Submission to Review of Apprenticeship in Ireland, September 2013

Professor Erica Smith, University of Ballarat, Australia.
Co-Chair of INAP the International Network on Innovative Apprenticeship
http://www.inap.uni-bremen.de/

I appreciate the opportunity to contribute to this review. As an outsider to the system, I would like to say how helpful the background issues paper and the carefully constructed questions were.

After some consideration I have based my submission primarily on an international comparative study I recently completed for the International Labor Organization (ILO) and World Bank relating to the proposed expansion of the Indian apprenticeship system. This study was co-authored with Associate Professor Ros Brennan Kemmis, and included a team of ten international researchers. While there have been many international studies of apprenticeship, it seemed that a great number of the issues raised in the background paper and in the questions in Area 2 were addressed in our recent project. Due to my lack of detailed knowledge of the Irish economy and VET system I have confined my comments to Areas 1 and 2.

In my submission I refer to the Australian system where appropriate, along with other countries. Until very recently (less than two years ago), the Australian apprenticeship system was widely respected across the world. However, recent changes to policy and funding arrangements at both Federal and State/Territory level have damaged the apprenticeship system, and led to a drop in apprenticeship commencements, and I do not consider that the Australian system can now be considered an appropriate exemplar overall, although there are many good practice aspects.

The ILO/World Bank study will shortly be available on the ILO web site. The study has already been used to inform various policy papers by the ILO and others. I will provide the web link as soon as soon as I am provided with it; meanwhile I can provide pre-publication copies of the two reports separately, on request.

References for ILO/World Bank study:


Papers and presentations based on the reports and publicly available:


Area 1: Overview

The background issues paper describes a system that is small and seems to have served its purpose well. But it is heavily dependent on a limited range of occupations. This means that the system is vulnerable to any shifts in the economy. The major industry area for apprenticeship in the system is construction, which is notoriously subject to booms and bust, as well as having structures (eg sub-contracting) not always favourable to apprenticeships. It is not unusual for apprenticeship systems to be restricted in their coverage – Canada and the US come to mind, as does India – but the benefits of apprenticeship are then not extended to other occupations and industries. While the system may have served well in the past, it needs to be reconfigured for the future. On the positive side, the current small size means that there is an opportunity to start with a more or less clean slate and to examine good practice worldwide.

The multiple aims of apprenticeship are usually considered to be

- Providing industries with skilled workers;
- Providing individuals with qualifications and career training;
- Providing an educational pathway for those not wishing to access higher education, or at least not immediately;
- Helping young people make a transition from school to work.

There is little reason to limit these advantages to particular occupations and industries. On equity grounds alone, the Irish situation is inappropriate. These trades are clearly heavily male-biased. The most recent thinking in this area is that gender equity is best served by providing quality training for occupations favoured by men and by women, rather than hoping that women might want to change their occupational choice. Equally, the apprenticed trades are limited in scope and do not cover new and expanding areas of the 21st century economy. These issues are, of course, recognised in the background paper. By contrast, in the dual system countries (Germany, Switzerland, Austria), apprenticeships are available across all industries and therefore to all sectors of the population. The UK and, until recently, Australia, are examples of countries which have expanded from a restricted base in the late 20th century to cover more of the economy.

From the figures provided in the background paper, Ireland has about 0.5% of its working population engaged in apprenticeships. There is a further 0.23% engaged in traineeships, which seem to be a form of mini-apprenticeship without a contract of employment. This total of less than 1% compares unfavourably with the dual system’s 4%, which until recently was also attained in Australia. The low proportion of participants is of course a function of the limited occupational coverage of the Irish system.

