CFL and apprenticeship<sup>100</sup>, making their relative cost equal. This made the two contracts, even more similar than they were in terms of training practices:

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97 Apprenticeship training was supposed to be adequate for occupational markets: the Regions should organise VET courses with the aim of guiding youth towards occupations with concrete employment prospects in the labour market, coherently with the regional development plans, although not necessarily coherent with companies' needs. These should have led to a lower mismatch between school education and occupations required by the labour market; and it would have offered youth the opportunity of gaining new skills useful in the future.

98 Actually, differences between the CFL and apprenticeship were easy to find, firstly in the different categories of youth candidates and of potential employers. These elements coincided in the case of under-21 year olds and of companies qualified to hire apprentices. Then, the main difference between the two contracts was the duration of the contract, which probably made Law n. 79 more convenient, despite the absence of economic incentives.

99 Considering only 15-19 year olds, the two contracts were – at least partially – overlapping, but the CFL was more flexible and convenient to use. It should be observed that the debate and the real competition between the two contracts never regarded training aspects, but only economic and normative incentives.

100 Article 21 of Law 28 february 1987 n. 56. This would prove in favour of a partial reunification of the juridical model underpinning the two instruments.

despite different legal requirements (more restrictive for apprenticeship), indeed, employers would provide the same ‘training’ for both apprenticeships and CFL, basically coincident with work, or work-shadowing. In Italy training contracts continued to struggle to find a balance between occupational and training goals, with the former prevailing over the latter.

*Table 9: Collective agreements on the CFL, Italy, 1980s*

<b>Signatory parts</b>	<b>Duration</b>	<b>Conditions</b>
CONFINDUSTRIA, trade unions	Min 100 hours	Indicate the hours of theoretical training. Practical technical training needs to be minimum 40 hours for occupations involving the use of new technologies. Indicate people in charge of theoretical and of practical training. Specify where (company or training centre) training activities take place.
CONFAPI, trade unions	/	Content of the programmes and places where theoretical training is provided.
INTERSID, trade unions	Min 100 hours	Practical technical training needs to be minimum 40 hours for occupations involving the use of new technologies.
ARTIGIANATO, trade unions	Theoretical training min. 80 hours	Indicate people in charge of theoretical and of practical training
TRADE, trade unions	At provincial level: from min. 20% of working time, to a maximum ranging from 90 to 200 hours of theoretical training.	/

Source: Ghergo 2011, p. 506

The role of employers’ organisations and trade unions was very important, as negotiations would serve as consensus basis and would provide guidance for legislative practice. As a result collective agreements would normally be transposed into legal acts.

This was the case of the agreement signed on 22 January 1983<sup>101</sup>, whereby social partners focused their attention on youth unemployment and agreed to experiment with the possibility of hiring youth on a nominal basis for fix-term employment contracts with training purposes (Giugni 1985). This agreement posed the bases of a new social pact that of ‘bargained flexibility’ that is to say the exchange of flexibility for job creation.

The contents of this agreement were then accepted and reflected in the Law n. 79 of 1983 (the so called *Legge Scotti*), which converted the existing legal framework (the *contratti di formazione* of 1977), to reform the link between youth training and work. The primary goal of this law was not job creation, but favouring youth access to the labour market. Article 8, paragraphs 1, 5, 7, introduced the new *contratto a termine con finalità formative*, aimed at “urgently supporting youth employment in qualified activities”. It was a fixed-term contact lasting maximum one year<sup>102</sup>; all companies in the private sector<sup>103</sup> were free to choose youth aged 15-19 on a nominal basis (instead of a blind choice from predetermined public placement lists). Youth would work, get pay for the whole working time and receive training exclusively on-the-job<sup>104</sup>. In this connection, the 1983 contract was a measure entirely ‘employer-driven’, as employers had absolute prevalence in designing, implementing, assessing and certifying training activities, without having to abide by any legal minimum requirement. Law n. 79/1983 represents a moment of historical change in the history of Italian youth employment, insofar as more flexibility and deregulation were exchanged with employers in the hope for

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101 This agreement (*Accordo Scotti*, from the name of the Minister of Employment), the first between the unions, the Government and Confindustria (the most representative employers’ association in manufacturing), was signed after one year of negotiations and it put an end to the social fight between unions and employers, which then respected the agreement for a whole decade.

102 The law does not specify any minimum duration limits.

103 Only those employers who had laid-off or suspended workers from work according to art. 2 Law 675/77 were excluded.

104 The responsibility for training was fully demanded to employers, who had to communicate the work-based training programme, its didactic methods and qualifications, and they had to register and validate training activities and training outcomes. There was no obligation for theoretical training activities or for training beyond working hours, as theoretical training was considered a consequence of work experience (Maresca 1984, p. 488, quoted by Varesi 2001, p. 90).

more jobs. However, flexibility focused exclusively on youth, while it was not accompanied by any measure to make employment security for adult workers more elastic. Employment protection legislation continued to be rigidly regulated, to safeguard jobs of those who were already in employment. In this connection, it has been referred to the traditional 'dualism' of the Italian labour market, with standard workers highly protected, on the one hand, and other categories of workers, including youth, scarcely protected and being employed with high margins of flexibility.

Youth labour market liberalisation matched companies' needs of renovation and reorganisation in the early 1980s. A major change in employment policies was indeed occurring in the second half of the 1980s. To cope with massive restructuring processes of the 1970s, Italian companies had expunged less qualified workers from the labour market, and stopped hiring young workforce to substitute retired workers. For many years therefore employment inflows had been stagnating. In the second half of the 1980s, companies were then expressing a new need, especially in manufacturing, of a younger and fresher workforce and of more turnover (Ghergo, 2011: 489).<sup>105</sup>

The primary effect of youth labour market liberalisation, thus, was the notable success of the *contratto a termine con finalità formative*. In terms of size of activity, 162,442 contracts were signed in only one year in the private sector (133,565 youth were hired with this contract only from 1 February to 30 November 1983). A displacement effect may have occurred, insofar as incentives moved companies' interest from adult workers with medium and low qualifications to young people. 62.1% of the new entrants were aged 19-24, 68.2% were male, mainly with low educational levels: 79.1% dropped out after compulsory schooling. As concerns duration, 67.5% of all contracts lasted between 9 and 12 months, 24.3% between 5 and 8 months and only 8.2% lasted less than 4. Companies appreciated this

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<sup>105</sup> This phenomenon has been called 'Young in - old out'.

contract for its loose regulation, and used it as a long probationary period, to test potential employees and evaluate long-term human resources needs (ISFOL,1984). From a qualitative point of view, the 1983 *contratti* pursued employment more than training goals. They were considered as a good tool of employment and labour market policy, because they stimulated labour demand and helped balance labour demand and supply. Yet, they had little training value: according to a survey conducted by ISFOL, the *contratti* were used for blue collar, low-level occupations, and companies did not invest in human capital to guarantee youth training. In most cases, this coincided with work-shadowing practices, mostly limited to induction training (explanation of job tasks). Only in a few cases did companies engage external training bodies or provide theoretical training, which, however, were addressed to youth with an already highly qualified profile<sup>106</sup>.

The situation of the *contratti* dramatically changed from December 1984, when Law n. 863 introduced the second generation of training contracts: the *contratto di formazione e lavoro* (CFL)<sup>107</sup>. This had the same incentives as the *contratto a termine con finalità formative*: freedom of choice in selecting employees, fixed term duration, extended to a maximum of two years, incentives to transform apprenticeships in permanent contracts, and tax breaks. Yet, training obligations radically changed: vocational training should be provided on the basis of training projects' set up by employers, who had to specify training duration, activities and methods, to be approved by *ad hoc* regional employment commissions. These should assess the training projects' coherence with regional and national

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106 According to ISFOL, the lack of companies' training certainly flows from the lack of legal requirements in Law n. 79/1983, which not only considered training as a direct consequence of working, but it did not even foresee any link with the public vocational education and training system. In any case, a culture of vocational training had not yet developed in companies and local bodies: companies training did not even represent a bargaining chip for market forces, or was it controlled or sanctioned.

107 Modifications to Law n. 863/1984 followed in the next years, mainly to adapt the set of economic and normative incentives, but also to set more restrictive limits to the approval of training projects and thereby to strengthen the training value of the *contratti*. In April 1986, while apprenticeship decline continued, Italian government approved Law n. 113, promoting a new plan for youth employment for that year, later on extended until 1989. That measure foresaw that 40.000 18-29 unemployed youths, half of which in Southern Regions, would be hired with a *Contratto di Formazione e Lavoro* (CFL). For each approved training project, companies would receive an incentive equal to an increase of 15% of the monthly wage applicable according to the relevant collective agreements.

legislation and with collective agreements reached by those trade unions that adhered to the most representative confederations, at a national or local level. Training projects would be approved without submission to the regional commissions only if they did not require public funding, provided that they were in accordance with the existing legal and contractual norms<sup>108</sup>.

From May 1984 to January 1985, 14,916 contracts had been already signed under Law n. 863/1984, and the 108,434 CFL of 1985 more than doubled to 387,828 in 1987 (ISFOL 1985). The majority of youth (about 10,000) were 19 to 24 year olds, and the majority of the youth employed (9,854) had, at most, completed compulsory school (Ghergo 2011, p. 516). The 1984 CFLs were used mostly in manufacturing (around 8,000 as low-skilled workers and 1,700 as white-collars) and services (around 5,000)<sup>109</sup>. The duration of the *contratti* ranged from one to 24 months (the legal maximum), and more than a half of them lasted one year and above. Considering the total of CFL, 40.8% lasted from 19 to 24 months, 27.9% from 7 to 12 months, 10.9% from 13 to 18 months, 9 per cent from 4 to 6 months and about 6 per cent had a duration between 1 and 3 months. The sectors using the CFL for longer periods (up to 24 months) were retail and motor-vehicle repair (46% of all contracts in the sectors), credit (42%), agriculture (40%). Whereas the sectors using the contracts for shorter periods, namely less than 6 months, included chemical and energy industry (26.3% of all contracts in the sectors), construction (21.4%), engineering and metal industries (19.2%). Looking at job tasks by duration of their CFL, around 60% of shorter contracts were for low-qualified manual works and only about 4% for white-collar employees. The same distribution can be found in contracts with longer durations, although with

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108 A great role was left to social parts, since vocational training was part of the employment contract only if social parts agreed about the training project in regional commissions; and, in this sense, social dialogue integrated the preceptive power of law. Yet, although social parts were demanded the training regulation at a national level, company level regulation was admitted according to an administrative interpretation of the Ministry of Labour, in the *Circolare Min. lav. prev. soc.* 86122/85. This was not confirmed, as it would have enlarged the risk of training to be weakened or cancelled, since complete responsibility and freedom would have been left to single companies.

109 According to a sample survey carried out by ISFOL (ISFOL 1988), the CFL were mostly used in manufacturing industries, such as food, textile, clothing, etc. (28%), followed by engineering (24.7%), and retail (15%).

changing size, and with shares always below 6% in high qualified jobs, at employee level. 44.5% contracts lasting up to one year and a half were used for low-skilled jobs, and 19.5% for employees with higher qualifications. Likewise, 34.4% of contracts lasting from one and a half to two years were used for low-level manual workers, and 25.5% for basic-level employees. Coming to training provision in CFL, most of youth (63.7%) declared that they had learned their job by means of work-shadowing practices; only 17.3 per cent of the interviewees, mostly qualified youth, received a training course including theoretical training; while 10.5% believed to have received no training at all, mostly in retail and low-skilled workers.

The deregulated and flexible youth training schemes grew parallel to the decline of apprenticeship, which, instead, was rigidly regulated as regards working hours, training and working time balance, age limits, size and type of employers, economic incentives. Since 1968 the size of the apprenticeship system had been shrinking, but the early 1980s registered a severe drop: from 738,200 in 1980 to 687,251 in 1982. From August 1982 and August 1983 apprenticeship registered a further loss of 88,000 contracts, which led to 599,183 apprenticeships in 1983 and 554,451 in 1984, with a further decline to 544,500 in 1987.

From an overall perspective, despite the competition of new contracts<sup>110</sup>, apprenticeship still remained the tool most youth used to access to the labour market, representing around 3.5 per cent of employees in employment, and two-thirds of teenagers employed (ISFOL 1984, p. 191). By contrast, the *contratti* never covered more than 2.5 per cent of total employment (in 1989), although remaining well below that threshold in previous years (see figure 4). The severe youth unemployment of those years had led to the boom of youth training schemes and to the relative weakening of apprenticeship.

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110 Actually, in 1983 three main events might have had an impact on apprenticeship: first, the different regulations defined at sectoral level for apprentices contracts; regional politics to support employment; the *contratti* introduced by article 8 of Law n. 79 of 83.

The early 1990s were characterised by a severe crisis in politics and in the economy, which probably influenced the parallel decrease of both the *contratti* and apprenticeships. In one year, from 1989 to 1990, the number of CFL lost one thousand units, from more than half million; it continued to further collapse in the next four years, going down to 316,343 in 1991, 255,715 in 1992 and less than 190 thousand in 1993. Apprenticeships continued to decline too: more than a hundred thousand contracts were lost in five years, from above half a million in the early 1990s, to less than 400 thousand in 1997.

In 1994, while apprenticeships continued a gradual but steady decline, the number of *contratti* started to grow again. In July, indeed, Law n. 119 introduced the third generation of CFL, this time open to 15-32 year olds and to a larger spectrum of potential employers<sup>111</sup>. The new CFL was now split in two contract types: type A, reproducing the old CFL, had maximum duration of 24 months. It was conceived for intermediate or high level occupations, and required more theoretical training (from 130 to 80 hours of part-time VET), to be certified by the Regions. Type B was similar to the old fixed-term training contract (*contratto a termine con finalità formative*) and it could last maximum 12 months. It aimed at learning low level occupations and required only a minimum of 20 hours of VET, to be registered in a certificate of attendance. Tax breaks would be provided only if the young people were employed permanently after the CFL. The new law certainly contributed to boost the CFL: after the minimum level of 188,952 in 1993, they grew to 221,116 in 1994 and 248,667 in 1995. After only two years since Law n. 1994 was introduced, the *contratti* were returning to higher levels, with 269,220 youth employed in 1996. The apprenticeship system, instead, as mentioned, declined further: from 1994 to 1997 it lost almost 36 thousand units.

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111 To hire youth with the new *contratti*, however, employers should have stabilised a certain percentage of existing contracts.



### 2.3. Period III: the return to growth of apprenticeship (1998-2010)

The third period of Italian history of youth public policies starts in the late 1990s, and it is characterised by a powerful replacement of the *contratti* by Apprenticeship, which returned to growth. After 1997 the number of Apprenticeships increased, from 393,138 in 1997 to 467,174 in 2000. While the number of *contratti*, which had shrunk from 400 thousands in 1990 to only 188,952 in 1993, recovered slightly in the following years, without reaching the levels of the late 1980s, though. The number of CFL remained slightly stable right after the introduction of Law n. 1996, with a loss of only one thousand contracts. It then increased up to 369 thousand units in 1999, but declined again down to 316 thousand in 2000.

These changes, especially the 'return of apprenticeship' (Varesi 2001, p. 113), partially resulted from the policy change that took place in the second half of the 1990s, whereby the youth problem would be tackled with new strategies, more interconnected with the education and training system. In the 1996 Employment Pact, the government and social partners concentrated, for the first time<sup>112</sup>, on solutions other than the CFL. In their proposal, based on reforming the whole training system, employment-training contracts (apprenticeship) would be only one of a wide range of options for youth training and employment. As a consequence, since 1997, apprenticeship legislation would be regulated in parallel with school legislation<sup>113</sup>.

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112 Actually, the 1996 reform guidelines had been already presented in the 1993 Industrial Relations Protocol (chapter on youth employment and training), whereby social partners proposed to enhance the institutional role of the Regions and to support the participation of market forces by means of the bilateral bodies created by collective agreements (Bellomo 1997, p. 335)

113 This all resulted in Law n. 144 of 1999 that introduced an obligation for all under-18s to stay in education and training, by choosing one among three options: apprenticeship, general education or VET. In principle, since 1997, working before 18 years old would be possible only with an apprenticeship contract. However, the enforceability of this provision was weakened by following legal provisions: according to the Presidential Decree of 12 July 2000, n. 257, employment contracts for under-18 must ensure the possibility (vs. obligation) to join training activities.

Accepting the 1996 social pact, Law n. 196 of 1997 reformed vocational training and apprenticeship, whose educational and training dimension was notably strengthened <sup>114</sup>. The coexistence of theoretical training external to the company and practical in-company training remained, but the obligation to train apprentices outside the companies became more stringent. Tax breaks and incentives created by the rules would apply only to those employers whose apprentices followed training courses, provided that the company had “formally received a proposal of training activities by the competent public authorities”<sup>115</sup>. Table 10 shows main differences between apprenticeship as regulated by Law n. 25/1955 and by Law n. 196/1997.

*Table 10: Apprenticeship according to Law n. 25/1955 and to Law n. 196/1997*

	<b>Law n. 25/1955</b>	<b>Law n. 196/1997</b>
<b>Age</b>	15-20 year olds.	16*-24 year olds, (up to 26 in disadvantaged areas; up to 29 for craft apprentices employed for highly qualified occupations)
<b>Educational requirements</b>	The apprentice could not hold the qualification to be gained before starting an apprenticeship	No limitations
<b>Duration</b>	Minimum undetermined Maximum 5 years	Minimum 18 months Maximum 4 years
<b>Part-time VET</b>	Not determined	Minimum 120 hours/year as a condition to access to fiscal deductions; this threshold could be enhanced by collective bargaining.
<b>Sectors</b>	All (exceptions for crafts); not public administration.	All (exceptions for crafts); not public administration.

*Source:* elaboration of the author.

<sup>114</sup> Apprenticeship was defined as one of the three possible channels for under-18s to comply with education and training obligations. The law distinguished between two types of apprenticeship: type A, for under-18s, provided vocational training with a public value, as it was certified by public authorities; by contrast, type B training was for over-18 and would last 240 hours per year.

<sup>115</sup> In other words, companies would be sanctioned only if the responsibility lied in the Regions' inaction, to the extent that they did not set up apprenticeship training courses. But most Regions, with the most outstanding exceptions of Trento and Bolzano Autonomous Provinces, had abandoned part time VET since 1972, when they were demanded the power to regulate it.

A few words might be warranted concerning training regulation: the law set a minimum requirement of 120 part-time VET average annual hours, to be carried out off-the-job, out of the company, separated from production. Considering that minimum duration of apprenticeship was 18 months, part-time VET should last at least 180 hours. Training content was defined by two Ministerial Decrees, passed on 8 April 1998 and on 20 May 1999, by introducing a switch from knowledge to competences: part-time VET should have general content (including labour law, occupational health and safety, work organisation) for at least 35% of training time minimum, and job-specific. An *ad hoc* commission, nominated by the Ministry of Employment, composed by representatives of the Ministries of Employment and Education, of the Regions, and of the most representative social parts, should then determine detailed training contents, for specific occupations. Article 16 also regulated the role of the company supervisor, who could be even a worker of the company, in charge of linking company training to part-time VET. A following Ministerial Decree of 2000 further specified more detailed requirements (a qualification level higher than the apprentice, years of experience) and the necessary training, to be organised by the Regions.

This reform, yet, proved to be partially unsuccessful, insofar as VET still depended, both for organisation and financing, on the Regions' initiative, whose persistent inaction was not discouraged by any sanction. This left room for repeated misuses of apprenticeship, which gradually lost its educative and training function.

The decade of the 'return of apprenticeship' ended with a Decision of the European Court of Justice (ECJ), on 11 May 1999, which stated that the CFL was infringing the European Union's rules on public subsidies. Some of the economic incentives<sup>116</sup> given to companies to hire youth with CFL were distorting international economic competition, with a potentially negative impact on other EU countries. As a consequence, the *contratti di formazione e lavoro* should be ruled out. As required by the ECJ Decision, the Italian government adapted national legislation, by means

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<sup>116</sup> Economic incentives were differentiated by geographical coverage and company type.

of Law n. 30/2003, and its enacting legislative decree n. 276/2003. This changed the set of youth training and employment contracts, not only removing the CFL, but completely reforming apprenticeship, by introducing three new typologies of 'apprenticeships', and the new contratto di inserimento.

Articles 47-53 of legislative decree n. 276/2003 define and regulate what is called in Italy the 'new apprenticeship'. The new legal framework largely differs from the 1997 Law, mainly in terms of training requirements and standards. On the one hand, it introduces two new rigidly regulated apprenticeship typologies, and it reforms the traditional apprenticeship. Here only the latter will be called Apprenticeship.

Briefly <sup>117</sup>, the first type of apprenticeship, *apprendistato per il diritto-dovere di istruzione e formazione*, was for youngsters from 15 to 18 year olds, to gain an upper secondary vocational qualification while working, thereby completing the right-duty to stay in education for twelve years. Type 2, *apprendistato professionalizzante*, the traditional Italian apprenticeship, was for 18-29 year olds to gain occupational qualifications, valid within the scope of collective labour agreements. The last typology (*apprendistato di alta formazione*), also called 'higher apprenticeship' or 'third level apprenticeship', for people aged 18 to 29, leads to an upper secondary and tertiary qualification. While in type 1 and type 3 apprenticeships part-time VET is an obligatory, externally regulated, element of the contract, in the *professionalizzante* training requirements are more flexible. Part-time VET should take place for minimum 120 hours per year, either inside or outside the company, and training content and methods were left to collective bargaining, at the national, regional or company level<sup>118</sup>. Job-specific training was left to collective bargaining<sup>119</sup>, which often did not detail training profiles and

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<sup>117</sup> See chapter one for an extensive description of the 2003 Apprenticeship.

<sup>118</sup> Practice confirms the little importance of part-time VET in the *professionalizzante*, although this has always been the most used one. See chapter two.

<sup>119</sup> See chapter two for an extensive analysis of contemporary 'apprenticeship' in Italy.

occupations for apprentices. The law required the presence of a company tutor “with adequate competences”, which have not since been more fully specified.

After the 2003 reform the number of apprenticeships did increase, but also because of the abolition of the CFL: it is reasonable to talk about a powerful replacement of the CFL with apprenticeship and with the new *contratto di inserimento*.

No data is available for the CFL after 2000, which continued in use only in the public sector, at least until 2007, when the number of *contratti* in Public Administration was 2,462, and slightly increased in 2008 to 3,174, but then dropped to 2,198 in 2009 and only 801 in 2010.

Conversely, Apprenticeship did grow consistently, from 467,200 in 2000, to 497,100 in 2003. After the introduction of Law n. 30/2003 Apprenticeship increase was even greater: the number of contracts broke the threshold of half a million in 2004 (561,700), and continued to grow up to 638,800 in 2007 and 646,000 in 2008.

That year Apprenticeship was further deregulated, both in type 2 and type 3. The Law Decree n. 112/2008, modifying article 49 of Legislative Decree n. 276/2003, allowed companies to regulate apprenticeship training completely on an autonomous basis, without referring to any external standard or requirement. This would be possible only if the Regions had not organised part-time VET courses, which was indeed the case of most Regions. To support the use of higher apprenticeship, the law decree also allowed single companies, or employers' associations, to sign *ad hoc* agreements with Universities or training institutes to hire young people with that contract<sup>120</sup>. Despite the government intended to incentivise the use of apprenticeship, a judgment of the Supreme Court ruled

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120 Despite deregulation, though, type 3 apprenticeship did not take off; likewise type 1 apprenticeship was never used, due to the inaction of the Regions and of the competent Ministries. Type 2 apprenticeship continued to be used although the 2008 crisis hardly hit the use of this contract and, in general, youth employment.

against the 2008 liberal modifications, at least with respect to the employer-led training in the *professionalizzante*<sup>121</sup>.

Further measures were taken in support of apprenticeship, which continued to be recognised the main and best tool for youth to enter the labour market, and to boost youth employment. In 2010 the Government promoted two agreements, both signed with all the regions and social partners, to fuel vocational training, both at initial and continuous level<sup>122</sup>.

The content of these social pacts led to the 2011 reform, which was enacted by Legislative Decree n. 167, the so called *Testo Unico dell'Apprendistato*. This consolidated text repealed every previous legal act regulating apprenticeship, including Law n. 25/1955, Law n. 196/1997, and the Legislative Decree n. 276/2003. Three apprenticeship typologies were created, reproducing those of 2003<sup>123</sup>, but with more room for collective bargaining to set the detailed contract rules. The 2011 reform drastically changed the normative technique: instead of providing for detailed prescriptive provisions, it left to private autonomy, by means of collective agreements, the duty to regulate apprenticeship, within the scope of certain principles. Among these, are: the contract should be written, as well as the training plan; prohibition of piecework; possibility to reduce pay, by maximum two levels; presence of a tutor; possibility to privately finance training; compulsory registration of training activities and skills' certification as an option for apprentices; obligation for employers and trainees not to break the contract during the training period except for major cause; possibility to break the contract when

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121 Sentenza della Corte Costituzionale, n. 176, 14 maggio 2010.

122 One is the Agreement, signed on 17 February, setting the 'Guidelines for Training in 2010': this document, based on the 'competence revolution' and the 'learning outcomes approach', promotes work-based training as a solution for youth (and not only) labour market problems, from skills mismatch, to unemployment, especially in times of crisis. The agreement signed on 27 October, instead, intends to promote apprenticeship as the best tool for youth employment and it introduces some facilitation for using the *professionalizzante*.

123 See chapter one for a detailed regulation of the 2011 typologies.

the training contract ends, otherwise the contract continues as a permanent employment relationship.

Despite the intense legislative activity, after 2008 the number of apprenticeships started declining: apprenticeships dropped from 645,991 in 2008 to 541,874 in 2010. Nevertheless, apprenticeship continues to be massively promoted as the best way for youth to enter the labour market, provided that training is offered.

#### **2.4. Summary**

To summarise, first, the levels of activity in apprenticeship remained higher than that of the *contratti* over the last five decades, even in 1989, when they came very close, with 551,444 apprenticeships and 529,297 contracts. Moreover, while the CFL started from zero and declined to marginal levels of activity (close to zero), apprenticeship never involved less than 400 thousand youths, with only a minimum of 393,138 apprenticeships in 1997.

Second, variations in the levels of activity differ between apprenticeship and the *contratti*: from 1960 onwards, apprenticeship trends changed gradually, with smooth contractions and increases, except for a few periods. By contrast, the *contratti* developed with booming trends, when they grew as well as when they declined, as showed by the steep lines in figure 1.

Looking at trends, first, apprenticeship grew fast from 1955 to 1960, to then stabilise until 1960; second, it started a gradual decline until 1997, but for a blip in the late 1970s; third, it grew continuously from 1998 for ten years. The *contratti* record an exponential growth from 1983, the first year for which data is available, until 1988, when they reached their peak. In the next five years, their volume collapsed down to 188,952 in 1993. It then returned to growth from 1994 to the early 2000s, until they are eliminated from private employment law.

### **3. Britain**

“A large part of industrial training given in this country is by apprenticeship. There are some people who say that apprenticeship system is out of date and no longer relevant to twentieth century conditions. People were saying the same sort of thing in the middle of the last century, yet so far from ceasing to exist, the practice of apprenticeship has been greatly extended since then. [...] One of the best traditional features of apprenticeship is its capacity for change” (National Joint Advisory Council 1958, pp. 3-4). However, across decades, ‘apprenticeship’ reformulation has led to the emptying of meaning of the term (Ryan 2004). The chronicle of British history of work-based training contracts that follows, shows how the country, England in particular, got to the contemporary situation.

As for Italy, this chronicle can be divided into three periods: first, ‘traditional apprenticeship’, starting in the early fifties and going on until the late seventies. The second, from the late seventies until the first half of the nineties, is the period of ‘labour market programmes’. The third is the return of ‘Apprenticeship’, from 1994 with Modern Apprenticeship to current days. The difference between ‘apprenticeship’ in period one and in period three will be signalled by the use of little ‘a’ for the former and capital ‘A’ for the latter. Primary evidence will be given to a description of the quantitative data, accompanied by a historical chronicle of the most relevant legal and policy developments.

#### **3.1. Period I: ‘traditional apprenticeship’ (1960-1975)**

Apprenticeship, understood as a five-year work-based training program led by an employer, leading to the exercise of an occupation (Liepmann 1960, p. 138), has traditionally been the main vehicle for youth employment and training in Britain. It represented the most relevant way to learn a job and a satisfactory career for gifted



working-class boys, at least until the second half of the century<sup>124</sup>. The original identity of apprenticeships in Britain goes back to ‘Guild Apprenticeship’ in the 12th century, later developed into ‘Statutory Apprenticeship’, created with the Statute of Artificers in 1563. The latter, after its repeal in 1814, was followed by a phase called ‘Voluntary Apprenticeship’<sup>125</sup>, until the 1920s (Liepmann 1960; Lane 1996). In the post-war decades, voluntarism, i.e., joint regulation by employers and unions, through *Joint Industrial Councils* (Liepmann 1960, pp. 43-4), guided the system, as a form of ‘collective laissez-faire’ (Ryan 2001b, p. 140).

