



The European Alliance for Apprenticeships

More than **one million** apprenticeship opportunities **since 2013**. You can become a member by following [this link](#).

Date: 23 February 2021

Location: Brussels, Thessaloniki, Vienna, London

Employment,
Social Affairs
and Inclusion



Financing apprenticeships in the EU

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Structure of the webinar

- 1.** Introduction. EU funding opportunities for VET (Norbert SCHÖBEL, EC)
- 2.** Policy context and information on Cedefop's study (Patrycja LIPIŃSKA, CEDEFOP)
- 3.** Apprentice remuneration and support for apprentices (Jörg MARKOWITSCH, 3s)
- 4.** Models/typology of financing apprenticeships (Patrycja LIPIŃSKA, CEDEFOP)
- 5.** Specific measures during the COVID-19 crisis (Jörg MARKOWITSCH, 3S)
- 6.** Q&A

Introduction

Operations that can be supported with the new EU budget

(short term)

Direct subsidies
for apprentices
in SMEs
including
remuneration

Recruitment
bonuses

Temporary social
contributions
coverage

Trainers'
wages

Placement of
apprentices from
insolvent
companies into
other companies
or intra-company
training centres

Operations that can be supported with the new EU budget

(medium term)

Investments in
curricula
reforms for
increased
market
relevance

Expansion of
higher VET
programmes

Setting up
quality
assurance and
graduate
tracking systems

Training of
teachers
and
trainers in
VET

Mobility of
VET learners,
teachers and
trainers

Investments in
inter-company
training centres

Funding opportunities for VET

1. European Social Fund (ESF+)
2. The European Regional and Development Fund (ERDF)
3. Recovery and Resilience Faculty (RRF)
4. Erasmus+
5. Technical Support Instruments (TSI)
6. InvestEU

For more information on this topic, please refer to a [previous EAfA webinar on EU Funding Opportunities for Apprenticeships: Erasmus+ and European Social Fund \(ESF\)](#)

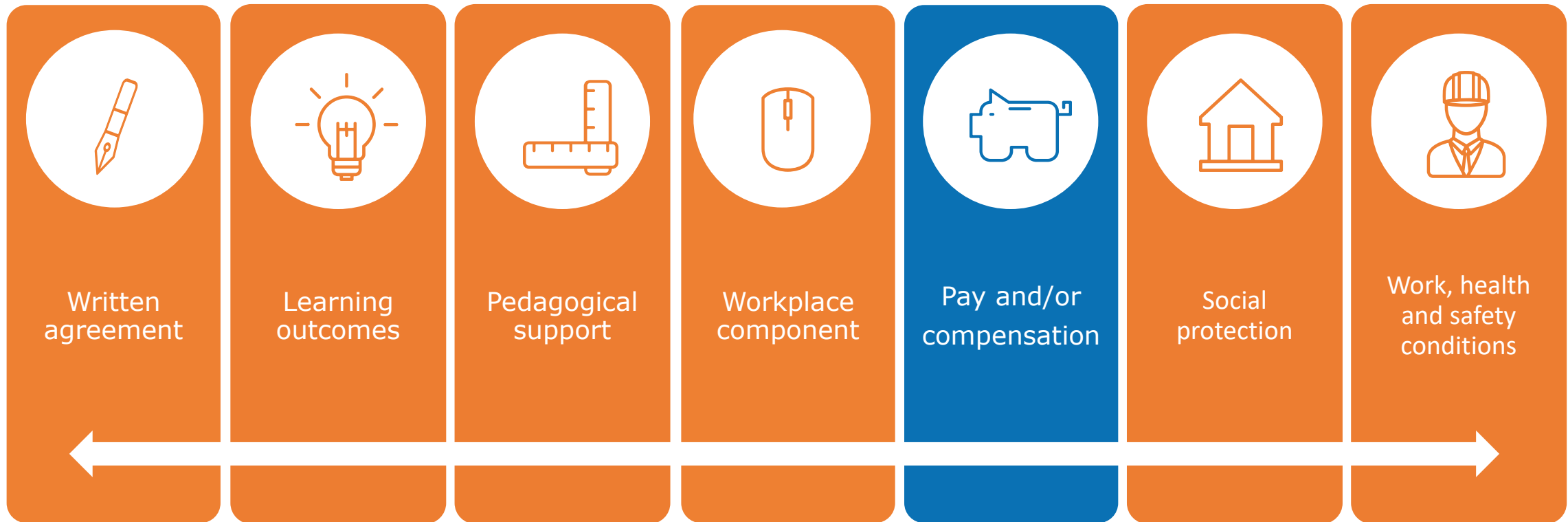


Financing apprenticeships in the EU

Webinar with **Patrycja Lipińska (CEDEFOP)** and **Jörg Markowitsch (3s)**

Policy context and information on Cedefop's study

The EFQEA criteria for learning and working conditions



The EFQEA criteria for framework conditions



Cedefop's study:

- Coverage: 29 apprenticeship schemes in 21 EU MS and the UK
- Data source: national expert surveys
- Reference year: 2017
- Analysis: financing arrangements at system level and their typology, about 50 financing instruments: levy schemes, tax incentives, grants
- Formats: [report](#) and [online database](#)



Costs covered

Employers
Gross apprentice wages/allowances Costs of social insurance
Gross wages of in-company trainers Fees for external instructors
Costs of material/equipment
Travel and subsistence costs for apprentices
Exam fees of on-the-job training
Contributions to national/sectoral training funds

State/region/ municipality
On-the-job training costs (gross apprentices remuneration, costs of social insurance; travel and subsistence costs)
Administration costs (partially explored)

Apprentices/ Households
Exam fees of on-the-job training
Travel and subsistence costs of on-the-job training

VET schools
Teacher wages (partially explored)

Examples for cost not covered
Employers: foregone productive work during training (apprenticeship for adults)
Apprentices: living/subsistence costs
VET schools: costs for training teachers

Outlook on the presentation

1. Apprentice remuneration and support for apprentices
 - chat discussion
2. Models/typology of financing apprenticeships
3. Specific measures during COVID-19 crisis
 - chat discussion
4. Q & A



Apprentice remuneration

Focusing on three key questions

- How is apprentice remuneration set?
- How does remuneration vary?
- What is the level of remuneration?