My covering letter explains that my submission is based on a recent international comparative study carried out for the ILO and World Bank¹. In this study we compared eleven countries, which were a mixture of developed and developing countries produced a number of typologies of apprenticeship systems in the eleven countries we studied. How does Ireland compare with other countries? Ireland appears to fall into the following categories:

- Size: Small (other examples: US, Indonesia)
- Occupational coverage: Restricted (other examples: US, India)
- Coverage of young people and adults: Both (other examples: Australia, South Africa)

• Gender balance: Predominantly male (other examples: Canada, Egypt)
• Apprentices’ remuneration: Paid as employees (Other examples: Germany, France)
• Financial incentives for employers: None (Other examples: none)

While international comparisons of VET systems, as indeed of other matters, can be invidious, there are some lessons that can be learned from other countries’ experiences. Apprenticeship systems cannot be transplanted, but parts of them can be grafted onto existing systems. In Area 2 I will provide some examples from other countries that may assist thinking.

Like most apprenticeship systems, the Irish system is complex and involves multiple stakeholders. This is not in itself a problem, but there seems to be a huge superstructure built upon a system that services only a very limited area of the economy and that is accessible only to a proportion of people (ie males wishing to work in certain industries). The whole system appears, from the background paper, to be dominated by a narrow range of stakeholders who control all aspects of the system, with access to apprenticeships denied to other people and other occupations. This does not seem to be a healthy state of affairs and does not create a nimble and flexible apprenticeship system. This situation is not unknown elsewhere, but compared with countries we studied, Ireland seems to be an extreme case. In our study, we found that even the heavily traditional Indian system allowed apprenticeships to be established in ‘new’ areas such as IT.

These observations are not intended to detract from the commitment and investment of the current stakeholders, but rather to point out the difference between workforce development for a narrow range of industries, and an appropriate structure for a national apprenticeship system.

However it must be pointed out that rapid expansion of an apprenticeship system is not without risks. In the ILO/World Bank report, a number of risks were identified, based on the reported experiences of the participating countries. These are repeated below:

• A rapid increase can lead to quality problems.
• Employers may be persuaded to participate without being fully aware of their responsibilities.
• Completion rates may be low unless quality is properly managed.
• Rapid establishment in new occupational areas without a tradition of formal training can lead to the risk of low-quality qualifications and workplace curriculum which can be hard to shift later, leading either to persistent negative perceptions of the occupation and the apprenticeship, or to rapid and confusing policy shifts to address the problem.
• The establishment of ‘differently-badged’ systems should be avoided, as it can lead to the newer systems being viewed as inferior, and such perceptions are difficult to shift subsequently (examples: traineeships in Australia, ’modern apprenticeships’ in England).

In the report we suggest that extensive stakeholder consultation can assist in reducing risk (Smith, Brennan Kemmis et al, 2013).
Area 2: Governance

In our paper ‘Options for India’ we proposed an apprenticeship system that was based on what we called ‘flexible standardisation’. A number of underpinning principles were suggested, but more flexibility was recommended in the detail of the system. It could be that this might be a way forward for Ireland. Underpinning principles could include considerations of equity, minimum pay rates, regulation of the training aspect of apprenticeships, and clear enunciation of an appropriate amount of employer responsibility. However other aspects currently regulated could be removed. It is appropriate that the stakeholders (employers, unions, government) should be involved in decision making, but it is suggested that this involvement should not include micro-management. For example the current system where the Board of FAS decides which occupations can be apprenticeships is inappropriate. Such decisions should be made by public servants not by stakeholders; they should not become political decisions. But equally, the dual system processes where local employers are heavily involved in apprenticeship would not be appropriate for a country like Ireland. Such a system evolved because apprenticeship is a major destination for school-leavers in those countries and hence all employers need to be closely involved, but the Irish system does not seem to have a history of apprenticeship being primarily a school-leaving matter.

Equity

As already flagged, apprenticeship should be opened up to a full range of occupations. It seems to me that some occupations that have been awarded ‘traineeships’ should probably be apprenticeships. They have been designated as ‘second class’ firstly by being denied apprenticeships and secondly by being ear-marked for ‘new labour market entrants’ and the unemployed. Thirdly, and this is unspoken, they are occupations commonly carried out by women. It is a dangerous route to embark upon, to create a parallel and inferior system. In Australia, this has dogged our system for over two decades because the non-‘traditional’ trades have never been allowed to emerge from the second-class box into which they were originally placed. In a different context, South Africa’s use of their variant of non-employment-based ‘traineeships’ has proved a failure.