The 1950s were years of rapid post war expansion, based on a Fordist/Taylorist expansion of mass production, involving the extensive subdivision of labour, when employers could easily absorb the young workforce without requiring high-level skills, training, or any educational attainment beyond the minimum<sup>126</sup>. However, to attract youth and to ensure an adequate skills supply, companies continued to offer apprenticeships and other training opportunities. In 1957, 15-17 year olds<sup>127</sup> entering apprenticeships or employments leading to professional qualifications, represented 38 per cent of the young boys entering employment; this percentage was 8% in the case of girls (Ministry of Labour Gazette, October 1958, pp.

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124 The 1944 Education Reform Act, which made general education, after 15 or 16, a duty of every local education authority, thereby shifting attention away from apprenticeship as the best educational choice for pupils. The ‘creaming off’ the ablest (Liepmann 1960, p. 22) is partially confirmed a survey carried out in 1956-1958, which reports that most of apprenticeship had left schools in the first half of the 1950s.

125 Voluntarism grounded in the absence of a statutory source of apprenticeship, which therefore was largely determined by uncodified ancient tradition and customs, understandings, procedures. Unlike most European countries, indeed, Britain lacked a formal and legally binding definition of ‘apprenticeship’ for a long time, at least until 2009, when the Apprenticeships, Skills, Children and Learning Act was passed.

126 “When the British economy was a full employment economy, there was a low-skill equilibrium, for British youths could expect to go into a full time job without a school-leaving qualification and without vocational training. Youths were expected to learn on the job by watching experienced workers and becoming part of the production process themselves. An apprentice became a fully-fledged craftsman by serving his time; a five-year stint in a factory was considered qualification in itself. Only a fraction of apprentices took external examination to obtain something more than a time-serving qualification” (Rose and Wignaneck 1990, p. 28).

127 Minimum age for entering an apprenticeship was 24 in the early days, reduced to 21 in the following years. In the late 50s, the majority of companies recruit future apprentices (both boys and girls) while they are still 15, and in most industries, this is also the age at which apprenticeship begins. In many large apprentice-employing industries, however, apprenticeship did not begin until the age of 16.

373-5)<sup>128</sup>. Manufacturing<sup>129</sup> was the most attractive sector for apprentices: in absolute numbers, boys were mostly employed in engineering, shipbuilding and electrical goods industries, but also building; while girls found considerable employment opportunities in clothing, distributive trades but also services, especially hairdressing where apprenticeship was widespread. The 1961 Census of Population for England and Wales confirms that male apprentices were primarily employed in engineering and allied trades, while female apprentices mostly worked as hairdressers, manicurists and beauticians. In terms of absolute numbers, the most represented age group was 18-19 year olds for males and females. As regards the organisation and methods of training, work-shadowing was satisfactorily used<sup>130</sup>. Apprenticeship training has been characterised by high heterogeneity, which reflected the historic lack of clear boundaries between apprenticeship and other forms of youth employment.

As it was already clear that the term 'apprenticeship' can cover a wide variety of meanings<sup>131</sup>, the government was keen on distinguishing between apprenticeships with, and those without, 'day-release', that is to say part-time vocational education. In 1957–1958 the number of students in further education was almost twice as great as in 1948-9 (Central Advisory Council for Education, England 1959, p. 165), especially in large companies, where employers provided training in their own

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128 Analysis of young persons entering employment from January to December 1957, by industry and occupational category.

129 Figures for the manufacturing group include not only those entering employment in the factories, but also clerical and technical staffs and all other ancillary employments with the same employer.

130 "The 1945 report of the Joint Consultative Committee said it was the experience of firms employing an appreciable number of apprentices or learners that the appointment of an apprentice supervisor was the most satisfactory method of dealing with their training" (National Joint Advisory Council, Great Britain 1958, p. 23).

131 "At one extreme it can indicate serious intensive training up to five years backed by indentured contract and part time day release, at the other it can include informal and perhaps ineffectual training at the works with no facilities for day release" (Central Advisory Council for Education, England 1959, p. 146).

schools, and mostly due to part-time day courses attendance<sup>132</sup>. Apprenticeship durations in the late fifties were average about five years<sup>133</sup>, but no information is available about gender differences<sup>134</sup>.

Data for apprenticeship stocks in the early 1960s are not available, but they have been estimated from inflows<sup>135</sup>, having considered the average length of stay. Each year from 1960 to 1974<sup>136</sup>, around a hundred youth entered apprenticeship (see figure 2), with the result that from 1962 until 1967 around 340,000 youth were trained in apprenticeship every year.

In 1964 the British government passed the 'Industrial Training Act', shifting from voluntarism to a statutory-based industrial training system. "Its passage denoted the end of a century and a half of government inaction in the field of vocational

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132 "The great area of growth [in the number of students in further education] since before the war has been in part time day courses. There has been a ten-fold increase in the number of students to 485,000 of whom 435,000 have day release. Of the total 306,000 are under 19 of age, virtually all of them having day release. Over three-quarters of them are boys. This great growth has been primarily due to the fact that the new apprenticeship schemes drawn up in a number of industries just after the war provided for apprentices to receive one day off from work each week for the purpose of attending courses. This type of provision is therefore usually referred to as part-time day release (PDR). Attendance at the classes is normally made a condition of the release, and the students are often also required to attend on one or two evenings a week in their own time" (Central Advisory Council for Education, England 1959, p. 322).

133 However, a wide debate about the five-year length arose, because it was not considered necessary for all occupations, and in particular too long for some, also considering changes in demography, technology, and production and in the educational system. "No magic attaches to the figure "5" and it would be remarkable if so many differing occupations did in fact require exactly the same period of training. There are some occupations for which five years may not be too long; but we feel that with the adoption of up-to-date methods of training there are others in which the present period could be reduced. There are two possible ways of approaching this situation: either the apprenticeship period could be shortened, or the range of training given could be increased in the way we suggested above" (National Joint Advisory Council, Great Britain 1958, p. 23).

134 However, it can be assumed that females may have had shorter apprenticeships. Lack of reliable statistics is a more general problem, acknowledged also by the National Joint Advisory Council, especially with reference to the need of adapting apprenticeships to the future changes in labour demand and supply, as a consequence of technological change, educational reforms.

135 Data refer to "Total entrants in apprenticeship, only boys under 18, 1960-1974; from "Statistics of New Entrants to Employment", EDS 80", in *Department of Employment Gazette*, November 1975, p. 1115; data are for Great Britain.

136 An exception is made by 1973, when the number of entrants in apprenticeship collapsed to 66,000, probably as a consequence of the 1972 Law, whereby school-leaving age was raised.

training. It represented the first attempt to formulate a modern industrial manpower policy” (Perry 1976, p. xix). After an interval of 150 years, since the Statute of Artificers, the Government reassumed functions and responsibilities, this time to increase industrial training quality, and to reduce mismatch between skills provision, economic needs and technological developments.

To these ends, the Act empowered the government to set up bilateral committees for training, the so-called industrial training boards (ITBs), whereby workers’ and employers’ representatives would be in charge of promoting workforce skills development, by means of training overseeing, the definition of apprenticeship training standards and advice to firms in their industry (Senker 1991). The Act also set up a levy / grant system, whereby funds were to be raised to support high-quality apprenticeship training programmes. In 1973 the Employment and Training Act brought the ITBs formally under the umbrella of the Manpower Services Commission (MSC). This was a tripartite structure created by the government in 1972, operating through an Employment Services Agency (ESA) and a Training Services Affect (TSA), and managed by both sides of industry, local authorities and educational representatives (Evans 1992). As an example of the ITBs’ contribution<sup>137</sup>, especially in sectors like Engineering and Shipbuilding, most apprenticeship training programmes were designed so as to strengthen the link between on-the-job training and schools. Programmes were required to combine on-the-job training with day-release, or block-release, or both, with part-time VET provided at local further education colleges, in order to qualify for training grants. Many apprentices would also take nationally recognised exams, during or at completion of their training, to obtain qualifications beyond formal apprenticeship.

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137 According to Finegold and Soskice (Finegold and Soskice 1988, p. 22) “the 1964 Industrial Training Act was a departure from routine, but its abandonment showed the force of commitment of both employers and employees to youth employment without training. Two-dozen Industrial Training Boards imposed compulsory levies on firms covering half the nation labour force. Large firms had a cash incentive to train, by doing so they could qualify for grants from ITBs to compensate for their notional expenditure on training [...]. The absence of youth training produced a ‘low-skills equilibrium, in which the majority of enterprises are staffed by poorly trained managers and workers produce low-quality goods and services’ (Rose and Wignanek 1990, p. 28).

From 1968, however, the number of youth starting an apprenticeship begun to decrease: from 339,250 entrants that year, the system dropped to 325,901 in 1969. The contraction continued in the early 1970s, when the estimated number of apprenticeship declined to 261,832 in 1973. As far as apprenticeships' sectoral distribution is concerned, data is available for apprentices as a share of new under-18 male entrants in grant-aided establishments <sup>138</sup>. Apprentices accounted for 85% in shipbuilding and hairdressing, 67% in construction and vehicles, 72% in gas, electricity and water, 65% in coal and petroleum, 64% in mechanical engineering and motor repairs. Whereas 94% of under-18 girls entering apprenticeship in grant-aided establishments were employed in hairdressing.

In the '70s, the heterogeneity of apprenticeship training started declining and youth participation to vocational part time training increased and training quality improved, especially in the sectors hiring youth mostly as apprentices. The percentage of all employees under-18, who were released to further education at grant-aided establishments, was the highest in these sectors: 73% in shipbuilding, 63% in mechanical engineering, 43% in construction, 71% in gas, electricity and water (Training Services Agency 1975, pp. 32 ff.).

### **3.2. Period II: Youth Labour Market Programmes (1975-1993)**

The second period of British youth labour market policy starts in 1975 and lasts until 1994. It is characterised by a change in manpower policy, more oriented to public employment programmes for youth than to apprenticeship.

In the late 1970s, unemployment among 16-17 year olds registered an exorbitant increase: between January 1972 and January 1988 rose by 120%, compared with a rise of 45% in the working population as a whole (MSC May 1977). The overall unemployment rate for Great Britain increased from 5.9 per cent in April 1978 to

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<sup>138</sup> Industrial analysis of the number of employees under-18 receiving FE at grant-aided establishments, boys new entrants in 1972.

10.1 per cent in March 1981 (Social Trends 1982). Those years were characterised by high unemployment and joblessness, especially for youth. Unemployment among 16-19 year olds rose from less than 10% prior 1978, to 27% in 1984, which is after the expansion of youth programmes, so the underlying youth employment problem increased by even more than this suggests.

Against this background, public support for youth training and employment registered a massive change over the period 1977-1991. This mainly regards a shift of political attention and support away from apprenticeship to youth labour market programmes (YLMPs). The British government had introduced a number of courses designed to prepare young people for work: assessment or employment induction courses (e.g. Wider opportunities courses, job search pack), short industrial courses, remedial, or preparatory courses (MSC 1977). A major change occurred with the ascent of Thatcherism in 1979: the growth of government activity in the training market during the 1980s was spectacular and it worked towards the alleviation of youth unemployment. The conservative government promoted a plethora of new initiatives and schemes associated with training, special employment measures, and 'enterprise', all sharing the main objective of youth unemployment reduction. Among those initiatives were, in chronological order, the Work Experience Program (1976-1978), the Youth Opportunities Program (1978-1983), the Youth Training Scheme, initiated in 1983 and followed by the Youth Training programme and from 1988 accompanied by the Employment Training, the YTS equivalent for adults.

In September 1976 the Work Experience Program was launched (Department of Employment Gazette July 1977, p. 691). At the end of 1977, there were 44,351 places available, but then, 34,000 young people were on schemes – mostly (60%) in service industries and with wages lower than apprentices (MSC 1977, p. 27)<sup>139</sup>. At the end of 1977, 44,571 young people had joined WEP (Department of Employment Gazette March 1978, p. 295-6).

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<sup>139</sup> WEP trainees allowance, regardless of their age, was 16£ a week, compared to apprentices' allowance, ranging from about 18£ for 16 year olds in engineering, to 38.30£ 18 year olds in building construction.

*Table 11: Characteristics of the Work Experience Programme*

<b>Duration</b>	Six months (average length of stay was no more than four months).
<b>Beneficiaries</b>	Unemployed 16-18 years old; 90% WEP entrants aged 16 or 17, school-leavers
<b>Goal</b>	Offer an opportunity to learn and gain practical experiences in different jobs and trades.

*Source:* elaboration of the author from official sources

Apprenticeship was declining. Data for the whole economy are not available, apart for a punctual observation in 1979, when apprenticeships stock was 367,000. As a guide to overall fluctuations, it is possible to use data for manufacturing, the sector where apprentices have historically concentrated (see figure 4). The number of apprenticeships in the sector had been fairly stable during the sixties, and then fell strongly in the early seventies (from 243,700 in 1967, to 208,100 in 1971, and about 150 thousand in 1975), to then stabilise until the start of the next decade<sup>140</sup>.

From April 1978 WEP was incorporated in the new Youth Opportunity Program (YOP), which aimed at improving the participants' chances of employment (Department of Employment Gazette August 1978, pp. 901 ff.). The number of entrants in the labour market programmes doubled in a few years, from 116,300 in 1978, to 216,400 in 1980, booming to 360,000 in 1981 and 553,000 in 1982: an increase of 122 per cent in three years (Social Trends 1982, p. 235). YOP helped nearly 750 thousand unemployed people aged 16 to 18, equally distributed between boys and girls, with the result that in 1982 half of 16-18 year olds were employed, one-third (29%) in education, 15% unemployed and 6% in YOP (Social Trends 13/1983, p. 188).

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<sup>140</sup> Special feature on apprenticeship in manufacturing in Employment Gazette September 1980, pp. 943 ff.

Table 12: Characteristics of the Youth Opportunity Program

<b>Length of stay</b>	Between five and six months
<b>Beneficiaries</b>	16-18 year olds, who had left school, were not in full-time education and had been unemployed for at least 6 weeks. Priority was given to unemployed school leavers (one-third of all school leavers entered YOP) and young long-term unemployed (6 months or more; about 3% for one year or more). 90% of YOP trainees were aged 16-17. Nearly half of YOP entrants had no qualifications at all (49% in the first year and 45% in 1980-1982)
<b>Goal</b>	Offer an opportunity of training or participating in a government-funded program
<b>Training</b>	Various work-experience and work-preparation courses, provided at employers' premises, training workshops, and further education colleges. They included: WEEP (Work Experience on Employers' Premises); PBWE (Project Based Work Experience); TW (Training Workshops); CS (Community Service, and STC (Short Training Courses)
<b>Sponsors</b>	Private employers (about 60%), local authorities (30%), voluntary organisations (10%). They were supported by government funding (more than £370 million in 1978-81)
<b>Allowance</b>	YOP trainees were paid a standard tax free training allowance, they received travel costs reimbursement (above 4£ a week) and companies benefited from fiscal reductions.

Source: elaboration of the author from official sources (Bedeman and Harvey 1981; Social Trends 1980)

YOP was conceived as a bridge from school to work, but research showed that substantial proportions of entrants had already had a job (Doogan 1982) and training was often limited or non-existent <sup>141</sup> (Marquand 1989, p. 184; Rose and Wignanek 1990, p. 32) <sup>142</sup>. "There [was] no commitment to the trainee's progress, the supervisors may regard having a trainee as literally 'the last straw', and the MA [*Managing Agent*] feels helpless because they have no alternative placements of that kind and dare not is putting any pressure no" (Eraut and Burke 1986, p. 17).

<sup>141</sup> "YOP was judged by whether those in the programme could get a job at the end of their year of participation. Since many did not, in anticipation of this, many youths quit YOP programmes before the year was out, or refused to enrol. If judged by the then-prevailing goal of producing jobs make-work substitutes YOP was a success. If judged by what YOP contributed to the training of youths it was not; 'the training component was often limited or non-existent' (Marquand 1989, p. 184)" (Rose and Wignanek, 1990, p. 32)

<sup>142</sup> "There seems to be a serious lack of sufficient off-the-job training in the work experience elements of YOP, with only one third of entrants being offered such training" (MSC December 1982, p. 5)



The government Manpower Services Commission itself reported that “The lack of integration between work experience and off-the-job learning is one of the reasons why some trade unions and other commentators are concerned about allegations that work experience within the Scheme is ‘cheap labour’” (MSC 1985). Only 27.6% of YOP participants received an offer for off-the-job training in 1981 and 33.4 the next year, although most of them accepted it. The time spent on off-the-job training per week ranged from half day (34.5% cases in 1980 and 20% in 1982), to one day (nearly 52% in 1980 and 67% in 1982), to more than one day (13.6% in 1980 and 13% in 1982). The content of on-the-job training, mainly provided by Further Education Colleges (68% of all cases in 1979 and 59% in 1982), included life and social skills, practical skills for DIY (do-it-yourself), vocational skills, and literacy and numeracy. As regards YOP outcomes, evidence suggests that 7 out of 10 participants moved into work, education, or further training up to early 1980; but from the second half of 1980 this rate declined to about 5 out of 10 (MSC 1982).

With the introduction of the new programme, the apprenticeship system shrank even further: the stock of manufacturing apprenticeships fell from 155,000 in 1979 to only 123,700 in 1982, that is to say about half of the number in the mid-1960s.

In 1981 the Government published the White Paper “A New Training Initiative: a Programme for Action” (NTI), in which it committed itself to ensure that all under-18s could “have the opportunity either of continuing in full-time education, or of entering training or a period of planned work experience combining work related training and education” (Department of Employment 1981, p. 3). The NTI launched the new Youth Training Scheme (YTS), to guarantee foundation training for one year to all minimum age school leavers who are unemployed during their first year after leaving school<sup>143</sup>. In 1983 YTS formally started as a one-year

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143 In terms of eligibility conditions, the scheme should avoid creating or perpetuating barriers to training, like those based on age: as far as possible, all 16 and 17 year old leavers should be treated similarly. However, rules should take account of young people whose particular circumstances might have delayed their entry to the labour market, e.g. the disabled (MSC 1984, p. 15).

scheme, but it became a two-year scheme in 1986/7<sup>144</sup>, with a £1 billion investment a year. YTS had to provide suitable on- and off-the-job training, and ensure progress' assessment (MSC 1984, p. 5). Each YTS programme should include minimum 13 weeks of off-the-job training<sup>145</sup>, varying depending on the scheme typology (Eraut and Burke 1986)<sup>146</sup>, to provide induction, occupational-based training, planned practical experience, basic skills, guidance and counselling, assessment, reviewing and recording of progress and achievements certification (Employment Gazette February 1983, p. 44).

Those years prepared the ground for the so-called 'competence revolution' that is to say an approach to learning based on achievements, or learning outcomes. Within this process, the National Council for Vocational Qualifications (NCVQ), set up in 1986, introduced in 1988 National Vocational Qualifications, "awarded to people who have achieved employment-led competence and who have demonstrated that they can perform in employment through assessment either in the workplace or in a realistic simulated work environment" (Employment Gazette January 1989, pp. 14 ff..)

In a few years, the number of youth in labour market programmes more than doubled: from 149,000 in 1983 to 268,000 in 1985. Despite the apparently rapid increase, fewer young people than expected joined YTS in its first year (1986) and some who did join left the programme early, usually for jobs or other

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144 See Eraut and Burke (1986) for a study on the YTS revised structure.

145 A survey of a sample of YTS schemes undertaken in 1985 by Social and Community Planning Research, and reported by B. Hedges and S. Whitterspoon in the YTS' Providers' reports that the average level of off-the-job training was higher than the required minimum, at 15 weeks, by the way, at the same level as in 1983/1984 (MSC 1986, p. 7). While, Youth Training News, reports that average off-the-job training lasted 14 weeks (Youth Training News 34/1986, p. 4.) A proposal to extend the minimum duration of off-the-job training to 20 or 26 weeks were debated among employers, who considered it too long, and trade unions, who, instead, were in agreement.

146 In 'mode A' training schemes, the Managing Agent (MA) is also the employer who provides work placement, and off-the-job training (the minimum requirement was 13 weeks but, in practice, the norm was 15 weeks). In 'mode B' programmes off-the-job training was required in a higher proportion, and it was addressed to those who were unable to find a suitable place in mode A. In 1985/6 79% of the schemes were Mode A ones, and provided for both employed and unemployed young people; while Mode B was designed to cater only for the unemployed (MSC 1986, p. 15).

programmes<sup>147</sup>. Average length of stay on the scheme, indeed, was 42 weeks in the first year (MSC 1984, p. 8), and decreased to 39 weeks in 1985/6 (MSC, 1986, p. 8). Those who were on a two-year programme stayed for an average of 69 weeks (Training Agency 1989); they accounted for around 12% of all YTS trainees in 1986/7, while in March 1989, 39% of the 371,000 people in training were in their second year. Average duration of off-the-job training for a first year trainee on a two-year programme was 20 weeks, while for second year trainees this extended to 11 weeks (Training Agency 1989, p. 8). In terms of YTS occupations, 20% were clerical and administrative, 23% in engineering, motor vehicle repair and other manual processing jobs, 13% in selling and storage, 13% in personal, health and community services and 10% in construction (MSC 1986).

YTS growth continued, leading to 229,000 youth in training in 1986. That year the report 'The Development of the Youth Training Scheme' introduced the two-years schemes (MSC, 1987; Employment Gazette June 1986)<sup>148</sup>. This development was part of the strategy announced by the 1985 White Paper 'Education and Training for Young People' (Cmnd 9482) to extend and support education in YTS (Employment Gazette April 1985, p. 131). Indeed, beside changes in duration, efforts were made to enhance YTS training quality (Training Commission 1988)<sup>149</sup>. The estimated number of youth in labour market programmes grew to 266,000 in 1987, involving 60% of all young people entering the labour market, and reaching up to 387,000 in 1988.

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147 The majority of the people who left the programme early did so because they had a full time job. The link between YTS and job route primarily depended on training quality: "in terms of the Job competition model such training will improve the trainee's employability if it reduces the costs of training to subsequent employers" (MSC 1984, p. 5). It should also be considered that the YTS allowance was £26.25 a week, against only 17.30£ a week of unemployment benefit and average wages for adult workers ranging from £63.30 for males to £58.60 females.

148 See Annex 4 for more information about YTS outcomes, input and outputs, completers.

149 In April 1986 the YTS Certification Board was established, to take the lead in ensuring suitable vocational qualifications are available within YTS. Training providers were required to meet certain conditions to gain public recognition and thereby the ability to deliver YTS training (MSC 1987).

The scheme soon became so widespread that it partly replaced, and partly coexisted with, traditional apprenticeship. Some YTS trainees were on programmes that had been or could have been called 'apprenticeship' and that, before YTS started, might have been provided by the same company without subsidy. In this connection, also probably linked to the YTS introduction, apprenticeships declined in the middle 1980s, from 363,000 in 1983 to 314,000 in 1987.

In 1990 YTS was renamed as Youth Training (YT), and then Other Training for Young People. The latter guaranteed a place to all 16-18 year-olds without a job. YT, instead, was closely modelled to the YTS, except that it did not promise 100% coverage, and it offered more flexibility in the length and nature of training schemes than did YTS. "YT swept away many of the YTS rules which had set out detailed procedures [...]. The main flexibilities of YT are; no fixed duration for training; no fixed design framework for training; simplification of the eligibility rules; wider financial flexibilities [...]; the removal of detailed rules about how the way training is conducted" (Employment Gazette July 1991, p. 398). A common feature of both programmes, however, was that the incentives were offered to both unemployed youths to join the scheme, and to employers to offer training places.

This improvement at a policy level has not been associated with increasing employment for this age group, but rather with a growing level of participation in government schemes. The proportion of those involved in one or another government programme increased from 0 in 1978 to 16% in 1989. In the late 1980s the number of youth in labour market programmes remained fairly stable in 1988 (387,000) and 1989 (384,000). But they soon started fluctuating: after a fall from 352,000 in 1990 to 209,600 in 1991, they grew to 280,740 in 1993 but then dropped heavily again to 209,000 in 1994.

### 3.3. Period III: Modern 'Apprenticeship' (1994-2010) <sup>150</sup>

After fifteen years of youth labour market programmes, in second half of the nineties British public policy returned to invest and reform 'apprenticeship'.

In 1994 the government announced that employers would be invited to offer a new system of Apprenticeships to school leavers in England (Employment Gazette January 1994). In April 1994 government announced the first prototypes of 'Modern Apprenticeship' (MA), a new publicly subsidised programme for youth work-based quality training, with the declared aim of improving the country's supply of intermediate technical and craft skills. To this end, vocational training would be provided to 16-24 youths, according to the requirements indicated by sectoral frameworks, at that time defined by Industry Training Organisations (ITOs) and Training and Enterprise Councils (TECs), and supported financially by the Department for Education and Employment. MA was managed and administered centrally, by a number of different bodies, each one in charge of training management, financing, monitoring. It was, yet, administered at local and sector level, by the TECs. Modern Apprenticeship, hence, was funded publicly but run privately. This mechanism has been referred to as 'training market', termed as a 'quasi-market' (Ryan 2010, p. 496). "Government sets demand by funding the service, but does not supply the service itself, relying instead on independent contractors, private or public" (Ryan and Unwin 2001, p. 78), which could be private training companies, further education colleges, employers themselves, or intermediaries such as Group Training Associations. Commercial training providers played a key role, with many employers as simply passive providers of work experience.

From September 1995, MA was offered in most sectors and in a wide range of occupations (Labour Market Trends February 1996, p. 55). The time necessary to

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150 Because the features of Apprenticeship in contemporary Britain (England) have been already widely discussed in chapter 1, this paragraph is limited to report quantitative changes in Apprenticeships and youth Labour Market Programmes, with reference to the main legal and policy developments of the time frame it refers to.

become qualified was not specified, but it depended upon the individual's attainment of 'competence'. It was expected that average time to complete would range between two and a half and three years (Employment Gazette June 1995, p. 263). Due to the great variation across programmes, flowing from its 'employer-led' nature, MA had some key features: "MAs are standard-based, not time-constrained; all apprentices work towards Level 3 or above in the national Vocational Qualification (NVQ) Framework<sup>151</sup>; and, as far as possible, apprentices have employed status" (Labour Market Trends August 1997, p. 279), but the latter condition applied only to some youth, in a restricted number of sectors, although all participants signed with an employer a mutual commitment training agreement (Employment Gazette June 1995, p. 263).

That year saw a reversal of trends in youth labour market programs and Apprenticeship, with the former starting an abrupt decline and the latter beginning a rapid growth, which led Apprenticeships to surpass Youth Training in volume within only four years. Youth Training declined from 209,000 in 1994 to 120,500 in 1998, when Modern Apprenticeship already involved 126,500 young people.

According to an early survey, in 1998 two-thirds of Apprentices were male, largely because the first frameworks had been developed in male-dominated industries, such as engineering; but in older age groups women outnumbered men (Labour Market Trends February 1999, p. 77). Only 40 per cent of entrants in the programme belonged to the group of 16–17 year olds, although this proportion rose over time before falling heavily in the most recent period. Many MA employers were private small companies, likely to subcontract training to commercial training providers and be in charge only of work-experience. MA employers concentrated in business administration and engineering manufacture, the two sectors that, until July 1998, had attracted the biggest number of trainees (respectively 30 and 25 thousand). Retailing, motor industry, hospitality, construction, hairdressing followed, with about 15,000 entrants each. However, by 1998, Modern

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151 Research reveals scarce equivalence between British and German qualifications, with the latter outstripping the former in terms of technical knowledge (Steedman *et al.* 1997; Steedman 1998)

Apprenticeship average duration had halved with respect to 'traditional apprenticeship', as trainees stayed in training on average 11.5 months.

At the turn of the decade, YLMs, named Other Training in those years, continued to decline, reaching by 2001 only 50,000 people – at which point the remains were converted into Foundation Apprenticeships. Consequently, MA became the only form of work-based public training programme for youth. MA was internally articulated in Level 2 and Level 3, corresponding respectively to Intermediate Apprenticeship and Advanced Apprenticeship. Yet, the share of leavers gaining a qualification at Level 3 did not rise immediately after its introduction compared to Level 2 leavers (Ryan and Unwin 2001, p. 103).

Registering considerable fluctuations, the number of youth in training passed from 167,700 in 2002, to 224,800 in 2007. In three years, then, MA more than tripled, from 239,900 in 2008 to 457,899 in 2010.

