

Quality Apprenticeships – OECD – Brazil

We are faced with a certain realities in Brazil.

First, we have a very large young population, with about 33.5 million young people between 15 and 24. They represent a very significant segment of the population. As a clarification, until the age of 14, any kind of work is illegal and is combated by our labour inspection.

Second, young people currently need to work. There's an interesting argument to be had over the benefits of full dedication to schooling, but our reality is that young people need to work, either to supplement family income or to support themselves. As a working population, they are among the most vulnerable.

While our unemployment average is at 4.6%, unemployment for 18 to 24 year olds is 17% and informality can be as high as 75% among 15 to 17 year olds.

Among women, the percentage of youth with no education and no training reaches 22.7%.

Third, there is a strong link between education and employment. 70% of new formal jobs created in Brazil in 2010 were taken by people who had completed secondary schooling, but a full 29% of the youth working age population had not even completed primary schooling.

That's the setting.

So we had to find a way to incorporate this important population segment while assuring decent work standards and providing training.

All of the youth programs fall under the broad umbrella of the National Decent Work Agenda for Youth, a tripartite work plan created in 2010.

The priorities of this program are:

- i. Balancing studies, work and family life
- ii. Active and decent access to the world of work
- iii. Social dialog

The first and main program I want to talk about is Professional Apprenticeship

What is it?

It's a contract of up to 2 years, where the person spends part of their time at work, and part of their time at a qualification institution receiving training.

There are two sides to this training. A more academic side, delivered at training institutions, and a more practical side, delivered at the companies themselves.

It's based on what we call a "tripod" approach because of its three foundations:

- i. The Federal Government
- ii. Mid and large size companies
- iii. Qualifying institutions - these can be part of our "S system" - which is a network of training institutions financed by contributions from firms, or technical schools, or nonprofit institutions.

In 2000, the Federal Government passed a law that requires all medium and large size companies to have 5% to 15% of their workforce made up of apprentices.

These quotas are ideally implemented voluntarily, but they are also subject to labour inspection and firms can be fined for not meeting their apprentice quota.

Taking on apprentices has direct advantages for firms. Apprentices are paid by minimum-hour wage, not the standard minimum wage, and contributions to social security are lower.

We're also working on increasing voluntary implementation by means of media campaigns showing the value of apprenticeships.

Who is the apprentice? Any young person between 14 and 24 years of age, who must be in school if they haven't completed their secondary education. This way we also contribute to reducing school evasion rates.

The one exception is for people with disabilities, who can be apprentices without any maximum age limit.

A few quick numbers: we had 57 thousand apprenticeship contracts in 2005, and we hit 335 thousand in 2013.

Our goal is to have 1.2 million apprentices enrolled between 2012 and 2015, we're on target to hit and maybe even exceed that goal.

We reached 646 thousand contracts between 2012 and 2013, which puts us at about 53% of our goal.

Over 70% of the apprentices admitted in 2010 were taken on as full time hires in the two following years.

The second program I want to talk about is Pronatec.

Pronatec is a qualification program run by the Ministry of Education which has different modalities. Pronatec Worker, for example, is a program that qualifies people so that they can then go on to a successful job search.

The key difference with Pronatec Apprentice is that it qualifies young workers who are already employed. That way it contributes to improving productivity and guarantees that the knowledge is directly relevant to that person's job needs.

Pronatec Apprentice has a specific focus, which is on non-contributing firms. This means micro and small firms, who do not pay into the S system. It also includes public administration, both at the federal and at the state and municipality levels.

The way the program works is that it allows the federal government to step in, directly funding the academic training side of the apprenticeships at the qualifying institutions, which greatly reduces the costs for firms.

What this does is it allows us to expand the Professional Apprenticeship program, by making it easier for small businesses to offer apprenticeships. For them this will mean an easier way to get qualified labour and benefit from training programs that would otherwise have been out of their reach.

How is it done in practice? This is a partnership between The Ministry of Labour and the Ministry of Education, where the Ministry of Labour maps the demand for qualification, according to sector, occupational category, public and region, and the Ministry of Education offers Pronatec funding to the relevant training institutions to meet that demand.

The reason for this is that The Ministry of Labour has very robust databases, such as geographical data, occupational data, data from the public employment system as well as data from states and municipalities.

Right now we're working on a very ambitious program to integrate databases further and improve our geographical mapping of qualification needs.

Pronatec Apprentice has its own specific target demographic: young people in shelters or in situations of risk: the most vulnerable youth.

We have about 10 thousand young people in shelters right now, who have been either rescued from child labour or were in other situations of risk. This program seeks to bring them into the formal labour market and promote social inclusion -- we're helped in this by the Ministry of Social Development.

The other requirements are the same as for professional apprenticeship: the person must be in school and be between the ages of 15 and 24, with the same exception for people with disabilities.

Lastly, I'd like to briefly mention the National Plan for Professional Apprenticeship.

This is a framework for where we'd like to take our Apprenticeships programs in the period from 2012 to 2015.

Just to mention a few of the goals:

we'd like to implement apprenticeships in all organs of public administration, targeting some of the key demographics for social programs to take on as apprentices;

We're creating a Communication Plan, which is basically a series of campaigns designed to raise awareness of the Apprenticeship Programs and their value to employers and local governments. Often we find that firms don't meet their apprenticeship quota because they weren't aware that the program existed, or of the benefits it can bring in terms of qualification;

We'd like to encourage more private funding either through fiscal benefits or offsets to the quotas, so as to be able to invest in new apprenticeship courses;

Lastly, we'd like to implement National and State forums for Professional Apprenticeships. These would be local and national mechanisms to monitor the state of apprenticeships and raise awareness about them;

Clearly we have a lot of work ahead, but our results so far have been very encouraging and we hope we'll have a very busy couple of years until our 2015 review.

Thank you very much.

