



International
Labour
Office

SKILLS FOR EMPLOYMENT

Policy Brief

UPGRADING INFORMAL APPRENTICESHIP SYSTEMS

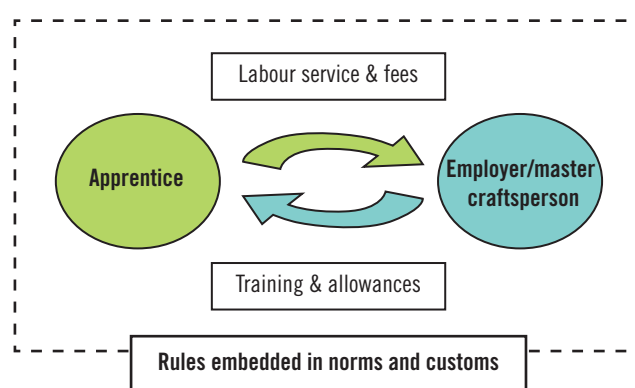
This policy brief focuses on the opportunities offered by informal apprenticeship systems for improving skill provision in the informal economy to offer young people, especially in developing countries, ways to more productive and decent jobs. The ILO Skills and Employability Department is working with constituents to upgrade and expand informal apprenticeship systems through technical cooperation projects in Bangladesh, Benin, Burkina Faso, Niger, Tanzania and Zimbabwe. Country-level research on how the system works, on stakeholders' experience, and on innovations already under way or planned has been conducted in more than 15 countries.

What is informal apprenticeship?

Informal apprenticeship is an important training system in many urban and rural informal economies. It is based on a training agreement between an apprentice and a master craftsman. In this agreement, which may be written or oral, the master craftsman commits to training the apprentice in all the skills relevant to his or her trade over a significant period of time, usually between one and four years, while the apprentice commits to contributing productively to the work of the business. Training is integrated into the production process and apprentices learn by working alongside the experienced craftsman.

While formal apprenticeship is based on training policies and legislation, agreements in informal apprenticeship are embedded in local culture and traditions, with the incentives to participate on both sides rooted in the society's norms and customs. These govern aspects of the arrangement including how an apprenticeship is financed, how long it lasts, how the quality of training is assured and what happens if the contract is breached. These rules are enforced by social sanctions, reputation or reciprocity. Under such arrangements, costs and benefits are shared. The costs for master craftsmen comprise the investment of time in training as well as, in many

Figure 1. The apprenticeship agreement



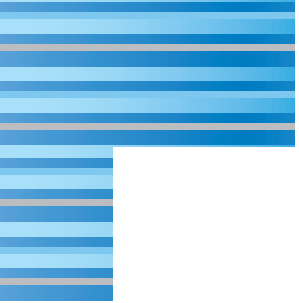
cases, allowances, in-kind remuneration (such as meals) or wages; the costs for apprentices comprise their labour and often fees as well. Master craftsmen benefit from inexpensive labour and any fees, while apprentices acquire marketable skills and an understanding of the world of work.

Practices in informal apprenticeship vary according to local context. In some East African countries, apprentices are trained in specific skills for a shorter period of time rather than in all skills relevant for an occupation over a longer period, and often pay a fee. In West Africa, more structured systems of

Box 1. Informal apprenticeship and traditional apprenticeship

Traditional apprenticeship is understood as the system by which skills are transmitted from a father or a mother to one of their children, or between close family or clan members. Traditional apprenticeship systems have in many regions evolved into informal apprenticeship systems which are open to apprentices from outside the family or kin group.

The ILO supports skills development to improve the employability of workers, productivity of enterprises and the inclusiveness of economic growth.



informal apprenticeship culminate in graduation ceremonies involving other members of the community. While informal apprenticeship systems also exist in other Asian countries and in South and Central America, this policy brief draws mainly on experience from African and South Asian countries, where most work has focused to date.

Box 2. Informal apprenticeship and informal education

Informal education is the unorganized lifelong process whereby everyone acquires knowledge, skills and/or attitudes through experience and through contact with others. Informal apprenticeship is based on a training (and working) agreement in a practitioner's business, and commonly follows an informal training plan, starting from familiarization with tools and observation and progressing through the performance of simple tasks under guidance to more complex tasks and independent work.

Why focus on informal apprenticeship?

Reason 1: Informal apprenticeship systems are widespread

Informal apprenticeship systems are widespread in many countries. They are considered by far the most important source of skills training in Africa and South Asia. Informal apprenticeship is believed to be responsible for the majority of all skills development in Ghana, and accounts for almost 90 per cent of all training for trades in Benin, Senegal and Cameroon.

Reason 2: Informal apprenticeship is a proven training system providing relevant skills

Informal apprenticeship is a socially accepted practice for transmitting skills from one generation to the next. At their workplaces, apprentices not only learn relevant technical skills but are also introduced to a business culture and a business network. Familiarity with these environments increases their chances of employment once the apprenticeship is complete.