In terms of legal and policy development, the 2009 Apprenticeship, Skills, Children and Learning Act should be recalled as representing the first statutory basis for apprenticeship in Britain. The Act introduced a legal definition of 'Apprenticeship', based on the achievement of given standard or alternative completion conditions: being an eligible candidate, entering an Apprenticeship in connection with a recognised Framework, whose requirement should be met by the person for the purpose of the issue of an apprenticeship certificate. It also details the requirements for different Levels of Apprenticeship. The Act has been amended in 2010, with the introduction of Specification of Apprenticeship Standards for England (SASE) that lay out a series of minimum requirements for Apprenticeships in all sectors, although varied depending on the Level of the programme.

The 2009 statutory definition (see chapter 1) should have increased awareness of participation in Apprenticeships, and have consequently increased LFS data accuracy. Previous research about differences in the two approaches shows that the two data series, LFS and government data, differ, but the gap between them

was been moderate and fairly stable in the late 1990s (Ryan and Unwin 2001, p. 71). In any case, because LFS data could not be accessed for this research, due to lack of resources, this study considers government statistics, published in periodic Statistical First Releases that count how many youth are involved in the programmes called ‘Modern Apprenticeship’ in England (but not in Great Britain).

Measuring the scale of Apprenticeship in Britain in this period is difficult, due to the lack of a statutory definition. One option, which is the one adopted here, is taking the number of youth enrolled in England in a MA programme, as counted by the government. Another option would be considering the Labour Force Survey Data, which count how many youth responded affirmatively to the question, if they were taking a ‘recognised trade apprenticeship’. Neither approach is fully satisfying. The MA headcount includes funded programmes that don’t meet any reasonable prescriptive criterion, and it excludes programmes that meet a prescriptive criterion but are not funded by MA (Ryan 2001b, pp. 134-5). Similarly, LFS data exclude individuals receiving work-based training that meets the MA conditions, and include others who get training falling short of such conditions. Second, errors may arise from variation in personal self-definitions as ‘apprentices’ (at least to 2009)<sup>152</sup>. Third, in the case of young ‘Apprentices’, it is reasonable to assume that their parents will often be the respondent to the LFS questionnaire, and this might lead to error as well. Fourth, MA participants may even be unaware of their registration on the programme, which may introduce bias as well as errors in the data.

### **3.4. Summary**

To summarise, first, the levels of activity in apprenticeship did not always remain higher than that of YLMs over the last four decades, since the latter outnumbered apprenticeships from 1988 to 1996.

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<sup>152</sup> This is consistent with the presence of some over-60s who defined themselves as apprentices in the 1990s data.



Second, variations in the levels of activity differ between ‘apprenticeship’, YLMs and MA: from 1960 onwards, apprenticeship trends changed gradually, with smooth contractions and increases. By contrast, YLMs and MA developed with booming trends, as show the steep lines in figure 2. Moreover, while ‘traditional apprenticeship’ never involved less than 100 thousand youths, with only a minimum of 95,632 apprenticeships in 1971 and 66 thousands in 1973, both YLMs and MA started from zero, respectively in 1976 and 1994, and YLMs declined to marginal levels of activity (close to zero) in 2002.

Looking at trends, apprenticeship inflows remained fairly stable from 1960 to 1974; while stocks result as more fluctuating from 1982 to 2001 (years for which data is available). The number of YLMs entrants is recorded from 1976, with an exponential growth until 1982, when it peaks, and then it contracts rapidly in one year. It then starts a moderate decline, with major fluctuations. The trend in YLMs stocks, instead, peaks in 1988 and then declines discontinuously until 2002. MA, finally, starts in 1994, recording gradual, but not constant, growth in the number of entrants and of people in training, from 1998 for ten years.

## **4. Similarities and differences between the countries**

### **4.1. Methodology**

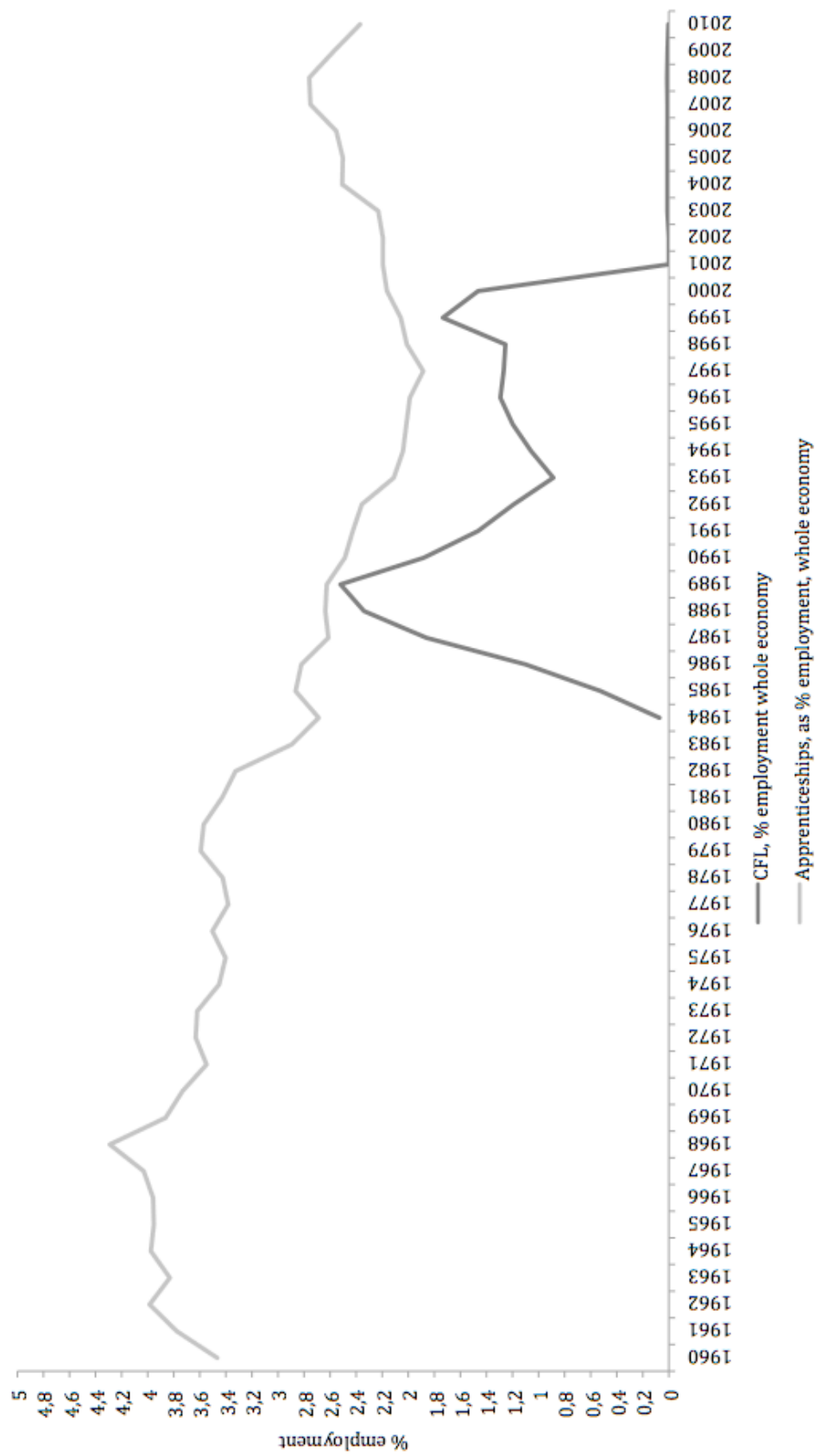
The comparative analysis in this paragraph grounds on two diagrams (figure 3 for Italy and figure 4 for Britain), which represent the stocks of apprenticeships and of youth programs from 1960 until 2010.

Because Italian official statistics report stocks for each year, Figure 3 is built using official data. Exception is made for CFL, for no data is available from 2002 to 2007. From 2003 onwards the CFL could be used only in the public sector, but, looking at 2007-2010, for which data is available, it is reasonable to conclude that this

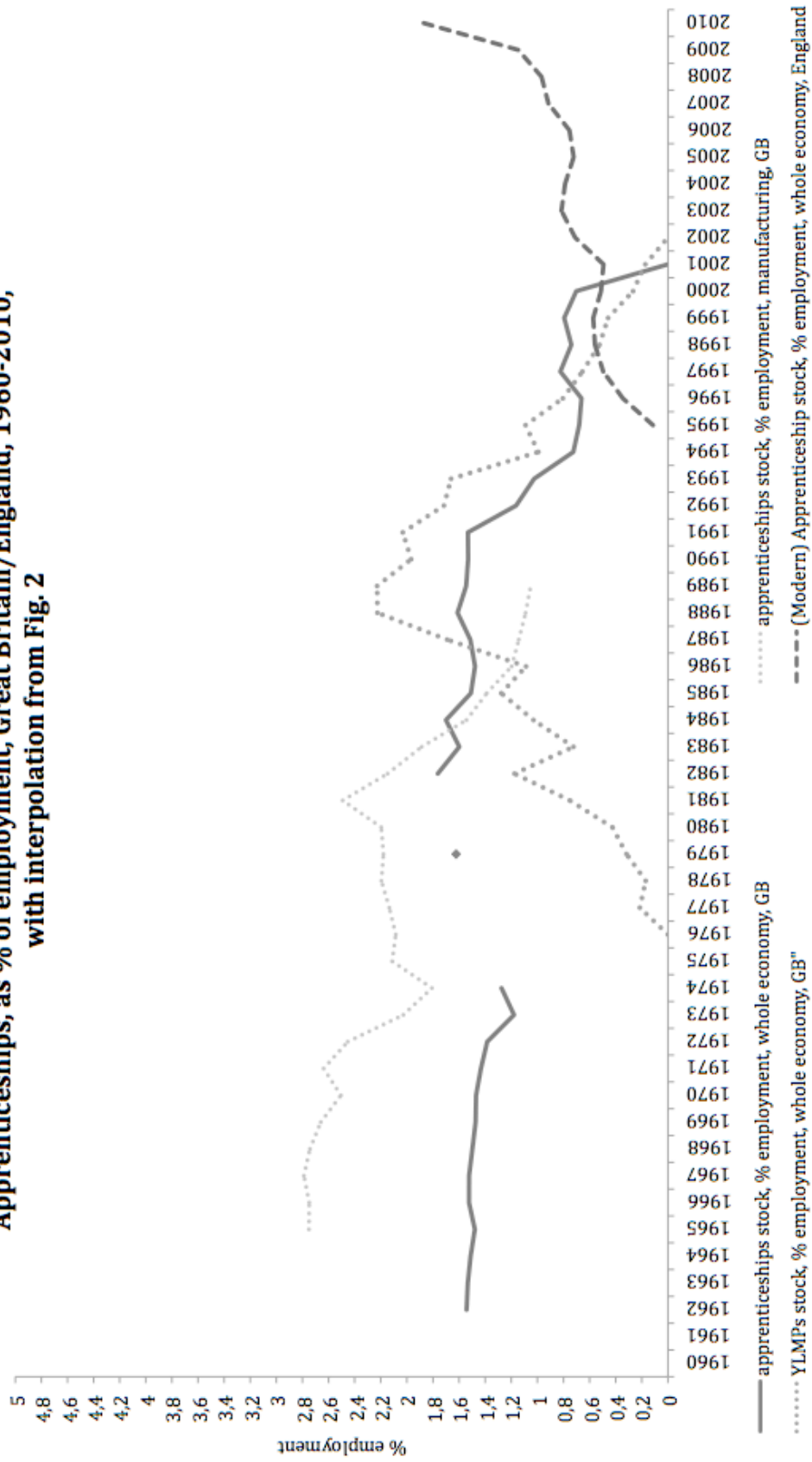
contract played only a marginal role. It is therefore plausible to assume that also from 2003 to 2006, the levels of CFL activity were relatively low. To express this assumption, the number of CFL in 2003-2006 is taken to be the same as in 2007, namely 2,462.

By contrast, official statistics for stocks were only partially available for Great Britain. Consequently, the diagram in figure 4 has been created using estimated numbers of youth in training, in apprenticeships, in YLMs and in MA. To calculate estimates, inflows have been converted into stocks, by using average length of stay. According to available data, in 1981 the average length of stay in apprenticeship was 35.5 months, which can be rounded up to three years (Blanchflower and Lynch 1994, p. 240). Due to the lack of data for the previous decades, assumptions are needed to use this data for other years. First, it is assumed that all apprentices stayed for the average duration of three years in 1981. Second, given the relative stability of the British apprenticeship system in the 70s, the same duration of 1981 is assumed to have applied during the previous decade. Third, one would expect shorter programs in the 60s, as there was a reduction in the length of apprenticeship, e.g. from 5 to 4 years in metalworking industries in 1969. Therefore, it is assumed that apprenticeship programs in the 1960s lasted on average 20% less than the 1970s. It is therefore reasonable to assume that they lasted on average 42 months. However, in Britain, back in period one, the average duration was five years, but this might have been shorter due to a certain amount of dropping out during training, which reduces actual duration to less than minimum duration to completion. To calculate the estimated stock of apprentices for each year, for the years for which a three year average duration is assumed, the average number of entrants in the year considered has been added to the number of entrants in the two years before. For each year, people in training resulted from those entering the program for the first time and those who were in their second and in their third year.

**Figure 3: Stocks of Apprenticeships and of Contratti di Formazione e Lavoro, as % of employment, Italy, 1960-2010, with interpolation from Fig. 1**



**Figure 4: Stocks of Youth Labour Market Programs, of apprenticeships and of (Modern) Apprenticeships, as % of employment, Great Britain/England, 1960-2010, with interpolation from Fig. 2**



An exception is apprenticeship volume in Britain from the mid 1970s to the late 1980s. Within this period, data is available for apprenticeships inflows until 1974, and for apprenticeship stocks from 1983. However, data is missing from 1975 to 1982, but for a punctual observation of apprenticeship stocks in 1979. Moreover, from 1991 onwards apprenticeship data is taken from the Labour Force Survey, whose relative limitations shall be observed in this chapter (*infra*, p. 133). This causes uncertainty in estimating apprenticeships stocks and then to express them as a percentage of employment in the total economy.

Despite limitations, available data seems to inform that the decline of apprenticeships in the whole British economy, might have not been as severe as suggested by the decline in manufacturing. In other terms, although apprenticeship size was shrinking in manufacturing, it might have expanded in other sectors. This observation, although requiring more and deeper investigation, contributes to take further the research of British apprenticeship history. Moreover, it brings out the importance of understanding the meaning of ‘apprenticeship’ definitions, which is still characterised by holes and uncertainty. Hence, due to the scarcity of data for the whole economy, apprenticeship in the 1970s and 1980s is appraised looking at apprenticeship in manufacturing instead. This underlies the expectation that changes in this sector provide an indication of those in the economy as a whole. Stocks are, thus, estimated on the basis of inflows in the sector, and have been standardised by employment in manufacturing.

Regarding the assumptions used to convert inflows into stocks for youth labour market programs, data is available for the average length of stay, but only for a few years. First, it should be considered that until 1986 all YLMPs were one-year programs. Coming to the single programs, YOP lasted on average 4.6 months in 1977, 3.9 months in 1978 and 5.3 months in 1979, which is estimated to be the average duration also for 1980, 1981 and 1982, on the basis of the relative prosperity of the system: entrants grew from 216.4 in 1980, to 360 in 1981 to 553 in 1982. For YTS, a distinction needs to be made between one-year and two-year programmes (from 1986). It is assumed that that both had the same drop out rate,

standardised to their length. Average length for 1986 (9 months) is extended also to 1984 and 1985, growing up to 15 months in 1987/8. Stock data is available for 1977, 1984-90, 1993-98. Otherwise, inflows are converted in stocks. For one-year programmes, entrants are multiplied for the programme's average duration (in months) divided by 12. For multiple-year programmes, from 1987 to 1998, estimates of average duration should consider that in each year there were those who started one-year programmes, those who continued their two-year programmes, and those who started a new two-year programme. It is, thus, necessary to know: the average duration of one- and two-year programmes (1988/9, 39 weeks for one-year programmes, 69 weeks for two-year programmes); the drop out rate from one-year and two-year programmes (of those who entered a two-year scheme in September 1986, 60% continued to second year); the composition of YTS entrants, by duration of the programme.

Coming to Modern Apprenticeship, it is primarily important to recall that data refer to England and not to the whole Great Britain. Average duration for 1994 refers to spring, when Apprenticeship had not started yet, and therefore refer to apprenticeships. Labour Force Survey data for spring 1994 report that of those apprentices who answered a question about the length of their training, around half were on apprenticeships of more than three years' duration (Social Trends, 1996, vol. 26, p. 96). Data on Apprenticeship stocks is available for 1994 to 2001; from 2002 to 2010 data is available for inflows and therefore needs to be converted into stocks. It is estimated that from 2002 onwards Apprenticeship programmes lasted on average one year (hence, inflows equal stocks), until 2009 and 2010, when Apprentices stayed on average 15 and 13 months respectively<sup>153</sup>. Thus, in 2010 the number of Apprentices includes entrants in 2010 and those who had entered in 2009 and stayed 15 months, therefore working also 3 months in 2010. Having calculated estimates for the number of people in training, it is now necessary to compare data of the two countries. To this end, data for stocks of youth in training in both countries are standardised: as a share of the number of

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<sup>153</sup> In any case, attention should be given to variations across sector and Apprenticeship Levels., See chapter one for more information about MA average duration in recent years.

employees in employment in the whole economy. Apprentices are included in employment in both Great Britain and in Italy. In principle, choosing the whole economy is only partially appropriate for Italy, where both apprenticeships and the *contratti* functioned only or overwhelmingly in the private sector. Nevertheless, it is sensible to claim that the public sector has played – and plays – only a marginal role in the country’s history of apprenticeship and youth employment contracts<sup>154</sup>. Moreover, in Britain both apprenticeship and youth programmes were only marginally present in the public sector, confined to the nationalised industries, including telecommunications, gas, electricity, water. (O’ Mahony 2004, p. 120). As a result, it is possible to assert that apprenticeship and YLMPs have been largely confined to the private sector in both countries, though in Great Britain that was *de facto* not *de jure*, unlike Italy. We therefore standardise the data for both Britain and Italy on the same basis, relative to employment in the economy as a whole.

#### 4.2. Summary

The history of work-based training for young people both in Italy and in Britain since 1960 can be divided into three periods, characterised by similar broad trends and changes in apprenticeship and youth active labour market policies. In general terms, national youth programmes differ in content, but the historical patterns across countries share a common feature: apprenticeships and youth programmes prospered alternately, at least in quantitative terms. That is to say, despite exceptions, when apprenticeships volume was growing, ALMPs were declining or not even existent; while, when apprenticeship was declining, YLMPs were rising. Although the three periods do not match exactly in timing in the two countries, it is

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154 By the way, keeping them on a parallel track was partly intentional, because governments did not want to create the conditions for a ‘dependency culture’ (from public sector) among youth: (temporary) employment in public administrations for young people was mainly intended in terms of programs with social inclusion or social assistance purposes. In any case, it was not possible to collect data for employment in the public sector, except for recent years, from 2007 onwards, and for the number of ‘Units of employment in Public Administration’ from 1980 to 2009, which are the sum of full time working positions (net of temporarily suspended workers) plus part-time working positions calculated as equivalent of full-time ones.

possible to identify three periods – the late 1960s, the end of the 1980s, and 2000s – when the volume of apprenticeships, on the one hand, and labour market programmes or training contracts, on the other hand, reached unprecedented high levels.

When comparing the two countries' records as a whole, it first emerges that 'apprenticeships' number has historically been much higher in Italy than in Great Britain. The scale of 'apprenticeship' (as a percentage of employment) in Italy throughout the period 1960-2010 exceeded that in Britain. In Italy the number of 'apprenticeships' ranges between eight and four hundred thousand, while in Britain it varies between one and three hundred thousand, with some exceptions slightly above that level in the early 1980s, and a peak of almost 460 thousands in 2010. Thus, the scales of Apprenticeships in Britain and Italy is closer than that of apprenticeship in the two countries. The scale of YLMs in Italy grew during the 1980s to levels similar to that in Britain, with the number of people in training covering at most between 2 and 2.5 per cent of total employment. The number of apprenticeships has never been lower than that of the *contratti* in Italy, whereas British YLMs repeatedly outnumbered apprenticeships.

In terms of qualitative attributes, 'apprenticeship' significantly differs across countries. British history records a period of high-quality apprenticeship vocational education, especially in engineering and manufacturing companies, which would provide also theoretical training, general competences, by therefore making apprentices more employable. By contrast, Italian literature suggests that apprentices participation to part-time VET has always been relatively low, such as the level of training quality and of its management.

Coming to the policies developed in the 1980s, neither the *contratti* or the British YLMs were characterised by high-levels or large quantities of training, at least considering off-the-job and theoretical education. This was true especially with the first programmes, such as the first CFLs and with WEP and YOP, where training



would coincide with work. By contrast, the two-year YTS and the 1984 CFL recorded slight enhancements in off-the-job training.

Considering one country at time, and focussing on the 1980s, it is interesting to compare training in apprenticeship and in alternative labour market programmes. In Italy, despite different legal regulations, employers would provide apprentices and youth hired with a CFL the same 'training', which was completely on-the-job or coincident with work experience. This changed with the 1984 CFL, which emphasised the training dimension of the contract. A marked departure from such low-level training came with the 1997 labour market reform, at least in terms of legal regulations. Yet, in practice, the new regulatory framework, involving the Regions as external warrantors of training, did not ensure higher VET performances. Also in 2003, and even more in 2008, despite more flexible apprenticeship training regulation, the quantity and quality of apprentices part-time VET did not increase or improve accordingly (see chapter 1). Italy continues to have loose and low training standards, and it records low performances in the '*professionalizzante*', insofar as only a minority of apprentices receive part-time vocational education, which, in any case, today cannot exceed 120 hours in three years. However, since 2003, Italy introduced type 1 and type 3 apprenticeships, in which part-time vocational education plays a prominent level and it involves the external regulation and supervision of public bodies, such as the Regions for upper secondary level qualifications, and Universities for tertiary education.

In Britain, separate considerations should be made for apprenticeship and Apprenticeships. Across time, the contrast between training in apprenticeship and in YLMPs is quite clear, with the former characterised by 'day-releases' and the latter poor in educational contents. It is less straightforward to emphasise this difference between YLMPs and Apprenticeship. In a few words, it can be said that, for some years, off-the-job training duration in youth schemes, such as two-year YTS, exceeds that foreseen by some kind of Apprenticeships. The same is true for youth average length of stay. Apprenticeship training quality has been criticised in

England, for its low duration- and content-related standards, especially in sectors new to apprenticeship, such as the service industries, and retail in particular.

In Italy and in Britain, traditional apprenticeships and Apprenticeships differ widely across industries: manufacturing and engineering have historically been the sectors employing – typically male – apprentices, and with traditional good training, also in part-time vocational education. The tertiary sector is new to apprenticeship and it has developed especially in contemporary times in both countries, representing an opportunity also for young women.

Looking briefly at trends over the five decades, volumes in the Italian system changed more strongly than in Britain, by losing 2 percentage points in terms of employment coverage during period two, while Britain lost only one percentage point (*infra*, p. 136). However, data for British manufacturing suggest that the decline in Britain in the 1980s was at least as strong as that in Italy. Another difference concerns period three, when, while Apprenticeship grows quickly to unprecedented levels in England, it declines moderately in Italy (the *professionalizzante*). Moreover, Italy also records limited or no implementation of type 1 and type 3 apprenticeship, despite important public investments in these measures, and still after ten years since their introduction.

The next sections compare Italy and Britain in a chronological order, to bring to light similarities and differences, distinguishing quantity from quality attributes. The former include the level of activity in apprenticeships and youth labour market programmes (YLMPs), and the size of cross-country differences. The latter refer mainly to the educational aspects (contents, requirements, standards, levels, etc.), but also other elements, such as government's approach to manpower policy and how this was managed, the distribution of programmes in the economy, characteristics of youth in training, etc. Comparison will be made by scheme in each country: in periods one and three attention will be primarily focused on a/ Apprenticeship, respectively in Great Britain and in England; cross-country comparison will focus on youth schemes and training contracts in period two.

### **4.3. Period I (Italy, 1960-1968; Britain, 1960-1975)**

#### *Quantity*

Period one was characterised by stable levels of activity in apprenticeship, grounded in the national traditional systems. Even if other work-based training schemes for youth had been started, their size remained marginal and they did not represent a valuable alternative to apprenticeship.

In both countries apprenticeship history dates back to the old days, but national apprenticeship systems took shape in the post-war decade, when national economies were recovering and the war industry was converted into new lines of production. In this connection, Britain and Italy shared a strong supply of mostly unqualified labour, concentrated in urban areas, which employers would hire even without qualification. At the same time, employers needed intermediate-level, technical skills to face relevant changes required by the recovery. Apprenticeship seemed to be an adequate response: hundreds of thousands of youth entered the system, growing in number every year, at least at the start of the 1960s.

A major difference, though, regards the level of activity, much higher in Italy than in Britain, even more than double at the end of the 1960s. In Italy, apprenticeships represented shares of total employment in the whole economy, ranging from a minimum of 3.47 per cent in 1960, to the peak of 4.29 per cent in 1968 (see figure 3). By contrast, in Britain, apprenticeships never reached 2 per cent of employment, fluctuating around 1.5 percentage points (see Figure 4).

Concerning evolutions in the 1960s, the two countries differ, because the Italian apprenticeship system experienced an overall constant growth for the whole decade, except for marginal fluctuations, until the end of the decade. While the British system remained fairly stable, with marginal losses, until 1963. In both countries, apprenticeship reached its highest levels of activity after the 1950s

around the mid-1960s: in Britain in 1965, in Italy in 1967-8. Since then, however, apprenticeship activity started to fall, although at different speed.

Period I for Italy stops in 1968, while it continues for a few years in Britain. Here, in the early seventies, apprenticeship numbers fell similarly or even faster than before. From 1975 onwards the volume of British apprenticeships has to be measured using data for manufacturing, due to the unavailability of data for the whole economy. Except for a 15,000 units increase from 1974 to 1975, the number of apprenticeships in Britain did not register any considerable change until 1980. In those years, youth labour market programmes had not started yet; therefore their number equals zero.

### *Quality*

In period one, apprenticeship duration was in both countries determined at sectoral level, and it was longer than today: four years in Britain and less in Italy, where legal maximum threshold was 5 years, but collective bargaining would normally reduce it to two or even less (*infra*, p. 92).

In both countries apprenticeship was centrally administered but managed at decentralised level. In Italy this meant, on the one hand, the Ministry of Employment centrally regulating by State Law the legal discipline and cultural-training guidelines, and locally operating by Employment Inspectorates. On the other hand, the Regions were responsible for administering artisanal and vocational training functions, while market forces would define training schemes, with public economic incentives going directly to the companies (Sarchielli *et al.* 1976, p. 73). In Britain, the central power lied in the Ministry of Education, but local training authorities were in charge of its administration, whereas unions and employers would voluntarily commit to find agreements about training regulations.

In terms of manpower policy, both countries experienced a common shift from 'collective laissez-fair' to interventionism in the second half of the 1960s. The first approach resulted in a limited role of the State, typically leaving to market forces the power to determine detailed regulations. The second approach emphasised the role of the State, which assumed functions and responsibilities to ensure the country's workforce training, basically by ensuring a correct use of apprenticeship, especially requiring higher training standards. In Italy, this change can be traced in the shift from Law n. 25/1955 that regulated only essential aspects of the contract, leaving all the others to collective bargaining (*infra*, p. 92), to Law n. 424/1968, which considerably restricted apprenticeship regulation (*infra*, p. 93). Likewise, in Great Britain, the 1964 Industrial Training Act marked a departure from the traditional self-regulatory attitude to an era of manpower planning (*infra*, p. 115). Despite similarities on a normative level, practices are different. In Italy, legal restrictions on training provision soon lost their effectiveness, because, after the beginning of the 1960s, apprenticeship training never became stable. By contrast, British apprentices, besides work shadowing, received part-time VET, at further education colleges and at the employers' premises, in case of large companies (*infra*, p. 116).

#### **4.4. Period II (Italy, 1969-1997; Britain, 1976-1993)**

##### *Quantity*

Time limits for the second period slightly differ for the two countries. In Italy apprenticeship decline begins in 1968, but the first *contratti* start in 1977. In Britain the age of YLMs begins in 1976 with WEP, although apprenticeship had started declining from 1971. This distinction influences the comparison, especially because of the lack of data for the first Italy's youth labour market programmes, from 1977 to 1983, and the lack of data for apprenticeship in the whole British economy from 1975 until 1982.

Despite differences in detailed timing, in this period the two country share common trends, which can be synthesised as the strong decline of apprenticeship, in tandem with the emergence and rapid growth of YLMs.