Wages, allowances and grants

Wages

Taxable income



More than
3/4 of all schemes

Allowances

Non-taxable income



Less than
1/4 of all schemes

+

Grants

Various forms of subsidies



Less than 1/3
of all schemes

Number of apprentices/size of apprenticeship track

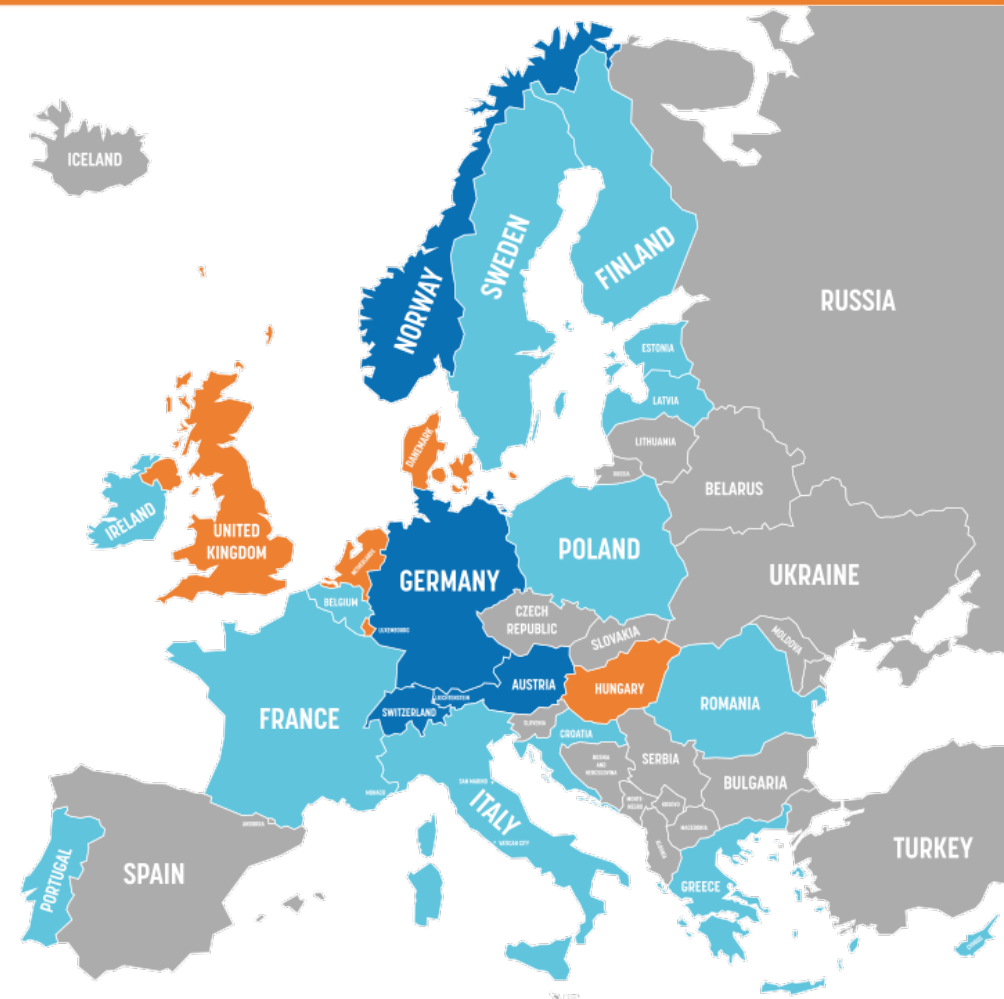
Strong
(>30%)

Minor
(10-30%)

Very Small
(<10%)

- “Strong” means more than 30% learners are enrolled in relation to all programmes for learners of the same age group
- “Minor” means between 10% to 30%
- “Very small” means less than 10%.

Source: Cedefop apprenticeship Database, own research



1. How is the remuneration for apprentices set?

Collectively

Individual Agreement

Centrally

Note: In Austria there is a second, publicly financed, scheme for which remuneration is set centrally. In Sweden Apprenticeships in upper-secondary schools are covered.

Source: Cedefop 2020, own research



Variations of apprentice pay within selected countries

Apprenticeship Schemes	Per year	Per trade	Per age	Per level	Level of variation
The Netherlands	●	●	●	●	High
Finland, Luxembourg	●	●		●	High
Germany, Austria, Ireland, Italy	●	●			High
France, Belgium-Flanders	●		●		Medium
Belgium-Wallonia, Hungary, Malta, Poland, Croatia	●				Low
Estonia, Greece, Romania, Portugal, Slovakia					Low

Source: Cedefop 2020, own research

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Finland, Luxembourg	●	●		●	High
Germany, Austria, Ireland, Italy	●	●			High
France, Belgium	●		●		Low
	●				Low

Bricklayer annual gross income (NL)
 1st year - € 4,670
 2nd year - € 5,380
 3rd year - € 6,200
 4th year - € 7,150
 (for above 23 year olds: €12,200)

Germany, Year 1, p.m.
 Appr. bricklayer - € 850
 Appr. Cook - € 770
 Appr. hairdresser - € 530

France, Year 1, p.m.
 16-17-year-olds - € 370
 18-20 year-olds - € 606
 over 21 years-old - € 785

research

2. Where does remuneration vary the most?

High

Medium

Low

Note: In Austria there is a second, publicly financed, scheme with a fixed apprentices remuneration per year. In Sweden Apprenticeships in upper-secondary schools are covered.

Source: Cedefop 2020



3. How much are apprentices paid?

High pay

> €9,000 p.a.
> €6 per hour

Medium pay

€3,000–9,000
p.a.
€4–6 per hour

Low pay

<€3,000 p.a.
<€4 per hour

Note: These are estimates as variations in pay and other factors (e.g. the amount of family allowances and grants) make comparisons difficult.

Source: Cedefop 2020, own research





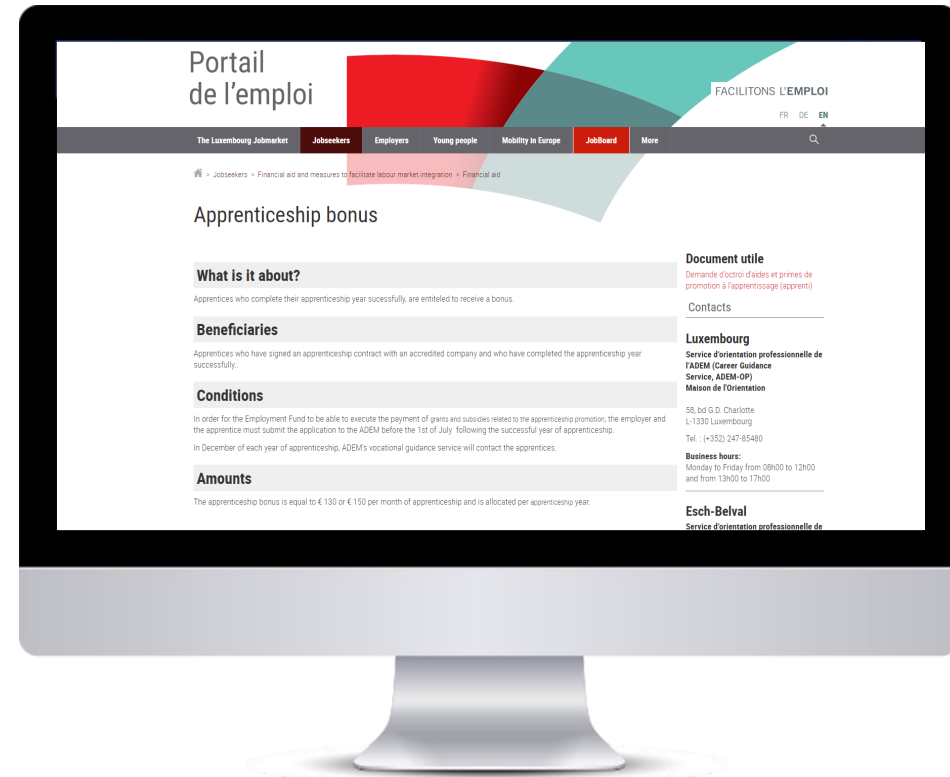
Grants for Individuals

Apprenticeship bonus in Luxembourg

Example

- For all apprentices who complete successfully an apprenticeship year
- Since **2012**
- **€ 130 to € 150** per month
- **11 Mio** in total*