Reason 3: Decent work deficits in informal apprenticeship need to be addressed

Sometimes informal apprenticeship does not respect the principles of decent work:

- apprentices often work long hours with little or no right to time off;
- many apprentices receive very low or no allowances or wages;
- many apprentices have no social protection if they suffer illness or occupational injury;
- strong gender imbalances and stereotypes persist in apprenticeship trades.

Sometimes informal apprenticeship can become exploitative. For example:

- some master craftspersons breach training agreements in failing to impart their skills adequately, thus keeping apprentices dependent on them for too long;
- sometimes “informal apprenticeship” simply masks child labour.

Reason 4: Upgrading informal apprenticeship is a cost-effective way to improve young people's employability

Improved and effective informal apprenticeship systems can train young people in developing countries, and therefore expand the skills base of national economies, at much lower cost than the formal technical and vocational education and training (TVET) systems. This is because training through apprenticeship is integrated into the production process, and tools and machines are already available. The training investment is shared between master craftsperson and apprentice and allows for flexibility, providing access to training even for poor young people.

Reason 5: Quality apprenticeships can dynamize local economies

Good-quality apprenticeship schemes help to perpetuate and consolidate productive and innovative micro and small enterprises. Enterprises of this kind, especially those that can diversify their products and services, are in a better position to respond to current and future changes in economic conditions and demand, and are therefore more likely to grow and create jobs.



Cooperation between businesses that offer apprenticeships improves knowledge transfer and adoption of new technologies, including greener work practices. Increasing industry involvement in apprenticeship can improve the transition from school to work for young people and generate employment in local communities.

Apprentices graduating from an improved system are better prepared to find decent employment, and the entrepreneurial among them are better qualified to start up competitive businesses and expand their activities into new markets.

Key messages for upgrading informal apprenticeship

The objective of upgrading informal apprenticeship systems is to address their weaknesses and improve their potential to help young people into decent work, thereby contributing to the development of more dynamic economies.

Message 1: Capitalize on the existing system

Fostering improvements from within the existing system is generally the preferred option. If small business associations exist, they need to play the primary role in upgrading informal apprenticeship.

Any outside intervention in informal apprenticeship systems needs to be based on a sound understanding of local practices and of the incentives to participation for both master craftsmen and apprentices. Interventions need to take account of how informal apprenticeship works in practice and of existing linkages between the formal and informal training systems, including small businesses' experience of government programmes. Understanding the roles of different formal and informal institutions is very important.

Message 2: Strengthen the apprenticeship contract

Apprenticeship systems are not fully effective if many apprentices leave the workshop without finishing their apprenticeships, if master craftsmen keep apprentices for very long periods without imparting all their skills, or if the conditions of apprenticeship contracts are not sufficiently transparent. Since contracts are often oral, improvement here could include ensuring that they are concluded in front of reliable witnesses.

Contracts should specify, at a minimum,

- details of working time;
- the expected and maximum duration of the apprenticeship;
- the conditions that determine its completion (i.e. the apprentice having acquired all relevant skills);
- the craftsman's and apprentice's respective rights and duties (including the remuneration and/or fees to be paid);
- the duration of a trial period;
- issues of liability (for broken tools etc.);
- how conflicts or breaches of contract are to be dealt with.

Various options are available in establishing a socially recognized conflict resolution mechanism. Parents' associations can act as advocates for apprentices, in particular where parents or guardians arrange the apprenticeship with a master craftsman, as for example in Benin. If apprentices are older and choose master craftsmen independently, other mechanisms are needed. In these circumstances the conflict resolution role may be undertaken by business associations (as is the case in Zimbabwe), community groups, or trade unions that are trusted locally.

To ensure that children below working age are not accepted into apprenticeship, awareness of national minimum age legis-

lation needs to be raised among master craftspersons, parents, business associations and other community groups.

Message 3: Bring new skills into informal apprenticeship

Informal apprentices can only be as good as their teachers. If master craftspersons lack up-to-date skills, this deficiency will be passed on to their apprentices.

Master craftspersons have been trained in many countries, including Kenya, Uganda, Mali, Nigeria and Tanzania. Particularly beneficial are courses in technical, business or teaching skills. These courses should be short in order not to interfere too much with the craftspersons' business operations; and although participants should contribute to the cost (apart from pilot schemes to try new approaches), the charges should not be so high as to deter them from taking part, and so hinder the improvement of the apprenticeship system. Since many master craftspersons may never have attended formal training, special trainers are required to cater for their particular needs, and incentives such as certificates may be required to motivate them to take part.

New skills can also be brought into workplaces that offer informal apprenticeships by forging links with larger enterprises that can offer improved access to modern technology and materials.

