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ON-THE-JOB TRAINING AND WAGE-HOUR STANDARDS IN FOREIGN COUNTRIES



U.S. DEPARTMENT OF LABOR BUREAU OF LABOR STATISTICS - Ben Burdetsky, Acting Commissioner

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Preface

This study was prepared in the Office of Foreign Labor and Trade (OFLT), Bureau of Labor Statistics, U.S. Department of Labor, under contract with the Manpower Administration, Department of Labor. The report was written by Harvey Hilaski under the direction of Kurt Braun in OFLT's Division of Foreign Labor Conditions.

The assistance of the labor attachés in the American Embassies in the countries covered in the report, as well as of officers in various units of the Department of Labor, especially the Manpower Administration and the Bureau of International Labor Affairs, is acknowledged gratefully.

October 1967

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Introduction

Objectives of the Study

This study was undertaken to investigate how foreign countries have dealt with possible problems affecting government-supported onthe-job training $\underline{1}$ / from the viewpoint of wage and hour standards, 2/ and how difficulties, if any, have been resolved. Experience in the United States with training programs under the Manpower Development and Training Act of 1962, as amended, indicates that governmentsupported on-the-job training is economical and effective in helping workers obtain requisite skills and in meeting employers' manpower needs. Therefore, efforts to promote this type of training should be economically and personally rewarding, and serious consideration should be given to the removal of any existing barriers. However, the question has arisen whether the application to trainees of minimum wage and overtime pay provisions, required by statute or by the administrative regulations of specific programs, discourages some employers from providing workers with on-the-job training. If so, the desirability of on-the-job training with its ultimate benefits must be weighed against the personal and/

or economic costs involved in relaxing these standards or in providing other incentives to stimulate employer-sponsored training programs.

In view of these qualifications, the specific objectives of this study were to establish:

1. How the application of wage and hour legislation affected selected foreign on-thejob training programs.

2. Whether any problems have arisen from the application of legislated standards to on-the-job training and, if so, how they have been handled.

3. Whether employers in the conduct of training programs are exempted from compliance with legislated wage-hour standards or whether, on the contrary, the need to comply with them has caused employers to minimize onthe-job training or to refrain from providing it.

4. Whether other incentives are provided to stimulate employer-based training and, if so, what their bearing might be on wage-hour standards and training.

Scope of the Study

This report is divided into four principal parts: Part I, Summary of Findings, contains a discussion of the factors and problems affecting the relationship between labor standards and on-the-job training, together with an outline of possible policy implications that foreign experience holds for the United States; Part II, On-the-Job Training, A Field for Labor Standards, outlines the primary types of such training in 16 foreign countries, the salient aspects of the legislation bearing on the objectives of the study, the methods of financing the training, and related topics; Part

^{1/} For purposes of this report, on-the-job training pertains to any form of industrial training supported by the government and provided by employers according to a well-defined systematic plan. It may include a combination of practical training and classroom instruction. In the majority of the countries examined, most on-the-job training is received under the apprenticeship system, which, unlike the situation in the United States, receives in various degree government financial support. However, European apprenticeship differs considerably from that in the United States in terms of industry and occupational coverage and skills taught.

 $[\]underline{2}$ / Use of the phrase "labor standards" in the report refers to wage and hour standards only. However, a rather broad view was taken regarding hours legislation, in that some discussion is devoted to vacation practices, rest periods, etc.

III, Labor Standards Applicable to On-the-Job Training, puts primary emphasis on wages and hours as governed by basic legislation; and Part IV, Problems Encountered, gives a specific account of the problems, where they have occurred, and of any actions, proposed or undertaken, for their removal.

The report is based primarily on information received in response to a 12-item questionnaire sent to U.S. labor attaches and embassy staff in 16 foreign countries: Australia, Austria, Belgium, Brazil, Colombia, Denmark, France, the Federal Republic of Germany. Italy, Japan, the Netherlands, Norway, Sweden, Switzerland, the United Kingdom, and Venezuela. 3/ Consequently, footnote references to statements based on the questionnaire response were considered unnecessary. Source materials available in the files of the Bureau's Division of Foreign Labor Conditions, as well as in the Department of Labor Library and the Library of Congress, also were used. The presentation of factual material in the report, therefore, mirrors the substantial variation in what current information was obtained. The generally limited availability of statistics on the number of workers trained by source of training precluded a definitive discussion of the relative importance of the various on-the-job training programs within individual countries as affected by labor standards. In certain cases, also, the inaccessibility of the text of legislation and applicable decrees on training and on standards limited the depth of the analysis but did not preclude a general survey.

The study was not meant to be a comparative study in the strict sense that similarities and differences in the experience of the various countries were explored and related fully. Rather, it was intended to be an organized presentation of available factual information on the individual countries to aid policymakers in the United States in organizing and improving training programs in this country. Moreover, the study did not attempt to render an evaluation of the effectiveness of the training programs in any of the countries covered in terms of skills taught. Much more intensive research, supplemented by on-site visits to foreign countries, would have been required to do so.

^{3/} See appendix A, p.40, for the text of questionnaire.

Part I SUMMARY OF FINDINGS

Principal Findings

The apprenticeship system is the major form of on-the-job training by employers in the 16 foreign countries covered by the survey. Apprenticeship training, whether provided in the industrial establishment or in public or private training institutions, plays a major role in the development of required industrial skills. Among the 16 countries, however, great variation exists in the trades that are considered apprenticeable. The accent in apprenticeship and vocational training is on youth. Adult training programs still are oriented predominantly toward the needs of experienced unemployed workers or of workers threatened with unemployment. Training of the employed in order to upgrade skills is beginning to achieve a solid footing in a few countries, including Belgium, West Germany, and France.

Existing statutory and contractual provisions for the regulation of wages and hours were found to harmonize with policies and practices designed to encourage private industrial training. This compatibility between employer-provided training and prescribed trainee wages and hours is attributable largely to the factors discussed below.

1. The application of labor standards to on-the-job training is facilitated by the close integration of general education with vocational training. By tradition, trade-skill training in most of the countries studied, particularly those of Western Europe, is highly regarded. As a result, compliance with the legal framework within which such training is acquired is taken in stride by both the trainee and the employer. Vocational courses are interwoven with subjects of general education early in the student's academic life. Full-time vocational and apprenticeship training often is chosen as a substitute for continued education. In all probability, the mutual relationship of the educational and vocational systems found in these countries not only has provided a mechanism for the relatively smooth transition of young persons to the world of work but also has been instrumental in creating an image of trade-skill training as a suitable alternative to other career choices.

The trainees in most countries considered this period in their lives an investment in their future, just as any person pursuing higher academic studies might view his period of schooling. The employers demonstrated an eagerness to provide training opportunities, since the great majority of youth already had been exposed to skill training within the general education system. In addition, the legal obligations imposed on them, under various industrial training programs, led largely to favorable employer reponse.

2. The nature of the training legislation and the way in which training programs are administered tend to minimize possible friction between statutory labor standards and training under both apprenticeship and adult vocational schemes. In the three countries where compulsory apprenticeship and vocational training systems have been established by law, wage and hour standards tend to have little influence on the intake of trainees because firms are required to train a certain quota of employees either on their own or through public or private training institutions.

Under the usual voluntary systems of vocational and apprenticeship training, the various ministerial bodies serving in an overall supervisory capacity are assisted by special boards, councils, committees, and the like. Almost all the committees are composed of government, union, and business representatives and established at the national, regional (State), and local levels. This kind of representation tends to promote full discussion of possible problems and lessens the chances of incompatibility between labor standards or contractual agreements and the various training programs. At the same time, statutory legislation dealing with wages, hours, and other matters is taken into account when the training programs are in preparation. Moreover, training legislation, especially that pertaining to apprenticeship, usually establishes only the broad framework regarding wages, hours, and other conditions of trainee employment. For the most part, actual conditions are implemented through a decentralization of responsibility, in which collective bargaining plays an important role.

Legislation pertaining to adult training programs and the corresponding administrative machinery do not have, on balance, a substantial impact on adult training programs provided by employers. Reasons are various: The provision of this training by the private sector has been negligible so far in comparison with activities of the various governments; when employers do provide adult training, they usually receive some form of subsidy for their participation; and hours of training usually coincide with regular working hours.

(a) Subsidization of training and/or exemption of employers from compliance with wage standards, whether established by law, collective bargaining, or practice, have probably been a stimulant to employer-provided training. Since a large number of persons start apprentice training upon completion of their primary school requirement at age 14 or 15, the wages received may be based on age alone (so-called youth wages), which are a fraction of adult workers' pay. The low wages are attractive to employers, and the trainees usually are not hard pressed financially because of their youth and lack of family responsibility. For example, a writer on apprenticeship in the building trades in the United States and Western Australia 4/ noted that, in the latter country, the entry age limits of 14 to 18 are followed strictly because employers must pay the adult minimum wage to apprentices when they reach the age of 21. It has been estimated that an apprentice indentured at the age of 18 costs the employer 20 percent more than a younger apprentice in the fourth and fifth years of apprenticeship; accordingly, employers try to avoid these additional costs.

In addition to basing wages on age, minimum wage laws and collective bargaining agreements also provide for a substantial reduction in the wage scale on the basis of the mere apprenticeship status of the young workers. Lower trainee wages, however, are somewhat offset by the payment of wages during the period of classroom instruction; often special trainee allowances and family allowances for apprenticed youth; and usually free tuition and instruction materials.

In regard to adult training programs, the employer often is subsidized for the lesser productivity of the trainees and the work time lost or receives partial reimbursement for training expenses in general, even though he is required to pay adult trainees their regular wages for a given occupation.

When some form of subsidization of employer-provided training occurs, the financial burden on employers providing training is lessened, as is the risk involved in training those who might leave the firm upon completion of training.