*estimated data for 2015

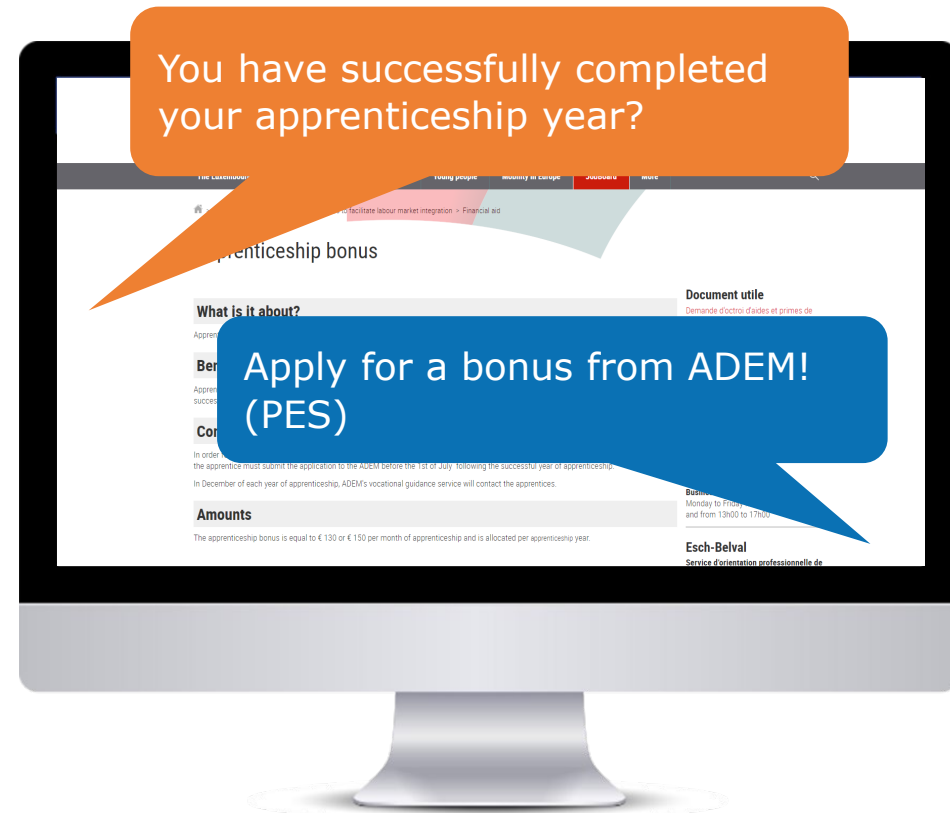


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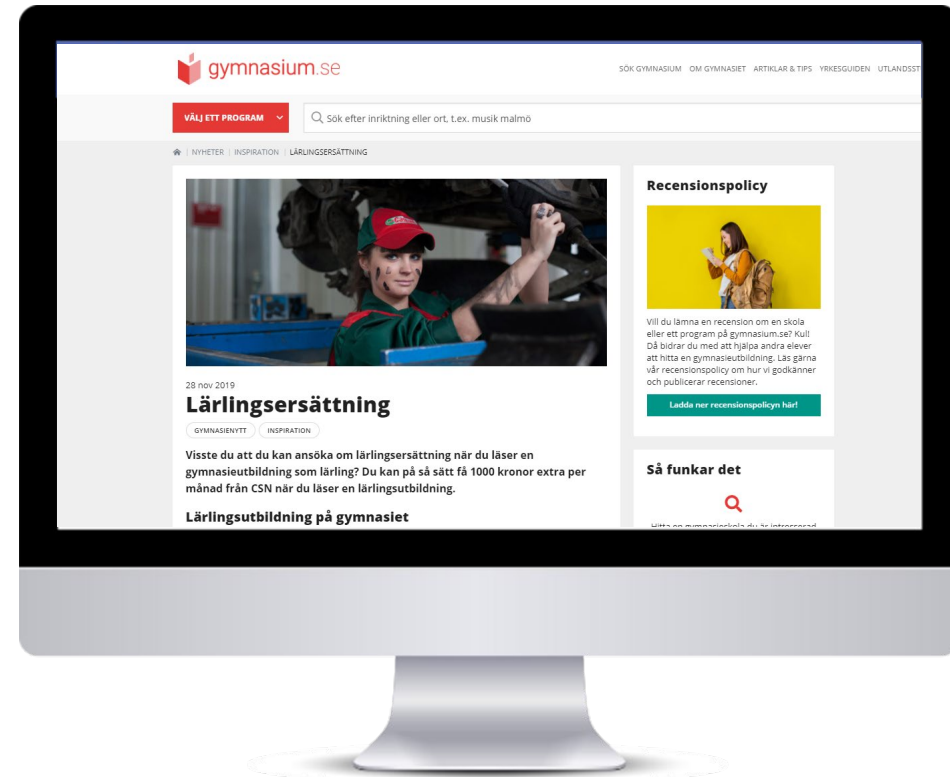


Apprentice compensation in Sweden

Example

- Full-time apprentices under 20 entitled to student aid
- Since 2014
- 1000 Krona (~100 Euro) per month
- 6 Mio in total, 10 700 beneficiaries*

Source: Cedefop 2020, own research



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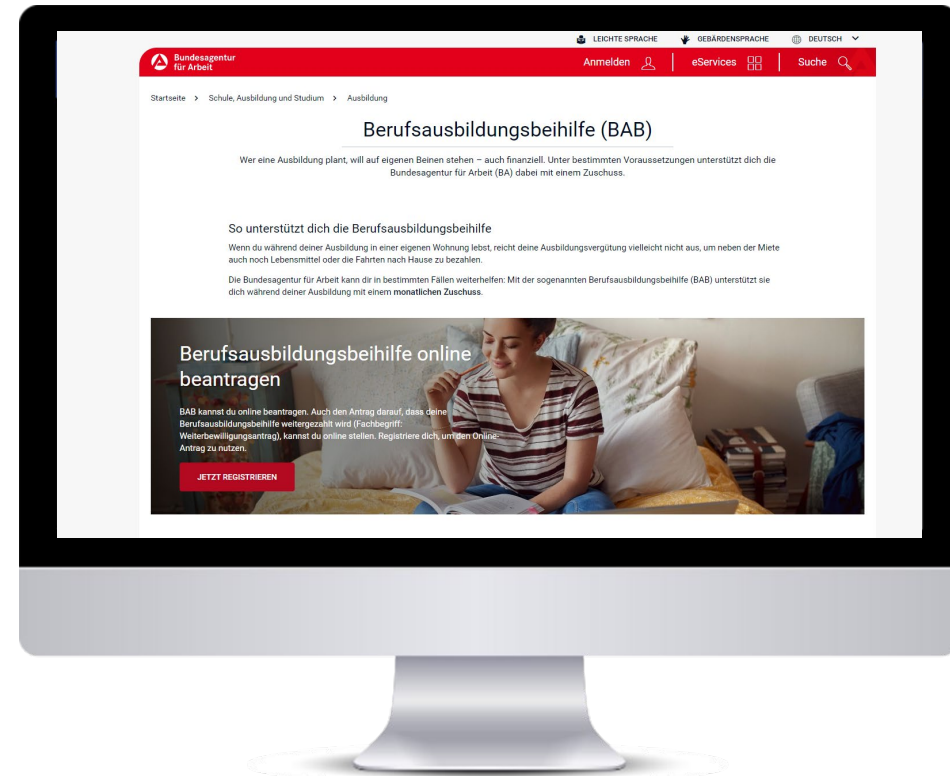


Vocational Training Grant in Germany

Example

- Non-repayable grant paid by **PES**
- For apprentices without sufficient income to cover living costs
- Up to **€ 700** per month
- Roughly **€ 3 300** per year for **95 000** apprentices

*rounded data for 2016



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- For apprentices without sufficient income to cover living costs
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*rounded data for 2016



Your training company is far from home?

You live in your own flat?

Your apprentice wage is not enough to cover your living costs?

Get financial support from the BA (PES)!