For early school-leavers, the Turkish system is a good model where apprenticeships are of different length depending on school-leaving age. Pre-apprenticeships are also a useful tool in many countries including Australia and should be encouraged across a full range of occupations.

With regard to disability, apprenticeship can be a powerful tool for inclusion and our study showed a range of schemes for including people with disabilities in apprenticeship. These included access to apprenticeships otherwise barred (eg in France, adults are allowed access if they have a disability, when otherwise apprenticeships are not available); extra funding for employers (Germany) or for support organisations (Australia)

Range of occupations

As flagged above, this is an equity issue but also a question of skilling across the economy, Apprenticeships should be based primarily on the availability of an appropriate qualification with a designated job role. A systematic process is needed to draw up the criteria for establishing the range of occupations allowable as apprenticeships, both initially in expanding the system, and subsequently as new occupations emerge. In Australia this used to be known as ‘declaring an occupation’. Criteria will be of course be contested and political, and the process would not be easy. A logical way to proceed would be to examine the occupations established in Germany and also that country’s procedure for adding occupations. Turkey again provides a good model, as some occupations, clearly regarded as more complex than others, have longer apprenticeships than others; but there are only two standard lengths (in addition to variations for prior education, as
described earlier) making the system readily comprehensible. In the ILO/World Bank report, the lengths for Turkish occupations are provided. It is worth noting that the ‘apprenticeability’ of occupations is a matter currently being explored by INAP, the International Network on Innovative Apprenticeship and will be a major topic for discussion at a September 2014 meeting of INAP in Washington.

It would be important, alongside the process of adding new occupations, to ensure that the curriculum (formal and workplace-based) is rigorous enough to provide credibility to the occupation and the apprenticeship. This has not always been the case in countries that have rapidly expanded their systems (eg UK, Australia). Initial blunders in this area tarnish the ability of occupational qualifications in the relevant industries to retain credibility and make them vulnerable to attacks.

**Funding**

 Normally in apprenticeships, costs are shared between the three parties. The common pattern is that apprentices receive low (or in some cases, no) pay, employers pay the cost of on the job training and the State pays for off the job training. The Irish system appears to have quite a high rate of pay for apprentices compared with other workers. The ILO/World Bank project showed that in some countries apprentices were paid only a (low) proportion of the minimum wage. There are good human capital theory arguments for this, as apprentices are receiving a free qualification and training. In Australia the incoming government proposed, during the recent election campaign, to allow apprentices to access loans similar to student-loans (known as HECS in Australia) to compensate for low wages (although in fact in Australia apprentice wages are not particularly low). This suggestion seemed to gain favour with many stakeholders. Extra allowances for living away from home are reasonable but in a small country like Ireland, one wonders why training provision is not available within the areas where most apprentices would live.

It is understandable that there are fears about extra costs if the system was expanded, but it is possible that the current ‘Rolls Royce’ model is not necessary in an expanded system.

In most countries the employer receives a form of incentive for employing an apprentice, whether it is a start-up and/or completion payment, exemption from payroll or other taxes, and so on. Ireland does not seem to do this (although I may have missed this), but it is important to acknowledge the huge costs to employers when setting up a good in-house training program whether it is for 100 apprentices or three or four, especially in the early stages of participation.

The description of the system suggests close government engagement in provision of training (through FAS). This seems overly expensive and does not seem to have a strong rationale. I would think it might be more appropriate for general training providers to have apprenticeships as part of their normal suite of offerings. It is possible that this might also distribute the training more evenly across the country and save living away from home allowances.

**Recruitment**

As apprentices are employed, it is difficult to manage demand for apprentices. Employers should be in control of recruitment as apprentices should only be employed when there is real work available. This will inevitably lead to some peaks and troughs, which must be endured. Extra incentives can assist in persuading employers to maintain apprentice recruitment in times of recession. However, my own research with Australian employers has indicated that employers do not like a plethora of short-lived scenes. Group Training Organisations in Australia employ about 12-15% of apprentices and trainees, and help to some extent to smooth out peaks and troughs, as they take the actual employment responsibility. However they can only function in an environment that provides employment incentives, as this is their major source of income apart from small government grants.
The large proportion of off-the-job training in Ireland delivered by the government through FAS means that the government seems to have an excessive concern about maintaining a consistent number of apprentices, presumably to help keep trainers in FAS employed. This does not seem appropriate; training providers need to balance peaks and troughs in apprentice training with other training. Clearly if the number of occupations serviced is extended, then this will be easier to manage, as recessions do not always hit each industry concurrently.