(b) The use of compulsory tax or levy systems to finance training tends to blunt employer reluctance to training. When training systems are financed by the imposition of a tax or levy, participating firms are induced to provide training, since tax offsets or rebates are made available only to those employers who conduct training programs of an approved standard. To the extent that this system of financed training

^{4/} Norman F. Dufty, <u>Building Apprenticeships in the</u> U.S.A. and Western Australia (Urbana, Ill., University of Illinois, Institute of Labor and Industrial Relations, 1958, Reprint No. 65).

was prevalent in most of the countries examined, employer resistance to provide training was lessened.

(c) Basing the training week on normal workweek hours and the rather strict limitation on the use of apprentices and employees in general for overtime work provide little cause for employer reaction regarding hours standards and training. Of particular importance is the fact that the labor legislation of most countries under study is highly restrictive of overtime work by employees in general. In those countries, only exceptional circumstances warrant the use of overtime work, and often notification of both the employee and the proper public authority is required. Thus, employer concern about the payment of overtime premiums is lessened by this type of restriction.

3. The problems that have occurred in individual countries regarding wages and hours are oriented in their impact primarily to the trainees themselves. On the one hand, evidence suggests that apprentices in some countries are critical of the low wages received during their course of training. On the other hand, employers in some instances have taken advantage of the legality of lower wage-payment provisions and enthusiastically provided training with insufficient regard to its quality. A forthright assessment of these circumstances would have to include, however, consideration of the entire wage-payment system of the countries in question, including family allowance provisions, as well as the efficient use by training authorities of certain enforcement powers regarding the quality of training.

Policy Implications for the United States

Wages

Foreign experience in the application of wage norms to on-the-job training indicates that employer-oriented problems have been minimized by:

1. The granting of exceptions to established legal provisions in certain cases.

2. The institution of specific youth wage scales.

3. The inclusion of collective bargaining as a means of determining trainee wages.

Trainee-oriented problems, arising mainly from the fact that the trainees, to a considerable extent, are subsidizing their own training by accepting wages lower than those of regular workers, have been mitigated also in large measure by:

1. The provision of free tuition and, most often, free instruction materials.

2. The receipt by the trainees of wages for time spent in classroom instruction.

3. The receipt by the trainees, in some circumstances, of wage supplements paid by the government.

4. The continued receipt by parents of family allowances for apprenticed children.

5. The high regard which trainees have for the acquistion of a specific occupational skill.

In all probability, the following factors have been instrumental in developing the favorable attitude that the youth of many of the countries have toward trade-skill training:

1. The social factor, consisting mainly of the fact that higher education, particularly a university education, is still the privilege of a limited number, compared with the United States.

2. The economic factor, inclusive primarily of elements: (a) the industrial and occupational structures of the economy are conducive to the image-building of acquired trade skills; and (b) handicraft skills, which are learned in a pupil-master relationship, are still much in vogue in West European countries.

3. The educational factor, comprising the early exposure of youth to vocational training within the context of the general education system and the use of appropriate vocational guidance techniques.

At the same time, the lack of proper safeguards in the laws or contractual arrangements. allowing employers to pay young trainees lower wages has encouraged, in some countries, the excessive hiring of young, inexperienced labor under the pretense of training. Therefore, trainee-wage policies enacted to stimulate the intake of trainees by employers should include some prescription concerning the ratio between trainees and regular workers and rigid enforcement of minimal training standards. In some cases, the lack of adequate enforcement of existing standards also have resulted in employer use of trainees on jobs not related to their training. A sound policy on manpower development and utilization dictates that such devious practices will not be tolerated under any circumstances.

Hours

Regarding the regular hours of trainees, the experience in foreign countries revealed that substantial benefit is derived by trainees from the legal or contractual requirement that employers count the hours spent in classroom instruction as working time. This requirement offset slightly the low trainee wages.

Regarding overtime, foreign experience offers two major lessons:

1. In regard to employees in general, the legislation of most foreign countries under study by and large discourages the use of overtime work and thus largely by-passes the problems of paying overtime premiums, whether to trainees or to others. This is accomplished by (a) the requirement that employers report any overtime worked to proper authorities--a factor acting as an administrative restraint on the use of allowable overtime hours; and (b) the imposition of a maximum number of allowable overtime hours which persons may work over a specific time period.

2. In regard to trainees in particular, often the legislation of foreign countries sets a specific limit on the number of overtime hours that trainees may work and thus diminishes the dual problems of paying overtime premiums and keeping trainees at work for an undue number of hours.

The study brought to light a major difference in the overtime policies between the foreign countries studied and the United States: Control over the use of overtime in foreign countries is mainly through the setting of specific limitations upon allowable overtime hours (for which, of course, premiums must be paid), whereas in the United States, the suppressive effects of overtime premiums achieves primarily a similar end.

Financing

Apart from the stimulus of low trainee wages, many foreign governments have provided employers with financial incentives to train workers in an effort to exert a positive influence on the intake of on-the-job trainees. Two major lessons have been provided by the study in this regard:

1. Systems of <u>indirect</u> incentives, introduced in England, France, and the Latin American countries, have been achieved by the imposition of a tax or levy on employers with the following effects:

(a) Most, 11 not all, money taxable or payable can be recovered if the employer provides training of an approved standard;

(b) The cost and responsibility of training are thereby more equitably shared by the employers--the exact purpose for which the British adopted a levy and grant system;

(c) These approaches tend to make less urgent the need of some employers to attract trained workers from other employers by offering higher, and often inflationary, wages.

(d) Industry itself can administer the system and thus obviate the administrative

complexities associated with more involved government participation.

2. Systems of <u>direct</u> incentives, introduced in countries such as Italy, the Netherlands, Norway, and Sweden, have provided outright subsidy of employers accepting trainees.

Vocational Education System

The relationship of the vocational education system to the general education system in many West European countries contains the following unique features, all of which contain important policy implications for the training needs of youth:

1. Vocational guidance often begins in elementary school;

2. Some vocational education also is given in elementary school;

3. Numerous full- and part-time vocational schools provide training in a wide variety of skills to those completing primary school;

4. In many foreign countries, those leaving

primary school must attend vocational schools at least on a part-time basis until age 17 or 18-a practice of particular interest in relation to the problem of unemployment among young school leavers in this country.

Policy implications concerning the vocational education system open up a series of most promising areas for further study pointing to possible reform of vocational education and vocational guidance in the United States: (a) Establishment of the precise manpower effects of the vocational education and vocational guidance systems of selected foreign countries in terms of entry-job placement, adjustment to work, and geographical and occupational mobility; (b) determination of the contribution which the strength of the vocational education and guidance systems in selected foreign countries has made toward lessening youth unemployment problems; and (c) determination, if possible, of important attitudinal differences between employers and trainees in these countries and their counterparts in the United States.

Part II ON-THE-JOB TRAINING, A FIELD FOR LABOR STANDARDS

Apprenticeship 5/

Legislation 6/

The formal apprenticeship system $\frac{7}{10}$ in the countries surveyed is regulated at the national level by laws, decrees, or labor codes which set certain minimum standards and establish the administrative framework and guidelines for implementing the system. Details of the apprenticeship arrangement, including the reciprocal duties of employers and apprentices, standards of training and performance, wages, hours, and other conditions of employment, are stipulated in the contract which establishes the legal relationship between the apprentice and his employer. According to usual contract terms, the employer agrees to provide the apprentice with training of approved quality and to pay him, during the course of training, an amount determined by mutual agreement, common practice, decree, or collective bargaining. In return, the apprentice must be diligent in his performance, must work and train the required number of hours, and must follow the orders and instructions of his employer. The first 3 months of the apprenticeship period usually are looked upon as a probationary period during which either party can dissolve the contract. Otherwise, the contract can be canceled only when certain specified conditions exist and usually upon approval of the agency with which the contract is registered.

Scope of Legislation. Wide variation exists among the countries in the scope of legislation dealing with apprenticeship. In many countries, such as Denmark, France, the Netherlands, and Norway, legislation pertaining strictly to apprenticeship was enacted. In other countries, however, laws pertaining to apprenticeship and general vocational training are not mutually exclusive. In Switzerland and the United Kingdom, for example, apprenticeship is regulated, in whole or in part, under legislation encompassing the entire field of vocational training. Austria has the oldest regulatory framework for apprentices, dating back to Trade Regulations of 1859. The most recent laws applying to apprenticeship were enacted in Switzerland (1963), the United Kingdom (1964), the Netherlands (1966), and France (1966), where apprenticeship is regulated in far greater detail by pre-World War II legislation.

Compulsory Systems. Some countries have established "compulsory apprenticeship" systems by law to guarantee that employers provide training in sufficient amount to meet the skill needs of industry. Apprenticeship regulations in Brazil require that employers in any industrial enterprise hire and train at least 5 percent of the workers in each establishment "whose trades require professional training"

^{5/} An excellent source of information on the legislative and administrative aspects of apprenticeship training in Western Europe is European Apprenticeship, prepared by the International Vocational Training Information and Research Center (CIRF, Geneva, 1966) for the Manpower Administration, U.S. Department of Labor.

^{6/} See appendix B, p.41, for citation of pertinent legislation.

 $[\]underline{7}$ / Formal apprenticeship (i.e., a training arrangement in which the employer and the apprentice, and his parent or guardian, enter into a written contract of apprenticeship) and apprenticeship based on verbal agreement are the most prominent types of employer-provided vocational training in the countries under discussion. Since the latter ordinarily is not subject to legislation, the focus of the discussion is on the former.

and, also, a number of underage workers in an amount not to exceed 3 percent of all workers.

The laws of Colombia and Venezuela compel employers to hire 5 percent of their work force as apprentices. In each of these Latin American countries, employers must enroll their apprentices in schools operated by special government agencies if they themselves do not provide the training. The compulsory nature of their systems is augmented further by the imposition of compulsory tax on employers for training.