Question

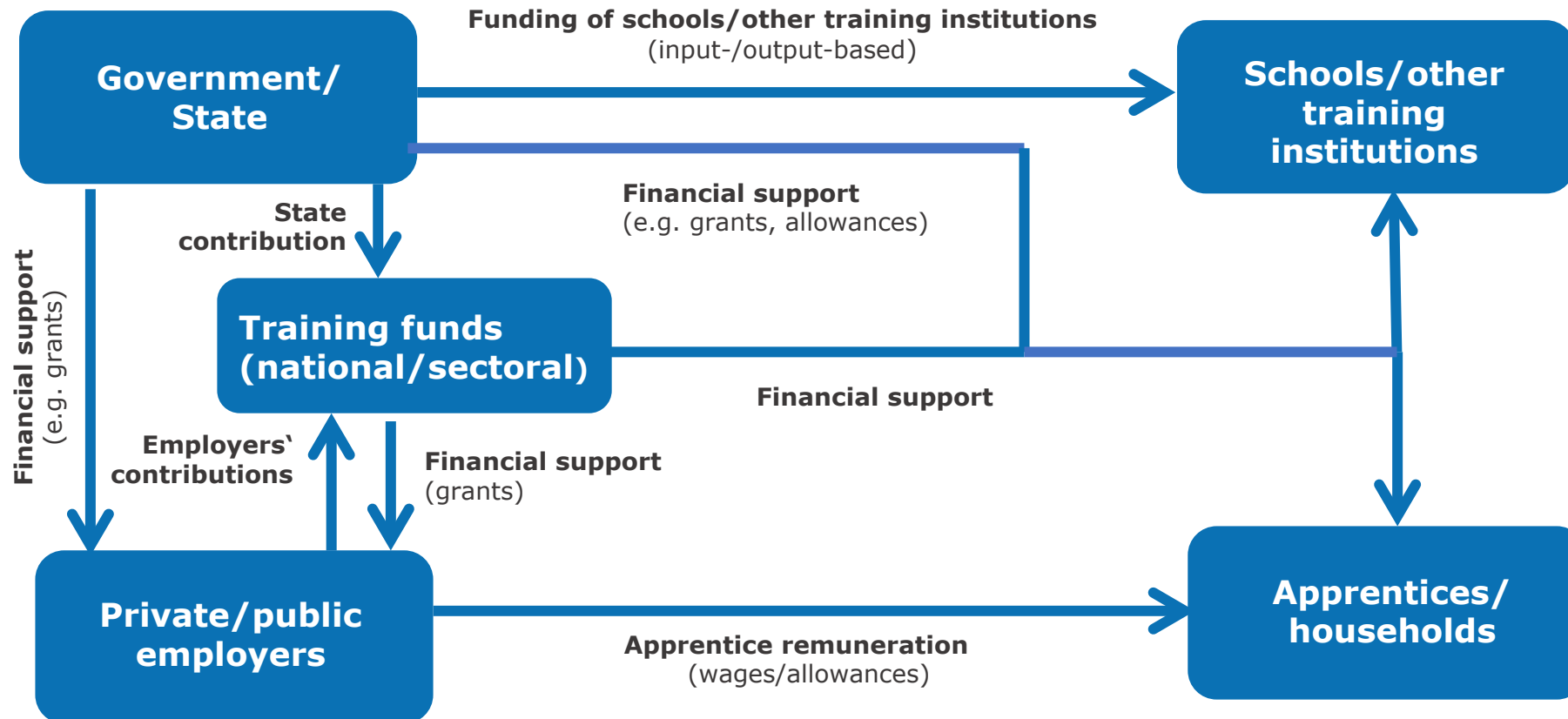
What are the issues at stake in the current policy debate on apprentice remuneration in your country?





Models/typology of financing apprenticeships

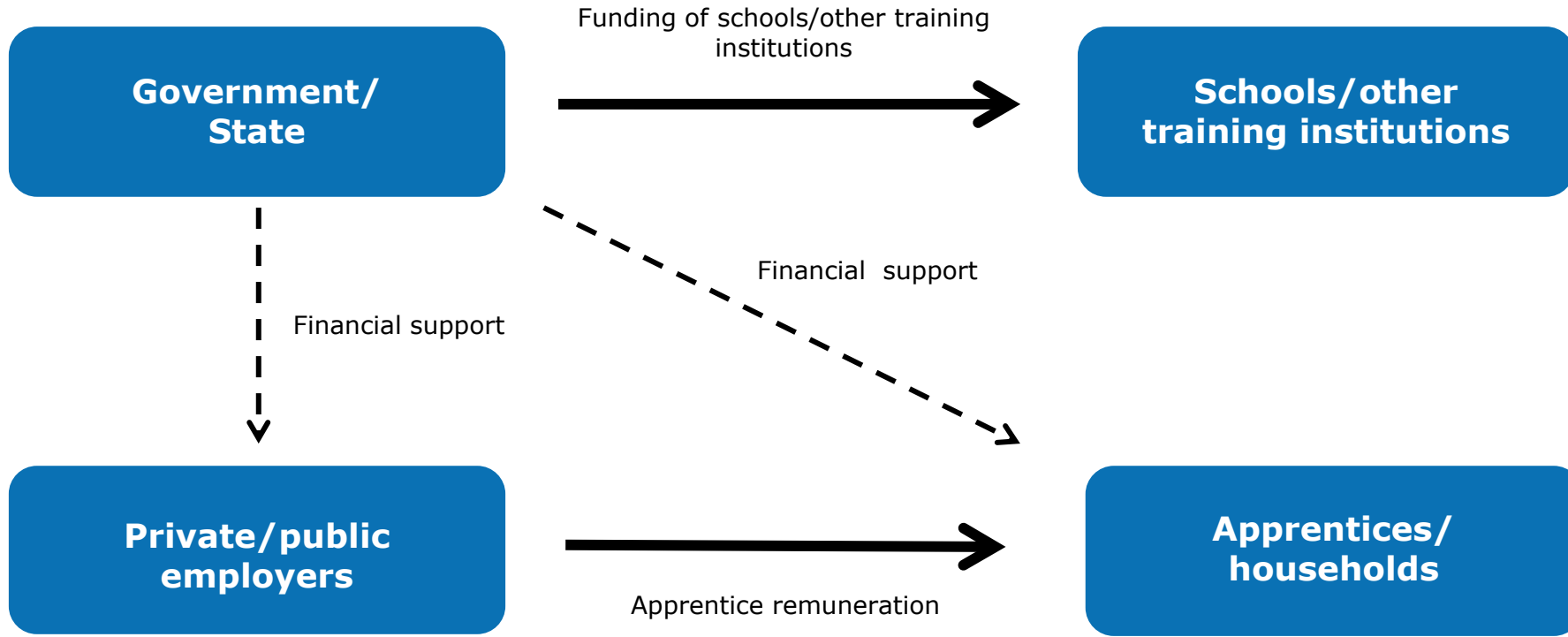
Basic model of financing arrangements for apprenticeship schemes



Source: Cedefop 2020

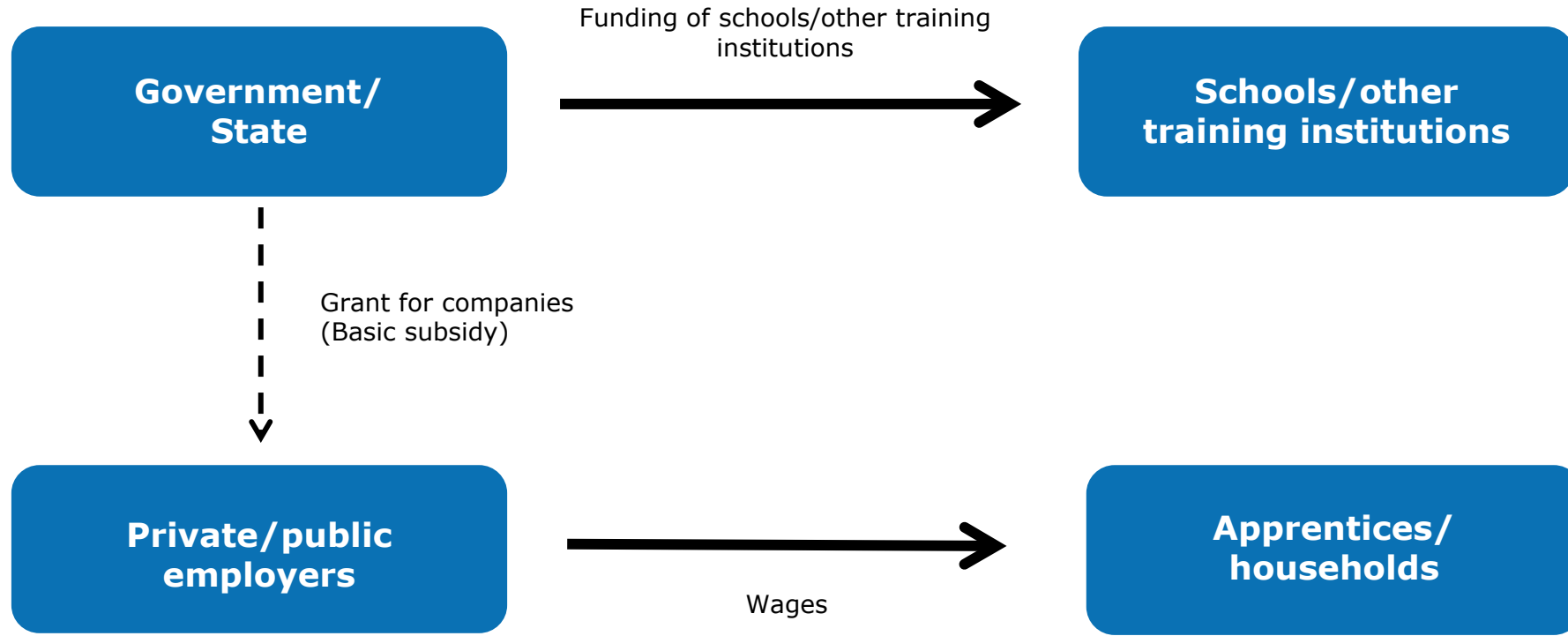
Model 1 – ‘Split’ Model

Apprenticeship costs are split between on-the-job training paid by employers and off-the-job training paid by the State



