



Apprenticeship review ITALY

Building education and training opportunities through apprenticeships



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The *Thematic country review – Italy* is part of the second series of publications on thematic country reviews (TCRs) on apprenticeships ⁽¹⁾; it presents the findings of the TCR conducted in Italy. Two more reports belong to this series and cover the reviews carried out in Greece and Slovenia. The three TCRs were conducted from 2015 to 2017.

Apprenticeship was first introduced in Italy in 1955 as an employment contract for young people. It was reformed several times in the following decades, with major changes from the late 1990s, when youth employment measures started to be conceived and designed in connection to education and training policies. In 2003, apprenticeship took on the current structure it still has: three apprenticeship schemes. All apprenticeship schemes are defined as open-ended employment contracts and apprentices are fully entitled to rights and obligations of regular standard employees.

⁽¹⁾ The first series of publications on thematic country reviews on apprenticeships includes the reports for Lithuania and Malta.

The 2015 reform of employment contracts ⁽²⁾ revised the legal framework of the three apprenticeship schemes. These had the following characteristics at the time of the review:

- (a) Type 1 apprenticeship (Type 1 from here on): ‘Apprenticeship for vocational qualifications and diplomas, upper secondary education diplomas and high technical specialisation certificates’. This is for those aged 15 to 25 and may be applied to vocational education and training (VET) programmes at upper- and post-secondary levels (see Box 1). The duration of the contract (and so the duration of alternance) varies between a minimum six months and the maximum duration of the VET programme it applies to. The distribution of time between training in the education and training institution and the company is defined on one school-year basis. Besides in- and out-of-company training, Type 1 apprenticeship foresees a component of ordinary work experience. Generally, between 50% and 70% of the time is spent at school and the rest in the company;
- (b) Type 2 apprenticeship (Type 2 from here on): ‘Occupation-oriented apprenticeship’. This is a scheme outside the VET system, which leads to an occupational qualification recognised by the national sectoral collective agreement applied in the hiring company. It is for those aged 18 to 29. The minimum duration of the contract is six months and maximum three years (or five years for artisanal jobs), of which out-of-company training for basic and transversal skills covers a maximum 120 hours in total;
- (c) Type 3 apprenticeship (Type 3 from here on): ‘Higher education and research apprenticeship’. This is for those aged 18 to 29 and includes two sub-types:
 - (i) apprenticeship for higher education and training, which leads to university degrees, including doctorates, and higher technical institute diplomas. The mode and length of training alternation varies by the programme the scheme applies to;
 - (ii) apprenticeship for research activities, which leads to a contractual qualification outside the education and training systems. There might be no alternation be-

tween learning venues in apprenticeships for research activities, as training outside of the company is not obligatory.

Of the three schemes, Type 1 is the one which seems to respond more closely to the criteria of Cedefop’s analytical framework for quality apprenticeships.

Box 1. VET in Italy

Vocational education and training (VET) in Italy is implemented:

- in three- and four-year programmes at the upper secondary level (Istruzione e Formazione Professionale, IeFP), and in one-year post-secondary programmes, under the responsibility of the regions;
- in five-year vocational and technical education upper secondary programmes, and two-year tertiary level programmes, under the direct responsibility of the Ministry of Education, University and Research.

Source: Cedefop.

Although first introduced in 2003, the old Type 1 ⁽³⁾ never actually took off. Existing practices episodic in nature covered only a few thousand cases concentrated in some areas of the country. In 2015, while (old) Type 1 covered only around 3% of total apprenticeships, Type 2 covered 95.1%, with almost no territorial differences ⁽⁴⁾. This is why, following the latest reform, the main concern of policy-makers was about preconditions for effective implementation of Type 1.

⁽²⁾ Legislative Decree 81/2015, 15 June 2015. More information on this decree and all other legal documents mentioned is available at the end of the full report.

⁽³⁾ ‘Old Type 1’ indicates the schemes prior to the 2015 reform; ‘Type 1’ refers to the scheme as per the new regulation, since June 2015 (Legislative Decree 81/2015, 15 June 2015).

⁽⁴⁾ The main exception is the Bolzano province where apprenticeship is mostly embedded in a dual-system at upper secondary level.

In July 2015, the Italian Ministry of Labour and Social Policies (Ministero del Lavoro e delle Politiche Sociali, MLPS) and Cedefop launched the TCR on apprenticeships in Italy, with a focus on Type 1 (Box 2). The scope was agreed by the steering group nominated by MLPS. The group included the MLPS itself ⁽⁵⁾, the Ministry of Education, University and Research (Ministero dell'Istruzione, dell'Università e della Ricerca, MIUR), the regions, national trade unions and employers' associations, VET providers, and the National Agency for the Analysis of Public Policies (Istituto Nazionale per l'Analisi delle Politiche Pubbliche, INAPP, formerly ISFOL). The main objective of the TCR in Italy was to identify the necessary conditions for implementation of Type 1 at system level, and formulate possible solutions and policy recommendations.

