

Chambers Ireland Submission on Apprenticeship Strategy 2021-2025

September 2020

Chambers Ireland represents the largest network of businesses in the State. With Chambers located in every city and major town, we are uniquely positioned to understand the needs and concerns of Irish businesses and to represent their views. Drafted in correspondence with our Chamber Network and associated policy fora, which represent the Chambers and their member businesses, Chambers Ireland is pleased to have the opportunity to make a submission to the Department of Further and Higher Education, Research, Innovation and Science.

In addition to consulting with our members Chambers, we also engaged with members of our Workplace and Skills Taskforce and invited senior members of Solas to brief our members on current Apprenticeship availability, business engagement, and opportunities to address skills shortages.

We commend the work done in recent years to expand the apprenticeship offering and to increase the public private partnership approach to developing new apprenticeships. In particular, the newer 'Consortium' apprenticeship as an addition to the 'Craft' apprenticeship is a very positive development.

International Best Practice & Context

Chambers Ireland is a member of Eurochambres, and through our engagement with the Eurochambres Skills and Entrepreneurship Committee, we gain insights on best practice in other EU member states in the delivery of Apprenticeships. Unsurprisingly, the Austrian and German models of Chamber-operated apprenticeship schemes are among the most well known internationally. Although, unlike Chambers of Commerce in Ireland, these Chambers are public bodies. In Germany, over 500,000 new apprenticeships are completed each year, and this has been credited with keeping youth unemployment low by European standards.¹

The European Commission has made strides to support the role of vocational training for a modern and sustainable labour force through its Erasmus+ programme.² Erasmus+ is a programme to support education and training across the EU, enabling Europeans to gain experience abroad and its inclusion of apprenticeships highlights the value placed on the system for talent provision. The International Labour Organisation (ILO) has issued guidance to United Nations member states on the value of apprenticeships and stresses the necessity for strong public private partnership to maximise skills availability, thus supporting growth and productivity.³

¹ FT.com <https://www.ft.com/content/1a82e8e0-04cf-11e7-aa5b-6bb07f5c8e12>

² https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1421

³ ILO- https://www.ilo.org/skills/areas/work-based-learning/WCMS_669785/lang--en/index.htm

OBJECTIVES OF STRATEGY

Engaging School-Leavers

If apprenticeships to be an even stronger part of the Irish skills and education pathway to employment, we need to improve public understanding and engagement with Apprenticeships. Although the apprenticeship offering in Ireland has developed considerably in recent years, it is unclear how successfully this has been communicated to school leavers and young people making decisions on their professional futures. It is also unclear how this has been communicated to the business community.

The new 2021-2025 Strategy must focus on filling this information gap and ensure that teachers, guidance councillors, employers, parents and students are fully aware of the growing variety of apprenticeship pathways and what these can offer by way of career options. Apprenticeship are also an option for “returners” to work, as well as school leavers, and could potentially offer solutions to job losses caused by COVID-19.

Provisions should be made to improve how the CAO system and school League Table engage with Apprenticeships. The apprenticeship pathway needs to be viewed as an attractive option and not as a second choice or the route only for those less academic. This change should be communicated to parents and to school guidance counsellors specifically. Apprenticeships as an alternative pathway to a career as opposed to a ‘fallback’ option needs to be supported, for example, including a league table for entry to apprenticeship programmes post leaving cert similarly to what is done for third level would be positive.

Labour Participation

The impact of Covid-19 on female labour participation has a poor outlook as the traditionally female-dominated areas of retail and hospitality were badly hit. While much has been done to improve diversity of gender participation in apprenticeships, we must continue to do more. The new Action Plan needs to look ahead to what can be achieved in improving the female labour participation rate into the future by ensuring that new apprenticeships, including those in more gender balanced sectors such as finance and recruitment, as well as those in apprenticeships that focus on the new requirements of a circular, low carbon economy, are appropriately packaged and communicated toward women, including school leavers, returners, and those who lost jobs due to Covid-19.