Two countries in Europe--France and the United Kingdom--have adopted what might be considered quasi-compulsory systems of training, in that employers are compelled to pay a training tax on a per capita or employee-wage basis, which is recoverable, in whole or in part, only when training of an approved standard is provided. In France, the Government imposes a uniform, flate-rate "apprenticeship tax" on all employers. In the United Kingdom, the tax is imposed by industrial training boards on employers of only those industries for which training boards have been established. Once the tax has been levied, all firms in the industry, with few exceptions, must pay it.

Entry Age. The entry age into apprenticeship in the countries studied is appreciably lower than that in the United States. $\underline{\$}/$ Apprenticeship in most countries can begin at age 14 or 15, after completion of the compulsory primary-school requirement. One of the reasons for this early entry is that apprenticeship in many countries is regarded as an extension of the general education system. A cited advantage of early apprenticeship is that the

education. <u>9</u>/ "Vocational Training in the EEC: Belguim," <u>Labor in</u> <u>the European Community</u>, No. 10, November 1965, pp. 12-13. relatively low wages received by apprentices, in most cases, do not interfere with family responsibilities. However, in view of the young age of apprentices, legislation enacted for the protection of youth is of major significance in establishing mandatory rest periods, in curtailing their overtime work, and in liberalizing certain benefits such as vacations.

An upward drift in the entry age into apprenticeship has been seen. This drift is due chiefly to a gradual lengthening of the primary-school requirement. For example, the school-leaving age has been raised recently to 16 in France and Sweden. Throughout Germany, 9 years of elementary education is required now. In Norway, the Primary Schools Act of 1959 has empowered municipalities to replace the compulsory 7-year attendance at primary schools with a 9-year attendance requirement. The transition to a system of 9-year compulsory general education gained substantial footing in the early 1960's; theoretical and practical training were divided during the last 2 years. The practical element includes an orientation to various job possibilities and general vocational preparation.

Industry and Occupational Coverage. The extent of apprenticeship training is reflected, in part, by legislative prescription concerning industry and occupational coverage. In Belgium, for example, formal, or "legal" apprenticeship training exists only in the handicraft trades, in small or medium commerical trades, and in small-scale industries. Apprenticeship training also is provided by some large Belgian firms, but this large-industry apprenticeship may not be based on a formal contract and is regulated by only a few articles of the Civil Code. Consequently, apprenticeship training plays a small role in the total Belgian vocational training scheme, and a lack of an adequate legal framework has been cited as a factor in its deemphasis by large-scale industry. 9/ Occupational training in Belgium, therefore, is received mainly in technical or professional schools rather than in industry. There has been recent pressure for newlegislation to modernize industrial apprenticeship and to subject it to stricter regulation and standards.

<u>8</u>/ See appendix E, list 1, p.45, for usual entry age into apprenticeship in the 16 countries studied. Although apprenticeship can begin at 16 years of age in the United States, under programs approved by the Bureau of Apprenticeship and Training, the age range in practice is 17 to 24. In this regard, attention might be drawn to the existence of a special type of training program in the United States, which, although not exclusively oriented to young persons, makes it possible for students in high school to participate in a cooperative study-work training arrangement. The training program is confined to distributive occupations, such as warehousing, marketing, and sales, and hence is known as distributive education.

In Austria, West Germany, and France, the legal bases of apprenticeship also focus, as in Belgium, on the handicraft and commercial trades in contrast to a broad range of industrial apprenticeship training. In the United Kingdom, however, compulsory apprenticeship training can be found in virtually every industry. In terms of occupational coverage, apprenticeship in West Germany, France, and Italy is given in about 500 occupations. In the United Kingdom, it is limited to highly skilled occupations, such as the building, electrical, and metal trades.

Administration

Primary responsibility for supervision and control of the apprenticeship system at the national level has been assigned to the Ministry of Education in nine countries, to the Ministry of Labor in four countries, and to other ministries in three countries. 10/ In the actual operation of apprenticeship programs, the labor and education ministries usually share responsibilities: The labor ministry is concerned with the employment aspects of apprenticeship, and the education ministry with the techniques and standards of training.

In most cases, the ministries are assisted by special boards, councils, committees, or secretariats, almost all composed of government, union, and business representatives and established at the national, regional (State), and local levels. Management's role in administering the apprenticeship training system predominates in West Germany. The 81 German Chambers of Industry and Commerce, which have primary responsibility for the administration of apprenticeship in industrial and commercial trades, restrict their membership to employers. Membership in the 45 Artisan Chambers, concerned with apprenticeship in handicraft trades, includes both employers and workers in a 2-to-1 ratio. The German unions are not involved directly in the implementation of regular apprenticeship programs but cooperate in an advisory capacity in certain committees of the Chambers.

Although a certain degree of autonomy is always exercised by parties involved in appren-

ticeship and vocational training programs, particularly at the operational level, administrative decentralization is particulary prominent in Australia, France, West Germany, the Netherlands, Sweden, Switzerland, and the United Kingdom.

In Australia, formal apprenticeship is not regulated by law at the national level. However, the Tradesmen's Rights and Regulation Act of 1946, as amended, provides for the establishment of a National Australian Apprenticeship Advisory Committee, whose responsibility. among others, is to make recommendations concerning all aspects of apprenticeship other than wages and industrial relations. Major responsibility for apprenticeship training is left to the individual States or Commonwealth Territories. Each State has legislation establishing the control and administration of apprenticeship matters, as well as special advisory bodies, such as apprenticeship councils, commissions, boards, or committees, to assist in the implementation of the legislation. The powers of apprenticeship councils can be quite formidable. Industry apprenticeship councils in New South Wales, for example, regulate wages, conditions of employment, and the training of apprentices, who may not be employed without the consent of the appropriate council.

In France, all vocational training is administered by the Ministry of Labor and by the Directorate of Technical and Vocational Education in the Ministry of Education. As in most European counties, a distinction is made between training for the handicraft trades and training for industry and commerce. Apprenticeship training for the handicraft trades is supervised by the special chambers, each of which is a public body composed of all journeymen and masters in an occupation. These chambers register the indentures and employ a staff of inspectors to ensure that the parties abide by the terms of the apprenticeship contract. In French industry and commerce, there is little formal administration of apprenticeship. A circular of the Ministry of Labor and Social

 $[\]underline{10}$ / See appendix E, list 2, p.45, for the specific assignment in each country.

Security in 1958 made the employers' associations or the Chambers of Industry and Commerce responsibile for registering apprenticeship agreements in industrial and commercial firms.

Apprenticeship programs in Germany are run by individual employers on the basis of guidelines established by the Chambers of Industry and Commerce and the Artisan Chambers and approved by the Federal Economics Ministry and the Labor Ministry. The Chambers of Industry and Commerce, although mandatory employer organizations, are, in effect, government-controlled agencies to which certain functions have been entrusted that otherwise would have to be carried out by government agencies. This process reflects the German approach to "self-administration" of the economy. Because the chambers exercise great administrative control over apprenticeship programs, the practical training standards in the plants are uniform throughout the country, but theoretical training in schools is determined by State (Land) law and is subject, therefore, to the guidelines established by the Ministers of Culture of the various States (Lander).

In Japan, apprenticeship training is regulated by the Vocational Training Law of 1958 and is conducted under the authorization of the Minister of Labor; primary responsibility is delegated to the prefectural governments. A single firm or an organized group of firms provides the training. The concept of apprenticeship in Japan is somewhat different from that in the West, because of the nature of the employment relationship. Employment in any particular firm in Japan often is regarded as a lifetime relationship between the employee and the employer. The employer is under a social obligation always to provide a job for his employee and, in turn, the employee is expected to continue working for the same employer in any capacity to which he is assigned until retirement or death. Consequently, apprenticeship training is oriented not so much toward a particular trade as toward the company in which the employee may be trained for one of many jobs under the expectation that his attachment to the company will be permanent.

In the <u>Netherlands</u>, the system of apprenticeship is administered by 30 joint national employer-union technical training foundations, one for each major industry, and about 14 regional foundations under the overall control of the Ministry of Education and Sciences. The foundations employ a team of "consultants," who visit each employer monthly to see that the parties to the apprenticeship contracts are fulfilling their respective duties.

Apprenticeship and other vocational training programs in Sweden are based not on law but on a 1944 agreement between the Swedish Employers' Federation (SAF) and the Swedish Trade Union Confederation (LO). These organizations later established the Joint Industrial Training Council, a permanent agency composed of five SAF members and five LO members. The main task of this Council is to encourage employer associations, labor federations, and individual firms and unions to broaden the scope and improve the quality of vocational training within industry and public vocational schools. There are about 26 joint labor-management vocational training councils in various branches of industry. Within each industry, there is an occupational advisory committee consisting of three labor representatives and three management representatives. These committees supervise and encourage the development of apprenticeship and other vocational training within the trades, develop training methods, maintain contact with vocational schools, and report annually to the Joint Industrial Training Council. At each workplace where apprentices are employed, there must be a vocational training workers' delegate (Ombudsman), a skilled worker who acts as a liaison between the apprentices and management representatives. Central direction of apprenticeship and vocational training programs is provided by the National Board of Vocational Education, composed of representatives of the National Labor Market Board and the Boards of Education, Industry, and Commerce and responsible to the Ministry of Ecclesiastical Affairs and Education.

In <u>Switzerland</u>, under the vocational training law of 1963 and a subsequent 1965 order implementing the law, each canton is required to build up vocational training programs, including apprenticeship programs, in accordance with national regulations established by the Federal Department of Public Economy and the intradepartmental Federal Office of Industry, Arts, Crafts and Labor (OFIAMT) under the Ministry of Economic Affairs. The cantons, accordingly, have adopted their own apprenticeship acts and have established the necessary agencies to provide the various training services for which federal contributions are paid.