Model 1 – ‘Split’ Model: Example 1

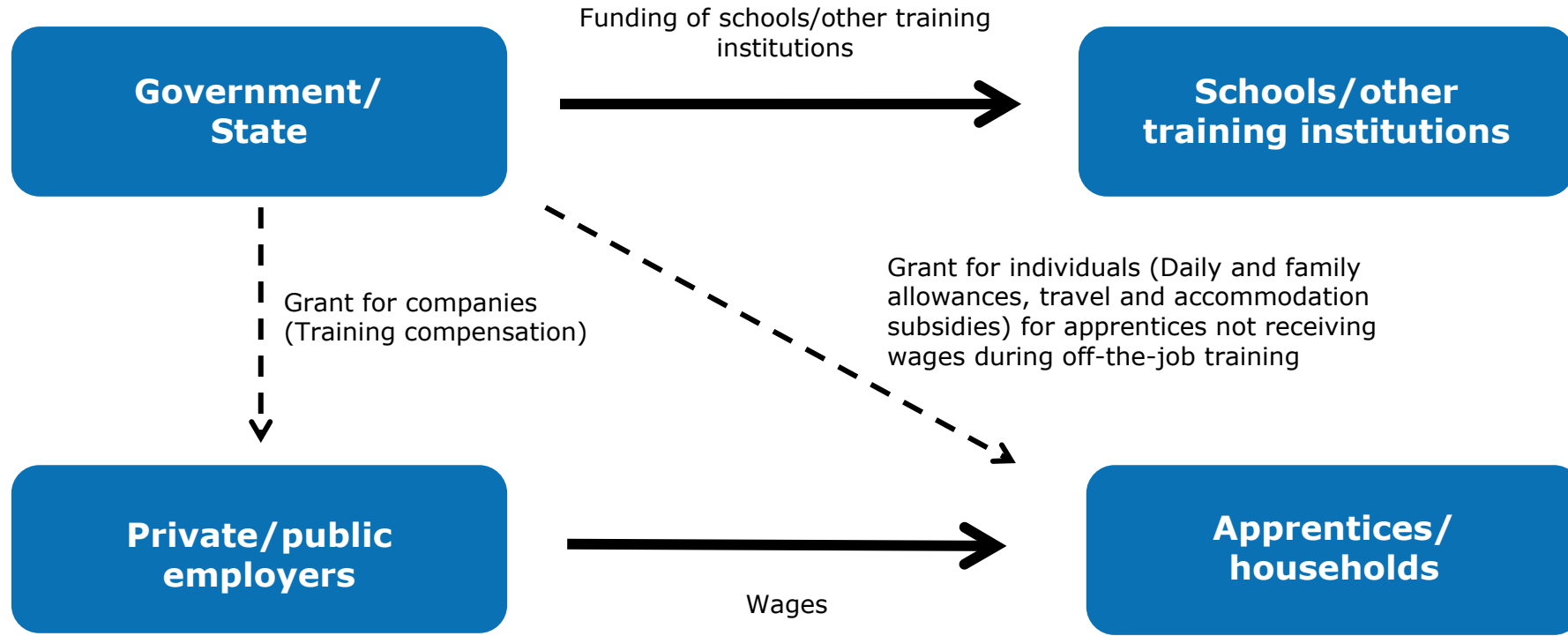
Austria 1 - Dual apprenticeship



Source: Cedefop 2020

Model 1 – ‘Split’ Model: Example 2

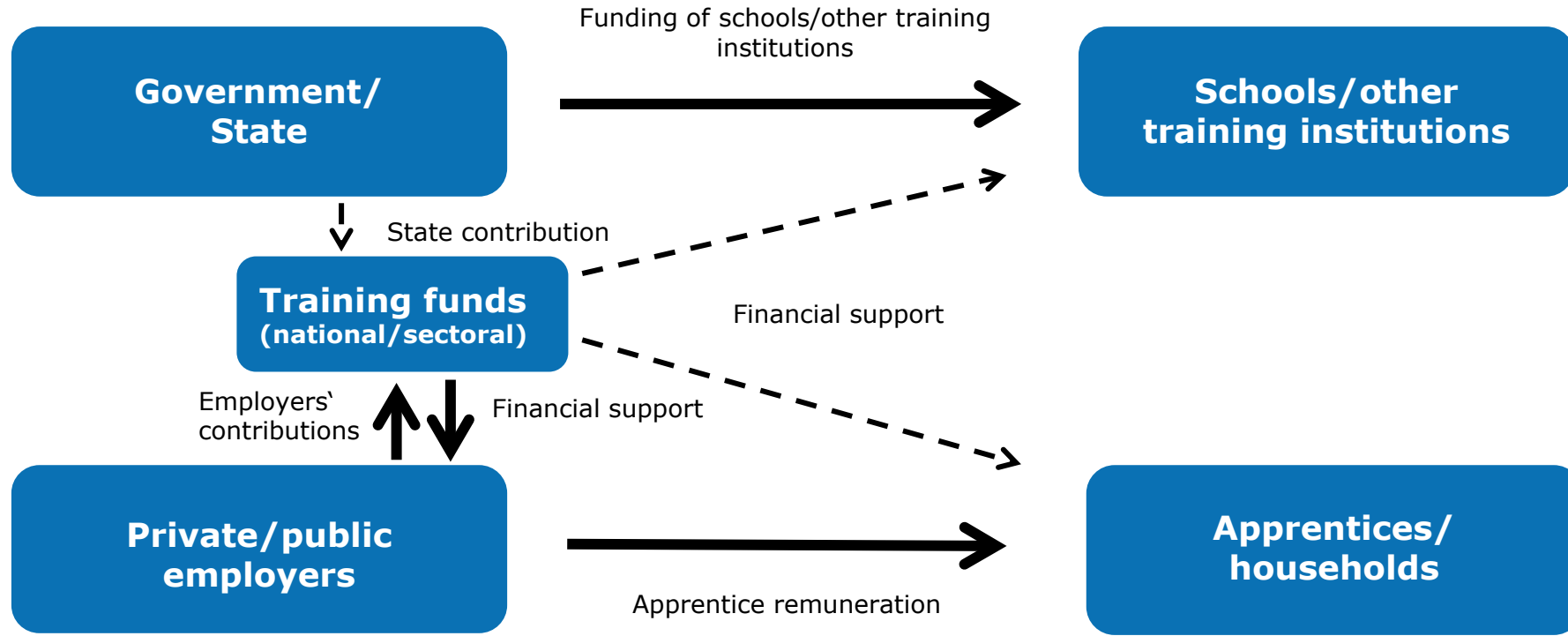
Finland - Apprenticeship training



Source: Cedefop 2020

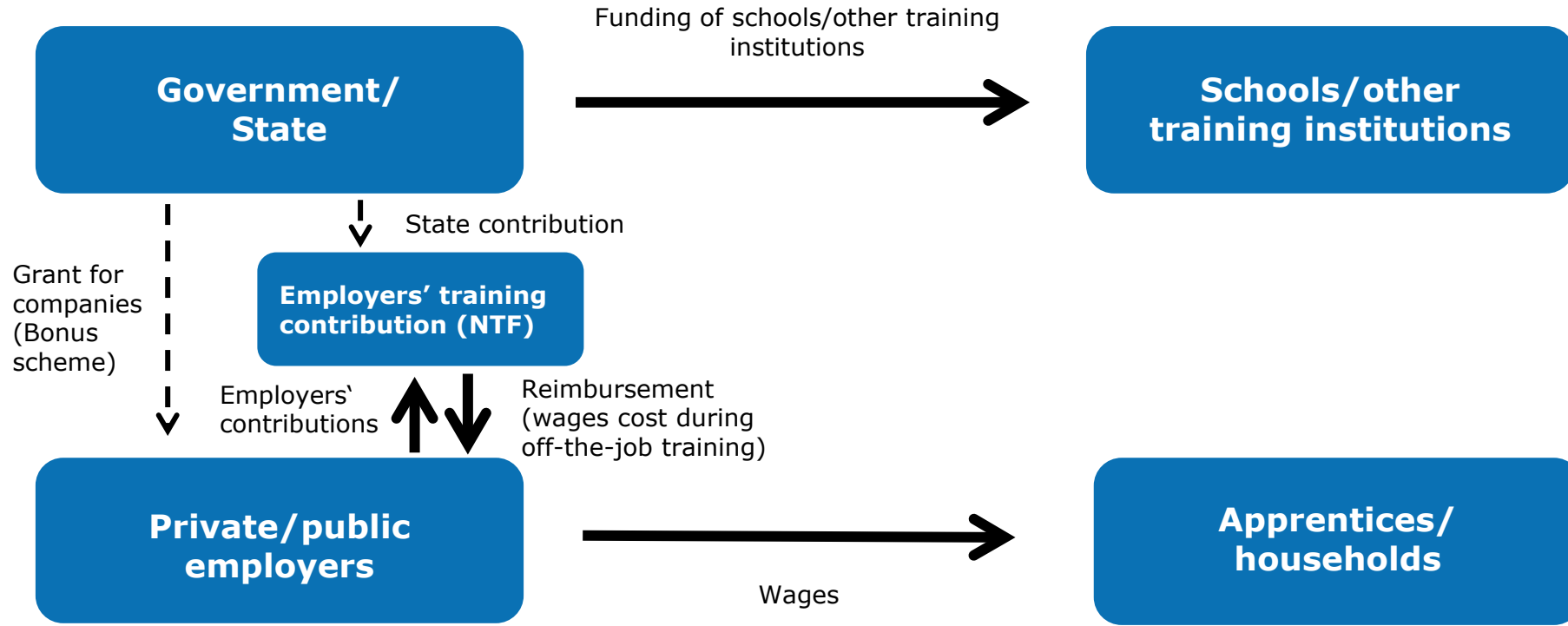
Model 2 – ‘Joint’ Model

Costs are shared between the State and employers. Employers contribute individually and jointly by paying a levy to a training fund