Another difference concerns the traditional gap between the sizes of the Italian and the British apprenticeship systems, which do not shrink in these years. While Italy's share continues to fluctuate between two and three per cent of employment for thirty years, Britain exceeds two per cent only from 1976 until 1981, even in manufacturing employment. The volume of the Italian *contratti* and the British YLMs is more similar, as in both countries it remains between zero and two per cent, except for 1988 and 1989, when both the CFL (2.34% and 2.52%) and YTS (2.23% for two years) exceed that threshold.

Figures three and four show clear differences in trends in the two countries. Italy shows a steady but gradual decline in apprenticeship activity from 1969 to 1997, with major drops in the mid-1980s. Britain shows, at least in manufacturing, relative stability, although below the level of the 1960s, until the beginning of the 1980s, and it even grows in 1980, but it then falls strongly in the following years. In Italy the percentage of apprenticeships as a share of employment in the whole economy declines, with a gradual and constant trend of marginal losses, by 2 percentage points during the whole CFL period. Apprenticeship, which in 1969 covered 3.86% of employment in the total economy, fell to 2.89 in 1983, only a few years after the introduction of the first CFL, and it further dropped below two per cent in 1996. By contrast, the British variation is much lower (about one percentage point): apprenticeship starts declining in 1971-2, when the percentage of apprentices in the whole economy drops from 1.43 to 1.18 per cent in 1973. Looking at manufacturing, variation ranges from about 2.5 per cent in the mid 1970s to 1 per cent at the end of the 1980s. However, in this country, period two is far shorter than in Italy, because apprenticeship decline starts later, and data are collected for manufacturing, only until 1990.

A more detailed analysis by country reveals that this period is characterised by continuous and deep fluctuations in Italy, marked by some sub-periods of stability, but frequently interrupted by dramatic drops (see figure three). In Britain, as mentioned, consistent information are available only for manufacturing from 1974 to 1990. Data suggests that, after a first, marked decline from 1971 to 1974, apprenticeship grew moderately and then remained stable until the early 1980s. It then began a steady and strong contraction until 1990, the last year for which data are available.

Considering youth labour market programmes, in both countries they expand until 1988, and contract thereafter. Both growth and decline, however, differ in speed: in Italy they are more rapid than in Britain, where trends are more gradual. In both countries, youth schemes start from zero and expand quickly in their first year: in 1983, the first CFL, and in 1977 WEP. But, while in Italy their growth continues uninterrupted until 1988, YLMs expansion in Britain is more moderate, with three major drops in 1983, 1986 and 1989, and more gradual until 1983, when YTS is introduced. The scheme grows rapidly by one and a half times in five years: from 0.72 per cent of total employment in 1983 to 2.29 per cent in 1988. For both countries 1988 is a peculiar benchmark, as it marks the beginning of youth schemes decline: the trend of *contratti* is represented by a steep downward slope, losing almost 1.5 percentage points in coverage in five years (from 2.52% in 1989 to 0.89 in 1993). In the first five-year period, instead, YLMs decrease is less sharp and more fluctuating: from 2.23 per cent in 1988, to 1.97 in 1990, with a further decline until 1994. While in Britain the second period of youth training and employment contracts concludes in 1994, in Italy it continues until 1997-8: in those years the CFL grows annually, reaching 1.29 per cent of total employment in 1996.

### *Quality*

The first qualitative difference is that, in Italy the *contratti*, as well as apprenticeships, have always been employment contracts. While in Britain, WEP,

YOP, YTS and YT, as well as Apprenticeships, were all government-subsidised programmes, although employers could hire their trainees. As a consequence, while British trainees were not necessarily employees of any company, this was always the case for youth participants in Italy.

As far as the alternative youth schemes are concerned, the first key issue is that they have been fully instruments managed by employers and their representatives in both countries at least until 1983-4, when some kind of 'external' influence, particularly on the training aspects, intervened to curb what before had been total deregulation. Both the British and the Italian solutions started as fixed-term experiences for young people in a company, to learn a job, with training in a parallel, and quite external position with respect to work. This was the case in the *contratto di formazione* (Law n. 285/1977), as well as in the *contratto a termine con finalità formative* (Law n. 863/1984), where training should be provided exclusively on-the-job, leaving the full training responsibility to the employer. Despite different legal requirements (more restrictive for apprenticeship), 'training' practices for people employed with a CFL and an apprenticeship contract were similar, basically coincident with work, or work-experience. It has even been observed that the normative interventions of the 1980s, instead of giving different roles to apprenticeship and the CFL, pursued the juxtaposition between the two, with the result of scarce transparency of labour demand and supply (ISFOL 1988, p. 110). A similar conclusion can be drawn both for apprenticeships and training contracts, as concerns the difficulty of finding a balance between occupational and training goals, with the former prevailing over the latter.

This was less the case in Britain, where apprenticeship not only still conserved the traditional high reputation of the 'day-release', but training quality standards were considerably enhanced, thanks to the action of the ITBs in the late 1960s and early 1970s. This contrasted with British YLMPs, which were government-funded programmes, whereby employers would receive money against the acceptance of letting a youth enter the company, with the explicit goal of learning a job. WEP trainees, for instance, would receive work experience, limiting their learning



process to acquiring job skills, according to the employers' wishes. Similarly, YOP would provide practical competences, in some cases even at further education colleges, although there is wide evidence of its poor training contribution (*infra*, p. 120). In 1983 the British government intervened, although marginally, by setting training regulations for YTS, both in terms of minimum off-the-job training duration and content (*infra*, p. 123). Likewise, in 1984 in Italy, Law n. 863 regulating the second type of CFL involved the Regions in the approval of training projects presented by companies willing to hire a young person with a CFL, and require public funding for that (*infra*, p. 102).

A difference between the two countries is how the more demanding rules affected training performance. While YTS recorded off-the-job training average durations even higher than the minimum required, and there was a debate about further extending the minimum legal standards, results in Italy were much poorer. On the one hand, collective agreements would often loosen legal requirements, when determining industry specific regulations; on the other hand, youth training continued to be scarcely provided (*infra*, p. 93). This led to the consideration of all the contracts, even by case law, as part-time ordinary employment contracts, with occupational, more than training goals<sup>155</sup>.

Youth schemes could be used in all sectors in Italy and in Britain, with the exception of public administration in Italy. YTS trainees worked as administrative staff, or covered jobs in engineering, trade, services and construction; while, the *contratti* were primarily used for low-skilled occupations, mostly in manufacturing. This is consistent with the characteristics of trainees, who, in Italy registered low or none educational attainment, as in Britain, although, for instance in YOP, this changed over time. Italian trainees, then, were older than their English peers (typically 16 or 17): most youth hired with the 1977 training contract were 19-24 year olds, and the 1994 CFL could be used for young-adults up to 32 years old.

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155 In 1987 Supreme Court stated that the CFL pursued the socio-political goal of supporting job creation for youth, and that such goal clearly prevailed over the training one (ruling 25 May 1987 n. 191).

One more common element is the duration of CFL and YLMs, in both cases shorter than apprenticeship. However, that is clear only for the British case, where maximum duration varied from six to 24 months and the actual length of stay ranged from four months in YOP to 16 months in two-year YTS, whereas apprenticeship's average duration was much longer. Data is available only for 1994: according to the Labour Force Survey, of those apprentices who answered a question about the length of their training, around half were on apprenticeships of more than three years duration (Social Trends 26/1996, p. 96). Conversely, in Italy, although the first versions of the training contracts could last maximum 12 months, and in that case they were considerably shorter than apprenticeship, they then turned into two-year schemes, whose maximum duration could be the same as apprenticeship, or even less, depending on the sector. Looking at the average length of stay, most of trainees hired with the 1984 CFL would stay from 19 to 24 months, although they could even stay between one and three months, and wide variation is registered across sectors (*infra*, p. 102).

In sum, it is possible to conclude that, having acknowledged sectoral differences and industry- or regionally-based cases of training excellence, the overall picture of Italian training contracts, including apprenticeship, and British YLMs, is one of tools with employment goals more than with training goals, which governments have promoted to reduce unemployment, by involving youth and young adults, typically with low or no qualifications, with reduced pay levels.

#### **4.5. Period III (Italy, 1998-2010; Britain, 1994-2010)**

##### *Quantity*

In the third period of work-based training in Italy and in Britain, it is mostly relevant to compare the levels of activity in Apprenticeship. This period, indeed, is characterised by a policy-driven return of Apprenticeship and by the stop of youth schemes. In Britain the first political and legal development that promoted

Apprenticeship after the age of YLMs, namely the introduction of 'Modern Apprenticeship', dates back to 1994, while such an event took place in 1997 in Italy, with the approval of Law n. 196. In both countries this period still continues today.

In terms of differences, the traditional gap between the two countries' volumes is still present in the contemporary systems: while apprenticeship covers from 2 to 2.5 per cent of Italian employment, this ranges from 0.11 to 1.87 per cent in England. With regard to size changes in this historic period, English apprenticeship has grown comparatively more than the Italian one though from a lower starting point, and both have registered a considerable expansion.

In terms of similarities, looking at how Apprenticeship levels of activity have changed across time, they have expanded constantly and gradually, despite temporary pauses, in Italy and in England. Italy records continuous growth from 1997, when it covered 1.88 per cent of total employment, to 2008 (2.76%); otherwise the average annual increase would have been of 0.08 points. Particular interest should be focused on the years after the 2003 reform, when CFL was abolished: the number of youth in Apprenticeship grew strongly in just a few years, from 390,000 in 1997 to nearly 600,000 in 2006. Looking at percentage variation, Apprenticeship grew by 87.4% in the eleven years from 1998 to 2008. This phenomenon cannot be described only in terms of apprenticeship's success, and it is reasonable to talk about a powerful replacement of CFL with Apprenticeship. From 2008 onwards, trends in Apprenticeships may partially reflect the impact of the economic crisis, which in Italy particularly hit the youth, both in and out of the labour market. As a result, the growing trend started curbing in 2009, when the system had already lost 0.19 percentage points from the year before in terms of employment coverage, and it continued shrinking in 2010, further losing 0.20 points. Likewise, British Apprenticeship shows near-continuous growth from its start, in 1994, when it represented 0.11 per cent of national (English) employment, to 2010, except for the modest declines around 2000, and 2004-2005. Despite later fluctuations, only five years after its introduction Apprenticeship had reached almost 0.60 per cent of total employment in England, by growing up to 1.87 per

cent in 2010. This boom in activity occurred mainly in 2000, by expanding mildly until the mid-decade, and then growing in 2009-10.

As far as youth labour market programmes are concerned, it should be recalled that data are collected for the whole Great Britain, like in the two other periods. It is important to consider also that, in Italy, since 2003 CFL continued to be used, although marginally, only in the public sector; and that British YLMPs run only until 2001, when they disappear. The most evident similarity is that in both countries the youth schemes that had flourished in the 1980s shrank rapidly, until they disappear in 2002, although CFL continued to be used in public employment in Italy. In 1998 Other Training had cut almost by half its 1995 volume, equal to 1.09 per cent. Italy records from 1997 until 2000 a downward trend for CFL in the private sector. As regards the public sector, information has been found only for 2007 onwards, and it shows the marginal importance of this tool, which in 2010 involved only 800 participants.

### *Quality*

Aspects of Apprenticeships, although widely compared in chapter one, deserve deeper analysis, also at the country-level. In period three governments of both countries promoted and reformed apprenticeship systems, by introducing a 'modern', or a 'new' versions of Apprenticeship. Modern Apprenticeship in Britain, and the 'new Apprenticeships' in Italy, share common features with the traditional model of work-based training, and with the 1980s labour market programmes, and they also introduce new elements.

In terms of similarities with traditional apprenticeship, in both countries, Apprenticeships are based on a relationship of reciprocal rights between an employer and a trainee, which in Italy – unlike Britain – has always been formalised in an employment contract. Furthermore, in both countries Apprenticeship alternates periods of on- and off-the-job training with productive work, introducing also requirements for compulsory part-time VET. In terms of

obligations, the employer accepts to provide occupational skills, and the trainee accepts a lower wage in return for vocational training. Another similarity between Apprenticeship and apprenticeship, in both countries, is that the system is increasingly 'employer-based', or, at least more responsibility is given to employers and their representatives. For instance, training regulations are determined at industrial level, and there is increasing room for employers to determine the content and the meaning itself of 'vocational training'.

In terms of similarities with the YLMPs of the 1980s, in period three both countries experience rapid and continuous changes to Apprenticeship systems, in terms of names given to the programme, its varieties, the names of responsible bodies and institutions, etc.

In Britain, the milestone that marked a departure from the era of YLMPs is the introduction of Modern Apprenticeship in 1994. Like the 1980s schemes, Modern Apprenticeship is a government-subsidised programme, where training costs are shared among the employer, the employee and the State. The latter provides public funding for training, to be carried out by private bodies, and whose duration, contents and methods are defined by market forces. As in the 1980s, moreover, training regulations are defined, not on the basis of the time 'served' by the trainee, but on an outcome-based approach, or, considering the 'competences' developed by the Apprentice before completion, which leaves the learning process as an opaque obscurity. By contrast to YTS, MA in some (mostly service) sectors shows even poorer training attributes, such as the duration and the provision of off-the-job training, which can take place also at the employers' premises. Finally, like YLMPs, Apprenticeships can be used for a wide range of occupations, and lead to higher qualifications level (NVQ3), at least on a nominal basis. Another new element is that youth, under MA, must have employee status, which guarantees a wage, paid by the employer, and not an allowance paid by the State, and other employment rights. In 2009 the Apprenticeship Act guaranteed to this status to all apprentices, by giving a legal definition to the phenomenon. This might not have been a relevant issue before 1994, but since MA was introduced, it became

important to distinguish Apprenticeships from other labour market programmes, and increase awareness among youth. Finally, as a new feature, in the last decade it has been possible to use MA also for adult workers, although this practice has taken off only in the past three years.

In Italy, on the level of rules, because government choices differ so much in content and policy direction, it is necessary to distinguish two sub-periods within period three, before and after 2003. Given the complex details of the legal regulations, only some aspects are discussed here. Apprenticeship under Law n. 196/1997 marked a departure from traditional apprenticeship as well as from the 1980s' schemes, because for the first time it introduced part-time, off-the-job and outside of the companies VET, to be carried out respecting external regulations. The system deeply changed with respect to traditional apprenticeship, as it involved the active role of the Regions, similarly to the 1984 CFL. Conversely, the Legislative Decree n. 276/2003, as modified by law decree n. 112/2008, and the Legislative Decree n. 167/2011<sup>156</sup>, mark a departure from the 1997 direction, following a more deregulatory, flexibility- and market oriented approach. In this connection, similarities can be found with the *laissez-faire* approach of the late 1950s, and with the first *contratti* in the late 1970s. The 2000s reforms resulted in narrower legal restrictions, a more limited role of public bodies (the Regions, *in primis*) in favour of stronger powers to market forces through collective bargaining, and a competence-based approach for training requirements. Flexibility and deregulation were the answer of the government from 2003 onwards to the need for an easier and wider use of Apprenticeship, which the 1997 standards seemed to have made too complicated, especially with respect to companies' case for flexibility.

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156 The 2011 Act brings apprenticeship even closer to 'traditional' apprenticeship, insofar as the whole regulation of the contract is demanded to employers' and workers' representative organisations, while the Law has a limited role, by defining minimum standards (infra: 231). At the same time, it shares similarities with the first 1980s contracts, as it considerably lowers training requirements: apprenticeship should receive no more than 120 training hours in the whole apprenticeship, which cannot last more than three years. The decree extended the use of apprenticeship to the Public Sector; but this will not be possible: article 7 of legislative decree n. 167/2011 required the Minister of Public Administration to take action within one year, but this has not occurred.

The 2003 Act, as a completely new element, introduced three categories of apprenticeship, introducing new contract typologies (*infra*, p. 108), whose regulation and names would be repeatedly changed in following years. In this connection, the reform passed in 2003 broadened the types, and enhanced the level, of apprenticeship qualifications, from upper-secondary VET to University degrees. By contrast, before 2003, apprenticeship would allow achieving only a contractual qualification, without any public value. In most cases, in type 1 and type 3 apprenticeships<sup>157</sup> public bodies conserve a relevant role in externally regulating training requirements; the State not only subsidises part-time VET, also at higher education level, by transferring funds to the Regions, but it economically incentivises companies willing to hire apprentices. However, these contracts are only marginally used. Minimum age limits (only for type 1 apprenticeship) had been lowered to 15 in 2003, until the educational reform of 2007 brought it back to 16, like in 1997. But this remained true only until 2010, when Law n. 183 fixed it back to 15, only for the *apprendistato per l'espletamento del diritto-dovere di istruzione e formazione*. In the case of *professionalizzante*, the 2003 reform required minimum 120 training hours a year, inside or outside companies, leaving training organisation to market forces, even at the company level, depending on training supply availability. In this connection, Italian Apprenticeship is closer to the traditional apprenticeship, where theoretical training would, at most, complement practical learning on-the-job, where available. In 2008 companies were allowed, in case the Regions had not set up training courses, to be entirely responsible for apprentices training's definition, organisation, provision, financing. Training, thus, became completely employer-led, such as in the 1983 *Contratto di Formazione e Lavoro*<sup>158</sup>. In 2008, similarities with the *contratti* of the 1980s lie also in the abolition of the minimum duration. Financing mechanisms, by the way,

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157 This is not the case, when type 3 apprenticeship is set up by means of *ad hoc* agreements between single employers, or their representative associations, and training bodies, including universities. In this case, companies can still benefit from State incentives, and Universities might receive funding from the Ministry or from the Region, but training organisation and delivery is set up on a completely autonomous basis.

158 The same would then be true for the *apprendistato di ricerca*, introduced in 2011, whose regulation – both contractual and educational – can be completely invented by individual employers, if the Regions do not take action to set up relative training provisions.

remain unchanged: the State provides economic incentives directly to companies hiring apprentices, and finances part-time VET, by transferring funds to the Regions.

In practice, however, despite regulatory developments, little has changed: law requirements have been only partially implemented, especially by the Regions, training provision has continued to be low in levels, especially part-time VET, and poor in quality<sup>159</sup>.

## 5. Conclusions

From the perspective of international comparison, and beyond legal and regulatory details, Apprenticeship in both countries share some elements of apprenticeship and some of the 1980s' youth labour market programmes or contracts<sup>160</sup>. Hence, the Italian and British Apprenticeships, in period three, result from the policy initiatives of both period one and period two. In other words, Apprenticeship today shares elements of tools different from apprenticeship, pursuing employment-more than training-goals.

A brief summary of the two countries' similarities and differences follows. Quantitatively speaking, the levels of activity in apprenticeship have historically been much higher in Italy than in Great Britain. Similarly, in the Italian system, volumes changed more strongly than in Britain, for instance losing 2 percentage points in terms of employment coverage during period two, while Britain lost only

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159 Although consistent information on training quality is not available, and the issue itself is difficult to measure, it is possible to assume that training quality did not improve nor expand, looking at apprentices' pay levels, which range from 70 to 90 per cent of those of qualified employers. Moreover, the few-month durations of apprenticeship contracts suggest that it might be possible that trainees leave, because of unsatisfactory learning opportunities. See chapter one for more comments on the gaps between laws and practice.

160 It should be recalled that, although the distinction between 'apprenticeship' and 'Apprenticeship' refers to both countries, it fits well in Britain but it seems to be less consistent for Italy (*infra*, p. 33).



one (*infra*, p. 139). However, data for British manufacturing suggest that the decline in Britain in the 1980s was at least as strong as that in Italy.

Looking at trends, in Italy apprenticeship has declined fairly continuously throughout most of the five decades considered, while in Britain it has registered more sudden and sharper changes, including both the contractions and the recent expansions. The opposite can be said, on the one hand, for the *contratti* compared to YLMS, and, on the other hand, for Italian Apprenticeship compared with MA. First, while the CFL boomed and collapsed, as represented by the steep lines in figure 3, British youth schemes recorded a more uneven growth, however also rapid. Second, the increase of Apprenticeship in the 2000s have been fairly continuous and moderate in both countries, until the rapid expansion in Britain in 2009-10 and the downturn in Italy at the same time.

Qualitatively, the first difference is that in Italy, governments always intervened on labour market regulation, by using employment contracts. On the contrary, in Britain employed status was not automatically associated to trainees, both in YLMPs and in apprenticeship, but it has been introduced with the 2009 Act.

The financing mechanisms also differ: in Italy public resources have always gone to public bodies, the Regions, to fund vocational training, and to companies, in the form of economic incentives, mainly tax and social insurance reductions. In Britain, with MA, the government has subsidised private contractors, some of them employers in their own right, with public money, to provide training (*infra*, p. 126).

Concerning training quality, countries differ in apprenticeship, while showing more similarities in Apprenticeship. In the 1950s, the British government expressed concerns about apprentices' 'day-release', and promoted part-time vocational education at local colleges for further education. By contrast, VET, and particularly theoretical training, provision has always tended to be scarce and low quality. More recently, Apprenticeship have become more similar, in that training requirements and standards have been loosened and lowered, and, in any case, left to market

forces and employers' choices. However, both countries have increased the level of attainable qualifications and broadened the variety of occupations for which apprenticeship is available. In this connection, Italy has always differed significantly from Britain, because both sides of industry are entrusted to define training regulations, through collective bargaining, while the British bodies determining training requirements, at sector level, are 'employer-led', with no compulsory representation for employee representatives. An exception was provided by the ITBs in the late 1960s, in which both employers' and workers' representative negotiated improvements to the quality of apprenticeship training.

Finally, in terms of average length of stay in training, Italy and Britain differed in the past but look more similar in the present: a training contract for British apprentices typically lasted five years in the post-war decades, while in Italy, despite the 1955 law that indicated five years as the maximum, industries in practice typically set the upper limit two years at most. Conversely, Apprenticeships in both countries share similarities, insofar as programmes may last only a few months, which, in some cases, makes duration even shorter than that in YTS and in CFL.

To sum up, the two countries share similarities in quantitative historic trends, which, yet, developed at different speeds and with different sizes. On the quality side, Apprenticeships share similarities with apprenticeship and with the programmes of the 1980s. For instance, Modern Apprenticeship in Britain, along with its strengths and excellent performances in some sectors, shares the government-led and employer-based nature of YLMs (Gospel and Fuller 1998, p. 17), which are linked to the programmes' failings, inclining low rates of qualification and completion (Ryan and Unwin 2001, p. 82). Likewise, in Italy, apprenticeship reforms from 2003 onwards, despite considerable innovation and expansion, further deregulated the system (at least the *professionalizzante*), coming closer to a model with limited public influence, and low levels of training effectiveness.

## Annex 1

Table 1: History of youth training and employment policies in Italy

Year	Act
1938	Royal Decree 1906 <b>Tirocinio</b> (traineeship)
1942	Civil Code <b>Tirocinio formativo</b>
1949	Law 264/49 <b>Vocational training programs</b> (for adults)
1955	L. 25/55 <b>Law on apprenticeship</b> (whole economy)
1977	L. 285/77 <b>Contratto di formazione I</b> (Training contract) – private sector
	<i>Collective bargaining agreement on employment flexibility and youth unemployment</i>
1983	L.79/83 (Legge Scotti) <b>Contratto a termine con finalità formative</b> (fixed-term training contract) – private sector
1984	L. 863/84 <b>Contratto di formazione e lavoro II</b>
1986	L. 113/86 Extraordinary plan for youth employment
1993	<i>Industrial relations protocol</i>
1994	L. 451/94 <b>Contratto di formazione e lavoro III</b>
1996	<i>Employment pact</i>
1997	L. 196/97 (Treu) <b>CFL + apprenticeship</b> (more training obligations)
1999	ECJ Decision Italian CFL distorts competition (2000/128/CE)
2003	L. 30/03 (Biagi) <b>New apprenticeships</b> (only private sector). The CFL is repealed (remains in P.A.) and replaced by the <i>contratto di inserimento</i> in the private sector.
2008	D.L. 112/08 Important changes to L. 30/2003
2009	<i>New industrial relations protocol</i>
2011	L.D. 167/11 <b>Consolidated Act on Apprenticeship</b> (only private sector)
2012	L. 92/12 Labour market reform (changes to apprenticeship regulation)

## Annex 2

Table 2: History of youth training and employment policies in Britain

Year	Act
1944	<b>Education Act:</b> school-leaving age raised to 15 years with effect from 1947. Established a tripartite system of grammar, technical and secondary modern schools
1958	<b>Carr Committee:</b> employers were opposed to schools providing vocational instructions
1959	<b>Crowther report:</b> recommended provision of Further Education for 15-18, raised question about the value of day-releases provisions for apprenticeships.
1964	<b>Industrial Training Act:</b> central government becomes directly involved in employers' training practices; ITBs
1973	<b>School-Leaving age raised to 16;</b> Employment and Training Act: established the MSC
1975	<b>Job Creation Programme:</b> to create 15,000 temporary jobs for youth
1976	<b>Work Experience Programme:</b> work experience to under-19s for which they received a training allowance instead of benefit
1978	<b>Youth Opportunity Programme:</b> 16-18 year olds, 'a new deal for young unemployed'
1981	<b>A New Training Initiative,</b> white paper
	<b>Employment and Training Act:</b> removed trade unions from decisions relating to the costs of training for employers
1982	<b>Industrial Training Act:</b> regulatory framework for ITBs <b>Technical Vocational Education Initiative (TVEI):</b> 14-18 year olds, admin by MSC <b>Young Workers Scheme:</b> financial incentives to hire under-18s
1983	One year <b>YTS</b>
1986	Two year <b>YTS</b>
1988	Education Reform Act: common national curriculum from 5 to 15; restated the functions of LEAs; MSC renamed Training Commission
1990	YTS renamed <b>YT</b>
1992	<b>Key Skills</b>
1993	<b>Learning for Work:</b> one year programme for unemployed at least since 6 months + VET

Year	Act
1944	<b>Education Act:</b> school-leaving age raised to 15 years with effect from 1947. Established a tripartite system of grammar, technical and secondary modern schools
1994	<b>Modern Apprenticeship:</b> 18 year olds at entry and lasting 18 months
1955	<b>DfEE</b> established; MA Level 3
1997	<b>National Traineeships</b> introduced: provide progression to MA
2009	Apprenticeship, Skills, Children and Learning Act ( <b>ASCLA</b> )
2010	Specification of Apprenticeship Standards for England ( <b>SASE</b> )

## Annex 3

### 3.1 Background information used to convert inflows into stocks for apprenticeships, GB

Table 1: Duration of training of apprenticeships entrants in Great Britain, 1981

Duration	Apprenticeships (individuals who started an apprenticeship)			
	Completed	Uncompleted	Completed	Uncompleted
	Males		Females	
≤1 year	3	57	7	72
>1 year but ≤2 years	5	23	16	18
>2 year but ≤3 years	19	15	53	10
>3 year but ≤4 years	52	5	16	
>4 years	21		8	
Mean duration (months)	43,19	14,91	33,7	10,93
Weighted average				
Males completed	1340	43	35,52802514	
Males uncompleted	411	15		
Females completed	100	34		
Females uncompleted	58	11		
	1909			

Source: Blanchflower and Lynch 1994, p. 240

### 3.2 Background information used to convert inflows into stocks for Youth Labour Market Programmes, Great Britain

Table 2: British YTS participants dropping out of training, %

Total entry	1 year	2 year
	409,000	
Dropped out	55	45
Completed without taking any examination	24	34
Gained qualification	21	34
(Educational)	(7)	(7)
(Vocational)	(14)	(14)
(Total vocational qualification)	(57,000)	

Source: Rose and Wignanek 1990, p. 67

Table 3: Length of stay, individuals average length of stay on scheme (weeks)

	1985/6	1986/7	1987/8
Two year trainees	Not applicable	65	67
One year trainees	39	40	40

Source: Training Agency 1989, p. 17

Table 4: Completers, proportion of entrants who will complete their training

	1985/6	1986/7	1987/8
Two year trainees	Not applicable	42	44
One year trainees	54	55	55

Source: Training Agency 1989, p. 19

### 3.3 Background information used to convert inflows into stocks for Modern Apprenticeship, England

Table 5: Duration of training in MA in England, months (estimates in Italics)

Year	Average duration	Year	Average duration
1994	36	2001-2008	12
1998	11.5	2009	15
1999	17.4	2010	13
2000	9		

## Annex 4

### Background information on YTS

*Table 1: YTS outcomes, 1987/8*

	1987/8	1988/9	1989/90
Completing training	20	33	36
Gaining qualifications	29	42	44

Source: Training Agency 1989

*Table 2: YTS inputs and outputs, 1987/8*

	1986/7	1987/8	1988/9 est
Two year trainees	65	67	69
One year trainees	40	40	40

Source: Training Agency 1989

*Table 3: YTS Completers, 1986/8:*

	1986/7	1987/8	1988/9 est
Proportion of YTS leavers who had completed their training programme	45	20	/

Source: Training Agency 1989



*Table 4: YTS Length of stay, individual's average length of stay on scheme (weeks)*

	1985/6	1986/7	1987/8
<i>Two year trainees on places funded by</i>	Not applicable	65	67
Basic grant only		67	69
Additional premium grant		60	62
Additional ITeC grant		68	70
<i>One year trainee on places funded by</i>	39	40	40
Basic grant only	Not applicable	41	41
Additional premium grant		36	36
Additional ITeC grant		41	41

Source: Training Agency 1989

*Table 5: Completers, proportion of entrants who will complete their training*

	1985/6	1986/7	1987/8
<i>Two year trainees on places funded by</i>	Not applicable	42	44
Basic grant only		43	45
Additional premium grant		34	36
Additional ITeC grant		44	47
<i>One year trainee on places funded by</i>	54	55	55
Basic grant only	Not applicable	56	56
Additional premium grant		44	44
Additional ITeC grant		56	56

Source: Training Agency 1989

*Table 6: Breakdown by selected of training occupational classification (TOC)*

	<b>TOC training</b>	<b>TOC job</b>
Office work	29,2	26,9
Selling	18,4	12,9
Construction	8,9	5,1
Engineering work	7,0	5,2

Source: Training Agency 1989

*Table 7: British YTS participants dropping out of training*

<b>Total entry</b>	<b>1 year</b>	<b>2 year</b>
	%	%
	409,000	
Dropped out	55	45
Completed without taking any examination	24	34
Gained qualification	21	34
(Educational)	(7)	(7)
(Vocational)	(14)	(14)
(Total vocational qualification)	(57,000)	

Source: Rose and Wignanek 1990, p. 67

## **Chapter three**

### **Comparative analysis**

#### **1. Introduction**

This chapter analyses comparatively the attributes of the Italian and the British history of youth employment and training policies since the 1960s. After having established the cross-country similarities and differences that require explanation, it proposes a range of factors – economic and political or institutional in nature – that might contribute to an explanation of the observed patterns. Finally, it organises those factors in order to present hypotheses concerning the sources of the comparative and historical patterns described in chapter two and indicates which are, and are not, consistent with the evidence.