Under the Industrial Training Act of 1964, which covers apprenticeship and other aspects of training in Britain, the British Labour Minister is empowered to establish, for the various industries, Industrial Training Boards composed of an equal number of employers and trade unionists, and a number of members from the educational field. The boards set standards of training throughout their respective industries and attempt to provide for the skill requirements of atechnologically changing society. The Minister of Labour is advised by the Central Training Council, which is composed of a chairman, six employer members, six trade union members, two members from nationalized industries, six members from the field of education, up to six chairmen of Industrial Training Boards, and six other members who have a special interest in training. With the creation of the Industrial Training Boards, the main responsibility for industrial apprenticeship training, therefore, is relegated to the industries concerned. To date, 21 boards have been established, covering more than 11 million workers in the country's major industries. 11/All industrial and commercial activities are coverable under the act; within 2 or 3 years, about 30 boards, covering virtually the whole of industry and commerce, are expected.

Relation to General Education System

In some countries, it has become almost axiomatic that young persons completing primary school before 17 to 19 years of age are required to take formal vocational training. Thus, apprenticeship training and other vocational training are related closely to the general education system, especially in Austria, Denmark, France, the Netherlands, Sweden, and Switzerland.

All Austrian school children now are required to attend school for a period of 9 years. Legislation enacted in 1962 added an extra year of schooling to be taken in the advanced elementary school (Hauptschule), in the form of a "polytechnical year," which places particular stress on the student's future vocational career. The first 4 years are spent in an elementary school (Volksschule). At this point, at age 10, the student has three choices: (1) To continue for 5 more years in an elementary school, an option found to be taken primarily by less talented children and children in rural areas where no other type of school exists; (2) to enter a 5-year advanced elementary school (Hauptschule), after which the child will learn a trade, generally through some combination of apprenticeship training and vocational schooling; and (3) to enter a 9-year secondary school (Mittelschule) designed to prepare children for the university. The student has access to vocational guidance in making his decision.

According to current estimates, about 75 percent of the population of work-entry age (15) undergo apprenticeship training as an alternative to continued higher education or direct entry into employment as an unskilled worker. <u>12</u>/ Theoretical instruction at a vocational school is compulsory for all apprentices and includes some general education subjects, such as civics and arithmetic. A few large companies, however, provide supplementary training in workshop centers which, in fact, are acknowledged as vocational schools.

In <u>Denmark</u>, where about 45 percent of the 14-year-old school leavers take apprenticeship or some kind of vocational training, vocational training of youth even for work below the skilled level is built into the general educational system. Under an Executive Order of 1958, eighth and ninth year vocational training

 $[\]underline{11}/$ See appendix E, list 3, p.45, for list of industries in which boards have been established.

<u>12</u>/ For data on apprentices in selected foreign countries, see table F-1, p.46.

classes must be established in the primary schools if enough pupils apply. This practice is gaining wider acceptance, and special experimentation has been directed toward supplementing this school training of youth with specific on-the-job experience as guestworkers in enterprises.

The 1960 law concerning vocational training of unskilled workers contained specific reference to the vocational training of youth at the elementary school level as follows:

The training of young persons under 18 years of age shall be carried out in the eighth and ninth classes of the elementary school and in accordance with the provisions of the act respecting youth education, etc.: Provided that, where a branch committee wishes to provide training in special branch skills for young persons under 18 years of age and it appears impossible to carry out such training in accordance with the act respecting youth education, etc., the Training Council may approve the carrying out of training schemes in accordance with this act. $\underline{13}/$

Moreover, an Executive Order of 1960 on youth schools and evening schools prescribes rules for the establishment of vocational youth schools to provide vocational training of 1 year or more after the compulsory school age but before age 18.

In <u>France</u>, there are four general methods by which vocational training may be acquired: (1) 2 years of general education at a special continuation school beyond primary school for a high-level semiskilled job; (2) 3 years of education in a State or private technical school to prepare for a skilled position or for the university; (3) an indentured apprenticeship in a firm for practical training and attendance at a school for theoretical training; and (4) on-the-job and special workshop training in a factory school. After World War II, appren-

ticeship, as an option to full-time general education, gained increasing acceptance. When an indentured apprenticeship is undertaken, however, part-time related instruction and continued general education courses, 4 to 8 hours a week, are compulsory for all young schoolleavers under 17 years of age. This related instruction usually is provided by public vocational or private schools; many of the latter are run by religious organizations. Nevertheless, some large firms, such as the Renault Company, have their own full-time work schools for theoretical as well as practical training. When formal vocational training facilities are not available in an area, theoretical training can be acquired through correspondence courses.

In Germany, the usual school leaving age is 15, based on 9 years of elementary education. After fulfilling the compulsory school age requirement, about 80 percent of those not continuing secondary education take vocational training or enter apprenticeship. The full-time vocational school (Berufsfachschule) provides a course of practical and theoretical training in place of apprenticeship. The parttime vocational school (Berufsschule) is designed primarily to supplement, with theoretical instruction, the practical, on-the-job training of an apprentice. A minimum of 8 hours a week of classroom instruction is compulsory for every apprentice in the 15 to 18 age range.

In Italy, the Ministry of Labor finances and inspects trade schools administered by a wide variety of lay, religious, and local or national bodies. These schools provide 2 or 3 years of full-time practical training (addestramento) for about 10 percent of the total number of young people leaving school each year at age 14. Another 40 to 45 percent of the persons beyond the compulsory school age (about 50,000 recently) continue their studies in official institutions coming under the direction of the Ministry of Education. These may be either scientific secondary schools, technical institutes, or vocational training institutes. Another 40 percent receive on-the-job training in industry.

^{13/ &}quot;Denmark: Act Respecting the Vocational Training of Unskilled Workers," Legislative Series 1960 (International Labor Office, Geneva), No. 194, May 18, 1960, ch. 1, par. 3, sec. 2.

The <u>Netherlands</u> has a basic requirement of 8 years of compulsory schooling, but pupils wishing to begin technical or vocational training may do so after the first 6 years of primary schooling. The training of these pupils usually is given in lower technical schools for 3 years in preparation for further vocational training, such as apprenticeship in factories. Theoretical instruction continues during the apprenticeship period on the basis of 8 hours a week for day classes or 9 hours a week for evening classes. Also, there are advanced technical schools and technical colleges. Full-time training in a vocational school may substitute partially for training in apprenticeship.

In <u>Sweden</u>, students completing the compulsory school requirement are divided into three major groups: (a) those desiring further academic studies in preparation for entrance into the gymnasium; (b) those interested in general studies; and (c) those wanting vocational training. There are three major sources of vocational training, as follows:

1. Over 600 municipal vocational schools offer both practical and theoretical training of 3 years' duration, usually in cooperation with firms; 2 years of training are given in the schools, and in the third year pupils go into industry for practical experience before qualifying for the adult rate of pay.

2. Large-scale industry often provides its own 3-year training, the first year of which is spent entirely in a separate transitional, or "vestibule" type, school.

3. Many industrial enterprises, taking the initiative to provide training but unable to offer theoretical courses themselves, arrange with neighborhood municipal vocational schools to provide related instruction.

In Switzerland, the majority of primary school leavers at age 15 enter apprenticeship training. The apprentice must attend a vocational school for theoretical instruction. Annual schooling hours vary from 200 to 360 hours, depending on the trade.

Financing

The methods of financing apprenticeship systems and vocational training indicate the

source of the initiative for training: Public authority, private enterprise or organizations, or some combination of the two. The methods also tend to have an influence on the numbers trained as well as the quality of training.

Systems of financing apprenticeship and general vocational training programs among the countries studied can be classified in three general ways: (1) Tax systems; (2) general systems of subsidy; and (3) other systems.

Tax Systems. The three Latin American countries surveyed for this study have resorted to a tax on employers to finance vocational training, including apprenticeship. The tax system in Brazil was designed to make effective the compulsory system of apprenticeship adopted in 1942, when the National Industrial Apprenticeship Service (SENAI) was founded, and extended in 1946, when the National Commerical Apprenticeship Service (SENAC) was established. Both SENAI and SENAC are special organizations set up by the National Confederation of Industry (CNI) and the National Confederation of Commerce (CNC), to establish and operate schools for on-the-job training of workers under the general supervision of the Ministry of Education and Culture. A special tax of 1 percent of total wages (or 1.2 percent for enterprises employing 500 or more workers) is imposed on all industrial and commerical firms to finance the operations of SENAI and SENAC. Employers providing approved apprenticeship programs of their own or providing for training in employer-run vocational schools are entitled to a rebate of 80 percent of the total sum paid in support of SENAI and SENAC activities. About 36 large employers receive this rebate; smaller firms find it more advantageous to use the facilities of SENAI and SENAC.

To finance the system of compulsory vocational training in <u>Colombia</u>, a tax of 2 percent of the total monthly payroll is levied on all private business establishments and decentralized public institutions, if their capital assests amount to 50,000 pesos (US\$8,000 approximately) or more, or if they employ 10 permanent workers or more. This levy is deductible in calculating corporate income taxes. Some 46,000 enterprises currently contribute to the National Apprenticeship Service (SENA) fund, which, in 1965, amounted to 152 million pesos. The training is provided by SENA, established in 1957 as an autonomous agency within the Government. Under an expanded 4-year program begun in 1966, SENA anticipates the training or upgrading of 80,000 apprentices and adult workers annually in 350 different occupations.

The purpose of the training tax system in Venezuela is to implement the vocational training school set up under the National Institute of Cooperative Education (INCE), an autonomous triparite organization under the jurisdiction of the Ministry of Education. Although INCE was established in 1960, the National (Compulsory) Apprenticeship Training Program did not begin to function under its auspices until 1965. The law provided that funds required to finance INCE operations be derived from a tax on employers, a tax on employers, a tax on workers, and a Government subsidy. The employer's contribution is 1 percent of total wages and salaries; the worker's contribution equals 0.5 percent of his annual share of company profits; and the Government subsidy amounts to 20 percent of the aggregate amount paid by both employers and workers. Employers or groups of employers operating their own, INCE-approved, training programs are allowed to deduct the cost of such programs from the amounts assessed. In no case, however, may a firm's deductions exceed the total amount payable to INCE. Firms also may deduct the cost of worker training taken in other approved training institutions. If a firm does not develop a formal apprenticeship training program, it may pay INCE an additional lump sum of 7,000 bolivars (approximately US\$1,500) a year for each apprentice it was required to hire.