Box 2. The focus of the Italian TCR on apprenticeships

The focus of this review is on apprenticeship Type 1 (Type 1) in Italy, as it was reformed in 2015. This scheme shares some of the features of dual system apprenticeship model, well established in countries such as Germany and Austria. It is formally linked to the education and training system; it foresees a relevant component of formal training at school or training centre, which systematically alternates with in-company formal training, and a work component at the workplace. The apprentice is contractually linked to the employer through an open-ended employment contract, which includes an individual training plan. The employer is responsible for the apprentice's in-company training, and pays his/her remuneration.

This type of scheme has existed in Italy since 2003 but its implementation remained partial, with marginal activity levels ever since. The latest reform of the apprenticeship legal

framework (Legislative Decree 81/2015, 15 June 2015) placed strategic importance on Type 1, by combining work and training in a dual system.

Source: Cedefop.

MAIN CHALLENGES

The TCR surveys and the discussions with the steering group identified four main sets of challenges.

Governance

Coordination at national and regional levels, and between the two, is still under development. Implementation of Type 1 is entrusted to both the regional VET system and the State VET system. Differences in terms of governance structures and previous experience risk consolidating in Italy two separate sub-schemes of Type 1. While some of the regions have built experience since the scheme was first introduced, the State system is still at the beginning. The regional and State systems also have different ways of organising and approaching training provision: the former is decentralised, more flexible and closer to local labour markets; the latter more centralised with looser ties with the labour market.

The challenge of social partner involvement in Type 1 still deserves attention, especially at the local level. Because of the limited role that the legislation attributed to collective bargaining in relation to the old Type 1, social partner ownership of the scheme had been non-continuous or limited in the past, while their main interest was for Type 2, for which they were entitled a wider regulatory role by law.

The not fully developed and integrated governance mechanisms at national and regional levels also lead to a lack of strategic planning for Type 1 provision.

Distinguishing features

The definition of Type 1 as 'open-ended employment contract' raises uncertainties in relation to its real nature and prime purpose; it seems to be in

⁽⁵⁾ From January 2017 the representatives of the Ministry of Labour and Social Policies were employed by the newly formed National Agency for Labour Policies (ANPAL).

contrast with the possibility for employers to terminate the contract at the end of the apprenticeship period ⁽⁶⁾. Employers tend to consider Type 1 primarily as one among the available instruments for filling vacancies, according to companies' recruitment strategies. They tend to test the potential Type 1 apprentices in advance through other tools, such as internships. Micro companies, and small and even medium-sized enterprises (SMEs), generally have a short-term planning horizon based on client orders that can fluctuate considerably over the short term. This makes it difficult, if not impossible, for micro companies and SMEs to plan accurately the number of apprentices needed each year. Two major implications need to be considered in the efforts to move Type 1 from episode to system: Type 1 proves to be relatively unattractive as a recruitment instrument for SMEs (see company involvement, below); and it proves difficult to envisage any strategic planning for Type 1 provision.

Type 1 beneficiaries are formally assigned the double status of 'students' and 'full-time employees', which often alternate in practice, rather than coexist. Employers have difficulty understanding and managing this double status. Whether and how this might be clarified may also lead to a shift in employers' perception of Type 1.

The multiple normative sources regulating occupational health and safety for minors, their stratification and lack of coordination are a further deterrent for company engagement in Type 1. Regulations in this area might need adaptation to Type 1, since its application in practice sometimes produces results partly inconsistent with the specificities of the production processes and work organisation models of firms using it.

Company involvement

Type 1 introduces a strong polarisation between formal training ⁽⁷⁾ and work. This is the underlying basis of the structure of the financial incentives: no wage for external training; reduced wage for internal training; and full wage for the work component. It also raises several concerns about company involvement in Type 1. First, although statutorily defined, the term 'formal training' tends to be misunderstood as training in education and training institutions, rather

than training that leads to the final qualification, be it outside or inside the company. Second, even if this misunderstanding was to be clarified, the question remains of what is considered 'formal training in the company' as opposed to work, and how to distinguish the two. Third, companies face the challenge of how to organise the presence of apprentices in the workplace, taking into account the amount and the schedule of external training, and how to combine this with work organisation and production processes. Nor are the calculations needed to divide the apprentice's time hours among external training, internal training and work always straightforward.

Besides a general lack of information and awareness of the scheme, little evidence is provided to companies on potential benefits of Type 1. It is not easy for an individual company to figure out the costs and the benefits, due to the structure and the variety of ways of organising the scheme (Box 3).