Apprentices benefit from short courses before, during and after their period of apprenticeship. Brief pre-apprenticeship training can raise awareness about their rights and duties, and about occupational safety and health, and establish basic technical skills; a short course in the middle of the apprenticeship can provide basics in the theory of their trade; and a training course at the end of the apprenticeship could include an introduction to entrepreneurship skills and guidance on how to find employment or get finance to set up their own business.

Rotation systems that allow apprentices to move to different workshops during their apprenticeships can also help them to develop a broader skills base.

Experience suggests that master craftspersons and apprentices should not be trained together, since their learning needs and social status differ.

Message 4: Enhance the quality and reputation of informal apprenticeship

In some countries, small business associations have introduced skills tests upon completion of apprenticeship to set quality standards within a trade (see box 3). In other countries, training content within each trade is harmonized by setting

skill standards that apply to all informal apprenticeships in that trade. Such standards should be designed with the involvement of master craftspersons and their organizations.

Once set, standards can be converted into logbooks or checklists of competence, to be signed by both master craftspersons and apprentices, to monitor how training progresses. The logbooks should be verified by a designated expert from a reliable institution who visits the workplace regularly, for example a representative of a government agency, a training centre, a business association or an NGO. Schemes along these lines are currently being piloted in countries including Bangladesh, Senegal and Togo. Combined with assessments and certification at the end of apprenticeship by a credible organization, skill standards and logbooks can enhance the recognition of skills and thus improve young people's chances of finding a job on completion of their apprenticeships.

The profile and status of informal apprenticeship can also be raised by strengthening the role of master craftspersons as trainers, for example by introducing criteria that acknowledge their role. Other means of raising the profile of informal apprenticeship include setting up information campaigns, awarding prizes (to both apprentices and master craftspersons) for

Box 3. Skills tests run by business associations

In some countries with relatively strong and well-organized small business associations, standard assessments have been introduced for specific trades to ensure a certain skill level is met at the end of an apprenticeship. These assessments are mostly practical, conducted and verified by independent members of the association, and lead to certificates issued by the association. Depending on the extent of the association's reach, these certificates provide local, regional or national recognition of the apprentices' skills and therefore enhance their employability. Some government agencies (e.g. in Ghana) also recognize the certificates as a qualification for short-term employment, or as a prerequisite for participation in bidding for public procurement contracts.

In Benin, provincial governments have concluded agreements with local business associations to organize joint practical end-of-apprenticeship assessments twice a year. Assessment committees are composed of representatives from government, business associations and parents' associations. The names of successful candidates are broadcast by local radio stations.



successful apprenticeship practice, or including informal apprenticeship as an option in vocational guidance in schools and employment services.

Message 5: Improve equal access to informal apprenticeship

Informal apprenticeship depends on master craftspersons selecting apprentices to be trained in their workshops. Without undermining this essential character of the system, ways need to be found to broaden access to training in small businesses.

Women tend to be disadvantaged by the preponderance of male-dominated trades among those offering informal apprenticeship. Other disadvantaged groups, such as young people from migrant backgrounds or with disabilities, also face difficulties in being accepted as apprentices.

Efforts to establish fair and equal access to informal apprenticeship require stereotypes of both male and female master craftspersons to be addressed so that recruitment practices are based on talent, behaviour and competence and not on the gender of the applicant. Discrimination can also be eroded by stimulating demand for apprenticeship among young women and members of other disadvantaged groups. This may be done, for example, by involving community groups in encouraging their members – whether young people, disabled people, or women – to approach master craftspersons for training, and by encouraging women entrepreneurs to accept apprentices.

Message 6: Include informal apprenticeship in the national training system

Several countries, including Benin, Gambia, Ghana and Tanzania, have recognized the importance of informal apprenticeship in contributing to the national skills base. This recognition is enshrined in policy documents on education and

training, some of which also include provisions for measures to upgrade the system. Observation of the implementation and impact of these measures will provide valuable evidence on the most effective mechanisms. Formal acknowledgement of this kind has the potential to increase the scope, financial support and efficiency of training in these countries over the long term. In some countries, legal contradictions need to be addressed. While artisan codes (in, for example, West Africa) define the status of apprentices and master craftspersons, and recognize oral apprenticeship contracts, labour codes originally drawn up

Box 4. Dual apprenticeship: Linking informal apprenticeship with formal training provision

Several countries, including Bangladesh, Benin, Burkina Faso, Mali, Niger and Togo, are piloting dual apprenticeship schemes in order to incorporate elements of theory, reflection and modern technologies into informal apprenticeship. In these schemes, apprentices spend part of their training (15–40 per cent) in a training centre or vocational school and master craftspersons receive skills upgrading courses. Classroom-based instruction is delivered by training providers within the formal training system, or by private or non-profit non-formal training centres. Financing is commonly provided by national training funds stemming from levies paid by large enterprises, or by international donors.