In <u>France</u>, on-the-job training costs are met by: (1) Subsidies from the Government, Department, or city; (2) contributions from the pertinent Chamber of Commerce or trade organization; and (3) tax offsets against the apprenticeship tax which is imposed on employers in industrial, craft, and commercial enterprises and payable to the Treasury. The apprenticeship tax originated under the Finance Law of 1925 and was then set at 0.2 percent of total wages. It was later raised to 0.4 percent, and under the training law of 1966 was increased to 0.6 percent of total wage costs. Employers who conduct their own organized training may claim exemption from the tax for the following costs: Expenses of technical courses; salaries of technical instructors at a rate of one instructor for each 10 apprentices; wages of apprentices while attending courses related to their trade; and wages of apprentices for the first 10 months of apprenticeship, if a systematic course of practical and theoretical instruction is followed. Exemptions from the tax also are allowed if employers, instead of providing training, make grants, either directly or through approved collecting bodies, to public or private institutions providing technical or vocational education and training. Under the 1966 law the Government adopted a 3-year equipment program (1967-69) amounting to 2,000 million francs (US\$500 million), of which 385 million francs (US\$73 million) are earmarked for vocational training centers for adults. 14/

The Industrial Training Boards, under the 1964 Industrial Training Act in the United Kingdom, impose a levy on employers in their respective industries and correspondingly make grants to employers who provide training of an approved standard. The powers of an Industrial Training Board extend to all forms of training and retraining and to all occupations in the industry. They are not confined to craft apprenticeship. Each Board, subject to the Labour Minister's approval, determines its own rate of levy based on the payroll or total number of employees of individual firms. <u>15</u>/ Variations in the levy apparently are based on differences of opinion among the various Boards over the best time to introduce the redistribution of total training costs. The Engineering Board, for example, believes that the levy should bear a close relationship to total training expenses and their full recovery for the training of management personnel as well as workers. Other boards, such as the Construction Board, have adopted a less

 $[\]begin{array}{r} \underline{14}/\text{Act No. 66-892 of Dec. 3, 1966, on the orientation and}\\ \underline{\text{program of vocational training.}}\\ \underline{15}/ \text{ See appendix E, list 4, p.45, for the levy assessed} \end{array}$

^{15/} See appendix E, list 4, p.45, for the levy assessed by each board.

comprehensive approach and set lower levy rates, based mainly on the recovery by the firm of only certain specified costs, such as overhead.

Although the levy paid is deductible from income before taxes, the grants received for training conducted by the firms are subject to tax just as are other income sources. Boards have tended to make grants for easily identifiable items such as attendance at "off-the-job" training courses, but in the future, they expect that more on-the-job training costs will be covered. The levy and grant system of the United Kingdom is considered a unique method of ensuring that employers equitably share the responsibility and cost of training.

To encourage the development of group training programs, the Ministry of Labour provides grants toward the cost of their development. The grants help only with the promotional costs before a program becomes viable and do not cover normal operating expenses, capital equipment, or time spent on training as distinct from developmental work. They are limited to 50 percent of approved developmental costs up to a maximum of $J_{1,250}$ and are paid to firms within a nonprofitmaking association or an existing association, such as a Chamber of Commerce.

<u>General Systems of Subsidy</u>. Belgium, Italy, Japan, the Netherlands, Norway, Sweden, and Switzerland rely principally on general subsidization of apprenticeship and other vocational training programs. The subsidy is usually of two kinds: An indirect subsidy whereby an employer's trainees may receive theoretical instruction free of charge in public or private training facilities, and a direct subsidy whereby employers are reimbursed for certain operating expenses incurred in the conduct of their own training programs. The amount of the subsidy and the procedural aspects governing its disbursement vary from country to country.

In <u>Belgium</u>, the Royal Decree of 1959 contains specific details concerning the financing of apprenticeship and other training in handicrafts and commercial occupations. Under articles 40 to 42 of that decree, the National Vocational and Further Training Board, the Regional Boards and Committees responsible for the organization of apprenticeship training courses, and the Secretariats which provide theoretical training and general education all are subsidized by the Government in carrying out their responsibilities. Employers and the signatories to the apprenticeship contract receive subsidies from the budget of the Ministry of the Middle Classes. The amount and conditions of the subsidies are determined by the Minister.

Italy has a very complex system for the financing of training. It involves considerable subsidization of all forms of training. Funds pertaining solely to apprenticeship are authorized under Law No. 25 of 1955, as amended by Law No. 706 of 1956. To encourage apprenticeship training, the Government provides an incentive to employers in the nature of a social security tax offset. For employees in general, the employer is liable for about 40 percent of the total social insurance contribution. The Government and employees themselves contribute the remainder. If an industrial firm trains apprentices, the employer's share is reduced to about 6 percent of the total contribution per apprentice, and the remaining 34 percent is paid by the Government. In the handicraft trades, the employer is relieved of his entire share of the social security charge if he trains apprentices. These indirect subsidies are considered important, since the employer's social security contributions form a substantial addition to the total wage bill of Italian employers.

A major share of other forms of vocational and industrial training is financed in Italy through a Special Vocational Training Fund authorized by Law No. 264 of 1949. This Fund is financed, in part, by a transfer of moneys from the unemployment fund, to which employers contribute. The amount of money transferred is determined annually by the Minister of Labor. Grants from this Fund support the training activities provided by special training agencies and bodies throughout Italy, including firms. For the period 1964-65, for example, the Ministry of Labor allotted 772 million lire (approximately US\$1.2 million) to the training activities of firms.

Subsidies by the Government of Japan are weighted heavily toward the administrative and construction costs of apprenticeship and other training programs. When an employers' association wishes to conduct a joint training program, the Federal and Prefectural Governments will pay up to one-half of the administrative costs. In addition, the Federal Government will grant subsidies in aid of vocational training facilities established by Prefectural or municipal governments for employers in small and medium-sized industries, who wish to sponsor the training of workers. Intraenterprise training assistance from the Government includes the provision of instructors free of charge, free text books, and other teaching aids.

Conditions governing the granting of State aid for apprenticeship and other training in the Netherlands are laid down in the Conditions for Subsidization Order (Apprenticeship System) of 1937. Activities of the technical training foundations in the various industrial sectors are financed by Government subsidies. Payment of the subsidy is subject to the observance by the foundations of certain legal requirements. These include the submission to the Ministry of Education of annual accounts and a report on the preceding year's training activities and some details concerning the next year's activities. For practical training provided by the firm, employers are reimbursed for operating expenses at the rate of 60 guilders per apprentice. The theoretical portion of training is paid for, in part, by a tution fee of 8 guilders per apprentice, usually borne by the firm. If a firm, however, sets up its own school for theoretical instruction, as may be the case when no other appropriate schools are available, the Ministry of Education pays the costs of the school in accordance with standard regulations governing other technical schools. Under a law enacted in 1966, an employer will receive from the national body concerned a grant not exceeding 200 guilders (US\$56 approximately) for the total period each apprentice is indentured.

In <u>Norway</u>, the employer generally is responsible for all expenses incurred in the course of apprentices' practical training. In the case of small firms, however, the Government grants 1,000 krones (US\$140) for each apprentice accepted and also may refund part of the mandatory sick pay for apprentices. To qualify for a sick-pay refund, an employer must verify the apprentice's illness with a doctor's certificate, a receipt from the apprentice for full sick pay, and a copy of the employer's receipt to the Sick Insurance Fund for having received the sick-pay allowance under the program. The Government then will refund that portion of full sick pay not covered by the insurance plan. The costs of theoretical instruction are borne by the Government even to the extent of assuming the expenses of such instruction in integrated training programs operated by private firms.

In Sweden, State subsidies for apprenticeship in firms are based on a minimum of six apprentices and are increased for multiples of that number. The amount of the subsidy is 13,000 kronur (about US\$2,500) annually for every six pupils if practical training in the firm is integrated with theoretical training in a municipal school, and 14,000 kronur for every six pupils, if employers give both practical and theoretical training. If training is provided in the old crafts that depend mainly on the use of handtools and involve a master-pupil relationship, subsidies are paid for each apprentice trained, provided, of course, that the employer is willing to be open to inspection by the Royal Vocational Training Board (KOY). This subsidy is spread over 3 years, and if the employer is willing to release the apprentice during working hours without loss of pay to attend a vocational training school for at least 100 hours a year, an extra subsidy is granted covering the 3-year period. Employers' organizations also help to finance industrial training. The Swedish Metal Trades Employers' Association, for example, imposes a tax of 0.14 percent of the total wages of production workers plus a tax of 0.07 percent of the wage bill of salaried employees on member firms to help finance training.

Subsidization of apprenticeship training in <u>Switzerland</u> covers, among other things, the theoretical portion of training and capital costs for the construction of vocational training centers and apprentice hostels at a rate of 16 to 18 percent of such costs to a maximum of Sw Fr2 million (about US\$462,000). Employers do not have to pay a fee for sending trainees to specialized schools for theoretical training. The cost of theoretical training is shared by Federal, cantonal, and municipal governments. The Federal contributions vary between 30 and 50 percent of total costs.