The analysis relies on the principles of the comparative method, which, by mirroring experimental methods, analyses the relationship between (at least) two variables, one potentially independent and the other potentially influenced by it, and examines the empirical relationships between them (Moses and Knutsen 2012, p. 95). While experiments and statistical designs are ideally grounded on random selection of hundred of cases, the comparative method involves only a handful of cases. The strength of the comparative method must be sought therefore, not in number of observations, but rather in case selection. In other words, case selection, if done well, holds constant one or more of the independent variables, to highlight the influence of one or more of the other independent variables. Should the number of cases be higher than three or four, the number of combinations to be analyzed would be too extended. Choosing a limited number of observations, however, leads to shortcomings related to ‘over-determination’ and selection bias. The former reduces the ability of the comparative method to infer, and therefore to generalize, from the observations available. This links to the concept of ‘degrees of freedom’, namely the number of cases minus the number of explanatory variables

minus one. Therefore, few observations limit the possibility of being informative about the postulated causal relationship, and also the scope for generalizing any results generated by the analysis. This is referred to as the 'sampling bias', which leads to the risk of drawing wrong conclusions about the population as a whole, of which only a few cases have been selected, on the bases of limited observations. However, this is a minor concern, insofar as this work considers two cases, Britain and Italy, or three, as to whether Germany is considered or not (see the introductory chapter of this work).

This work is subject to further limitations. First, the potential explanatory variables at stake, including economics, industrial relations, politics, culture, etc., are numerous. Second, there may be potentially important interactions within hierarchies of determination for the explanatory variables, which cannot be analyzed systematically here. This work can therefore reach only tentative conclusions, suggesting which factors appear consistent with the pattern to be explained, and which ones do not.

Given such limitations, the most feasible possibility to study the cases that have been selected, would be following the 'method of difference' that "compares political/social systems that share a number of common features as a way of neutralizing some differences while highlighting others" (*ibi*, p. 98). This method could apply to Britain and Italy, considered as two European advanced political economies and liberal democracies, potentially controlling for a number of contextual variables (economic and political/institutional). The two countries would be selected because they share a common cyclical pattern, and changes in potential explanatory variables could be checked against changes in the dependent variables. This would allow identifying the key factors, whose presence or absence can be used to explain any observed difference (*ibidem*). The common pattern, of 'apprenticeship' levels of activity going up, then down, those of YLMPs up, then down, should address the analysis towards one or more factors that changed similarly in the two countries (e.g. youth unemployment). Because the conditions and assumptions required by the Method of Difference are rather demanding and

unlikely to be met in practice, the analysis will be informed by this method, but it is not expected to find it possible to reach definitive conclusions while using it. Instead, a descriptive comparison of the similarities and differences and a list of possible determinants of the patterns analyzed, are followed by tentative associations of the latter to the former. Such hypotheses are assessed, using limited quantitative and qualitative evidence.

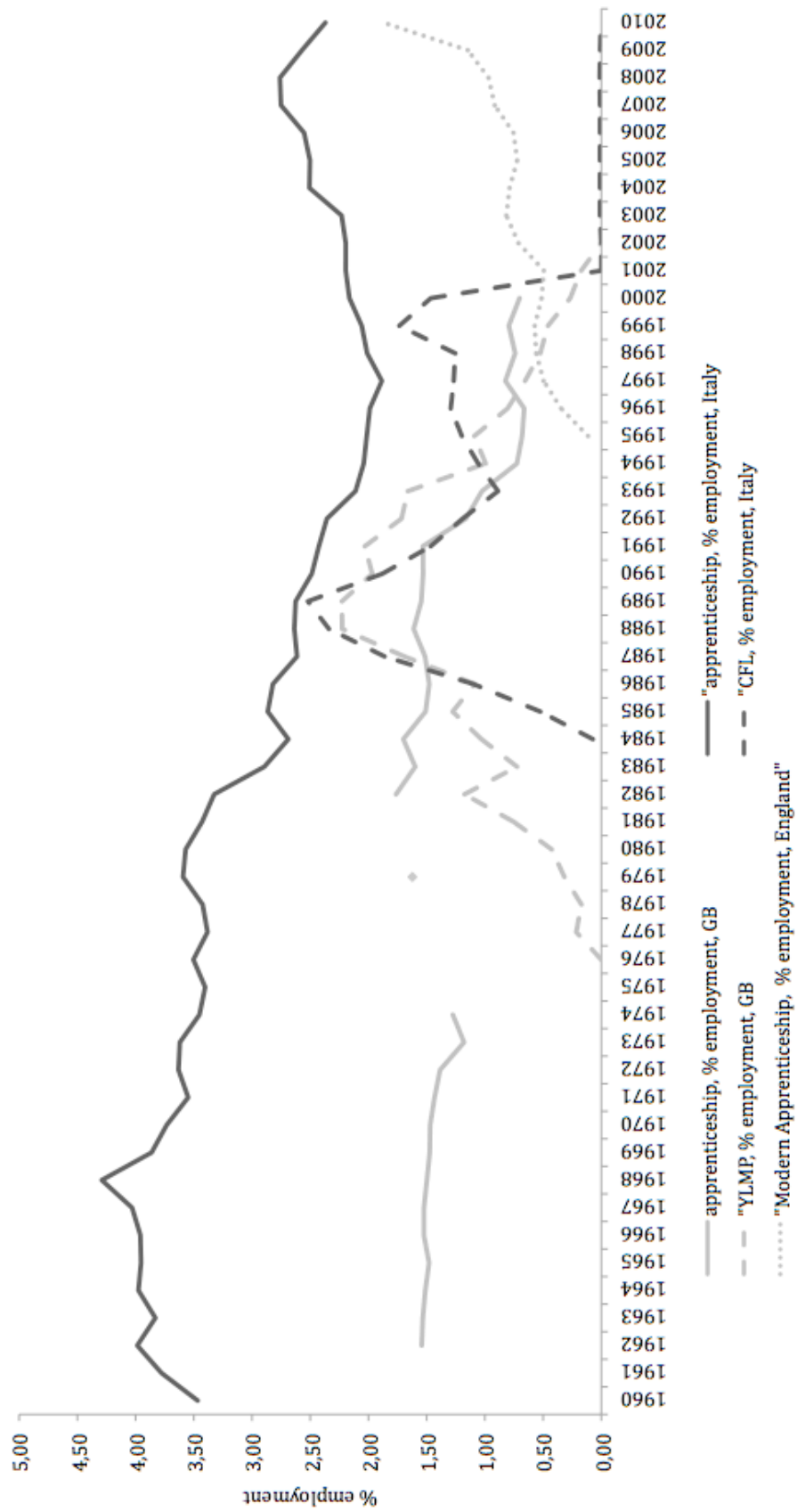
## **2. Attributes to be explained**

This section summarises similarities and differences in the historic trends of youth employment and training policies in Italy and in Britain, with a view to identifying possible determinants, which are listed in the following section.

Figure five shows a two-country combined diagram representing the stocks of both apprenticeship and youth labour market programmes (YLMPs), as share of employment, in Italy (black lines) and in Britain (grey lines), from 1960 to 2010; the figure also shows a series for Apprenticeship in England. The diagram numbers are taken from the chapter two. Continuous lines represent the volume of apprenticeship, while dotted ones represent that of YLMPs; for Apprenticeship, a thinner dotted line has been used, to indicate that it combines attributes of both traditional apprenticeship and YLMPs (section five, chapter two). Methodological details of the series represented in figure 5 are given in section 4.1, in chapter two.

The following paragraphs identify the main similarities and differences in apprenticeship and youth labour market programmes (YLMPs), from a qualitative as well as from a quantitative perspective. Then, they list the attributes of youth employment and training policies in Britain and Italy that require analysis (in sections three and four of this chapter).

**Figure 5: Apprenticeships and youth labour market programmes, in Italy and Great Britain, as % of employment, 1960-2010**



## 2.1. Similarities between Italy and Great Britain

### *Qualitative aspects*

Italy and Britain share similarities as concerns the content and meaning of the term ‘apprenticeship’<sup>161</sup> that in both countries have changed over time and have been characterised by high heterogeneity. The common outcome is an expanded and blurred idea of ‘apprenticeship’, generally referring, in Britain since 2004, to any work-based programme funded by the government; in Italy, to an employment contract for youth, with some training (for the *professionalizzante*, maximum 120 hours in three years, from 2011). Arguably, heterogeneity has considerably increased from apprenticeship to Apprenticeship, in both countries, in terms of training levels, programmes’ varieties, beneficiaries, occupations, potential employers and industries. Greater heterogeneity concerns training regulation and its provision too, as well as pay and the general educative and market value of ‘apprenticeship’. For instance, this is reflected in the irregular distribution of part-time vocational education provision across different sectors and employers, with a coverage typically wider in large than small firms (e.g. manufacturing plants *versus* artisan-craft workshops).

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161 The term ‘apprenticeship’ indicates here what chapter one refers to as ‘apprenticeship’ with lower case ‘a’, in contrast to its variants with upper case ‘A’ (Apprenticeship), whose real content has been seen to be closer in contemporary Britain to youth labour market programmes. If this distinction can be clearly drawn for Britain, it is less consistent in Italy, which shows greater continuity comparatively, or, better, Italy recorded less change in institutions and less change in youth policies. Briefly, ‘apprenticeship’ is used to indicate a programme that, in principle, is distinguished by its educational nature and occupational orientation, defined against external homogeneous standards, and which aims to make participants more attractive to potential employers; it is typically based on institutional elaboration involving both public and private training providers and, it is associated with the acquisition of skills and high earning power. It should be recalled that ‘apprenticeship’ in contemporary Italy is also associated to multiple meanings, precisely with reference to the changes caused by Law n. 30 in 2003, in contrast with the provisions of Law n. 196/1997 (section 4.5, chapter two).

Moreover, public policies that had introduced YLMs in the 1980s' in both countries, share similarities with the policies promoting Apprenticeship in contemporary Italy and Britain<sup>162</sup>.

First, this can be argued insofar as they were associated with deregulation and flexibility. In Britain, "Since 1979 apprenticeship has been allowed to languish while government has promoted public training schemes and deregulation in its place" (Marsden and Ryan 1990, p. 363). Examples for Italy can be traced in the lack of minimum duration of Apprenticeship programmes or in the scanty, scarcely transparent and loosely enforceable regulation of part-time VET.

Second, the Italian and the British regulation of Apprenticeships and YLMs grounded on a sectoral, multilevel and decentralised approach, close to industries and adaptable – even by single employers – at the plant level<sup>163</sup>. For instance, Britain promoted an 'employer-led system', that is to say one that places employers' representative bodies (Sectoral Skills Councils, SSCs) at the heart of the system<sup>164</sup>. One relevant question concerns the qualifications and experience of those who sit in such bodies, whether they are administrative functionaries or professionals who really know and understand the relevant needs of their industry. Even more important is whether employers are truly involved in SSCs: the evidence of widespread avoidance of Apprenticeships by large employers makes this dubious in the first place (Ryan, Gospel and Lewis 2007). Italy also directly

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162 It remains to be established to what extent the content of British YLMs and the CFL share similarities with special employment measures or with human capital development programmes, such as apprenticeship. Although comparative econometric evaluation is not the purpose of this thesis, it is reasonable to point out that, at least in principle, an evaluation of the YLM's employment and wage outcomes would require counter-factual analysis, that is to say what would have otherwise occurred without such measures (Grubb and Ryan 1999).

163 This potentially creates favourable conditions not only for increased heterogeneity (above, this section), but also for dubious enforceability, transparency and quality in the regulation and management of Apprenticeship.

164 Employers's representatives sit in the Sectoral Skills Councils, where they define the features of Apprenticeship frameworks, identifying its key attributes, from duration, to training standards.



involved employers in the 1980s<sup>165</sup> and in 2000s. Then, the law gave regulatory powers to collective bargaining, leaving only a marginal role to public institutions. However, the intervention of collective bargaining has been heterogeneous and not much interested or active – beyond public rhetoric – in the field of ‘apprenticeship’ vocational education and training. Italian social partners have been generally available to accept lower relative pay and lower standards for trainees, than in the case of simple on-the-job training of adult workers.

To sum up, Italy and Britain share similarities in the – changing and expanded – definition of ‘apprenticeship’, arguably increasingly heterogeneous in recent times. Furthermore, YLMs and Apprenticeship in both countries have been introduced with public policies inspired to flexibility, deregulation and adaptability, with the consequence of youth policies more ‘employer-oriented’.

#### *Youth Labour Market Programmes (YLMs)*

The Italian and British youth policies in the 1980s share similarities: governments in both countries, unlike the German one, decided to set up YLMs, formally aiming at increasing the participation of youth in training and in the labour market, by reducing payroll costs to employers, ideally with the minimum displacement effect. These were the *contratti di formazione e lavoro* (CFL) in Italy, and youth schemes (WEP, YOP, YTS, YT, OT) in Britain (sections 2.2 and 3.2, chapter two).

Looking at the content of YLMs, in principle, they combined more than one goal, typically employment and training ones. However, considering the YTS<sup>166</sup> and the CFL<sup>167</sup>, neither can be said to have aimed strongly at human capital development, at least more than creating temporary jobs or other activities for youth

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165 In the 1980s “a reprivatisation of training occurred, in which training was to be supported primarily at the level of the firm and under the supervision of individual employers” (Edwards and Garonna 1991, p. 157).

166 See British evaluation literature about YTS (Main and Shelley 1990).

167 See Italian case law about the CFL (among the others, Supreme Court n. 191/1987).

unemployed school-leavers (most YTS trainees, indeed, did not have a job, in the sense of an employment contract). Employment-related goals might have accompanied, and to some extent prevailed, over training ones in youth programmes in both countries. This was true especially at the beginning of what has been referred to as 'period two' in the previous chapter, when the programmes' regulation foresaw low or no standards for training, such as WEP in 1976 (*infra*, p. 118) and the first *contratto a termine con finalità formative* in 1977 (*infra*, p. 99). Both countries, however, made efforts to strengthen the training dimension in the following years. The two-year YTS and the 1984 CFL enhanced the level of training requirements, in terms of off-the-job training duration (the former), and in terms of external control over training activities at the workplace (the latter). The similarity in the extent and timing of the recourse to YLMPs in the two countries in the early 1980s constitutes an important feature for the explanatory analysis in section four of this chapter.

#### *Quantitative aspects*<sup>168</sup>

First, both Britain and Italy experienced a decline of apprenticeship activity during and after the end of the post-war economic 'Golden Age' ('period one', as named in chapter two). After having reached the highest levels of activity around the mid-1960s (1965 in Britain, 1967-8 in Italy), apprenticeship activity started to fall in both countries, albeit at different speed and to a different extent.

Second, in the 1980s governments adopted labour market programmes as the leading youth policy, instead of apprenticeship (chapter two, section 4.4). YLMPs developed in the 1980s and by 2002 they had declined to a similar level of activity. In both countries they expanded until 1988, and contracted thereafter. During the 1980s the scale of YLMPs grew to similar levels in Italy and Britain, with the number of people in training amounting to between 2 and 2.5 per cent of total employment.

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<sup>168</sup> Reference should be made to figure five (above).

Third, the Italian and the British governments both chose to 'reject' YLMs (or at least, to confine options characterised by low or no training requirements) from the mid-1990s, in favour of the reanimation of 'apprenticeship' under public sponsorship, at least in name. The levels of activity of Apprenticeship in 'period three' expanded constantly and gradually, despite temporary pauses, both in Italy and in England, at least until 2008.

The similarity in the extent and timing of the reduction of YLMs activity in favour of publicly sponsored Apprenticeship programmes in the two countries in the 1990s constitutes a further important feature for the explanatory analysis in section four, below.

## **2.2. Differences between Italy and Great Britain**

### *Qualitative aspects*

First, while in Italy 'apprenticeships' and the CFL are employment contracts regulated by private employment law, in Britain, 'apprenticeship' and YLMs did not have a legal basis. This changed in 2009, when a statutory definition was introduced for Modern Apprenticeships by the 'Apprenticeship, Skills, Children and Learning Act'. Unlike apprenticeship, since then, YLMs and Apprenticeship are government-funded programmes.

Second, in Britain the distance between apprenticeship and YLMs is wide and evident, as well as the distance between apprenticeship and Apprenticeship; conversely, the distance between YLMs and Apprenticeship is less evident. By contrast, the Italian history of YLMs is characterised by less changes, compared to Britain, especially because the largely disputable training content seems to be a constant feature of apprenticeships, YLMs and Apprenticeships.

Third, in Britain apprenticeship has consistently guaranteed part-time vocational education and training, and so does Apprenticeship in some sectors. By contrast, in Italy 'apprenticeship' barely succeeded in balancing employment and training goals, both in the past (Sarchielli *et al.* 1976, p. 76; Garonna 1986, p. 55) and in contemporary times (Biagi and Tiraboschi 1999; ISFOL 2011, p. 16; 2012, p. 22).

### *Quantitative aspects*

First, the scale of apprenticeship, as a share of employment, has been much bigger in Italy than in Britain, taking the five decades as a whole (figure five). In Italy the number of 'apprenticeships' ranged between four hundred thousand and eight hundred thousand, while in Britain it varied between one hundred thousand and three hundred thousand, with slight exceptions in the early 1980s. The distance in scale between Italian and British Apprenticeships is smaller, than that between apprenticeships. Similarly, in the Italian system, volumes changed more strongly than in Britain, for instance, losing 2 percentage points in terms of employment coverage during period two, while Britain lost only one percentage point.

Second, the post-1967 fall in the volume of apprenticeship activity in Britain exceeded that in Italy. As a result, apprenticeship activity in Italy remained higher than those of the *contratti*, whereas in Britain apprenticeship activity was outnumbered by YLMs from 1987 to 1996. Both YLMs' growth and decline differ in speed: in Italy they are more rapid than in Britain, where trends are more gradual.

Third, looking at trends, within-country comparisons help to show the differences between apprenticeship on the one hand, and YLMs and Apprenticeship on the other. One element concerns the rise and decline of YLMs in the 1980s and in the 1990s respectively, both absolutely and relatively to the size of apprenticeship. The development of YLMs shares similarities across countries in the 1980s, but these differ, insofar as the CFL developed more rapidly and strongly in Italy, than youth schemes did in Britain. Data is not available for the first type of *contratti*,

introduced in 1977, but literature reports that they remained small until 1983; thus, it is acceptable to use data from 1983 onwards. The dotted line in figure five shows that the CFL reached in two years the same level of activity that British YLMPs achieved in ten years, at least relatively to the economy as a whole. Likewise, in the 1990s the CFL experienced a rapid and abrupt contraction, as opposed to the gradual decrease of the British YLMPs.

Fourth, differences distinguish the pathways of expansion of Apprenticeship after the mid-1990s. Apprenticeship's rapid growth in Britain in 2008-10 contrasts with a decrease in Italy in the same years. While Britain introduced different types of programmes after the creation of Modern Apprenticeship in 1994, in Italy the introduction of new typologies dates from 2003 onwards. Moreover, while MA variants differed in the levels of qualification they lead to, Italian apprenticeships are completely different tools<sup>169</sup>.

In sum, the central similarities between the two countries' experiences are a change in the meaning of 'apprenticeship', the adoption on YLMPs in the 1980s; a 'return' to Apprenticeship from the mid-1990s onwards.

The central differences between them are greater continuity in youth policies in Italy than in Britain over the five decades, both in terms of higher 'apprenticeship' rates, and in overall lower training performances; speed and timing of the rise and decline of YLMPs.

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169 Type 1 and type 2 apprenticeships in Italy, introduced in 2003, lead to a vocational qualification, recognised by public authorities and having a value for the training system. By contrast, traditional apprenticeship and the *professionalizzante* variant lead to occupational qualifications that are recognised only by market forces, within the scope of collective labour agreements.

### **3. Determinants**

This section identifies potential determinants of the patterns described in the previous section. They will be organised into hypotheses in the next section. The fundamental distinction is between economic factors, on the one hand, and political and institutional ones, on the other hand.

#### **3.1. Economics**

##### *Economic fluctuations and structural change*

First, after the mid-1960s the European economies, including the Italian and the British ones, experienced increasingly severe economic fluctuations. The instability that followed the post-war economic expansion might have discouraged employers from training apprentices, whom they could come to expect to become surplus staff in future downswings. In principle, firms came across problems in human capital investment. In times of prosperity, firms might be discouraged from investing in human capital, for instance because of the problem of 'poaching' (Prais 1995). In times of crisis, by contrast, firms might be discouraged from training by lower expectations of future skill requirements, and by immediate budget restrictions.

Second, turning to structural changes, the declining pattern of industrial employment and the rise in service employment potentially affects apprenticeship. Apprenticeship activity is, indeed, higher in industry than in services, where apprenticeship has not been a traditional method for staff training and skills development. These trends, as discussed in chapter one, resulted in the weakening of apprenticeship and in training volume.

Third, the concentration of apprenticeship, particularly in period two, is in industry not in services, although sectoral composition will change substantially

over time. In Britain, in 1964, 71% of all apprentices were employed in manufacturing firms. This share decreased to 68% in 1970 and further down to 49% in 1974. In Italy, the percentage of apprenticeship employed in manufacturing ranged from 80.9% in 1956, to 70.4% in 1966, to 67.7% in 1976, and decreased to 67.2% in 1980. By contrast, the share of apprentices working in trade (excluding all other services), grew from 6.5% in 1956 to only 12.3% in 1980.

### *Productive structure*

Besides short-term economic conditions, the productive structure of the two countries may have had an impact on apprenticeship activity. Typically, the small and medium enterprises (SMEs) are skill-intensive, whereas the large industrial firms in both countries adopted deskilled, piecework-using, mass production strategies, associated with lower interest, for both them and youth, in apprenticeship.

The Italian SMEs always represented the vast majority of companies in the country, also in comparison with other European economies. By the way, small (and also micro) companies in the artisanal sector have traditionally been apprenticeship-intensive, with more than a half of all apprentices employed in artisanal firms. This was possible also thanks to the support of the relevant category associations, which historically encouraged and promoted apprenticeship vocational training (Longoni and Rinaldi 2007). Conversely, in Britain small companies have never driven national economies; for instance, in the 1990s, the share of employees working in manufacturing companies with fewer than 50 employees, was around 6% in the United Kingdom, compared to around 60% in Italy (*ibidem*). By contrast, large plants in manufacturing, such as engineering, shipbuilding, printing, always constituted the core of the national economy.

Moreover, as concerns product market strategies, research shows that quasi-monopolistic competition with high marks-up is typically permitted by training systems that enables firms to specialise in international niche markets, supported

by investments in firm-specific skills (Iversen *et al.* 2008, p. 605). Many of the Italian SMEs operate in the 'made in Italy', which can be considered a niche market at the international level, operating in a 'quasi-monopolistic' regime with high returns and requiring highly specialised skills. Considering the training goals of the YLMPs of the 1980s in both countries, one might ask whether they provided more specific or more general skills. The former correspond to a typical feature of 'internal labour markets' that characterise both Italy and Britain, while 'occupational' labour market structures, such as the German one, tend to provide general and transferable skills. None of them, however, is a homogeneous category (Marsden 1986).

The CFL approach, namely one where the idea and the practice of 'training' and 'in-company work experience' tend to overlap, seems to be closer to internal markets. At least for the contract's initial variants, indeed, the law did not set any requirement for part-time vocational education, but only on-the-job training, or even just work-experience, for the acquisition of occupational skills. The YTS approach, at least in part and in the two-year variant, might correspond to the principles of occupational rather than internal markets. Among other attributes, it provided initial training, with both foundation and occupational competences, it required external standards for off-the-job training and it guaranteed only trainee status, not employee status. However, one must consider the great freedom that YTS gave firms to do what they wanted to do with trainees.

### *Youth unemployment*

A first policy issue regards the motivations that might have led Italy and Britain to promote YLMPs to tackle youth unemployment. In other words, the question concerns the extent to which similar changes in youth unemployment after 1974 can explain the replacement of traditional apprenticeship by youth labour market programmes in the 1980s in Italy and Britain. The same did not occur in Germany, where the apprenticeship system did not collapse under the pressure of growing



youth unemployment and the government did not set up any major alternatives for youth training and employment, at least until the downswing of the mid-1990s.

One possible explanation is that the common rise of youth unemployment in all three countries was not as strong in Germany as in the other cases; or, it is possible to argue that apprenticeship was more capable of responding to youth unemployment.

### *General versus vocational education*

Chapter two introduced interconnections between general education and vocational training in the two countries. This relationship had been discussed in chapter two with respect to marginal issues, such as the effect on apprenticeship participation of the increased school-leaving age, from 15 to 16 years, in 1972 in England. Similarly, chapter two mentioned the impact of the 1962 Italian school reform on vocational training, and particularly schools' inability to provide general education and basic skills to masses of youth in training. That school system reform might have had an impact also on youth ambitions, such as a changed social identity, wherein work became less of an ethical commitment among young people (Sarchielli *et al.* 1976, p. 16).

There are two main issues that are potentially relevant: first, the lower social status of VET in the United Kingdom and in Italy, relative to Germany; second, the fact that YLMPs neglected skills training.

First, vocational training has traditionally been regarded to as a second rank choice in both Britain and Italy. General education was predominant in both countries, in numbers as well as in cultural terms. For Italy, VET low status has been explained as a result of the classicist tradition that embraces a hierarchical conception of the school system, with general education at the top rank, and vocational training at the bottom. The separation between education and training, school and work, theory and practice, has been at the heart of most school reforms in Italy, at least

until 2003, leading to a 'bulimic' lyceum system, and an 'anorexic' VET system (Bertagna 2006, p. 24). In Italy, the 1962 school reform might have shifted the ambitions of many young people from vocational training to general education, thereby strengthening the image of apprenticeship as a second rank choice (Sarchielli *et al.* 1976, p. 66). In Britain, VET low status has been explained as a consequence of social prejudice against economic enterprise and technical innovation, built by the élite educational institutions from the Victorian era onwards, which reflected and propagated an anti-industrial bias (Wiener 1982; Senker 1991: pp. 10 ff.). Even in the 1960s, when governments turned their attention to technical colleges, the new universities of those years devoted most of their resources to the arts and social sciences, associating 'practical' studies and vocational orientations with low status. In Germany too, the status of VET is lower than general education, but arguably not as much lower as in Great Britain and Italy, in the sense that having a '*Beruf*' brings professional identity and respect in a way that vocational qualifications do not in the other two countries.