To be most effective, a dual apprenticeship system needs to achieve the right match between the two sites of learning (the workshop and the training centre) in order that each part of the apprenticeship enriches the other to the maximum extent. Field trainers who visit workshops and business sites can help bridge the divide between the two. Another challenge is the frequent lack of capacity, in both formal and non-formal training centres, to provide complementary training for large numbers of informal apprentices. To address this problem in Benin, the government provided incentives for the creation of new private training centres, many of them owned by individual master craftspersons. Such incentives need to be designed with care so they are seen to be benefiting all the apprenticeship providers. Some dual systems introduced in the effort to upgrade informal apprenticeship may reach only higher-end segments of the informal economy, for example if they require a certain level of education on the part of apprentices or financial contributions by businesses.

to regulate formal apprenticeship in larger enterprises call for written contracts along with other requirements that lie beyond the reach of small businesses offering informal apprenticeship.

Effective legislation to bring the two systems closer together needs to build on current practices and be designed in close collaboration with key stakeholders. For example, a country's training system might recognize skill standards for apprenticeship trades and define pathways for former apprentices into the formal TVET system.

Message 7: Take a step-by-step approach

Well-designed approaches aim to overcome weaknesses in the system step by step. Upgrading an informally organized system requires time, pilot testing, close monitoring, and evaluation that allows for lessons learned to be fed back into policy and reflected in the adjustment of approaches. Trust needs to be built up between trainers and learners in the informal economy on the one hand, and those working in the formal training system on the other. Judicious timing of the various stages of intervention, and selection of the best combination of elements, are of critical importance.

It is important to strengthen the capacity of small business associations and other groups representing the interests of master craftspersons and apprentices so that they have the capability to implement change themselves. Interventions that benefit master craftspersons directly, such as skills upgrading courses, or accident insurance schemes for micro and small businesses, provide incentives for long-term involvement in the upgraded system, and so may need to precede interventions to standardize training content or set maximum training periods.



Box 5: The measurement challenge

Given to the lack of official records on informal apprentices, most countries where this system exists have only rough estimates of the number of apprentices in the informal economy. Statistical information about informal apprenticeship remains fragmented, if it exists at all. Some countries have included questions about apprenticeship in national household or labour force surveys, but very few distinguish between formal and informal apprenticeship. Some survey tools that specifically target the informal economy include a number of basic questions on informal apprenticeship.

Drawing on a detailed survey tool developed by the ILO Skills and Employability Department to assess the functioning of informal apprenticeship in specific trades and local contexts (ILO, 2011, forthcoming), the following framework is proposed for the gathering and organization of data for each occupation in which informal apprenticeship operates:

- proportion of apprentices who leave the workshop without finishing informal apprenticeship;
- average duration of informal apprenticeship and variability;
- proportion of apprentices having graduated within the last two years who found a job in a larger (formal) enterprise or the public sector after graduating;
- proportion of apprentices having graduated within the last two years who either set up their own businesses or found employment in a micro, small or larger enterprise after graduating;
- proportion of apprentices who are female or belong to other disadvantaged groups among graduates of the last two years;
- proportion of apprentices, skilled workers and master craftspersons currently in the trade who are female;
- proportion of apprentices who started apprenticeship below working age (14 or 15);
- proportion of apprentices who are well informed about the terms of the apprenticeship agreement;
- work-related accident rate among apprentices.



Summary: Towards better informal apprenticeship

Informal apprenticeship systems are widespread in many countries. Master craftspersons conclude an agreement with an apprentice to train them in their workshop in the skills of their trade for a significant period of time. Apprentices learn while they work and contribute to the businesses' operations.

Although operating in the informal economy, apprenticeships are not unorganized: social rules and local traditions provide a conducive framework for training to take place. Upgrading redresses weaknesses in the system while maximizing its potential to benefit youth, small businesses, and more versatile and productive economies.

Upgrading interventions are more likely to be successful if they:

- build on a thorough, local and trade-specific assessment of why and how informal apprenticeship systems work;
- capitalize on existing practices;
- put existing business associations in the driver's seat and strengthen their capacity;
- involve workers' organizations, parents' associations, youth groups and/or other community groups;
- combine different measures and include elements addressing aspects of the decent work deficit, such as hazardous working conditions;
- take a step-by-step approach;
- improve training quality by providing new skills to both master craftspersons and apprentices;
- enhance recognition of acquired skills through credible organizations such as business associations;
- address gender imbalance and make informal apprenticeship attractive to both men and women;
- are properly monitored and evaluated;
- create links with the formal training system and the formal labour market;
- improve the reputation and public perception of informal apprenticeship, e.g. by considering it part of the national training system.

Key ILO resources

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