Other Systems. Australia, Austria, Denmark, and the Federal Republic of Germany follow predominantly employer-financed systems of apprenticeship and general vocational training. Practical training in the firm is considered an ordinary operating expense of the employer, whereas the cost of theoretical training in public vocational schools is financed by State and/or local government funds. In West Germany and Austria the various industry chambers bear the administrative and organizational costs of training from contributions of employers. In West Germany, for example, the Chambers of Industry and Commerce and the Artisan Chambers impose a levy on employers, based on the payroll. Membership in the Chambers is compulsory.

Although <u>Danish</u> employers pay certain fees for the classroom training of apprentices, these constitute an insignificant portion of the total costs of formal training; most costs are borne by the Government. The Government operates most of the formal establishments to which employers send their trainees for theoretical instruction. The State may grant interest-free loans up to five-sixths of the cost for the purchase, construction, or maintenance of technical and commercial schools, including boarding schools.

In Brazil, the Metalworkers Union built a new training facility, the Porto Alegre Metalworkers Union Industrial High School, principally through voluntary checkoff contributions from union members under a collective bargaining agreement. Assistance also was received from a U.S. Agency for International Development grant of funds and machine tools. Eventually, the school will be able to accommodate 1,500 full-time and 700 night students in combined general studies and vocational courses. This project, the major trade union training effort in Brazil, has stimulated considerable interest among trade unionists and government educational officials as example of successful direct trade union an

participation in industrial training through collective bargaining.

In <u>Australia</u>, the Federal Government will grant an incentive payment to employers in rural areas in order to encourage them to increase the number of apprentices.

Trends Toward National Control of Training

The enactment of new legislation, and proposed legislation in Austria and West Germany, was prompted by a concern for adapting training to modern economic conditions and technological developments. Proposed reform of vocational training in Germany reflects a preference, especially on the part of trade unions, for legislation leading to national, rather than the State and local control of apprenticeship and vocational training and to the introduction of a training tax earmarked for a special training fund. A bill submitted to the Bundestag in August of 1966 to modernize the framework of training indicated, in other ways as well, a tendency toward marked departure from the traditional approach to vocational training in Germany. First, it would replace the present apprenticeship system, based on Trade Regulations dating back to 1869, with a graduated system of 3 years' duration in order to give even greater occupational flexibility to the trainee. The first year of basic and general onthe-job training would be followed by another year of "occupational upgrading," and the third year would be devoted to the learning of a specific skill. Second, the bill provides for extra vacation time and financial assistance from the Government to persons in occupational training in special supplementary courses of a technical nature. Although passage of this bill is doubtful, it reflects a changing philosophy toward apprenticeship and vocational training in Germany which has been incorporated, to a certain degree, in other proposed bills, also concurrently under consideration.

The legislation recently passed in <u>France</u> and the <u>Netherlands</u> also exhibits the trend toward greater national control over apprenticeship and other training. Under the new French law, vocational training, in general, was specifically made a national responsibility to be shared by public authorities and private individuals, organizations, and enterprises. To this end, the law provides for the establishment, under the Prime Minister, of an interministerial committee presided over by the secretary-general of the Ministry of Education. The committee will be assisted by a National Council for

Vocational Training, Further Education and Employment (Counseil National de la Formation Professionelle, de la Promotion Sociale et de l'Emploi) consisting of representatives of the public authorities, unions, employers' organizations, and trade associations. The functions of the Council and assisting regional committees will be determined by subsequent decrees. In the <u>Netherlands</u>, tighter Federal control over the apprenticeship system will very likely result from the legal status granted under the new law to the national and regional organs (or foundations) responsible for the supervision and promotion of the apprenticeship system.

Retraining and Other Training Programs for Adults 15/

Legislation 17/

The requirement that one be unskilled and unemployed to be eligible for retraining is becoming less important. Moreover, the focus of adult training in the last few years has centered on the alleviation of general labor adjustment problems which are found in fastgrowing and fast-changing economies. In a few countries, there is a positive inducement for general skill upgrading.

Vocational training of adults in <u>Belgium</u> is the outgrowth of numerous legislative actions of unique interest. As early as 1936, vocational training of the unemployed came into being within the framework of the National Labor Exchange and Unemployment Office (ONPC). The Government at that time took positive steps to promote the training of the unemployed through generous subsidy of workers' retraining, which was optional. Nevertheless, in spite of the Government's efforts, the program did not attract the hoped-for increase in the number of workers who wished to be retrained, and the "failure" was ascribed to the fact that retraining was optional. Amendments in 1939, therefore, made retraining compulsory, and failure to take retraining entailed penalties. According to the amendments, a distinction was made between two categories of unemployed: (a) Those who could be retrained in factories and (b) those who required theoretical courses in industrial schools set up or sponsored by the State. The managing committee of the ONPC selected the trainees. Enforcement of compulsory retraining was limited to those who were thought likely to benefit from retraining.

Vocational training developed rapidly as a result of this change, although the introduction of even broader financial assistance to unemployed trainees and the shifting of emphasis by a 1948 decree to Government-run training centers as the principal training source were contributing factors. <u>18</u>/ Today's accelerated vocational training and retraining of adults have as their legal basis the Regent's Decree

^{16/} A great deal of information on adult retraining in Europe within the context of general economic and labor conditions in the countries examined is contained in Margaret S. Gordon's Retraining and Labor Market Adjustment in Western Europe (U.S. Department of Labor, 1965, Manpower Automation Research Monograph No. 4).

^{17/} See appendix C, p.43, for citation of pertinent legislation.

<u>18</u>/ Belgian centers are quite different from those in France and the United Kingdom. They offer specific courses to trainees and usually are temporary; that is, they terminate when the manpower needs of an area are satisfied.

of 1945 on the organization of the National Employment Service and the Royal Decree of 1961 on accelerated vocational training for adults and the rehabilitation of unemployed persons, as amended by a Ministerial Decree of 1963. As of March 1966, workers did not need to be unemployed to qualify for retraining.

The origin of government training centers for adults in France stems from decrees dating back to 1945 and 1946. Under a 1949 amendment, a tripartite semigovernmental body, known as the National Interoccupational Association for the Rational Training of Manpower (ANIFRMO) was set up by several ministries to administer community centers. <u>19</u>/ Under a program know as Vocational Training for Adults (FPA), accelerated vocational training courses are offered adults in ANIFRMO-operated centers. Training under FPA is intended to correct regional skilled-trades imbalances and to aid workers seeking higher skills. Its emphasis is on current needs. It is not intended as a general training system for dislocated workers or anticipated skill shortages.

In the United Kingdom, the Employment and Training Act of 1948 made adult training theoretically available to any unskilled person, employed or unemployed, who had completed compulsory schooling.

The original legislative base in Denmark which authorized the Minister of Labor to grant subsidies for the training and retraining of the unemployed and unskilled was Act No. 169 of 1946. An Act Respecting the Vocational Training of Unskilled Workers was enacted in 1960. Under the provisions of the latter act. a central governing body, the Training Council for Unskilled Workers, composed of seven Danish Employers' Federation (DAF) and seven Danish Federation of Labor (LO) members and a chairman, was established to coordinate adult training subsidized by the Government. The act also provides for the establishment of branch committees, composed of four labor and four management representatives, in various industries to determine specific training needs.

<u>German</u> legislation on adult training dates back to 1927, when the Employment and Unemployment Insurance Law was passed. Primary responsibility for this kind of training today rests with the Federal Institution for Placement and Unemployment Insurance (BAVAV) under the supervision of the Labor Ministry. Government aid to employed persons seeking to advance their occupational skills through additional training was first introduced in 1962 and was considerably expanded by the Occupational Promotion Act of 1965.

Law No. 264 of 1949 provides the legal tramework for the training of adult workers in Italy under the Ministry of Labor and Social Security. It established a Central Commission for the placement of workers and the provision of assistance to unemployed workers. The Commission is composed of eight union representatives, four management representatives, the Directors General of the Ministry of Labor and the Social Security Institute, and one representative each from the Ministries of Treasury, Agriculture, and Industry. Its main task is to supervise the vocational retraining activity and make recommendations for the implementation of the programs. In 1951, amendments to the law of 1949 made training available to employed as well as unemployed persons.

The system of Government training centers for adults in the Netherlands appears to be an outgrowth of the Dutch educational system and the Dutch philosophy on vocational training. The Vocational Education Act of 1921, the original legal basis for vocational training and apprenticeship, emphasized the importance of education and training for skilled occupations in full-time establishments, as distinct from apprenticeship training, and also indicated how well-established training schemes could be integrated with the vocational education program. Legislative provisions of a Royal Decree of 1944, issued by the Government-inexile, subsequently set the stage for adult training programs in vocational training centers. The decree provided for (a) the Government Employment Office under the Ministry of Social Affairs and Public Health and (b) a Bureau

<u>19</u>/ Special centers oriented to the filling of needs of specific industries also exist and may be established by a decision of the Minister of Labor and Social Security.

of Vocational Training under the Government Employment Office.

In <u>Norway</u>, the law establishing the national unemployment insurance system specifically authorized the use of its funds for adult training programs. Vocational training and retraining began in earnest in Norway in 1958 and since then have expanded rapidly.

Adult training activity in <u>Sweden</u> is based not directly on any specific legislation but on regulations dating back to 1945. A bill to improve retraining and further training activity was passed by the <u>Riksdag</u> in May 1966. The Government has begun to implement it provisionally, pending a general reform of the adult training program slated for 1967. Adult training is still somewhat biased toward the unemployed, but the emphasis is gradually changing to include those who are also employed.

In <u>Switzerland</u>, a 1963 law on vocational training, replacing the Federal Vocational Training Act of 1930, provides for vocational training and further training that includes adults, but in practice the emphasis is on youth who have not benefited from apprenticeship training for one reason or other.

In <u>Australia</u>, adult vocational training is not promulgated by any legislation or decrees. A proposed "Industrial Training Plan" for adults was shelved, because technological unemployment was not considered to be a serious problem.