Model 2 – ‘Joint’ Model: Example 1

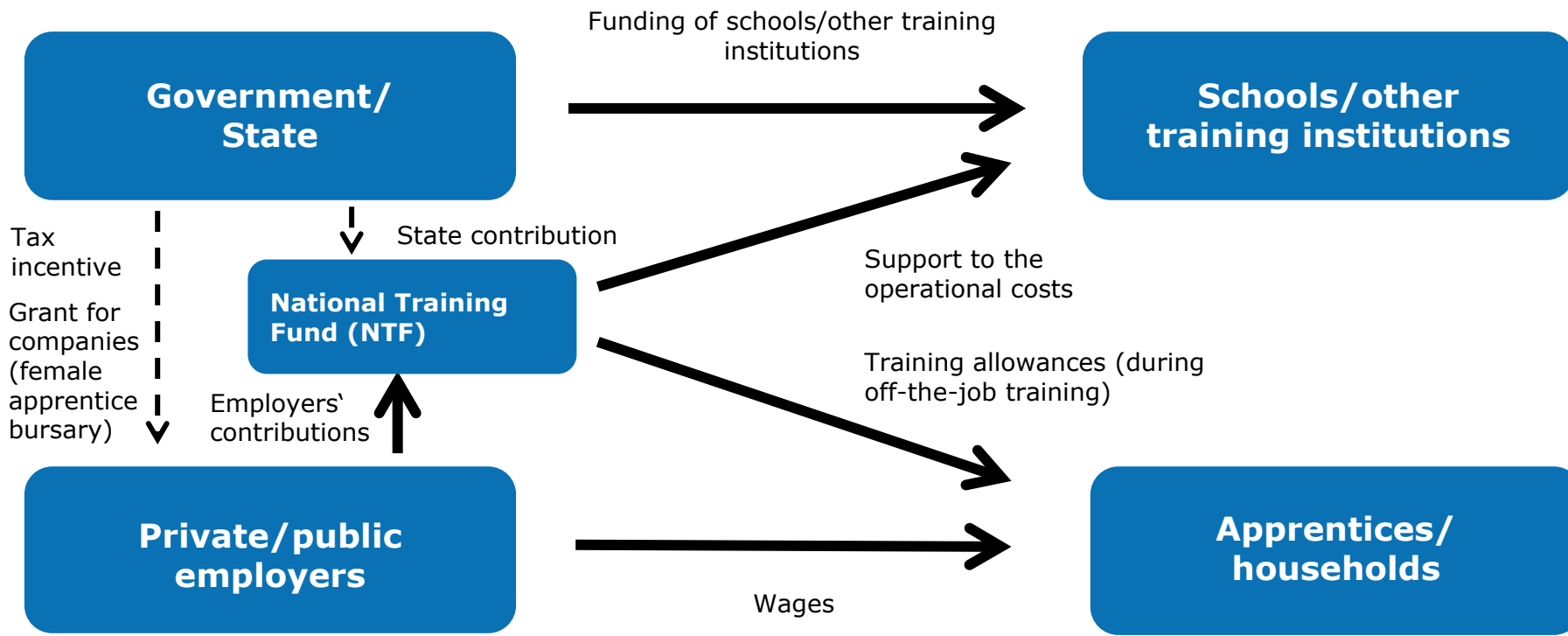
Denmark - Apprenticeship



Source: Cedefop 2020

Model 2 – ‘Joint’ Model: Example 2

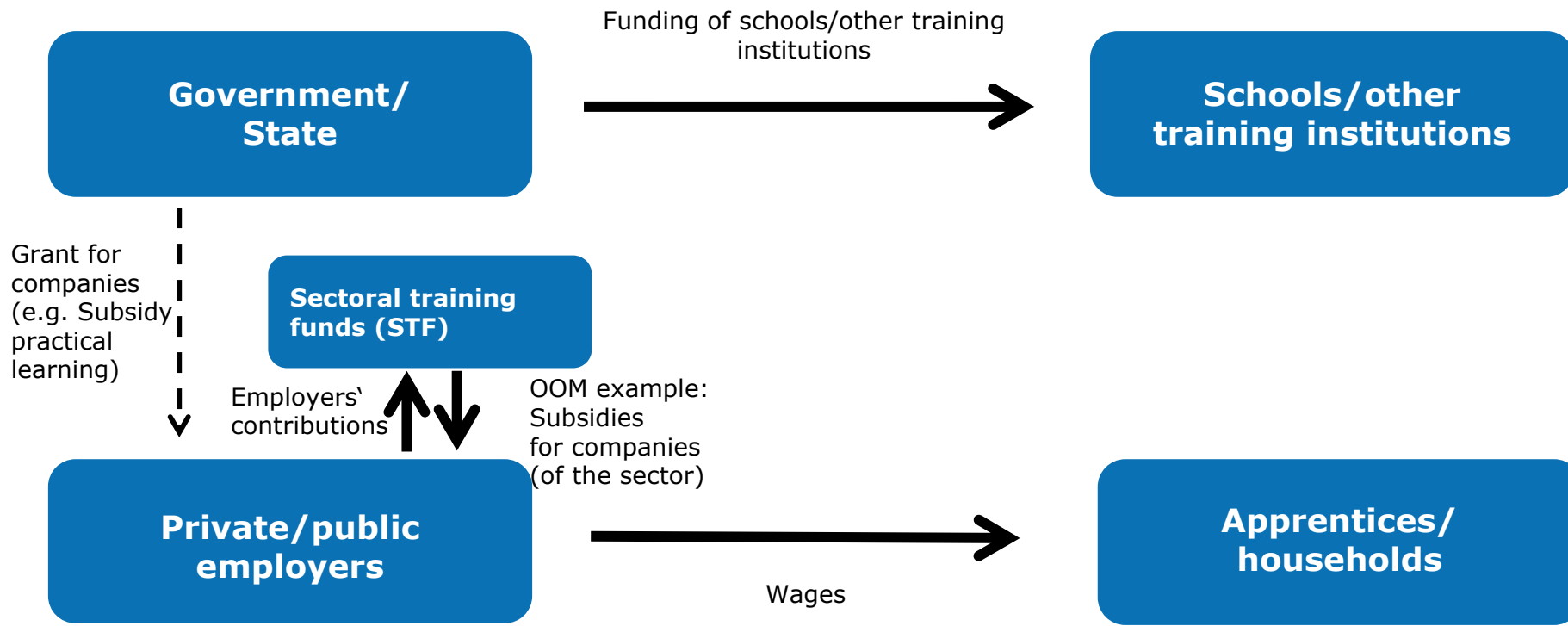
Ireland - Apprenticeships



Source: Cedefop 2020

Model 2 – ‘Joint’ Model: Example 3