Second, dissatisfaction with VET systems' ability to provide the skills required by companies and by industrial changes, interested governments in both countries. VET low status in Italy and Britain might be consistent with the switch to youth labour market programmes. There are reasons to claim that YLMPs' main goals were other than primarily educational, notably employment-related ones. The relative weaknesses of YLMPs as skills providers might be considered as consistent with the return to Apprenticeship in Great Britain and in Italy in the 1990s, despite or independently of the low social status of VET. The main issue at stake, therefore, is the extent to which the increased weakness of national educational systems, under the threat of a new economic of public finance at the beginning of the 1990s, and the insufficient supply of vocational skills, with respect to the increased political importance of 'skills', might have contributed to a return to policy support for Apprenticeship in Britain and Italy in the 1990s.

In terms of education and training policy, another potentially relevant element is the 'competence revolution' that took place in the mid-1980s (*infra*, p. 122). This is

an orientational change in educational sciences, from an input-based, to an outcome-oriented approach to vocational training. In principle, this should have avoided the limitations flowing from the traditional view of educational careers, based on formal data, such as the duration of training courses and disciplines. Otherwise said, in principle, the 'competence revolution' could have potentially contributed to the traceability of learning outcomes, which is a particularly relevant issue for apprenticeship training, especially when this takes place on-the-job. However, the policy implications of such a shift might risk to obscure the occupational aspect of apprenticeship, by making the learning process and the relevant relationships less transparent. The 'competence revolution' developed in period two but is still largely influential today. This orientational shift might have been and might be used as an argument for more on-the-job training and work experience, giving secondary importance to – the more expensive option of – part-time VET, within youth training. This was coherent with the relatively low training requirements of YLMs in the 1980s, where training was largely confined to the company and it was left to the employer's responsibility. One possible question concerns the potential impact of this orientational change to support the policy shift from apprenticeship to YLMs.

### *Welfare state and public expenditure*

Large budget deficits in the 1970s and 1980s put welfare states under strain, by increasingly limiting their capacity to ensure the same levels of social expenditure as in the phases of expansion<sup>170</sup>. Governments were handling difficult situations with unprecedented debt levels, the struggle to balance budgets and adverse labour market conditions: youth unemployment is one. In response to these signs of strain, welfare states have been held under siege: cuts to public expenditure, mounting political challenge against social programmes characterised a new context where generous social provisions became seen as unaffordable. Thus, governments might have had reasons to shift their goals, from full employment to

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<sup>170</sup> This also have political consequences to be discussed in the next session.

fighting inflation and reduction of public expenditure. This is potentially interesting for the present work, because, among the range of public policy areas covered by welfare states in Europe, there are labour market policies. Although these generate smaller budgetary demand compared to other policy areas, such as health care and pension reform, which still attract the biggest share of public expenditure in many countries. Labour market policies, though, are critical because they represent a strategic connection to the relationships between state and market (Pierson 2003).

From an institutional viewpoint, welfare states' development is interesting because strong states are likely to produce strong welfare states (Pierson 1996). The other side of the same coin is that weak states are likely to produce weak welfare states, where weak states are characterised by narrow governmental administrative capacities and low institutional cohesion.

The second institutional argument is about policy legacies, or feedback, that is to say the expansion of the impact on political processes of those policy decisions that recorded an increasingly pervasive effect on social and economic life. An example of how this mechanism works, is given with respect to the role of veto players (*infra*, p. 187).

Given this theoretical background, a relevant question is the extent to which welfare states' changes might have influenced policy choices in the field of youth policies. The hypothesis, here, is that market-oriented strategies and policies of fiscal austerity, aimed more at fighting inflation than at securing jobs, might have required a liberal and flexible approach to employment policy, especially for youth, beside lowering social expenditure. The question is to what extent the 1980s programmes have represented a lower-cost option in terms of public policy, with respect to 'apprenticeships'.

Welfare states have been studied not only in connection with economic growth, but also with political and institutional issues, such as the formation of skills system

(Trampusch 2010), the distribution of political resources and partisan politics (Pierson 1996; Iversen *et al.* 2008), as discussed in section 3.2.

### **3.2. Politics and institutions**

#### *Law and rules*

Italy and Britain share similar attributes in public policy management in the 1980s, to a large extent oriented towards legal deregulation and flexibility. The question is whether this potentially contributed to enlarge employers' margins of freedom in the use of youth programmes (Marsden and Ryan 1990). Said differently, to what extent deregulation and the lack of restrictions on companies' flexibility in their use of youth participants, incentivised YLMs growth. In other words, this concerns the role of rules, also set by law (including, for instance, adult workers' employment protection legislation), in increasing even more the appeal to employers of youth programmes, and their growth.

One of the differences between British and Italian youth policies is indeed the importance of law in producing formal changes and substantial transformations in the two countries. Law has a very prominent role in principle (*de jure*) in Italy, for the simple reason that private employment law has introduced all changes in youth policies. By contrast, in Britain the role of law had until the 1980s been marginal in relation to the labour market. Despite the presence or absence of a statutory basis, changes to YLMs were made by regulations issued under the enabling statute, such as when MA was introduced in 1994.

Nevertheless, in practice, Italian legal reforms have not generally had the actual, expected, impact on youth policies implementation. In the last fifteen years, the government passed three major apprenticeship reforms, accompanied by a plethora of minor acts, but, as research reports, most changes repeatedly missed the opportunity to enhance training quality and its effectiveness in guaranteeing

long-term employment and pay gains to youth. On one side, the lack of monitoring on the implementation of the law, and of relative economic sanctions, elides the mechanisms that might have encouraged employers to partially apply or not to apply all legal provisions. On the other hand, the limited practical effectiveness of law might reflect that many regulatory powers are left to collective bargaining. The latter, by the way, instead of enhancing legal provisions and supporting their implementation, has typically acted to lower standards and requirements on employers (one example is lower apprenticeship duration requirements in the post-war decades).

### *Forms of State*

A major political issue is the degree to which governments have the power to act directly and respond fast to crises, without being obliged to consult other political, institutional actors. The key points, in terms of the expected effect of political institutions on apprenticeship/YLMPs outcomes, are the ability of the government to translate the party's programme into action, with or without external control and constraints. In other words, it is relevant to understand the power of the government to influence the legislative production, and acting by means of a direct and central power, bypassing relevant veto players and interest groups. Viewed slightly from a different angle, as it shall be discussed, the question is what are the veto points that moderate the power of the government and prevent it from acting as if it were an all-powerful unified single political party.

Both Britain and Italy are parliamentary bicameral democracies, but with relevant differences. Britain, despite the presence of both the upper Houses of Lords and the lower Houses of Commons, has a monocratic form of government, non directly elective. The prime minister is elected by popular vote, and losing a confidence vote in the Houses of Commons forces the government's resignation. In Italy there are two houses but their relationship is one of 'perfect bicameralism': both chambers in Parliament have the same powers, so that, to pass a legislative act, both the chamber of deputies and the Senate have to approve the same text.

In this respect, one question concerns the potential relevance of having an upper house in Parliament, in charge of controlling legislative powers and its relationship with the executive one. In particular, the closeness of the executive and legislative powers, might lead the government party to use patronage to maintain support in the lower house.

*Political systems*

Political science investigates the connections between different party systems and policy outcomes, to show the differences between two-party rather than multi-party politics, where the former reduces the need for interest groups to compromise in forming policies. In this work, it is interesting to understand the similarities and differences between labour market policies outcomes in Britain and Italy, considering the distance between political system.

Governments' labour market policies diverge along multiple dimensions, but two might be considered as relevant (Robertson 1986): principles (social democratic and liberal) and means (passive or active). The combination of these variables, summarised in table 13, leads to different models of labour market policy.

*Table 13: Models of Labour Market Policy in Advanced Industrial Democracies*

		Principles	
		Social Democratic	Liberal
Means	Passive	Guardian (Britain, 1970s)	Business centred (United States)
	Active	Egalitarian (Sweden)	Market centred (Britain, 1980s)

Source: Robertson 1986, p. 278

*Note:* According to Robertson (Robertson, 1986: 278-9), in the 'guardian' approach securing jobs or surrogate income is considered as right of citizenship. It complements Keynesian microeconomic policy for growth with laws to protect labour demand (employment security, layoff impediments, collective bargaining protection, etc.). The 'egalitarian' strategy grounds on social democratic principles, to create the conditions for a more egalitarian society: full employment, high and equalised wage levels, active public labour training and employment policies. In a 'business centred' model, the governments tends to protect free enterprise more than wage earners; labour policy therefore aims at creating the conditions and a stable environment to facilitate business. Finally, the 'market centred' strategy combines neo-liberal goals with the active use of state power to remake the labour market.

As flows from the observations above, partisan politics might have an influence on training systems and welfare states. Table 14 summarises a possible explanation of differences in human capital formation, by clustering countries in three models: “one characterised by redistribution and heavy investment in public education and industry-specific and occupation-specific vocational skills; one characterised by high social insurance and vocational training in firm-specific and industry-specific skills but less spending on public education; and one characterised by heavy private investment in general skills but modest spending on public education and redistribution” (Iversen and Stephens 2008, p. 600).

*Table 14: Expected policy profiles of different worlds of human capital formation*

	<b>Coordinated Market Economies (CMEs) and proportional representation</b>		<b>Liberal Market Economies (LMEs) and Majoritarian</b>
	<i>Social democratic</i>	<i>Christian democratic</i>	<i>Liberal</i>
Active labour market policy	High	Low	Low
Vocational training	High	High	Low

*Source:* Iversen and Stephens 2008, p. 614

The authors claim that coordinated market economies (CMEs) invest and have strong demand for vocational training, while liberal market economies (LMEs) do not. Within the first group of countries, they distinguish two varieties, according to the predominance of Social Democratic or Christian Democratic parties. The former would reflect larger inclusion of lower income groups and outsiders in governing coalitions and high investment in both active labour market policies and vocational training. The latter would prefer vocational training to active labour market policies (a leading example is Germany). According to this taxonomy, instead, it is reasonable to assume that LMEs with majoritarian electoral system, present a predominance of centre-right governments, which tend to be less in favour of both active labour market policies, such as manpower programmes, and vocational training, while investing more in higher education, much privately funded.



It is relevant to apply this theoretical elaboration to the countries considered here. Britain well fits the LME model, as regards the structural features of its economy and welfare state, and concerning the 1980s liberal policies of the free market. Italy, instead, shares attributes of both LMEs and CMEs, but is closer to belong to the Christian democrat variant of CMEs.

A different approach to the study of implications of different political systems on training regimes is proposed by Martin and Swank (2008). They suggest that there is a relationship between business organisations, party systems, and state structure. They “hypotheses that proportional, multiparty systems tend to enable employers’ associations to develop into social corporatist associations” (Martin and Swank 2008, p. 181). Conversely, with reference to the early decades of the twentieth century, they prove that “the absence of proportionality and attendant two party-system is systematically associated with low levels of employers’ organisation and low levels of social corporatism” (*ibi*, p. 194).

In Italy, i.e. a multi-party system with proportional representation, employers’ associations have a strong tradition of horizontal coordination at a national level, and they function, not only as lobbies but as negotiating actors in collective bargaining to regulate the matching between labour demand and supply. By contrast, in Britain, a two-party system, employers’ organisations do not have a bargaining function, while they act as lobbies to represent the interests of their industry against the government.

A final political issue concerns political instability: a prior concern is understanding the reasons of governments changes, that is to say whether they occur because of governments’ collapse or because they follow the natural political cycle.

### *Electoral systems*

It might be useful to recall the principle according to which “because the decisions of voters are taken in the short run, elected officials generally employ a high discount rate. They will pay attention to long-term consequences only when these become politically salient or when they have little reason to fear short-term electoral retribution” (Pierson 2000, p. 261).

The main distinction that seems to be relevant in this section, is that between systems with proportional representation, like Italy, and the majoritarian system of Britain. While the former is typically accompanied by multi-party systems and it is alleged to guarantee democratic representativity, the latter tends to coincide with bipartisan systems (Duverger 1951) and it should favour more governability. While the former is likely to be associated with the need to conciliate different interests and therefore to find compromises, the latter might tend to produce strong governments, in combination with the imposition of the party discipline on the governing majority that can be expected to ensure loyalty. In particular, it might be relevant to understand whether those differences encourage, and to what extent and by what means, the use of labour market programmes instead of apprenticeship in responding to youth unemployment in the 1980s, and vice versa in the 1990s.

Building on Rokkan’s seminal work (1970), political science studies assumed that proportional representation (PR) was a common choice of the right, in countries where it was unable to coordinate and divided by religious and other non-economic cleavages, because that represented a defensive strategy to prevent electoral elimination by the left.

Contemporary studies reversed this assumption, by arguing that proportional representation is associated with “more frequent centre-left governments (Inverness and Soskice 2006), higher government spending (Bawn and Rosenbluth 2006; Persson and Tabellini 2004), less inequality (Crepaz 1998; Rogowski and

MacRae 2004), and more redistribution (Austen-Smith 2000; Inverness and Soskice 2006)” (Cusack *et al.* 2007, p. 373).

In Italy proportionality is not pure<sup>171</sup>: the 1993 reform introduced a mixed electoral system, based on the majoritarian formula of plurality for 75% of seats in both Chambers, corrected by a proportionality element for a quarter of the seats, all organised on a territorial base (the Regions for the Senate and districts for the Chamber of deputies). In 2005 the electoral system was further reformed by Minister Calderoli, in a direction opposite to 1993: the law introduced a corrected proportional system, with a premium to the coalition gaining the majority of votes at the Chamber of Deputies, and the election of more deputies in extended districts, without the possibility of indicating preferences.

The British voting method relies on plurality (also called ‘first-past-the-post’, ‘relative majority’, or ‘winner-take-all’). In this single-winner system, each voter can express one preference, and the choice that receives the most votes wins, even if it receives less than a majority of votes. This system allows a party winning the elections even if it receives a minority of popular votes, which has been identified as a major drawback of the system.

A potentially interesting question for this study is the different effects of Italian mix of decentralisation and proportional representation and the highly centralised and ‘first-past-the-post’ voting system in British democracy, which make possible a strong government that has received only a minority of the popular vote.

### *Veto players*

Because in times of austerity, existing policy arrangements are not likely to be sustainable without adjustments, the government needed to make policy changes to the welfare state. In this sense, “Welfare state conflict is often portrayed as a

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171 In that case there would be proportionality between the number of seats won by a party, or group of candidates, and the number of votes received.

clash between those wedded to the status quo and those eager to dismantle basic social protection” (Pierson 2003, p. 102). The shift in political priorities from an age of welfare expansion to one of cutbacks, though, required to develop reforms that, first, compensated politically crucial groups for lost benefits. Welfare state retrenchment “requires elected officials to pursue unpopular policies that must withstand the scrutiny of both voters and well-entrenched networks do interest groups” (Pierson 1996, 143). Second, it should be hard for voters to trace responsibility for the effects of those unpopular policies to policymakers, who will search for consensus to spread the blame (*ibi*, p. 145).

Interest groups linked to training policies, such as private training companies in Britain, or the Regions, social partners and the Church in Italy, might have played as lobbies, to pursue their willingness to safeguard vocational training activities, by therefore becoming political actors shaping youth employment and training policies.<sup>172</sup>

The power of veto players largely differs across countries, in relation to their institutional and political systems (Tsebelis 2002). A bicameral Parliament in which both chambers have an equivalent power (as in Italy) means more veto players than a parliamentary system with one chamber. Moreover, if the chief of the executive controls a solid single party majority in a widely differentiated, or asymmetric, Parliament (as in Britain), then there might be no actor with veto power. The Prime Minister (for instance, the British one) has to report to the parliament members belonging to his majority, and far to a less extent, to those belonging to the upper Chamber. In this connection, in absence of veto players, the Prime Minister might easily take important decisions, and expect them to be approved rapidly, and implemented coherently.

Among institutional veto players, political parties are likely to have played a relevant role in supporting labour market programmes as an alternative to

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<sup>172</sup> This is an example of how policy feedback works: previous political choices influence contemporary one.

vocational training for youth and vice versa. Power resource theory suggests that the welfare state is a function of the historical strength of the political left, mediated by alliances with the middle classes.

In Britain, the strength of Mrs. Thatcher's governments allowed her to break with commitments of their predecessors, even if this created dissatisfaction with the status quo and antagonism with the established policy community of business, unions and trainers. However, the form of State made it possible to bypass potential veto players, or at least interest groups and lobbies. In apprenticeship policy, this resulted in a self-reinforcing network of societal and State institutions, preventing that the efforts of any groups to introduce changes resulted in long-term shifts.

In Italy, the coalition governments of the *Democrazia Cristiana* interfered with a high number of veto players, starting from the political parties in the coalition, the Church, unions and employers representatives. The characteristics of those – relatively weak and unstable – governments, combined with the political power of the Regions, are likely to have, at least in principle, allowed conserving the interests of the numerous veto players. This might be an element coherent with the lack of changes, at least until 2003, of the Italian apprenticeship system. Strong unions and left parties might have contributed to the growth of social programmes that limited the economic vulnerability of wage earners and increase workers' solidarity, such as those alternative to apprenticeship (Pierson 1996, pp. 146-7). In the 1980s, the collapse of the 'strong unionism', oriented the new social pact towards flexibility, deregulation and decentralisation. This might have required to strengthen solidarity among their members, continuing to protect adult workers, by also accepting informal or low-pay labour for youth. Likewise, the relatively weakened power of the unions (although not as much as in Britain) and of the political left might have left space to adopt measures alternative to traditional apprenticeship. This, for Italy, seems to be consistent with the theory associating multi-party systems, combined with proportional representation, to the

conciliation and the search for consensus among different interests, expressed by veto players (Tsebelis 2002).

### *Patterns of public policy intervention*

Differences can be traced in the models of public intervention: this can follow an interventionist model, the devolution model, the flexibility model, with different involvement of central and decentralised powers, and of the public and the private sector (Edwards and Garonna 1991, pp. 154 ff.). An issue, potentially relevant here, is the weakness or strength of regional administration and local government, and their mutual relationships, in explaining differences in the models of public intervention. In other terms, it might be relevant to investigate the extent to which the power over VET is regionally decentralised in Italy and nationally decentralised in Britain, and whether that affected the pattern of government intervention.

In Italy the interventionist model, which is one where the central government assumes direct responsibility for financing, stimulating and organising training activities, shaped the training framework of the post-war period. One result was the training centres financed by the Ministry of Labour, providing training in traditional skills and crafts. During the early 1970s, the State turned to the devolution model, when responsibility for planning and organising public training programmes moved away from the central government to regional administrations. In 1972 the Regions became responsible for vocational training, but this system remained largely inactive, with a growing role for unions and employer organisation as main institutional actors in VET policy. In the 1980s Italy turned to the flexibility model, by privatising training provision for youth labour market programmes. Training was indeed under the complete responsibility of employers, especially in the first versions of the *contratto di formazione e lavoro*. In period three, two changes took place. Law n. 196/1997 attributed VET responsibility to the Regions, so shifting to the devolution model. In 2003, the government partly opted for the devolution model (leaving type 1 and type 3 apprenticeship training to the Regions) and partly for the flexibility model (with

social partners ruling on the *professionalizzante*). Italian governments, hence, first turned to devolution and then to flexibility, at least in part.

Similarly, patterns in British public training policy changed over time. A flexibility model could be used to interpret 'traditional' apprenticeship, grounding on the so called principle of voluntarism and flexibility. It might be argued that, instead, the 1980s YLMPs, as well as Apprenticeships, embody aspects of the devolution model: responsibility is left to private parties (especially private employers and commercial training providers) but only insofar as they are buyers of the State's supply of 'training' funds. The central government takes major decisions about the training system, for the whole territory, but, since the devolution measures of the late 1990s, it has left to each national sub-unit the complete responsibility to enact them.

It is possible to conclude that patterns in public policy have differed in Italy and in Britain, at least in their formulation, not necessarily in their outcomes.

### *Industrial relations*

"Training is not a neutral activity involving simply the argumentation of labour's technical quality, but rather a vital and strategic node within the larger industrial relations system" (Edwards and Garonna 1991, p. 151).

It is here relevant to understand how have organised capital and labour directly regulated youth employment and training policies, including pay (Ryan *et al.* 2010), and how it shaped practices (Crouch 1995), in Italy (Reichlin and Salvati 1995; Garonna 1986) and in Britain (Ryan 1989, 1995; Gospel and Foreman 2006). It is potentially relevant to understand whether the political power of organised labour has changed the set of feasible training policies in Italy compared to Britain, considering the patterns of State intervention in the labour market and the institutionalisation of labour relations (Trampusch 2012, p. 197).

Two dimensions should be considered: not just lower union power in Great Britain since 1980, but also high union power in Great Britain until the mid-1970s. This may be interconnected with the scope for using YLMPs in the 1980s in Great Britain in ways and to an extent that would not have been politically possible in the 1970s, although of course it does not explain why YLMPs could have expanded so rapidly and strongly in Italy.

One major difference between the two countries is indeed the kind of involvement, if any, of employers' and workers' representatives in youth employment policies before and after the 1970s. In the 1970s, in Italy and in Britain, the volume of apprenticeship had started declining – moderately in the whole economy but massively in manufacturing, where it was most used – and market forces were already looking for an alternative to it.

In Italy, strong social partnership was part of the story not only from the early 1970s, when unions and employers' organisations supported the Regions in their choice of suspending any apprenticeship training activity outside companies from 1973 *sine die*. But also in the 1980s, when the unions' membership, militancy, and the control of the work process inside the factory had weakened (Reichin and Salvati 1990, p. 235), although not as much as in Britain.

In the 1970s the main confederations adopted the strategy of 'strong political unionism', which combined the traditional 'political' element of the Italian unions' history<sup>173</sup> with the new characteristics of decentralised bargaining, industrial conflict and control of the production process brought by the sixties (Garonna 1986, p. 51). They managed to avoid economic collapse, through political compromises, by giving up plant-level bargaining power and by tolerating an increasing rate of youth unemployment. They accepted relevant elements of flexibility and stability to the industrial system, including wage claims moderation, a 'free hand' to in-firm employers' strategies, the evasion of protective labour laws

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173 Centralised control of the pressures coming from 'bottom levels', political involvement, low degree of formalisation, representation and organisation, etc.



and tolerance for the use of youth in informal economy, as long as the interests of adult male members were protected. Unions were prepared to sacrifice young people's job rights as the price of maintaining those of adult male members. Unions would fight for equal pay increases and automatic indexation mechanisms, leaving to employers the control of pay differentials and of skills classifications. In exchange, unions gained legitimacy and recognition in political processes (such as income policies, involvement in the macroeconomic discussion of industrial policies and labour market policies), legislative protection for workers and unions, and employment maintenance through subsidised labour, restrictions on dismissals, and generous social policy provisions. However, these elements of employment protection created a queue of young workers people entering the labour force. Likewise, relative pay, productivity and work conditions had increased costs, thereby pricing youth out of the labour market.

This implicit political compromise underpinning the system collapsed in the 1980s, under the pressure of the economic recession. In those years, industrial relations were characterised by decentralisation of wage bargaining, the explosion of industrial conflict and the reorganisation of union presence at plant level. Another important element was the new skills classification system, the *inquadramento unico*, which concealed the deskilling of production work, due to spreading of mass production and assembly lines. As a consequence, training quality continued to be absent from the interests that the unions would promote. Young workers, who had been employed in mass production during the years of the beginning of the economic miracle (1958-1963), acquired an important role in unions' strategies to control industrial relations developments and establish their own leadership. These strategies brought political conflict out of the firm into the traditional politics arena, where the unions would be more inclined to accept political mediation and compromises. The narrowing of pay differentials, emphasis on job security and primary work conditions, affected the relative pay and employment of youth labour force, which became part of the black labour market.

During the 1970s and early 1980s decline and crisis of industrial relations in Italy, apprenticeship declined in volume, but it involved higher shares of the youth population. The apparent resiliency of apprenticeship might be due to stable relative cost-advantages, in spite of increased relative costs. Moreover, apprentices' position in the employment structure changed: underpayment, lower training standards and opportunities, longer hours and shorter holidays, evasion of social legislation and allocation to lower status jobs, suggest that apprenticeship deteriorated, and was used more flexibly.

In Britain, from the mid 1960s, the Industrial Training Boards created a new institutional infrastructure to support training quality and increase the level of vocational qualifications. Although this would come at higher costs, and consequently might have lowered apprentice pay, in fact apprentice pay rose. "Instead of a German style 'low pay, high quality' apprenticeship system, the UK moved towards a 'high pay, high quality' one which ensured high training costs for employers, thereby encouraging a secular decline in apprenticeship numbers" (Marsden and Ryan 1986, p. 366).

This changed from the late 1970s, with the arrival of the Conservative government. The motto that 'there is no such thing as society' synthesises the libertarian individualism ideology of Mrs' Thatcher era. The government should have empowered individuals to maximise their interest, by neglecting any intermediary institution or previously established collective regulation. This led to a major shift in the 1980s in British industrial relations: the creed of individualism and the 'doctrine of contract' did not allow for collective representation (Purcell 1995). Some of the elements associated to this pattern are: the decline in multi-employer bargaining, following also to the arrival into the UK of multinationals that choose not to join established or recognised bargaining arrangement; the dramatic decline of union presence and membership; the decentralisation of wage fixing, in the non union sector, and its rise. This industrial relations trend has not subsequently been reversed. Union power continues to be marginal and Apprenticeships centred on a 'quasi market'.

### *Equity versus Efficiency*

The struggle between equity and efficiency is to be found in the responsiveness of government policy to the two criteria. A first issue is understanding what were – for the Italian and British governments – the issues at stake in terms of ‘equity’ and ‘efficiency’.

Efficiency can be associated with the maximisation of the output, present and future, of the labour force, in terms of levels of income and productivity. One way to achieve it might be investing in manpower development programmes, like apprenticeships, which leads to intermediate level qualifications and is associated with higher productivity and higher labour earnings (Ryan 2000).

‘Equity’ indicates principles of social justice, or fairness, to be further defined according to given sets of values, which differ from one government to another. For instance, it could be argued that it is ‘fair’ to include disadvantaged youth in the labour market, or provide general education to school-leavers on work-based training programmes, or, as it is argued here, ensure all youth enjoy the same possibilities for education and training.

Choosing to promote YLMPs rather than apprenticeship, and vice versa, may pose an equity-efficiency trade-off. In Britain, this makes sense only in terms of a government-financed expansion in one or the other policy option, therefore YLMPs or Apprenticeship. Before the 1990s, indeed, ‘apprenticeship’ received little financial help from the government. In both countries, employers could set up the YLMPs more easily and flexibly than apprenticeship, at least because training requirements were lower. Consequently, one could imagine that they be used on a larger scale within a given level of expenditure. This, however, does not mean they were more efficient: larger programmes with lower per capita spending may be seen as promoting equity, insofar as all needy people can participate, as they are typically entitlement programmes – which had not been the case with apprenticeship. Yet, if the average skill produced is low relative to what is required,

the programmes can be seen as sacrificing efficiency. An important question for the next section, is therefore how influential the two criteria were politically in Italy and Britain, and how Germany dealt with such issues.

### *Quantity versus Quality*

An organising and evaluative principle for explanation is the search of balance between quantity and quality in public policy choices. The willingness of governments to pursue these two goals – to the extent that they do so – makes this a matter of politics in the first instance.

There are two questions here. The first is how the British and the Italian government managed to balance decrease in youth unemployment and increase in youth educational attainment. The second is whether greater political rewards for providing a high quantity of youth places than for a high quality of places in government programmes might explain the emphasis on labour market programmes in the 1980s, and the actual content of the ‘return to apprenticeship’ in the 1990s in Britain and in Italy. Finally, if that is the case in both countries, there is the question why it did not happen in Germany too.

## **4. The hypotheses and their evaluation**

This section proposes tentative inferences about the factors that generated the historical patterns described above. It is structured into two subsections, (similarities and differences in national attributes), and for each it specifies the economic and political factors that are plausible causes, bringing in evidence to show whether the difference in factors is consistent with the difference in outcomes.

## 4.1. Similarities

The central similarities between Italy and Great Britain are three: a change in the meaning of 'apprenticeship', a shift from apprenticeship to youth labour market programmes in the 1980s and a shift from YLMs to some hybrid new forms of Apprenticeship in the 1990s. The two policy shifts are analyzed together in the following sections. An understanding of the changes in the meaning of apprenticeship should flow from the same analysis, as they can be conceived as an outcome of political choices.