Administration

Most countries offer adult retraining in government-owned and government-operated training centers or in institutions established under government auspices but administered by public bodies. The Netherlands and the United Kingdom are the only countries whose centers are run directly by the Government.

Government involvement in adult retraining in Belgium, France, and recently the United Kingdom can be traced to the limited success achieved through private efforts.

<u>Government Participation</u>. The legislation on adult retraining places primary responsibility for the administration of adult training programs on the labor ministries, or ministries concerned with labor matters, and, in many cases, on the network of their employment service agencies. The Ministry of Education frequently is involved in determining the content of training. Organizational structures stem from the very nature of such training programs, which were designed originally to help the unemployed. Therefore, the agencies oriented to labor supply and demand problems were assigned major responsibilities for adult retraining. At the operational level, however, public corporations and other organizations may be involved.

In Belgium, training is given for the most part in workshop centers established and operated, or approved, by the National Employment Office (ONEM), a semiautonomous institution which is under the jurisdiction of the Ministry of Employment and Labor and is managed by representatives of the Government, trade unions, and employers' organizations. The ONEM prepares the training programs for various occupations and sends them for approval to the appropriate National Commission, which supervises the training for the particular industry, and to the Pedogogical Commission, which has the final word on how training programs are to be implemented. Once approved, the program in any given occupation is the same in all ONEM workshops.

In <u>France</u>, community training centers are managed jointly by the Government, unions, and employers. France has approximately 100 regional centers involved in teaching accelerated vocational training courses in more than 100 trades. Capacity of the centers is expected to increase from 51,500 in 1966 to 74,500 in 1970. Mobile training units also are utilized.

In practice, the Government training centers in the <u>United Kingdom</u>, catered to the training needs of specific classes of people--the handicapped, exservice personnel, and unemployed older workers, all normally bypassed under employer-run training programs. In 1963, the emphasis in recruitment for training centers was changed to meet the general problem of shortages in skilled occupations essential to

the national economy. Since 1963, the continuing expansion of Government training centers has doubled the number of training places, and by the end of 1967 there will be 8,000 places at 38 centers. Ten additional training centers-four scheduled for operation by the end of 1968 and six by early 1970--will bring the total number of training places to about 12,250. In addition, a Government grant of ±2 million (US\$5.6 million) to aid private industrial training was announced in November 1966. The money is intended to help meet the cost of installing new machinery and auxillary equipment in the training shops or training centers of individual employers and is to be used for retraining adults "off the job" for semiskilled occupations. The Government also is exploring the possibilities of making room for more adults at the Government training centers by (a) providing courses for adults in the Defense Ministry's training establishments and (b) using technical colleges in the vicinity of Government training centers for first-year apprentice classes.

Most of the adult training in <u>Denmark</u> is given in semiskilled workers' schools, which are voluntary institutions set up on the initiative of regional labor-management organizations and local authorities. A number of State schools which had existed prior to the passage of Act No. 169 also provide this kind of training.

The adult training program in Germany is administered by the Ministry of Labor and Social Order, the Federal Institution for Placement and Unemployment Insurance (BAVAV), and local government employment offices. Courses may be taken at government-operated or local community centers, in the firm, or in trade union or other private institutions. Adult training in industry is well developed in Germany, whereas such training by public authorities is little emphasized.

In <u>Italy</u>, administration of vocational training under Law No. 264 of 1949 was assigned to three Government Vocational Training Agencies (<u>Enti</u> <u>Gestori</u>)--one for industrial workers (INAPLI), one for commercial workers (ENALC), and one for the artisan trades (INIASA). They represent the Ministry of Labor in the field of vocational training. The various <u>Enti Gestori</u> set up their respective occupational training courses in Vocational Training Centers (CAP).

The direction and supervision of adult vocational training in the <u>Netherlands</u> are lodged with the Directorate of Supplementary Employment Policy and Vocational Training under the General Directorate for Manpower within the Ministry of Social Affairs and Public Health. A singular feature of adult training courses in the Netherlands is that the duration of the course depends on the occupation and progress of the trainee. Training is geared to the individual's capacity to absorb instruction and, therefore, tends to increase the holding power on trainees. About 30 vocational training centers are now open to unskilled adults who are either out of work or threatened with loss of work, owing to a lack of technical training. Accelerated vocational training courses have gained widespread acceptance in the Netherlands.

Training programs in <u>Norway</u> are prepared by the Ministry of Ecclesiastical and Educational Affairs in cooperation with the Ministry of Labor and Community Affairs and are for the most part carried out in vocational schools or centers. At the end of 1965, there were 21 permanent training centers with 42 workshops for adult training.

In <u>Sweden</u>, the National Labor Market Board (AMS), its regional agencies, County Labor Boards, and similar local bodies, and the local Employment Offices and agents are responsible for implementing retraining and further training as an instrument of the Government's labor policy. About 80 percent of the courses are conducted in centers operated by the National Board of Education and in ordinary vocational schools.

Employer Participation. Employers participate in the retraining of adult workers in almost every country under study. In general, however, the employer's role in this type of training is by far secondary to that of the Government. 20/

²⁰/ For statistics on adult trainees in selected foreign countries, see table F-2, p.46.

In <u>Austria</u>, it has been estimated that in only 5 percent of over 600 industrial firms covered in a survey conducted for the Organization for Economic Cooperation and Development was there organized retraining within the firm. <u>21</u>/ Only 10 percent of the firms contributed toward the cost of courses or granted separation allowances or other benefits to persons in the program. The training of adults and the payment of their wages during the courses were found only when such training and payment were in the direct interest of the firm.

The local labor office may enter into an agreement to train adults whereby a firm receives a payment (2,000-3,000 schillings, or about US\$80-120, per trainee for a 13-week period) for training expenses. The firm providing training usually hires the trainees at a basic wage and continues to employ them upon completion of training. The need of a modern vocational training law is acknowledged. The more common type of adult vocational education is conducted through school-like programs by two institutes, the union-sponsored Berufsforderungsinstitut (BFI) and the employer-sponsored Wirtschaftsforderungsinstitut (WFI).

Adult retraining has had a long history in <u>Belgium</u> and is provided extensively through full-time training centers, but direct participation of employers is small. Only in exceptional cases are adult training centers erected on a firm's premises.

Employer participation in <u>France</u> is most pronounced under the Accelerated Vocational Training (AVT) program which, in comparison with accelerated vocational training in other European countries, is highly developed. Courses under this program last from 6 to 8 months and are given in centers established by firms or in municipal centers set up under the auspices of the Ministry of Labor. Employed persons are allowed to participate. Under a 1966 law, adult training probably will receive a greater boost, since a matching fund, equal to the amount collected by the Treasury through the apprenticeship tax, will be established under the Prime Minister for "social advancement training."

Because of the prosperous employment situation in <u>Germany</u> in recent years, adult retraining under Government auspices has been deemphasized and, instead, more actively stressed by employers, unions, and private organizations. In general, however, the adult training effort is negligible in comparison with training in vocational schools and under the apprenticeship program in the firm. Employers maintain that this situation promotes occupational mobility, as the need for retraining is minimal. Subsidies sometimes are granted by the Government to cover part of the wages of those being retrained.

In Italy, special on-the-job training courses are given by officials in individual plants in areas where (a) changes in work patterns require a significant shift in employment skills; (b) training of this type is not otherwise available; and (c) at least two-thirds of the workers concerned have indicated a desire to attend. The courses last from 2 to 8 months and are held in the plant away from the production line. Plants employing fewer than 100 workers may join together to hold joint "requalification" courses for their workers. Moreover, the Fund for the South (Cassa per il Mezzogiorno) in cooperation with private industry has created six interfirm vocational training centers (CIAPI) in the more industrialized areas of the South. The cost of the construction and equipment is borne by the Fund for the South, and the operating costs are shared by the Fund for the South, the Vocational Training Fund, the firms involved, and other interested parties. Finally, Italian employers cooperate with the various Enti Gestori by allowing them to set up courses on the firms' premises.

The situation regarding adult retraining in the <u>Netherlands</u> is somewhat similar to that in Italy. In the early 1960's there was a substantial decline from the 1950 level of adult retraining under Government auspices. The adult retraining program still remains largely

^{21/} Organization for Economic Cooperation and Development, Manpower and Social Affairs Committee, <u>Man-</u> power Problems and Policies in Austria: <u>Survey of Private</u> <u>Manpower Policies at Enterprise and Plant Level</u> (Paris, OECD, 1965, MO (65) 24), p. 11.

the responsibility of industry itself. To promote adult retraining by employers under the on-thejob training system operated by the National Employment Service, the employer receives allowances for the smaller productivity of the trainee. The amount (related to the initial unproductivity of the trainee, the duration of training, and the trainee's wages) usually may not exceed fl.1,500 (US\$417) per trainee.

In <u>Sweden</u> and the <u>United Kingdom</u>, employers often are involved directly in adult retraining, when the training is intended primarily to foster regional development. Special powers are given by the training authorities to promote this training by granting subsidies to firms to man new and/or expanded facilities. In recent years, an increasing portion of publicly supported adult retraining occurred in Swedish industry.

Financing

Funds for the financing of adult training programs come from two principal sources: Unemployment insurance contributions and annual budget appropriations.

About 80 percent of the funds for adult retraining provided under the auspices of the Austrian Labor Ministry, including funds for the system of Accelerated Vocational Training (AVT), come from the Unemployment Assurance Loan and consist of public funds allotted for "reintegration" measures. Unemployed persons do not have to pay any fees for training of this kind. Courses organized by the Trade Chambers, however, are financed from participants' fees and contributions of the Trade Chambers. Expenses of classes run by Austrian Labor Chambers and trade unions are covered by trainees' fees and contributions from employers' associations in equal proportion. The allocation of funds and control over the proper use thereof are the responsibility of the Federal Ministry of Social Administration.