Future Skills Needs

There is huge potential in the apprenticeship pathway to develop the talent required to move Ireland to a low carbon, digitised economy. The Programme for Government promises the delivery of a Green Further Education and Skills Development Plan. The new Strategy should align with these objectives and targets.

Supports for Employers & Encouraging Employers to take Apprentices

SOLAS and the Irish Government are to be commended for doubling the number of applications to become an apprentice since 2015. Also, to be commended is the significantly increased number of female apprentices, despite the percentage of female apprentices still being at just 3% of the overall number. However, the improved number of apprentice candidates cannot fully contribute to the labour force without engagement of businesses and employers. Data released in early 2020 shows that the number of employers seeking to take on apprentices was not high enough, and with the impact of Covid19 likely to impede hiring for some sectors, it may prove difficult to improve this imbalance.⁴

For many SMEs, aside for those in some distinct sectors, it is unlikely that the stability to make the commitment to an apprentice for the full training period of four years is present as Covid-19 has caused extreme disruption and uncertainty for many. The commitment to paying apprentices during training periods may seem like an expensive option for SMEs. It is essential that damage is not done to the apprenticeship environment through apprentices being made redundant mid-way through their training due to economic circumstances beyond the control of an SME. Unfortunately, there were instances of this in the last recession in the construction sector and it is essential that the same mistakes are not repeated. On the other hand, the current environment may be an ideal way in which to reset how businesses consider their own talent pipeline into the future, readying themselves for economic recovery.

The Apprenticeship Scheme for Employers, affording a €3,000 incentive payment to the employer when taking on a new apprentice is welcome and will support some employers to take on apprentices. As mentioned above, buy-in at the businesses level is essential for the success of apprenticeships and member feedback indicates that larger employers in sectors that continued to experience growth during are more likely to have the wherewithal to take on apprentices and commit to them as a way in which to create their own talent and hiring pipeline long-term.

Recommendations:

- Engage in a significant re-branding exercise to market the new generation of apprenticeships to businesses, parents, school-leavers, and career changers. Proactively communicate the changing reality of apprenticeships, emphasising the possibilities outside of traditional 'trade' careers, the options that range up to and beyond QQI Level 8, and the advantages of the 'earn as you learn' model to target more school leavers and young people of varying backgrounds. Communications should

⁴ <https://www.irishtimes.com/news/education/number-of-school-leavers-choosing-apprenticeships-doubles-1.4148232>

reach perspective apprentices from varying backgrounds, guidance counsellors, parents, and crucially, employers.

- Make the process for establishing new consortia-led apprenticeships more efficient and less cumbersome and include a specified timeline from inception to first intake of apprentices thus providing certainty to employers/businesses in the consortium.
- Place apprenticeships in the market with differentiation from internship and traineeship options.
- Improve the promotion of apprenticeship vacancies on www.apprenticeshipjobs.ie
- Improve SMEs engagement with Apprenticeships through reforming the availability of a training allowance.
- In comparison to Traineeships, which have lower overhead, apprenticeships are seen as less attractive to small employers. A review of the crafts/careers that are offered through Apprenticeships, and whether they could be offered as Traineeship (and vice versa) would be welcome. Introduce more flexibility in the delivery of apprenticeship throughout the year. At present, the alignment to the academic calendar of ETBs reduces flexibility of employers in terms of engagement
- Feedback from our members would welcome more regular review of strategic plans considering rapidly changing dynamics in the economy (COVID-19, climate action etc)
- Focus on provision of apprenticeships that support digitisation and the move to a low carbon economy.
- Simplify and improve the process for ETBs developing new apprenticeships due to the level of bureaucracy / complexity when dealing with QQI. This process needs to be improved.
- Promote Apprenticeships to Schools and Guidance Counsellors
- Explore possibility of including Apprenticeships in the data that underpins School League Tables, as a way of improving engagement by schools
- Include an apprenticeships option or signposting on the CAO form, or direct students toward the apprenticeship application process to encourage consideration of apprenticeship as an option and not a fallback.