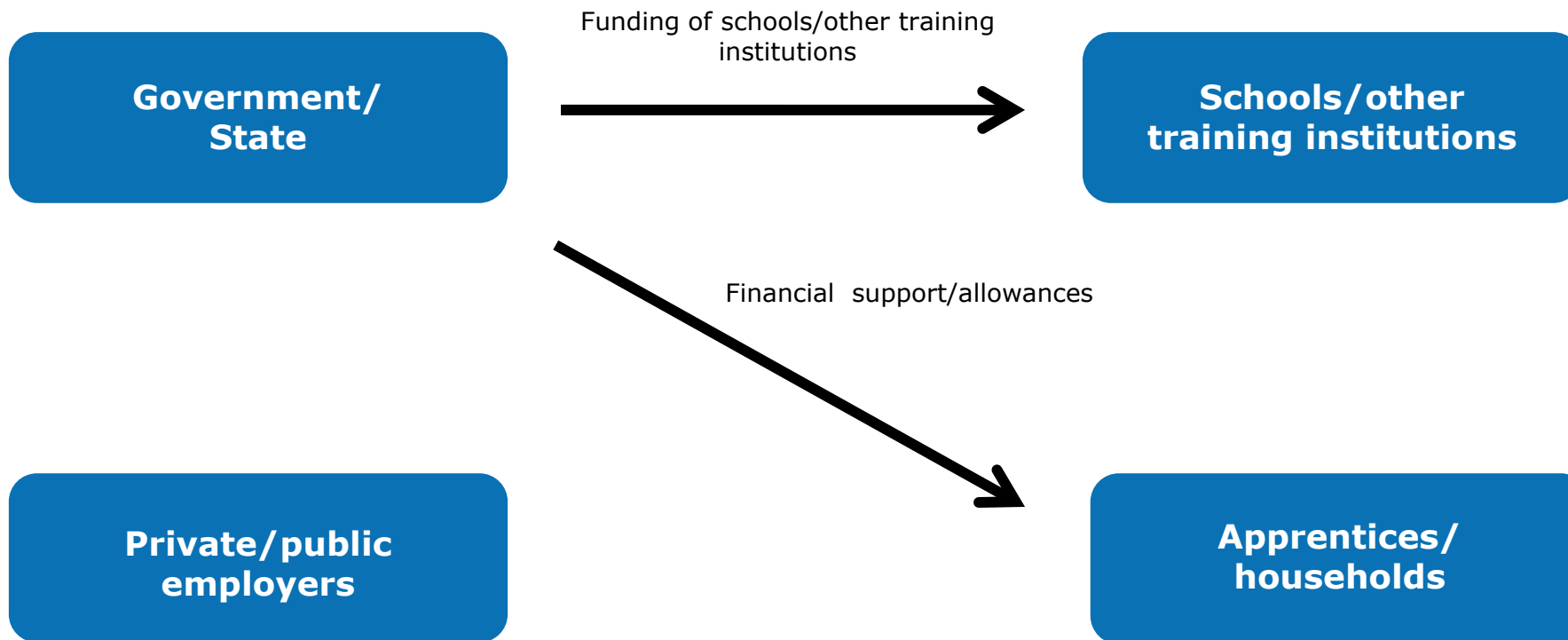
The Netherlands – Dual pathway



Source: Cedefop 2020

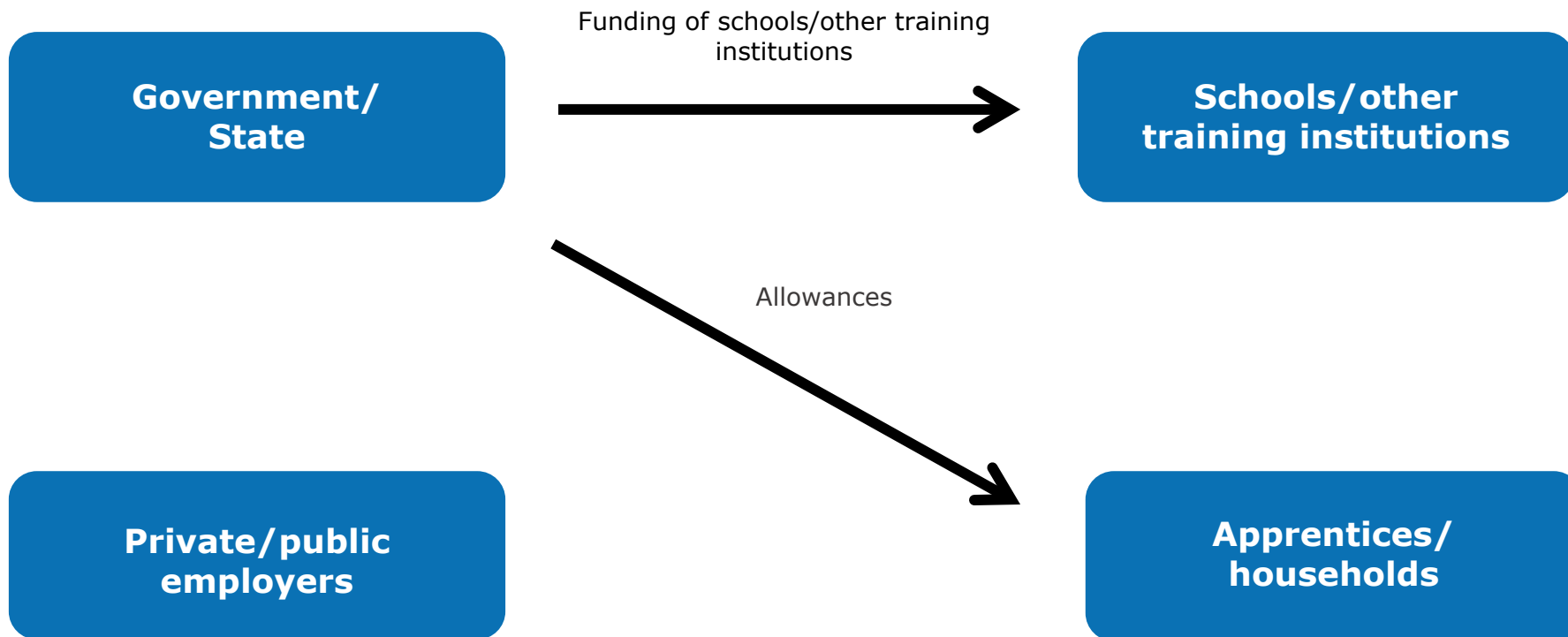
Model 3 – ‘Single’ Model

The State (predominantly) finances apprenticeship – funds the schools and pays apprentice remuneration