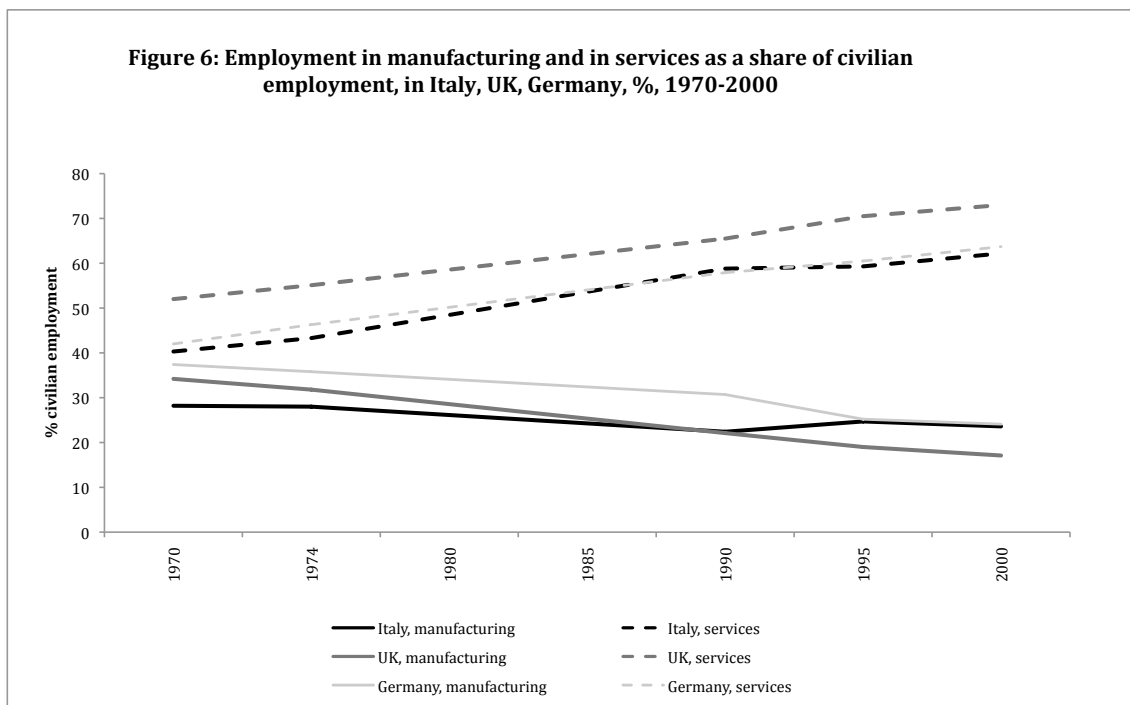
### *i-ii) Policy shifts in the 1980s and in the 1990s*

Italy and Britain share common patterns in youth public policies, with two major shifts, namely: from apprenticeship to the adoption on YLMs in the 1980s, and a 'return' to Apprenticeship from the mid-1990s onwards.

### *Economics – Structural Change*

The trend towards a service-based economy, developed in both countries in the 1980s, might be relevant to understand shifts in youth policy. The hypothesis is that apprenticeship might have lost importance, due to the relative decline of the industries in which it was traditionally rooted, especially manufacturing in Britain. The 1980s YLMs, instead, were widely distributed, not only in manufacturing but also in tertiary occupations. In Britain, for instance, a similar share of YTS trainees (around 20 per cent) was working in engineering, motor vehicle repair and other manual processing jobs as in clerical and administrative jobs (Training Agency 1989; chapter two, sections 3.2; table six in annex three). Regarding Italy, evidence suggests that the CFL, in its 1983 variant, was mostly used in manufacturing, for blue-collar low-skilled occupations, not in services (chapter two, p. 109). A sample survey by ISFOL (1988), however, suggests that this changed over time, as the 1984 CFL were mostly used in manufacturing industries, such as food, textile, clothing, etc. (28%), followed by engineering (24.7%), and retail (15%).

Figure six shows employment patterns in manufacturing and in services, as a percentage of civilian employment in each country. Data are selected for the same five-year intervals with an exception for 1980 and 1985 (1970, 1974, 1990, 1995 and 2000) for all countries, which illustrates the trend well enough. For each country, dotted lines represent trends of employment in services, while continue lines show those of employment in manufacturing.



Source: elaboration of the author on OECD 2001, p. 41

Note: Data is interpolated for 1980 and 1985. Information is collected for the United Kingdom and not for Great Britain, but differences are marginal.

Over the five decades, the number of employees tends to decline in manufacturing, and it tends to increase in services both in Italy and in the United Kingdom (UK), as well as in Germany, and in all OECD countries, by also causing limited capacity for productivity improvements in services (Pierson 2003, p. 85). Both manufacturing decline and services growth were more marked in the UK than Italy. On one side, the contraction of employment in British manufacturing is deeper than in the Italian economy, as it starts at a higher share of employment in 1970 and it registers a lower value in 2000. In Italy, instead, the fall in the share of employees

in the sector is more moderate, and after 1990 it reverts to the declining trend. On the other side, services' growth starts at levels much higher in Britain than in Italy and the distance between the two countries remains constant over the five decades. In Britain as well as in Italy, the shift from manufacturing to services as a source of employment was already under way before 1970, when the two lines take opposite directions: while manufacturing declines, services grow. The distance between the two sectors widens even more in the 1980s and grows further in the next decades. Germany records trends similar to those of Britain and Italy, although the decline in manufacturing is more gradual over the decades.

Therefore, evidence suggests partial consistency with the hypothesis of common patterns in structural economic change, as relevant for explaining youth policies. Pointing to the similarities between the long-term decline of apprenticeship in both countries, it seems a plausible explanation. Also, the rapidity of change in the 1980s is more plausibly attributed to economic fluctuations, with the damage done to manufacturing being particularly severe in Great Britain at that time. By contrast, the timing of structural change does not fit with the rapidity of change in the 1980s, so this explanation is a nonstarter for that reason.

#### *Economics – Youth Unemployment*

One potentially important economic factor that might have influenced governments in Italy and Britain to turn from apprenticeship to YLMPs in the 1980s, was the rapid growth of youth unemployment in the Energy Crisis of 1979, which had led to deep and prolonged economic recession in the early 1980s. That might explain, at least in part, the importance of responding visibly and strongly to youth unemployment rapidly, and less expensively than could be done through apprenticeship. In this connection, youth labour market programmes, subsidised by the government, relatively easy to set up and able to reach large numbers of youth might have represented an economically and politically attractive response to high youth unemployment.

In Britain, it has been claimed that the different YLMPs have been introduced to combat youth unemployment<sup>174</sup>, by reducing figures, and therefore would have had a presentational outcome<sup>175</sup>, but their real goal was reducing the number of jobs and save money. However, this was not the position of the Manpower Services Commission (MSC)<sup>176</sup> and also the government, in the 1981 'New Training Initiative', heralded the replacement of job-creation by vocational training to help untrained and unskilled youths, who are more likely to be unemployed<sup>177</sup>. This goes along with the so called 'slave labour argument', according to which in the best cases youth programmes would have created jobs, but job creation would be sustainable, and profitable, only at low pay levels (Eraut and Burke, 1986).

In Italy youth unemployment was above 35% in the mid-1980s, and it has been considerably higher than that in other advanced industrial countries (for in stance, double and even triple than that in Germany). However, it has been suggested that governments' interventions in the 1980s might have been introduced in relation with the increasing number of unemployed first-job seekers, which had grown from around 700 thousands in 1977 to almost 1,300 in 1983 (Garonna 1986).

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174 "The formal state response to an apparent crisis in employment began with the MSC's introduction of the Youth Opportunity Programme [YOP] to deal with the increasing youth unemployment. However, because YOP was not a strategy for training, the formal state response to unemployment required further justifications, as YOP was transformed into YTS. This took the form of state intervention at both the practical and the ideological level which was seen as providing a long term programme to combat the crisis, identified first as youth unemployment in YOP and later as training and vocational preparation in YTS" (Blackman 1987).

175 YTS would have had the only significant effect "to change the number of registered unemployed. Its purpose is purely presentational – to make the figures look better" (Eraut and Burke 1986, p. 17).

176 According to the MSC, the special measures, introduced by the department of employment in 1975-77 and applied to young people, had the effect of reducing unemployment below what it would otherwise have been (MSC 1977) Nevertheless, the assumptions about a complete substitution between unemployed and trainees, lead to doubt. A survey in Liverpool, Walsall, Chelmsford, reported that the typical pattern of youth school-leavers was from unemployment to YTS, motivated by the reasons that other acceptable jobs were unavailable (Roberts *et al.* 1987).

177 "As unemployment was rising toward one-quarter of the youth labour force when the initiative was announced, the Thatcher government had to fight on two fronts. It promoted palliative measures for the unemployed young, while simultaneously moving slowly toward the creation of a new national system of vocational education and training" (Rose and Wignanek 1990, p. 34).



Figure 7 shows youth unemployment rate<sup>178</sup> in Italy, in the United Kingdom and in Germany. Youth unemployment was higher in Italy throughout the period than in the other countries. Youth unemployment rate over the five decades ranged between 10 and 35 per cent in Italy, peaking at 35.54% in 1987 and never decreasing less than 25 per cent during the 1980s. In the UK, youth unemployment rate ranged between 5 and 23 per cent, but mostly stayed under 20 per cent. In Germany, it started near zero in 1970, increased in the early 1980s, and peaked at 15 per cent in 2005, but otherwise stayed below 10 per cent. German youth unemployment was higher than in the UK only in 2004 and 2005.

In terms of big changes, four main periods can be identified in all countries. The first, from 1970 to 1976, when youth unemployment rose quickly but never above 15%. The second, from 1980 to 1998, when youth unemployment reached unprecedented high levels in all countries, with peaks in 1989 of 35.65% in Italy, 23.20% in 1983 in the UK, and 11.02% in Germany the same year. The third period covers ten years from 1999, and records fluctuating rates but an overall declining trend. Finally, from 2009-10 in Italy and Britain youth unemployment returned to growth, reaching levels as high as in the second period; while in Germany, the rate remained fairly stable, although higher than the last four decades average.

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178 This indicator has been long criticised as of limited value for youth employment-related studies (Raffe 2003). Moreover, it has been observed, "A thoroughly misleading way of categorising out-of-school youth is to distinguish employees, youth trainees and the unemployed. And to treat them separately as if they were entirely different populations. In practice they are overlapping groups. Many young people feature in all three at different points in time (p. 97)". Most unemployment experiences for youth are brief spells, or they register as unemployed in summer when there is no school. Moreover, "periods of unemployment prior to schemes and first jobs, then following departures from jobs and the YTS were common" (Roberts, Dench and Richardson 1987).

**Figure 7: Youth Unemployment Rate, 15-24, Italy, UK, Germany, 1970-2010**



*Source:* data from the on-line OECD Employment and Labour Market Statistics (Labour Force Statistics) except for UK, 1972 and 1976 (Ryan and Garonna 1991, p. 6) and 1975 (Dolton et al. 1994, p. 264).

Note: Data is reported for the UK, not for Great Britain. Missing years for the UK (1970-1, 1973-4, and 1977-79) have been obtained by interpolating available data. Germany series has a break in 1991, as a result of reunification, to which high unemployment in the East followed. Another change in German data was in 2005, since when the Labour Force Survey was carried out on a continuous basis, instead of referring to one individual week, so that the results refer to the entire year (annual averages).

Considering that those were years of deep economic recession, it is reasonable to think that governments would look for a quick solution, with limited economic and fiscal cost to bring youth back into the labour market (economics) and to be seen to be doing something about an urgent problem (politics). The same policy choices did not, however, accompany the increase of youth unemployment rates of the early 1990s in Britain or Italy, which, in those years, were facing a new economic crisis. The mid-1990s represent for both countries the start of 'period three', when governments returned to actively promote Apprenticeships, thereby abandoning YLMs.

Moreover, the policy choices of Britain and Italy contrast with what happened in the 1980s in Germany, where, despite the rise in youth unemployment, the use of YLMs was negligible. This could have been because the rise of youth unemployment was lower and slower in Germany. By contrast, faced with a higher youth unemployment rate in the late 1990s and early 2000s, Germany adopted YLMs, especially for the low-skilled unemployed ones, while Britain and Italy did not. Parallel to the expansion of YLMs, concerns grew about the mismatch between apprenticeship demand and supply.

To sum up, youth unemployment can only be a partial explanation as it explains the 1980s policy response in Britain and Italy but not the 1990s one. In other terms, the big rises in youth unemployment in Great Britain and Italy in the 1980s may have prompted YLMs responses there, while other factors mattered there in the 1990s. In Germany, the increase in youth unemployment was less in the 1980s, but big in the later 1990s, which also suggests that youth unemployment may have played a role. However, caution should be used when considering the influence of youth unemployment as a factor to explain historic trends, and its interaction with multiple causality must be considered.

## *Economics – Welfare State Retrenchment*

Here the hypothesis is that market oriented strategies in Britain might explain the liberal and flexible approach to youth policies of the 1980s, as opposed to Italy, where apprenticeship continued to be a constant option, and in contrast with the German choice of continuing to invest in apprenticeships, at least in those years<sup>179</sup>.

However, evidence is only partially consistent with this hypothesis: YLMPs did indeed require additional public spending, not less. Conversely, traditional apprenticeship did not receive direct public support, at least in Britain, apart from subsidies to part-time vocational colleges, which were mostly a fixed cost anyway, as colleges run independently from apprenticeship.

One plausible explanation could simply be that in Germany apprenticeship proved to be more resilient in the face of economic hardship, and so the need to set up YLMPs to fight youth unemployment was, at that time at least, lower than in Great Britain and Italy. Another possibility is that, although public expenditure could have increased in Italy and Britain, the State might have had an interest to set up a market oriented system of low-cost contracts, which would support employers in cutting costs.

A possible explanation for Britain lies in the paradox of Mrs. Thatcher's neo-liberal labour market policy that "combined the need for active government direction to refashion an advanced welfare state into a system of free markets" (Robertson 1986). The State was active in guaranteeing the individual's freedom to act and choose in a 'free market', with minimal interference from third bodies. Hence, the need to cut the cost of public policies might have explained Britain's policy choices for youth training and employment in the 1980s, but it is reasonable to claim that it is a weak factor to explain how things went.

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179 Things changed due to the youth unemployment peak in the 2000s, which led Germany to use YLMPs too (Piopunik and Ryan 2012, p. 31).

### *Economics – General versus Vocational Education*

The levels of activity in apprenticeships, considerably higher in Italy than in Britain, might suggest that stereotypes and discredit against VET, although present in both countries, might have been not as strong in Italy as in Britain.

Moreover, in Italy being an ‘apprentice’ has been and has been viewed historically as an employment condition, therefore not in competition with other educational options. While, in Britain ‘apprenticeship’ represented more an alternative to full time study in further education colleges, but still a training pathway; mass education and the expansion of higher education might have posed apprenticeship in a relatively disadvantaged position. This did not happen in Germany, where apprenticeship has traditionally been associated to an occupational identity (*Beruf*) and socially legitimised.

Moreover, the orientational shift of the 1980s could also be informative about the political rhetoric that in the 1990s supported Apprenticeship, according to which ‘competences’ should be developed in a combined way, both off- and on-the-job, but principally flowing from the latter and in the productive environment. This might be considered as an arguably relevant factor to understand the policy shift whereby governments replaced YLMPs with Apprenticeship in both countries.

This additional similarity in outcomes suggests some underlying similarities in the economic factors (e.g. an increased importance of skills in national economic performance) and/or the political one (e.g. the increased importance for governments of being seen to do things that appear to improve skills, however weak their content, which can be low because of the difficulty the public has of perceiving low quality in public training programmes). In those years, the argument of skills reached an unprecedented economic importance, as many economists have argued (e.g. Prais 1995). This can be understood looking at the broad and general shift to the ‘knowledge economy’, requiring more and better qualified workers, technological advancements and continuous adaptation. Policy

responses to these economic transformations would combat youth unemployment and also the phenomenon of early school-leavers, one among the European priorities of the Lisbon agenda. Politically, the argument of 'skills' might have been considered as true and convincing for voters, due to the evidence and impact of the changes mentioned above, and therefore it might have informed governments' action. In this connection, the influence of international organizations might have had an impact in shaping, or even just orienting, national governments choices. The role of OECD, and that of the United States and their liberal philosophy in shaping OECD policy orientations, deserve particular attention. In 1994, the OECD released its Jobs Strategy to provide a set of policy guidelines to OECD countries to tackle high and persistent unemployment. Among the pillars of the Strategy there are: indirect policy measures to address unemployment, including one about facilitating the development of labour-force skills and competencies. Governments should pursue this policy goal, by ensuring that young people acquire skills relevant to the labour market, by combining education with work, for instance through apprenticeship systems or more informal channels (OECD 2006).

Determinants economic and political in nature here overlap and it is difficult to distinguish which ones prevail.

#### *Politics and institutions – Forms of State*

While Germany and the U.S. have a powerful upper house, this is not the case in the United Kingdom, where the power of the Parliament fully reflects the power of the political party that has won the last election to the lower house. In the 'Westminster democracy' system, bipolar competition prevails: the party obtaining the absolute majority of votes forms the government and its leader becomes the prime minister. The 'executive dominance' in Britain is relatively simple (one candidate, one party, one government) but it might lead to a number of dysfunctions, including distortions in representativity. For instance, the conservatives led by Mrs. Thatcher's won three consecutive elections (1979, 1983, 1987), with slightly more than 40 per cent of votes. Although, this has more to do

with electoral systems (*infra*, p. 186), it is possible to observe that power centralisation in the UK became even more powerful in the Thatcher's years, given the ability of her government to act directly from the centre, bypassing other centres of power.

In Italy, there is the separation of the legislative from the executive power. There are the Chamber of Deputies and the Senate, which differ but for marginal distinctions. The Italian system, one of 'perfect bicameralism', is indeed based on the collaboration and mutual trust between different powers and the two Chambers. The functions of the executive power go well beyond the mere implementation and execution of the parliamentary acts, as the government has also a function of political co-ordination and it orients the legislation. This system was working also during the so called 'First Republic': within the coalition governments of those years, led by the Christian Democrats, the prime minister had a function, as *primus inter pares*, of mediating between the different interests pursued by the ministries, who still represented the parties they belonged to. In the 1980s the boundaries between political forces, precisely the distance between the government and the opposition, tended to blur further, with the strategy of the *consociativismo*, whereby also forces external to the government would be included in parliamentary activities. The strength of the executive power increased after the electoral and partisan reforms of the 1990s that brought the system closer to a bipolar one: two coalitions, respectively right- and left-wing, would lead the electoral competition, then closer to majoritarian principles. In the 'Second Republic', the government gained more autonomy and flexibility to impose its political strategy and thereby greater capacity to act.

The absence – or the marginally effective presence – of an upper house, in charge of controlling legislative powers and its relationship with the executive one, hence, might be relevant to explain the ability of the executive power to influence the legislative and lead the government party to use patronage to maintain support in the lower house, in the Italian as well as in the British case.

### *Politics and Institutions – Governments Colour*

In the 1980s public policies, in both Italy and Britain, marked a shift towards 'deregulation' and the return of training responsibilities to employers. Evidence that governments' liberalistic orientation might be relevant for the pattern of youth policy, comes from the methods of intervention in youth labour markets adopted by Italy and Britain. Governments introduced some elements of deregulation in youth employment policy, at least with respect with the 'standard' labour market regulation, and also concerning apprenticeship.

In Britain the central and direct power of the liberal and market oriented governments of Mrs. Thatcher was able to overthrow the previous tradition of social partnership and to give autonomy and return responsibility for training to employers (Blackman 1987, p. 14). The paradox of this model is that neo-liberal goals are combined with the active role of the State power on the labour market, with the aim of approximating the ideal free-market model conditions for labour supply (rational individuals selling their energies and pursuing self-interest, wages free to fall to market-clearing levels, etc.). The role of ideology is important too: designing policies in conformity with ideology risks to "embody assumptions which seriously misrepresent the behaviours which they are designed to change" (Senker 1991, p. 2).

With respect to YTS training policy, there is more than one reason why it is possible to claim that the Thatcher government moved away from the guardian approach, towards a market-centred one. Among the others, the government strategy for YTS marked a departure from bipartisan policy passivity, taking an active role in promoting and funding the schemes; second, the YTS tended to lower the relatively high youth wages and reduce some adults' pay, thereby increasing wage disparity; third, YTS placed emphasis on the private sector, especially commercial training providers (Robertson 1986, pp. 279-80). Political implications concern wage inequality, decline in unions' power, which in turn might encourage conservative policy processes and outcomes. However, the evidence is only



partially consistent: the first YLMs, namely WEP and YOP, began respectively in 1976 and in 1978 under a social democratic (Labour) Government, which might suggest that the economic crisis was more important than the political colour of the government in shifting away from apprenticeship towards YLMs.

In Italy the *Democrazia Cristiana* dominated the Italian governments from 1953 until 1992. These governments were formed by coalitions, or grounded on mixed parliamentary alliances, involving even six or seven groups. It should be observed that in Italy the Christian Democrats tended to be centre-right (Iversen and Stephens 2008, p. 604), but formed coalitions with centre-left parties, and their action has been strongly influenced by the presence of the Catholic Church in Italy (as such, Italian coalition governments should have been in favour of vocational training more than active labour market policies). For this reason Italian governments of those days are called 'governments with multiple dissociated direction', indicating that each ministry responded to their party, more than to the president of the council of ministries. Therefore the ministers would promote the politics of their party before a general one, so that they would be able to manage an autonomous and direct relationship with the public opinion. The lack of a precise hierarchy between the executive power and a government with multiple dissociated direction, moreover highly unstable, characterised Italian politics until the 1990s, at a national and sub-national level as well. This led to the creation of a system, which was completely left to the mediation managed by the parties' managers, with a centralist trend, bringing to Rome local decisions too.

#### *Politics and institutions – Industrial relations*

In Britain, the progressive curtailing of the role of social partnership in vocational training occurred especially with the elimination of most of the Industrial Training Boards in 1981, which reduced further the institutional support for apprenticeship (Senker 1991, pp. 41 ff.). This might explain why after the late 1970s the government allowed apprenticeship to languish, and in its place promoted public training schemes and deregulation. Political change must be a factor too, insofar as

Mrs. Thatcher saw apprenticeship as union dominated, and she was determined to roll back union power.

In Italy, by the late 1960s and early 1970s, the unions had hardly dealt with apprenticeship as an issue, either in national contracts or at plant level. This strategy might have aimed at lowering the cost-advantages of employing apprentices, and eventually phasing out the apprenticeship contract. This would have been coherent with the strategy of unifying the labour market, and the necessary neglect of informal economy. This would have also aligned with the need of narrowing the gap between qualified workers' and apprentices' pay, coherently with the national egalitarian wage policy of those days. Despite unions inaction, in those years, the volume of apprenticeships did not register a major decline. From 1980 onwards, Italy registered major changes in the industrial relations system, with a shift from 'strong political unionism' to a new setting of industrial relations (*infra*, p. 192). However, the coalition governments led by the *Democrazia Cristiana* continued to be accompanied by social partnership agreements, in search for compromises and balance among different instances. The government, then, indirectly put the employers at the heart of the system, by limiting public powers, for instance on training regulations. The new social pact between the unions and employers' organisations aimed at supporting more flexibility (and deregulation) in employment policies and in their decentralised management, in favour of employment protection for standard workers. The support for the *contratti* instead of apprenticeship might be seen as a possible effect of that social pact.

#### *Politics and institutions – Political Threats*

Among the political determinants, one could also consider the political damage threatened to the government by youth unemployment, especially by the highly educated youth. The image of governments was under the threat of riots and other political violence by discontented youth, such as the Bristol riots in Great Britain in 1981, to the terrorist threat carried over from 1970s in Italy. Evidence of social turmoil at the time is well established, and in both countries governments were

clearly interested in affirming their values: on the one hand, those of a strong central power in the Thatcherite Britain; on the other hand, values of social cohesion and balance, promoted by the Christian Democrats in Italy. Here the situation had been particularly serious during the so called 'Years of Lead', in the 1970s and 1980s, when the Red Brigades, a terrorist movement, promoted an armed struggle, by means of numerous violent incidents, assassinations, robberies and kidnappings.

The worrying situation of youths increased social tension, leading governments to take a defensive position. In response to such an emergency, governments in both countries might have preferred 'quantity' over 'quality': the YLMPs and the CFL, involving great volumes of youth in the labour market, would have been likely to provide quicker and more evident results, than higher training standards would do, and more positive results in terms of voters' approval. This happened in times of economic recession and welfare state retrenchment, when supporting existing strategies would have been unfeasible without necessary adaptations. Sustaining 'apprenticeship' in more recent times, with a campaign to raise standards, likewise, could hypothetically be interpreted as a political strategy to gain votes in times of political instability and economic uncertainty, in Italy as well as in Britain. The contemporary rhetoric of 'apprenticeship' as the panacea of youth unemployment explicitly ensures voters that a well grounded instruments can solve one social and economic problem that potentially interests all voters.

In Italy, quantity seems to have been less than a problem for apprenticeships, given its high activity levels over the five decades. On the other hand, quality traditionally represented a major issue, with respect to youth training and to apprentices' status, close to that of standard employees. This might have contributed to the large discontent of the late 1970s, followed by the political shift from apprenticeships to the *contratti* in the 1980s. These more flexible tools would have ensured not only larger, but also and better, involvement of youth in the labour market. Soon after their introduction, a large number of CFL were signed, reaching activity levels almost as high as those of apprenticeships in those years. Training

quality, on the other hand, was a minor concern, insofar as, to the purposes of law, it could coincide with work, and, anyway, it was not the purpose of the contracts. When the government introduced higher training requirements, a door was left open to a 'do-it-yourself' option, that is to say the possibility for companies to run training autonomously without asking for public funds. Again, thus, the guarantee of training quality was undermined, in favour of quantity. The government was more concerned about ensuring high levels of activity, than about quality, provided that this had, anyway, been low in apprenticeships during the previous decades. Coming to more recent times, the search for balance between quality and quantity has followed different paths, according to the different apprenticeships typologies. While in type 1 and type 3 apprenticeships, the quality of the programme has been secured by high standards – at least on the level of rules – and their quantitative distribution has been fostered at most by means of public financing. On the other hand, for the *professionalizzante*, it is possible to argue that the government has pursued quantity together with, but maybe more than, quality. This resulted in the possibility of leaving employers complete autonomy of apprenticeship training, with the 2008 reform.

During the 1980s the British government engaged in a length trial and error search for policies that would do something about youth unemployment (Rose and Wignanek 1990, pp. 32-4), involving large masses of youth, without loosing quality, at least on paper. This led to “a veritable alphabet soup of measures: RSSL, YES, YWS, YOP, UVP, NAFE, YTS, etc. [...] A German viewing frequent changes in British programmes might ask: when so much is changing, how much can be new?” (Rose and Wignanek 1990, pp. 24-5). Moreover, the absence of a clear-cut distinction between ‘apprenticeship’ and ordinary employment resulted in instability, primarily eroding pay for all young workers. The low-pay, low-quality apprenticeship system led unions and apprentices to make pressures to raise both pay and quality, with pay in the lead (Marsden and Ryan 1990). Also in Britain apprenticeship quality has been to employers’ discretion, if it is true that in youth training history “employers petitioned Parliament to alter the apprenticeship system to suit their short term aim of profit” (Blackman 1987, p. 14).

## 4.2. Differences

The central differences between Britain and Italy are: greater continuity in youth policies in Italy than in Britain over the five decades, both in terms of higher ‘apprenticeship’ rates, and in overall lower training performances; speed and timing of the rise and decline of YLMs. Two differences that distinguish Italy from Britain have been selected from those illustrated in section 2.2 above: i) the higher rate of apprenticeship training in Italy than in Great Britain throughout the period; ii) faster and longer lasting expansion of, and subsequent contraction of, YLMs in Italy than in Great Britain in 1980-1999.

### *i) Higher rate of ‘apprenticeship’ in Italy than in Britain*

The scale of apprenticeship, as a share of employment, has been much bigger in Italy than in Britain taking the five decades as a whole (figure five).

### *Economics – Productive structure*

A potentially interesting economic explanation concerns the higher share of small and medium enterprises (SMEs) and artisanal production, which has traditionally been apprenticeship-intensive, in Italy than in Great Britain (*infra*, p. 175). From a comparative perspective, it is reasonable to claim that the greater importance in Italy than in Great Britain of SMEs, particularly the artisanal ones, might be important to explain structural differences in the overall size of apprenticeship in the two countries – i.e. a larger apprenticeship system in Italy than in Britain. In other terms, the relative importance of small productive units in Italy is that it might have eased apprenticeship use, more than what large industries would do.

Evidence suggests that Italy’s economy has been historically driven by small, medium and micro firms (table 15), whose share in the overall number of firms is substantially higher than in Britain and in the EU average, also in contemporary times (European Commission 2010). In the 1990s, the share of Italian employees

working in manufacturing companies with fewer than 50 employees was around 60% in Italy and 6% in the UK (Longoni and Rinaldi 2007). The explanation is therefore consistent with the evidence.