Box 3. Logic and organisation of Type 1

Type 1 is offered as alternative (alongside school-based education) or complementary (in combination with school-based education) way of organising VET programmes (or their practical component) and allowing learners to achieve VET qualifications. Any VET programme, within a range of selected qualifications, may be organised fully or partially as a Type 1 as long as the school and/or learner finds a suitable placement in a company. Learners may attend the whole programme or only part of it in Type 1 (the other part being school-based).

There is great variation in the duration of the scheme, ranging from six months to three or four years, and also within sectors and occupations.

⁽⁶⁾ I.e. once the qualification or diploma is achieved.

⁽⁷⁾ Article 2 of the Interministerial Decree MLPS/MIUR of 12 October 2015 defines formal training as training that leads to the final VET qualification, provided inside or outside the company.

To date, due to the lack of unique guidelines and apprenticeship-specific curricula, Type 1 has been organised and set up mostly on a case-by-case basis, with high implementation costs and risk of fragmentation.

While financial incentives are usually considered sufficient by companies, non-financial incentives are not, although they would ‘make the difference’ in a decision to offer a Type 1. Such factors could include trust in the apprentice’s education and training institution, and where he/she will attend the external formal training; the apprentice’s personal attitudes and commitment; and procedural simplification, along with more and better services to companies to activate a Type 1 and implement its training component.

Training contents, learning outcomes and delivery

Due to the logic and organisation of Type 1 (Box 3), there are no unique guidelines on curriculum organisation, on the final examination, and on how to adapt curricula for school-based programmes and VET qualifications to the apprentice’s individual training plan.

The quality of in-company training delivery is a concern. First, it is often difficult to adapt apprentice training to company work processes and organisation, especially in cases of unexpected events during the contract. Second, in-company training is generally aligned with the individual company’s needs, rather than with the local labour market or the sector. Third, the most common mode of delivery is ‘on-the-job training under supervision’, although apprentices in micro and small companies generally report no distinction between training and ordinary work. SMEs may also not be able to develop all technical skills identified in the individual training plan, which the education and training institution may not cover, leading to potential gaps in expected learning outcomes.

A final factor is the overload on the education and training institutions, which bear most of the burden for the design and implementation of Type 1, par-

ticularly when the employer is a micro or small company, or when cooperation between companies and education and training institutions is not sufficiently stable and deep.

MAIN AREAS OF INTERVENTION

The review identified four areas for intervention and, for each, suggestions for action. These do not necessarily reflect the opinions of all stakeholders involved in the review or of the country’s decision-makers.

- (a) The logic of apprenticeship Type 1.

The gradual development of Type 1 should naturally converge towards an approach to apprenticeship as a distinct type of VET or VET programme, rather than as a mode of training/learning that is alternative (alongside school-based education) or complementary (in combination with school-based education) to VET programmes;
- (b) a unified national governance structure at national level.

A permanent central coordinating body, with the full participation of social partners, may be created, reporting to the Ministry of Education and Ministry of Labour. Its functions should be overall steering and coordination of the Type 1 system, also ensuring the link with decision-makers, and of strategic support to Type 1 implementation;
- (c) distinguishing features of apprenticeship Type 1.

Two scenarios can be envisaged in the medium and long term, with the former anticipating and preparing the paradigm change envisaged by the latter. The ‘continuity scenario’ still refers to an employment paradigm: the definition of Type 1 is one of an employment contract leading to a formal educational qualification, as per the current legal framework, although with some adjustments or clarifications to Type 1 legal regulation. Under the ‘paradigm change scenario’, the employment paradigm is replaced by an education paradigm. Type 1 would acquire a new legal status: it would become a specific/distinct type of education and training pathway (equivalent to school-based pathways) leading to a for-

- mal qualification or diploma which involves a contract between learner and employer;
- (d) company involvement. Employers would have access to examples of cost-benefit analysis simulating potential advantages and disadvantages of apprenticeship training. A set of non-financial incentives could encourage company engagement and readiness to offer Type 1 placements: ready-to-use toolkits and instruments, training models and methods for in-company training, and systematic support in practical implementation of the apprenticeship contract, including training for tutors. Although financial incentives seem not to be the main reason why companies choose or not to engage in Type 1, their effectiveness could be periodically assessed

and revised, for example by introducing performance-based financial incentives or for the purpose of supporting micro and small companies. More widespread and detailed information and awareness-raising actions are recommended.

This TCR is addressed first to the national stakeholders, those represented in the steering group, the interviewees, and to a broader audience. However, read in conjunction with the publications on Cedefop TCRs in Greece, Lithuania, Malta and Slovenia this report will provide valuable insights for those interested in learning in greater depth about the experience of other countries in setting up and/or reforming apprenticeships. ■