Model 3 – ‘Single’ Model: Example 1

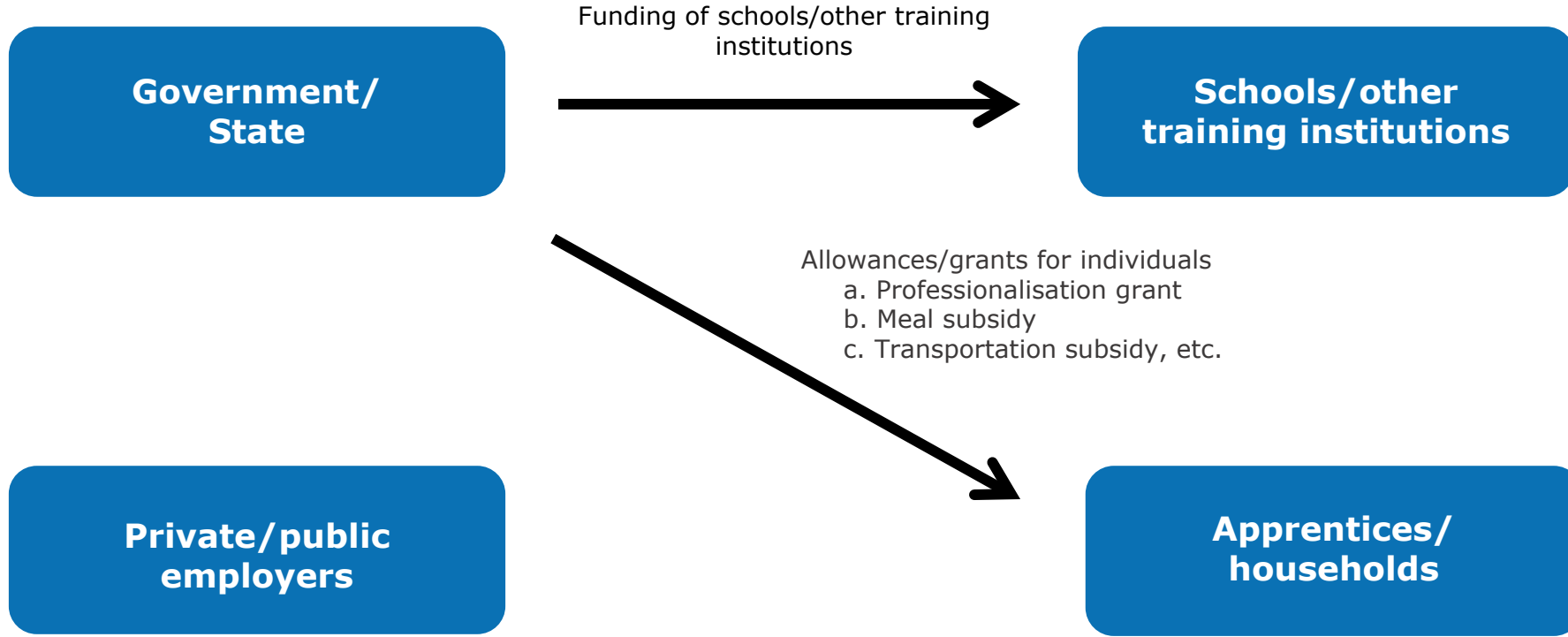
Austria 2 - Supra-company apprenticeship



Source: Cedefop 2020

Model 3 – ‘Single’ Model: Example 2

Portugal - Apprenticeship programmes



Typology of financing arrangements for apprenticeships

Model	Type	Apprentice remuneration			Country/apprenticeship scheme examples
		Setting mechanism	Level	Variation	
Model 1	Type I	collective	high	high	AT (dual apprenticeship), DE, FI
	Type II	central	medium	low	BE, EE, EL, MT
	Type III	central	low	low	HR, PL, SK
Model 2	Type IV	collective	high	high	DK, IE, NL
	Type V	central	high/medium	high/medium	FR (apprenticeship contract), UK (England)
Model 3	Type VI	central	low/medium	low	AT (supra-company apprenticeship), PT

Typology of financing arrangements for apprenticeships - conclusions

The apprentice remuneration negotiated in collective agreements tends to be higher and show higher variation compared to the remuneration which is centrally set.

Where training funds are used, apprentice remuneration tends to be medium to high and show considerable variation, irrespective of the pay setting mechanisms.

Study contribution and the way forward

Benefits

- Better understanding of the patterns of financing apprenticeships
- Facilitating policy learning between countries
- Guiding future research

Topics to explore in the future:

- Actual apprentice remuneration
- Volume of financial support to employers and apprentices
- Costs/financing of off-the-job training
- Non-financing aspects explaining the financing patterns (e.g. governance)
- Effectiveness of financing arrangements for apprenticeships



COVID-19: Specific funding

Two examples from the Member States

EUR 725 million on subsidising apprentice salaries in Denmark

Trepartsaftale: Over 5 mia. kr. skal holde hånden under lærlinge, elever og virksomheder

Regeringen og arbejdsmarkedets parter er enige om at bruge 5,4 mia. kr. på at holde en hånd under elever, lærlinge og danske virksomheder gennem midler fra Arbejdsgivernes Uddannelsesbidrag (AUB). Det skal ses i lyset af, at den aktuelle økonomiske situation fortsat udgør en stor udfordring for danske arbejdsgivere, hvilket risikerer at gå hårdt ud over elever og lærlinge, der er i lære som en del af deres erhvervsuddannelse.

Løntilskud til lærlinge

Den samlede trepartsaftale indeholder en række tiltag, der skal gøre det økonomisk overskueligt selv for virksomheder, som er i en vanskelig situation, at oprette nye lærepladser. Derfor er aftaleparterne enige om at indføre en løntilskudsordning for private virksomheder, der har lærlinge eller vil ansætte lærlinge.

Helt konkret vil den nye ordning betyde, at virksomheder, der ansætter en påbegyndende lærling, får et løntilskud for såvel løn som uddannelsesbidrag. Løntilskuddet gælder fra 1. maj til 31. december 2023.



“The agreement will ensure equal rights for the young but also benefit the society because we know we are going to need skilled people in the future...”

Hvor meget tilskud får I i 2020?

90 % af lærlingens løn i virksomheden, hvis I ansætter en ny lærling i en ordinær uddannelsesaftale i dag.

75 % for de lærlinge, I allerede havde ansat pr. 1. maj 2020. Dette gælder alle aftaletyper.



45 % hvis I ansætter en lærling i en kort aftale i dag.



Under lærlingens skoleophold vil I fortsat få udbetalt lønrefusion fra AUB. Lønrefusionen er forhøjet for skoleophold i 2. halvår af 2020 for ordinære aftaler.



Hvordan får I tilskuddet udbetalt – og hvornår?

- 10 million euros for the supra-company apprenticeship training...
- 7 million euros for the training of young unemployed Viennese

Wiener Ausbildungspaket

Stadt
Wien

Questions

Which changes to financing arrangements for apprenticeship have been made in your country due to COVID-19? Are there any changes planned?



Further Questions?

For any additional questions,
please contact:

Jörg Markowitsch

(joerg.markowitsch@3s.co.at)

Patrycja Lipińska

(patrycja.lipinska@cedefop.europa.eu)





**Thank you for your time
and attention!**

Watch out for our upcoming online training module titles '**Involving social partners in apprenticeships**' to be launched soon.