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ORIENTATION, FORMATIONS,
INSERTION : **QUEL AVENIR POUR L'ENSEIGNEMENT PROFESSIONNEL ?**

Comparative evidence on a policy issue: apprentice pay

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Role of apprentice pay

- Young person
- Employer
- Division of training costs

Policy suggestions

- Germany. ‘Thus several factors suggest that apprentices should in future receive relatively lower training allowances’ (Wößmann 2004, p.24).

- GB. ‘[This review] recognises the need for government to provide greater incentives to businesses that offer apprentice places … apprentice pay could be reduced [for] those who receive a great deal of training’ (Steedman 2008, pp.2, 16).

Table 1. Mean pay of apprentices relative to qualified employees, 2011 (%)

	CH	B	D	F	A	NL	AUS	S	GB	EIR	I
	13	23	24	31[a]	33	38	42	44[b]	48[c]	50[d]	79[d]

Hourly rate of pay in second year of training as percentage of fully qualified rate, all apprenticeable occupations
Source: London Economics (2013), Tables 11, 14
CH, Switzerland; B, Belgium; D, Germany; F, France; A, Austria; NL, Netherlands; AUS, Australia; S, Sweden; GB, UK; EIR, Ireland; I, Italy.
a. 18-20 years; b. <20 years; c. hourly earnings; d. construction only

The training market

- Centrality
- Boundaries
- Attributes
  - Price
    - Apprentice pay
    - Content of training programme
  - Supply of trainees
  - Demand for trainees
  - Price formation

Theories of training market

- Human capital
  - Economic rationality
  - Competition
- Institutionalism
  - Liberal and coordinated market economies
  - Procedures of pay setting
  - Content of pay setting

Table 1. Mean pay of second year apprentices relative to qualified employees (%)

CH	B	D	F	A	NL	AUS	S	GB	EIR	I
13	23	24	31[a]	33	38	42	44[b]	48[d]	50[c]	79[c]

Hourly rate of pay as percentage of fully qualified rate (except GB), all apprenticeable occupations
Source: London Economics (2013), Tables 11, 14
CH, Switzerland; B, Belgium; D, Germany; F, France; A, Austria; NL, Netherlands; AUS, Australia; S, Sweden; GB, UK; EIR, Ireland; I, Italy.
a. 18-20 years; b. <20 years; c. construction only; d. hourly earnings

Table 2. Mean pay of apprentices relative to qualified employees in craft occupations, metalworking industry ca. 2005 (%)

	CH	D	GB[a]
Base rates	14.1	29.2	40.9
Earnings[a]	13.1	33.7	n.a.

Unweighted mean apprentice pay (monthly allowance, all training years) relative to monthly pay of recently qualified full-time employees
Sources: national surveys of training costs or pay (Ryan et al. 2011, Tables 23, 24)
a. Includes 13th month and Christmas payments, travel allowances, performance-related pay (CH only), and social security contributions (both parties)

Sources

- National statistics and surveys
- Fieldwork (Ryan et al. 2011)
  - Retailing
  - Metalworking industry

Table 3. Potential determinants of apprentice pay in three countries

Market conditions	Private return to training (for young people)
	Supply of qualified and interested young people
	Availability of unskilled employment for young people
Employee organisation	Coverage of employees and apprentices by collective bargaining
	Trade union interest in raising apprentices' relative pay
Employer organisation	Membership coverage of employers' associations
	Coordination of pay setting by employers' associations
Public action	Age of entry to apprenticeship
	Restrictions on access to general upper-secondary schooling
	Options for educational progress after apprenticeship
	Legal closeness of contracts of apprenticeship and employment
	Public training subsidies are paid to colleges or employers

Table 4. Rating of three countries on selected determinants

	GB	D	CH
Private return to training (pay, employment)	low	medium	high
Trade union interest in raising apprentice pay	low	medium	low
Coordination of pay setting by employers' associations	low	high	high
Restrictions on access to full-time general upper secondary education	weak	strong	strong

Comparative research

- Mill's Method of Difference
- Scope
- Limitations
- Contributions

Table 5. Actual and predicted levels of apprentice pay in pair-wise comparisons

Level of apprentice pay in the first country (compared to the second country) that is predicted by the variables in the group

Pair-wise comparison	Actual	Predicted (number of variables in group with predicted effect)			
		Market conditions (3)	Trade unions (2)	Employers' associations (2)	Public action (5)
German-Swiss	Higher	Same (2) Higher (1)[a]	Higher (2)	Same (1) Higher (1)[b]	Same (3) Higher (2)[c,d]
British-Swiss	Higher	Higher (3)	Same (2)	Higher (2)	Higher (5)

a. private return to training; b. membership coverage
c. mean age of entry to training; d. options for educational progression

Swiss apprenticeship: key attributes?

- Personal return to training
- Age of entry
- Trade unionism: low coverage; avoid high apprentice pay
- Employers' associations: coverage, pay coordination
- Schooling
  - Access to *Gymnasium*
  - Educational ladders in apprenticeship (*Berufsmaturität*)
- Socio-cultural: youth maturation

British apprenticeship: key attributes?

- Institutional thinness of liberal market economy
  - Low coverage of unions and employers' associations
  - Low contractual differentiation (training, employment)
  - Payment of public training subsidies to individual employer
- Weaknesses of schooling system
  - Distribution of educational attainments
  - Biases towards full-time general education
  - Educational progression from apprenticeship
- (Demand for skill and apprentices)

Conclusions

- Generalisability
- Scientific: determinants of apprentice pay?
  - Labour market institutions (D-CH)
  - Youth supply to apprenticeship (GB-CH)
  - LME v. CME: an irony
- Policy-related: cut apprentice pay?
  - Feasibility
  - Effectiveness

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