*Table 15: Share of apprentices in artisanal firms (% vs. non-artisanal firms), Italy*

	1956	1966	1976	1980	1990	1998
%	46.0	50.6	63.0	64.1	63.4	49.9

Source: ISFOL 2000, p. 32

Presumably, in terms of change in employment structure, a faster growth of large firms with deskilled production methods in Great Britain might have helped cause the faster decline of apprenticeship there. Apprenticeship in Italy, instead, might have represented an ‘accountable’ mean to face economic changes, by transferring knowledge to the new generations. Conversely, the historical relative importance of large industries in Britain might have weakened the creation of a high-level mass system of apprenticeship, and it might have worsened its decline in the years of the manufacturing crisis.

#### *Politics and institutions – Industrial relations*

As far as political determinants are concerned, the presence of strong social partnerships could be associated to a larger and more stable apprenticeship system. By the way, this is the case in Germany, where apprenticeship stands on a solid tripartite, multi-level, institutional infrastructure.

The hypothesis is that stronger employer coordination and social partnership in Italy than in Britain might have supported a higher apprenticeship training rate. It might be doubtful to consider this hypothesis as valid, as far as ‘period one’ is concerned: then in Britain, the ITBs stood in defence of traditional apprenticeships’ high-level (and high-cost) standards, while in Italy apprenticeship’s training quality was already questionable (Sarchielli 1976). By contrast, this could be regarded as a valid hypothesis for the 1980s, when, despite relevant changes,

Italian unions and employers did not stop bargaining for employment issues, while British industrial relations and social partnership more generally were declining fast.

Combined with structural economic changes, namely manufacturing's sharper decline in Britain, the explanation argument becomes more convincing. At the beginning of the 1980s, the Italian unions had already accepted a political compromise with employers, to succeed in avoiding an economic collapse: they accepted more employment flexibility and employers' freedom, in exchange for legitimacy and recognition to act as political actors (veto players), in the macroeconomic discussion of industrial policies and labour market policies. As a result, a strong and rigid system of employment protection legislation, left a queue of young workers people outside the labour market, unless they accepted low pay.

Evidence suggests that the number of employees covered by wage bargaining agreements has historically been higher in Italy than in Britain, with a gap expanding especially from 1980s onwards. Table 16 shows data for bargaining coverage in both countries, from 1960 to 2000.

*Table 16: Bargaining Coverage in Italy and in the UK, 1960-2000*

	1960	1970	1980	1990	2000
IT	91.0	88.0	85.0	83.0	80.0
UK	67.0	68.0	70.0	54.0	36,3

*Source:* Database on Institutional Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts in 34 countries between 1960 and 2007, AIAS.

*Note:* Bargaining (or Union) Coverage, adjusted: (0-100) = employees covered by wage bargaining agreements as a proportion of all wage and salary earners in employment with the right to bargaining, expressed as percentage, adjusted for the possibility that some sectors or occupations are excluded from the right to bargain (removing such groups from the employment count before dividing the number of covered employees over the total number of dependent workers in employment WSEE; see Traxler 1994).

Accepting that larger bargaining coverage can be an indicator, among the others, for measuring the strength of social partnership, evidence reported in table 16 can

be interpreted as consistent with the hypothesis that stronger social partnership in Italy than in Great Britain might have supported a higher apprenticeship training rate.

#### *Politics and institutions – Veto Players*

Another element, potentially relevant to the higher share of apprenticeship in Italy than in Britain over the five decades, is the role of interest groups linked to training.

This is the case, in Italy, first, of the Regions that have been responsible for vocational education and training, including apprenticeship part-time VET, from the early 1970s. Second, the Regions and social partners were able to find mutually convenient agreements in the field of youth policies. After 1973 the Regions agreed with social partners to suspend all part-time VET courses, probably with a view to phasing out apprenticeship (*infra*, p. 210), relying on an overall social pact in favour of the stability of the systems against the economic shocks of those years. After the introduction of the first type of CFL, whose management was completely left to employers, the Regions might have claimed to be involved in training provision, as this belonged to their policy responsibility. This might help explain the changes brought to the CFL regulation from 1984 onwards, whereby the Regions were called to approve the contracts' training projects. Their role did not always, though, follow institutional patterns (*infra*, p. 220). The hypothesis about interest groups, could also clear up the strengthened role of the Regions in training apprentices, after Law n. 196/1997. By then, the Second Republic had started, with greater powers for the government (*infra*, p. 207) and a new electoral system (*infra*, p. 186) would attribute most seats on the basis of a majoritarian basis and a territorial distribution (the Regions were the base for voting the Senate). The new political situation might have created favourable conditions for the Regions to be more active as veto players, and gain a stronger role in controlling vocational training.



The 'pact' agreed between the Regions and market forces might have contributed to the contemporary regulation of 'apprenticeship': the exchange would leave to the Regions the control of VET in type 1 and type 3 'apprenticeship', while employers' and workers' representatives would have maintained power over the *professionalizzante*, that is to say the most widespread apprenticeship typology.

#### *Politics and Institutions – Coalition Governments*

One possible hypothesis is that the direct power of Westminster democracy should have ensured a more direct and coherent action, thanks to the ability to bypass the obstruction of possible interest groups. Furthermore, the market oriented spirit of Mrs. Thatcher government might have shifted political priority from Keynesian principles of full employment to neo-liberal goals, with the State actively intervening in labour market policies.

By contrast, in Italy, the multi-party systems and coalition governments, with proportional representation, by enabling cross-class bargaining, might have also implied the necessity of reaching compromises among different interests. The impossibility to find balance between different instances might have favoured the emergence of tensions and conflicts, and might have led to a watered effectiveness, or void efforts, of policy actions in the field of youth policy. Among the concurrent interests at stake, employment protection legislation pursued by adult workers – widely represented by trade unions – might have prevailed over youth training instances. The strong presence, for all the 1980s, of the *Democrazia Cristiana's* coalitions itself might contribute to explaining Italy's higher rate of apprenticeship, compared to Britain. As suggested by political science, indeed, governments led by Christian Democrats, in electoral systems based on proportional representation, are likely to support vocational training more than active labour market policy, or, in any case, to support VET more than what liberal democracies with majoritarian electoral systems would do (*infra*, pp. 184). The continuity of the governments led by the *Democrazia Cristiana* might have guaranteed the resiliency of this choice. This might have been true, also when the coalition governments involved a

relatively high number of different parties, and the political strategy of *consociativismo* was enacted. The need of achieving consensus among broadly different policy interests might have void policy efforts toward change, consequently confirming traditional policy choices.

#### *ii) Timing and speed of YLMs changes*

In Italy the expansion of, and subsequent contraction of, YLMs was faster and longer lasting than in Great Britain from 1980 to 1995 (see figures 3 and 4).

#### *Economics – Youth unemployment*

One potential economic explanation links to a faster rise and fall of youth unemployment in Italy than in Great Britain during the period. Figure five shows that youth unemployment rate grew more quickly and to higher levels in Italy than in Britain in the late 1970s and in the 1980s. It jumped from 14.5 per cent in 1976 to 23.9 the next year, and growth continued to the 1987 peak of more than 35 per cent. In Britain, it grew more moderately (from 11.3 per cent in 1976 to 14.3 per cent in 1980) and never reached the Italian levels. Hence, the evidence is partially consistent with this line of explanation.

#### *Politics and institutions – Political system*

The degree of centralisation of political systems might also be influential. Italy traditionally had a multi-party system, but in the 1990s it became more oriented toward a two-party one, with proportional representation, although with a mixed majoritarian formula. While Britain had a solid two-party, single member, plurality, system.

This factor suggests a slower, not a faster, growth and decline in Italy than in Great Britain. One would expect the Italian system to be associated to decisions that

require more time to be taken and to be implemented, for instance, due to the need of finding compromises between all forces at stake and interest groups, including social partners, the Regions, the Church. By contrast, the British 'Westminster democracy', especially in the days of Mrs. Thatcher, should be associated to quicker and more direct political interventions. Politics in Britain, in the 1980s, was indeed driven from a central state, exceptionally strong in its ability to act fast from the centre (Gamble 1995), but weak in other respects, such as support from intermediate organisations, such as unions and employers' associations. The rejection of apprenticeship in favour of YTS in 1981-3 seems consistent with strong centralist approach, if one could argue that a weaker government might have had to make more compromises.

The faster and longer lasting expansion of, and subsequent contraction of, YLMPs in Italy than in Britain, do not seem to support the hypothesis about the relevance of the forms of state in explaining historic patterns.

#### *Politics and Institutions – Patterns of Public Policies*

British public policy shifted from a 'guardian approach' in the 1970s, when apprenticeship institutional infrastructure was still in shape, with the power of the Industrial Training Boards, to a 'market centred approach' in the 1980s (*infra*, p. 183). It can be argued that this model continued to regulate youth labour market policy also in the 1990s, when the developing 'training market' left to private training providers and companies large room of manoeuvre in designing, organising and providing training under the Apprenticeships rubric.

Similarly, it could be argued that Italy reflects the 'guardian approach', as youth policies need to be understood in relation to adult employment policies, especially to the strong employment protection legislation, and the rigid norms regulating the consequences of layoff for medium and large companies. However, this seems to be limited, as a distinction needs to be drawn between the approach of the Italian governments against youth unemployment and for youth training in the 1977 Law

and in the first CFL legislation in 1983-4. In the former case youth unemployment had to be fought by means of a more and better regulated labour market, such as in a guardian approach. In the case of 1983-4 CFL, youth policies are based on easier controls on the market, wage concessions and collective bargaining at plant level, the loosening of the labour exchange legislation, and the relaxing of protective rules on temporary and part-time employment (Garonna 1986, p. 48). The liberalisation of youth labour market started, indeed, in 1983-4, when new public policy introduced temporary CFLs: employers would be allowed discretion in the recruitment of young people, complete freedom in the design and implementation of the training part of the contract, and the possibility to extend the contract duration from one to two years. These elements could be interpreted as indicators for a 'market centred' approach. In practice, even the limited legal provisions for external, public control on training regulation were bypassed and left to market self-regulation. For example, as regards the authorisation of the CFL training projects due by the Regions according to the 1984 law, it has been recorded that "65% of the approved projects come from three regions where the employers associations have come to an agreement with unions. In many other cases, negotiations have gone 'underground', often through the mediation of private consultants" (Garonna 1986, pp. 47-8).

By contrast, in the 1990, the government promoted a tentative shift back to a regulated approach, with the 1997 reform of apprenticeship. This changed soon, however, with the 2003 law, although it is not plausible to state that this shifted back to a market oriented approach. The 'Biagi Law', while organising apprenticeships type 1 and 3 around a guardian model, reintroduced as an element of the flexibility for youth, as a marginal and weak group, while adult male workers were well organised in market forces to resist.

Therefore, while Britain seems to share a shift from a guardian to a market centred approach, Italy has a much weaker shift in that direction, associated with the continuing industrial and political power of unions and their adult male members.

## 5. Conclusions

Some of the determinants discussed above can plausibly be considered as contributing to comparatively explain the pattern of outcomes in the two countries.

Among the potential explanatory variables economic in nature, there are economic fluctuations, national productive structures, and changes in youth unemployment, which seem particularly relevant. Less systematic influence is attributable to the composition of the welfare state and public expenditure.

Structural economic change is consistent with the evidence brought in here, but only partially. It seems to offer a plausible explanation for the similarities between the long-term decline of apprenticeship in both countries, and also, for the rapidity of change in the 1980s, with the damage done to manufacturing particularly severe in Britain at that time.

As far as national productive structures are concerned, evidence is relatively consistent with the hypothesis that the greater importance of small and medium enterprises in Italy than in Britain might have helped cause the Italy's larger apprenticeship system.

Youth unemployment stands out as a potential determinant for explaining the policy responses of the 1980s from 'apprenticeship' to YLMs in Italy and in Britain, but not the 1990s one. Nevertheless, youth unemployment might have played a role also in Germany in the later 1990s, when the increase in youth unemployment was big and the government introduced YLMs for youth. To sum up, the economic and political effect of high youth unemployment dominated everything else in Italy and Britain in the 1980s, when youth rioting helped politically.

On the side of politics and institutions, the analysis of the forms of State, and how they function in practice, is a possible element to understand the ability of the

government party to influence the legislative power, and to maintain support in the lower house by using patronage, both in Britain and in Italy.

Industrial relations suggest plausibly relevant hypotheses, such as the one that associates stronger social partnerships in Italy than in Great Britain, even during the 1980s, to higher apprenticeship training rate over the five decades. However, in period one, the efforts of the British ITBs for apprenticeships' quality proved to be more effective than social partnerships in Italy.

The ability of veto players to pursue their interests and to orient government training policies helps understanding youth public policies, especially in Italy, more than in Britain. The British solid single party majority might have allowed Mrs. Thatcher to easily take important decisions, to have them approved rapidly and implemented coherently, bypassing political obstacles. Conversely, in Italy the lobbying action of unions' and employers' representatives, the presence of the Church and the great powers of the Regions, might have influenced the relative continuity of apprenticeship vocational training, because they all had an interest in it. Among possible explanations, social partners might have found in VET a bargaining chip, whereby lowering youth labour costs and maintain the support of adult workers, who constituted the majority of their members. The Church had historically organised VET courses and might have had an interest in keeping them active. Finally, the Regions would receive funds from the State to set up VET courses and therefore they might have wanted to keep active powers in that policy field too.

Likewise, the interaction between partisan politics, electoral systems, and the organisation of capital and labour appear to have shaped the national patterns of youth employment and training policy. In Italy, the multi-party system with proportional representation might have supported employers' associations and their strong function, not only as lobbies but as negotiating actors in collective bargaining to regulate the matching between labour demand and supply. By contrast, the British two-party system, might have represented a significant

condition for employers' organisations not to have a bargaining function, but to act only as industry lobbies against the government.

The list of determinants that seem to be plausibly relevant for explanation. Yet, it does not lead to any definitive conclusion, due to methodological limitations reported in the previous chapters and recalled below. Nevertheless, it is reasonable to conclude that, in explaining similarities and differences between Italian and British youth policies changes of the last half century, economic determinants have accompanied those political and institutional in nature.

One potentially interesting question is whether political determinants have been more important than economic ones in explaining similarities and differences between countries.

To answer this question, one might think, for example, that the political damage threatened by the fast rise in youth unemployment in the 1980s that led to the adoption of YLMs in both countries, seems a more convincing variable than the economic losses of those years. This results as a particularly consistent argument, given the relative stability of apprenticeship activity levels in Italy, also in those years, and considering the decline in the whole British economy which was quite moderate, if compared to that in manufacturing only.

Furthermore, in the 1990s, in both countries, the importance of skills and politically appearing to improve programmes that led to the development of Apprenticeship, was not accompanied by any real commitment to improving skills supply. Therefore, although economic and political determinants overlap here, the political argument of skill needs and the 'competence revolution', did not develop in parallel with major answers on the economic side, particularly as regards training standard enhancement and skill supply.

Finally, the Italian experience is informative about the relative importance of political and institutional factors: in the country, a relationship might be drawn

between less changes in institutions, and also in the political scene, and less changes in youth policies, at least in comparison with Britain.

It is reasonable to conclude that a possible answer to the question stated above, is that political determinants seem to be more convincing in explaining similarities and differences between countries.

Conclusions about the causes of the similarities and differences between Italian and British experiences of apprenticeship and YLMPs during the past half century, are only tentative, due to informational limitations (section one). Moreover, recalling the principle of multi-causality, none of the hypotheses analysed above is intended to be able to explain, alone, the similarities and differences identified in section two above. Finally, when the analysis suggests a possible association between a determinant and a hypothesis, this should be considered partial and to be further verified by stronger evidence. This work, indeed, brings in only limited and partial evidence to show whether the difference or similarity in factors is consistent with the difference or similarity in outcomes.



# Conclusions

## 1. Summary

This work has compared patterns of youth employment and training policy and practice, with particular interest in ‘apprenticeship’ in Italy and in Great Britain during the past five decades. The British-Italian comparison has also considered Germany, as a background case to the study of contemporary VET systems, not only because it is recognised as a success model of work-based training and the school-to-work transition, but also because governments in Italy and Britain have promoted Apprenticeship reforms, taking inspiration from the German model.

The research is built around the issue of what the term ‘apprenticeship’ denotes, and has denoted, in the three countries since 1960. To this end, this study has investigated how, and why, the phenomenon of ‘apprenticeship’ has changed, alongside the growth and contraction of youth labour market programmes. This has required consideration of the scientific meaning of the term ‘apprenticeship’, and thus the minimum requirements for a training programme to be classed as such. In this connection, to facilitate the cross-country comparison, a standardised definition of apprenticeship has been introduced, stating the functional minimum standards for a phenomenon to be considered to be ‘apprenticeship’.

The comparative research in this work started with the observation of contemporary ‘apprenticeship’ systems in Italy and Britain, with Germany in the background. Chapter one described the quantitative and qualitative aspects of ‘apprenticeship’ in both countries in recent years (circa 2010). After laying out similarities and differences, the first chapter concluded with a summary of shared trends in ‘apprenticeship’ policies and practices in Italy and in Britain (see the next section for main findings).

To establish how the two countries came to share common developments in public policy in recent decades, chapter two looked back at the past five decades, to reconstruct the pattern of development in each country's youth public policies and practices. The description identified significant similarities, but also relevant differences, in policy changes toward youth employment and training in the two countries.

The aim of the research was to suggest what reasons might explain similarities and differences between countries, after having described and compared them. Chapter three analysed a number of possible determinants, by distinguishing between economic and political-institutional ones. The former include the structural features of national economies, macroeconomic fluctuations, the national productive structure, and youth unemployment. The political-institutional factors include the form of State, political partisanship and electoral systems, the role of interest groups as veto players, the impact of industrial relations. The third – analytical – chapter concluded with a summary of the set of determinants that appear most convincing for specific similarities and differences between the Italian and British patterns.

## **2. Main findings**

This section summaries the main findings of each of the three chapters. However, the reader should not consider any of the following statements on their own, as conclusive, but in view of the principles of institutional complementarity (Crouch *et al.* 2005) and multiple causality, except methodological caution, as reported throughout the work.

### *Chapter one*

Chapter one suggested that in the last two decades both countries have promoted 'apprenticeships' reforms that have led to a common outcome, namely an

expanded and blurred idea of 'apprenticeship'. The term, along with strengths and excellent performance in some sectors, generally refers, in Britain nowadays, to any work-based programme funded by the government; in Italy, to specific types of employment contracts for youth, with loosely regulated occupational aspects, and, often in practice, only marginal levels of participation in VET. By contrast, despite criticism and sectoral differences, the German apprenticeship, for all the problems that it has faced in recent years (including shortages of training places, and mismatch between demand and supply), shows high continuing of coverage and training quality, with a clear differentiation of apprenticeship from YLMs.

Moreover, the Italian and British patterns are seen to have been influenced by continuous, politically driven, and often only superficial innovation. The lack of consistency in the political dimension seems to be reflected in both countries in the marked, and even increasing, distance between legal provisions and their implementation in practice, with wide heterogeneity across sectors.

Having acknowledged the distance between law, policy and practice on the one hand, and that between official definitions and a standardised definition, chapter one concluded by suggesting the 'apprenticeship' should be appraised by measuring two populations: those who participate in government programmes called 'Apprenticeships', and those who can be functionally considered 'apprentices' at an internationally comparable level. The distinction points up a considerable discrepancy between the two groups in both Italy and Britain. Both governments use the term 'apprenticeship' to label activities that, from both a functional and an international comparative perspective, are not apprenticeship, as far as both rules and, particularly, practices are concerned. In Germany, by contrast, apprenticeship denotes programmes that, both in rules and in practice, meet the qualitative criteria of the standardised definition adopted here.

## Chapter two

In terms of broad similarities, the history of work-based training for young people since 1960, both in Italy and in Britain, can be divided into three periods, characterised by similar changes, but differing in detailed timing: (I) 1950 to the late 1960s, (II) 1970 to the mid 1990s, and (III) the mid-1990s to the present (2010). In these periods the levels of activity in youth work-based training reached unprecedented high levels: ‘apprenticeships’ in period one in Italy, youth labour market programmes in period two in both countries, and ‘Apprenticeships’ in period three in Britain.

Comparing changes across countries shows that in the 1980s the Italian and the British governments, unlike the German one, set up special employment measures for youth (YLMPs), formally aiming at increasing the participation of youth in training activities and in the labour market, at the same time permitting apprenticeship to languish, or at least, allowing it an only secondary role. These programmes were the *contratti di formazione e lavoro* (CFL) in Italy, and youth labour market programmes (WEP, YOP, YTS, YT, OT) in Britain (chapter two, sections 2.2 and 3.2). Despite differences in the content of particular national programmes, in both countries the contraction of apprenticeship volume tended to correspond to the expansion of active labour market policies.

In quantitative terms, Britain and Italy share common trends that, yet, developed at different speeds and with different sizes. Among the other differences, the scale of apprenticeship activity has always been bigger in Italy than in Britain. Moreover, the volume of activity on YLMPs never exceeded that of apprenticeship in Italy, but it did so in Britain.

On the quality side, while apprenticeship training has been questionable throughout the five decades in Italy, traditional British apprenticeship, at least by the 1970s, had attained generally high quality standards, prompted by the Industrial Training Boards, and guaranteed the supply of intermediate vocational

skills to many companies in the country. As concerns Apprenticeships in both countries (the *professionalizzante* in Italy), they share similarities with both the active labour market programmes of the 1980s and with apprenticeship (notably in traditional sectors).

The reforms passed by the British government in the 1990s and in Italy in 2000s have however involved a considerable departure, in terms of both rules and practices, from the minimum requirements of the standardised definition adopted in chapter one.

### *Chapter three*

Chapter three listed the central similarities and differences between the historical patterns in public policies for youth employment and training in Italy and Britain, which require explanation. It then outlined a number of determinants, economic and political-institutional in nature, that are potentially relevant to the explanation. Finally, chapter three elaborated and evaluated possible hypotheses, and for each one, it considered evidence as to whether the similarity or difference in the relevant factor(s) is consistent with the similarity or difference in outcomes.

In sum, three are the central similarities between Britain and Italy: first, a change in the meaning of 'apprenticeship'; second, the adoption on YLMPs in the 1980s; third, a 'return' to Apprenticeship from the mid-1990s onwards. Similarly, it is possible to identify three central differences between the two countries: first, greater continuity in youth policies in Italy than in Britain over the five decades in terms of higher 'apprenticeship' rates but also, second, in overall lower training performances; third, speed and timing of the rise and decline of YLMPs.

The variables that stood out as particularly influential for youth-related practices and programmes include both economic and political or institutional determinants. This section recalls only some of them.

Among the economic ones, structural economic change seems to offer a plausible explanation for the similarities between the long-term decline of apprenticeship in both countries, and also, for the rapidity of change in the 1980s, with the damage done to manufacturing particularly severe in Britain at that time.

National productive structures might partially explain the greater importance of small and medium enterprises in Italy than in Britain, as a favourable condition for Italy's larger apprenticeship system.

Youth unemployment, finally, stands out for its potential explanatory capacity with respect to the policy responses of the 1980s, from 'apprenticeship' to YLMs in Italy and in Britain. This is less the case as regards the British and Italian policy shifts in the 1990s, from YLMs to Apprenticeship. Then, youth unemployment might have played a role in Germany, when the increase in youth unemployment was big and the government introduced YLMs for youth.

Among the political and institutional determinants, industrial relations suggest that stronger social partnerships in Italy than in Great Britain, even during the 1980s, might be associated to higher apprenticeship training rate over the five decades.

Veto powers theory can also promisingly help understanding some aspects of youth public policies. In Italy, far more than in Britain, veto players such as unions and employers' representatives, the Catholic Church and the Regions, might have influenced the relatively continuity of apprenticeship vocational training, because they all had an interest in orienting government training policies.

Given the informational and the methodological limitations of comparative methodology, these findings cannot be conclusive. Nevertheless, it is reasonable to conclude that political and institutional determinants have accompanied economic ones. Chapter three also raises the question whether the former might have prevailed over the latter, offering a few suggestions.

### 3. Recent changes and future prospects

Insofar as the conclusions from comparative research on the past half century in Italy and Great Britain permit speculation about the future, it is possible to address recent changes and future prospects in both countries.

In 2011 and in 2012, governments in Italy and in Britain have promoted reforms of 'apprenticeship', which seem to reverse, or at least curb, the processes of expansion and 'deregulation' during the last fifteen years. Thus far, this can be appraised only at a legal and political level, but not yet in practice; moreover, these signals are accompanied by other elements that continue on the old pattern. Briefly, the most recent Italian and British reforms introduced some elements, mainly requirements for higher minimum training standards that suggest increasing restriction on the boundaries of what is termed 'apprenticeship', and even of introducing more premises for quality enhancement.

In Italy, after the 'revolutionary' reform introduced with the *'Testo Unico dell'Apprendistato'* in September 2011, a new Labour Market Reform has been passed by Law n. 92 on 28 June 2012, the so called 'Legge Fornero', from the name of the Minister of Welfare. This introduced considerable changes to apprenticeship legislation: a six month minimum duration for all contracts, enlarged quantitative limits of apprentices in medium and large companies, the obligation to confirm as permanent employees a share of all the apprentices hired in the past three years as a condition to hire new apprentices. The 2012 employment reform, by modifying legislative decree n. 167/2011, marks another shift, closer to 1997, with the aim of expanding apprenticeships activity levels, by guaranteeing, at the same time, a minimum level of quality standards and a restriction in the array of possible employers. However, since Law n. 92/2012 restricts the use of other employment contracts, used as cheaper alternatives to apprenticeship, the latter is expected to grow in quantity in the next years. Again, and this time explicitly, the goal is reaching 'quantity' in apprenticeship, with the goal of fighting youth unemployment rates. Having learnt a few lessons from the history of Italy, it is

reasonable to continue to be concerned about 'apprenticeship' quality and the educational and training value.

In Britain, in 2012 the government has introduced the Specification for Apprenticeship Standards, which define the minimum attributes for an 'Apprenticeship Framework' (see chapter one) to be supported by public funding at Levels 2-4. The minimum duration for Apprenticeships was set at 12 months (for young people aged 16-18). The minimum can however be reduced to six months for older apprentices' (19+), as to their previous experience and knowledge. Among recent policy developments in Britain is the 'Richard Review of Apprenticeships' (Richard 2012). Resulting from an independent consultation launched by the British Government on the future of apprenticeship, it potentially acknowledges the process of extreme expansion and blurring of the meaning of 'Apprenticeship'. The report builds around the key issue of 'redefining apprenticeships', which should be targeted only at those new to a job/role and therefore requiring sustained and substantial training. It recommends that the Government focuses on enhanced quality of 'Apprenticeship' programmes, which should respect training minimum requirements and be targeted more on employers' needs.

These changes may represent in both countries a turning point in the institutional basis of 'apprenticeship' However, as argued in chapter three, the resiliency of the political and institutional factors that explain the long policy trends in both countries should not be underestimated. There is also a clear possibility that the practice of frequent, superficial, and politically driven innovation will continue in both Italy and Britain.





## Appendix

### List of people interviewed

#### *Britain*

Surname, Name	Qualification	Institution
Poole, Alistair	Portfolio Manager for Retail, E-Commerce, Warehousing, Logistics	City and Guilds, London
Carnell, Ian	Head of education and skills policy	SEMTA, Watford
Frith, Teresa	Senior Skills Policy Manager	Association of Colleges, London
Taylor, Cara	Apprenticeship Manager	Skillsmart Retail Ltd, London

### List of people who provided data and references

#### *Italy*

Surname, Name	Qualification	Institution
D'Agostino, Sandra	Researcher	ISFOL
Lapegna, Roberto	Public Relations Officer	INPS
Pastore, Francesco	Associate Professor	University of Salerno
Sciulli, Dario	Assistant Professor	University of Chieti-Pescara
Spizzichino, Andrea	Statistician	STAT
Varesi, Pier Antonio	Professor	University of Milano (Piacenza)

## *Britain*

<b>Surname, Name</b>	<b>Qualification</b>	<b>Institution</b>
Green, Kate	Director, Projects & Partnership	157 Group
Keep, Ewart	Professor	Cardiff University
Mann, Hersch	Senior Data Services Officer	ESDS
Patel, Geeta	Research Officer	Association of Colleges
Raffe, David	Professor	Edinburgh University
Roberts, Ken	Professor	University of Liverpool
Ryan, Paul	Fellow	King's College Cambridge

## **List of organisations contacted**

### *Italy*

- Associazione Italiana Economisti del Lavoro
- INPS
- ISFOL
- ISTAT
- Laboratorio E. Repelli
- Ministry of Employment – library
- Ministry of Economy – library
- National Central Library

### *England*

- Association of Colleges, London
- City and Guilds, London
- Economic And Social Data Service (ESDS), UK Data Archive
- National Data Service
- SEMTA, Watford
- Skillsmart Retail, London

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