In relation to a probation period, this should certainly be the case, in line with normal workplace practice. Presumably the long initial off-the-job training period makes this problematic at present.

Curriculum
As mentioned above, it is appropriate to have different lengths of apprenticeships for different occupations, but the number of variations should be very limited, as in the Turkish system.

Progression beyond apprenticeship should be considered both in terms of articulation to higher level qualifications within the national system, and also, for companies, in terms of career progression. It is possible that career paths can be reflected in the creation of new qualifications, but the extent to which this is possible in the Irish system is unknown to me.

As mentioned earlier, pre-apprenticeships are valuable programs but without significant work experience as part of the programs, employers can mistrust them; hence three months or so could be a useful maximum period for them.

Assessment
The award of a level 6 qualification seems very high for an apprenticeship, as it is only one level below a degree. In many countries a lower level qualification is awarded. For example in Australia a level 3 is usual, although this is likely to be raised to an AQF level 4 in the foreseeable future, for some trades. An apprenticeship is really designed as an initial qualification in an occupation, and it is possible that it is seen differently in Ireland. If it is designed to produce advanced practitioners, then it does not align well with other systems internationally. It could be that the level 6 nature of the qualification might account for what appears to be excessively long training periods and the perceived need for concentration of training in FAS. International practice would indicate that the sights should be lowered and that the reconfiguration of the system should be at a level 4 or 5. I understand the difficulty this poses because of the fact that the Irish qualification system includes school certificates as well as VET and higher education.

Interim awards could be a possibility but I do not have the knowledge of the system to comment on that. It could be that with lower level qualifications more apprentices would complete more quickly.

In relation to accreditation of prior learning, I do not know how widespread this is within the Irish VET system generally. In my experience this creates quality problems as APL assessment is very complex and difficult if it is to be done properly. I would not advocate using it any further than is mandated by other regulations.

One high-quality assessment practice is the Canadian ‘red Seal’ program where a final examination is conducted for trades, that is independent of training providers. However this takes place in the context of a country with only a limited number of trades in the system.

Delivery
The current total balance of off and on the job training seems appropriately weighted (approximately 1:5). However the length of apprenticeships does seem to be excessive (four years)
and while this may be for historical reasons, nowadays when most entrants are 18 or 19 rather than 15 or 16, the total length could be shortened. Moreover the phases seem to be unusually ‘blocked’, with long periods of concentrated time in the training provider. It is generally accepted that apprentice training should be alternated as much as possible between the two learning environments (workplace and training provider) to enable constant reflection on the two environments and practising skills learned. I do not know the reasons for the Irish model but suggest it be reconsidered. While day release may not be possible, shorter blocks could surely be possible, also creating more flexibility at the training provider.

In my experience, employers cannot be expected to play a role in delivery beyond workplace training. In fact, if the system is expanded, they will actually need assistance in planning workplace curriculum for the new occupations.

In my view web based learning should only be used as a last resort by the training provider, although employers may well utilise web portals for in-house training which their apprentices may use for matters such as induction, EEO, product knowledge and so on.

While a question is not asked about teachers and trainers, it goes without saying that all training provider staff should have high level pedagogical and industry qualifications. In many countries (eg Germany) there is a requirement for (a lesser degree of) pedagogical qualification for workplace trainers as well. In the end, apprenticeship is about learning and training, but it is very easy to lose sight of the quality of training in the plethora of necessary administrative and industrial arrangements.

The economy
While I am not familiar with the details of the Irish economy, expanding the scope of apprenticeship to a wide range of occupations is bound to assist both with productivity in all industries, and with the skill and education levels of the workforce. If is likely also to have social inclusion benefits.