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Work-based learning study: module on costs and benefits of apprenticeship

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**GOVERNANCE AND FINANCING OF
apprenticeships**

**CEDEFOP
EVENT**

**BRUSSELS
8 and 9 February 2016**



Work-based learning study: module on costs and benefits of apprenticeship

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Costs and benefits of apprenticeship

1. THEORETICAL FRAMEWORK

2. POLICY IMPLICATIONS

3. HOW TO MEASURE COSTS AND BENEFITS

Costs and benefits of apprenticeship

COSTS



BENEFITS

- **Cost of apprentices (e.g. apprentice wage, travel cost, meals)**
- **Cost of instructors**
- **Other costs (e.g. tools and machines, external training)**

Short term benefits




Long term benefits

Costs and benefits of apprenticeship

SHORT TERM BENEFITS

Key components of work placements

Training	Productive unskilled work	Productive skilled work
<ul style="list-style-type: none">• Develop in apprentices skills required in skilled tasks• But reduces time apprentices spend in productive work	<ul style="list-style-type: none">• Apprentices generate benefits by carrying out productive unskilled work• Does not require any training	<ul style="list-style-type: none">• Apprentices generate benefits by carrying out productive skilled work• But requires training



The most beneficial option for companies?

Costs and benefits of apprenticeship

Examples of policy issues related to costs and benefits of apprenticeship

Apprenticeship regulations

Make training more expensive but remove from the market companies that cannot or are not willing to provide skilled apprenticeship

If too rigid they can prevent companies from offering apprenticeship or discourage potential apprentices from entering the programme

Costs and benefits of apprenticeship

Examples of policy issues related to costs and benefits of apprenticeship

Companies net benefits increase when:



Skilled and unskilled workers' salary is HIGH



Apprentices' salary is LOW

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Apprentice pay to skilled worker pay, e.g.:

Switzerland - 0.2; Germany - 0.4; The UK - 0.9

Costs and benefits of apprenticeship

Examples of policy issues related to costs and benefits of apprenticeship

Differences across companies and occupations

e.g.

- **Cost of taking an additional apprentice might be higher for small companies**
- **Small companies might be less likely to reap long term benefits**