In Belgium, the system of vocational retraining is financed in part by the National Social Security Office, which collects the employers' and workers' social security contributions, and in part by the State, which makes an annual grant from the budget of the Ministry of Labor and Social Welfare to cover the deficit. When adult retraining is conducted by a firm, a special agreement between the firm and the State lays down the respective shares of the operating expenses to be borne by them. Adult retraining provided by the centers of National Employment Office (ONEM) is covered by annual budget allocations through the Ministry of Employment and Labor. In 1966, the budget amounted to \$9.3 million.

The expenses of State courses for unskilled workers in <u>Denmark</u> are financed one-third from State funds and two-thirds from the Unemployment Insurance Fund. State loans, up to 85 percent of the total financing required, are granted to labor and management organizations for the construction and maintenance of schools for semiskilled workers. The remaining 15 percent comes from local authorities, the Danish Employers' Federation (DAF), and the Danish Federation of Labor (LO).

In France, subsidies are granted on a quarterly basis to firms operating their own adult training programs, to cover the instructors' salaries and supplementary benefits, as well as a percentage of the wages and welfare charges of the trainees. Community centers operated by the National Interoccupational Association for the Rational Training of Manpower (ANIFRMO) that provide adult retraining are financed wholly out of public funds allocated by the Ministry of Labor and Social Security. Special centers for adult training draw their funds from the firm to cover the cost of equipment and administration and the Ministry of Labor and Social Security to cover partial costs of instructors' fees and trainees' wages.

The Federal Institution (BAVAV) finances special training or retraining programs for unemployed and dislocated persons in <u>Germany</u>. Funds for the implementation of occupational development measures usually are determined and appropriated within the budget of the Federal Employment and Unemployment Insurance Agency and are made up of unemployment insurance moneys.

In <u>Italy</u>, adult retraining is financed through the Special Vocational Training Fund set up

with employer/employee contributions to the unemployment compensation fund, an annual. contribution from the Government, contributions of private and public agencies, tuitions, and other receipts. Through this Fund, the Ministry of Labor makes grants in support of adult training courses. For on-the-job training of adults, the individual firm is required to bear all administrative expenses for the courses, including the cost of equipment and facilities, and to provide for accident insurance. Wages of trainees come out of the Wage Integrating Fund, made up of compulsory employer contributions under the social security system for the relief of the temporarily unemployed and underemployed.

In <u>Norway</u>, adult retraining is financed from the national budget and from unemployment insurance funds. For example, the national budget provided 14.7 million crowns (US\$2 million) for the vocational training of adults in the course of the year 1964-65, of which 13.2 million crowns were used for operational expenses and 1.5 million for plant and equipment. During the same period, 13 million crowns came from unemployment insurance funds.

The <u>Swedish</u> National Labor Market Board through its budget allocations subsidizes a wide range of manpower programs, including the retraining of adults. Two types of training in firms are subsidized: (1) Industrial location training, where the enterprise is set up in a development area, and (2) training necessitated in firms because of their inability to recruit qualified labor through the employment exchange. Under the first type of training, the Labor Market Board pays the enterprise a training grant per trainee and hour. The specific amount is determined on the merits of each case, including the contribution which the trainee makes to production. For the second type of training provided by the firm, the Labor Market Board may pay the enterprise a grant not exceeding SKr 3 (US\$0.58) per trainee and hour. In each case the trainees must be recruited through the employment exchange.

In the <u>Netherlands</u> and the <u>United Kingdom</u>, funds for the financing of adult training programs come almost exclusively from annual national budget allocations.

Adult retraining in the three Latin American countries covered in this study, when it is provided, usually is conducted in the schools of the special agencies primarily responsible for vocational training. The main source of their funds is the tax on employers.

Part III LABOR STANDARDS APPLICABLE TO ON-THE-JOB TRAINING

Basic Regulations

Wages

Collective bargaining is the major method used to establish employer wages in the countries studied. Legislation to fix wages, where enacted, usually supplements wage determination through collective bargaining and is intended for employees not covered by collective agreements, for select worker-groups, or for minimum wage protection. The general minimum wage laws or decrees of Austria, Brazil, Colombia, France, West Germany, Japan, the Netherlands, the United Kingdom, and Venezuela are mentioned briefly below. <u>22</u>/ Although these laws apply to many categories of workers, including trainee workers in some cases, they relate only indirectly to labor standards and on-the-job training. More important have been youth wage differentials, described in the next section, and wage provisions particularly applicable to apprentices and to adult trainees covered in the next two chapters.

In <u>Austria</u>, under legislation such as the Minimum Wages Awards Act of 1951, the Home Work Act of 1954, and the Tenant Houses Workers Act of 1957, various Government agencies may set minimum wage rates comparable to prevailing wages for similar work in the same area for those employees not covered by collective agreements--constituting, in relative importance, less than 10 percent of the total work force.

In <u>Brazil</u>, a decree-law of 1938 implemented a minimum wage system, which was incorporated into the Consolidated Labor Code of 1943. Minimum wage rates, first decreed in 1940, are established on a regional basis

by Minimum Wage Commissions, which are appointed by the Minister of Labor and Social Welfare. The Commissions, appointed for the 22 regions and the Federal District, Brasilia, include representatives of labor and management. The major regions are divided into over .50 subregions for which different wage minima are determined according to variations in the cost of living. The minimum daily wages, embodied in an Executive Order, apply to every wage and salary worker, except public employees, workers in government-controlled industries, apprentices, and domestics. Minimum wages may, by law, be revised every 2 years and, under special circumstances, as often as once a year. The wage patterns in an area for particular skills are usually geared to the minimum wage. For example, skilled workers may be paid twice the minimum and semiskilled labor 50 percent over the established minimum wage.

Overall employment matters in <u>Colombia</u> are regulated by the Substantive Labor Code of 1960, as amended. A 1955 decree, however, empowers the Government to establish minimum daily wage scales for the entire economy or particular economic sectors and geographic areas upon recommendation of a six-member

 $[\]underline{22}/$ The concept of minimum wages in most of these countries differs substantially from that in the United States. Minimum wages in these foreign countries are closely related to wages determined by collective bargaining or to prevailing wages, and usually consider differences in geographical areas, including cost of living, industries, and occupations. This distinction explains why allowing exemptions or having youth wage differentials is more feasible for them than for the United States, where minimum wages are geared to a minimal standard of living.

joint board of employers and workers. In fixing minimum wages, consideration is given to the nature of the work, the economic condition of the area and industrial sector, and the cost of living. Once the minimum wage has been established, the Minister of Labor may for 1 year exempt individual enterprises and employers from paying it. The employer must prove that payment of the minimum wage would "upset the financial equilibrium of the undertaking." Labor inspectors enforce compliance with the regulations, and violations are punishable by fines.

A statutory guaranteed minimum wage (Salaire Minimum Interprofessional Garanti-SMIG) exists in France and applies to all classes of workers. The minimum wage varies by worker skill and by six geographic zones. A 259-item consumer price index serves as a basis for determining the statutory minimum wage for each zone. The highest minimum wage zone is Paris; the current SMIG rate is 2.10 francs (approximately US\$0.47) an hour.

A law to establish minimum working conditions in <u>West Germany</u> authorizes the Federal Labor Minister under certain conditions, such as the absence of unions and employers' associations in a particular branch of industry, to fix minimum wage standards for that particular branch of industry. In actual practice, this law has little significance and does not apply to apprentices.

Japanese law provides that minimum wages may be set by industry or occupation on a regional or national basis and specifies two methods for establishing them. The first method, in practice the only one utilized up to now, provides that the Chief of a Prefectural Labor Standards Office, if the region to be covered is confined to one prefecture, or the Minister of Labor may establish a minimum wage covering all enterprises, regardless of size, in a given industry when asked to do so by: (1) A group of employers or employer associations in a given region who have agreed on a minimum wage applicable to all members, and whose interenterprise agreement covers a majority of the workers in the industry within a region; or (2) all parties to a collective agreement con-

taining a minimum wage provision and covering a majority of workers in the industry within the region. The second method provides that either the Minister of Labor or the Prefectural Labor Standards Office Chief, again depending on the size of the region, may initiate action to establish the minimum wage if he finds that the wages paid in a given industry or an occupation are too low. Under both systems, proposals to institute, revise, or abolish statutory minimum wages must be submitted to a tripartite (employer, employee, and public members) Minimum Wage Deliberation Council for its recommendation. The governmental authorities are expected to respect the Council's decision when actually fixing the minimum wage. At the present time, there are only two nationwide statutory minimum wages in Japan--in the textile industry and in the coal and metal mining industries for underground workers.

In 1966, the Government of the <u>Netherlands</u> passed a temporary minimum wage law and authorized a weekly minimum wage of 120 florins (US\$33) for both men and women. In January 1967, the wage rate was raised to 126 florins (US\$34.80) and on July 1, 1967, it was raised to 128 florins (US\$35.36). A permanent minimum wage act is expected.

In the United Kingdom, legislative action, beginning with the Trade Boards Act of 1909, indirectly regulated wages in certain industries (usually low-paying and less organized) through specific Trade Boards which could set minimum rates of pay in their respective industries. Under the Wages Councils Act of 1959, which consolidated the previous Wages Councils Acts, Wages Councils--composed of equal numbers of workers, employers, and not more than three "independent members" -- may propose to the Minister of Labour minimum remuneration for workers in their respective fields of activity. The Minister of Labour appoints Wage Inspectors to assure that the legal requirements of the Wages Councils Act are satisfied. An employer may be fined for violation of any wage order posted in the industry.

In <u>Venezuela</u>, labor relations are regulated by a comprehensive Labor Law. Wages are settled primarily by collective bargaining, but for particular industries or trades, a Minimum Wage Commission may establish legal minimum rates.

Youth Wage Differentials

In several countries--Belgium, France, the Netherlands, Sweden, and the United Kingdom-the wages of young workers, or apprentices, or both are established by statutory or contractual provisions allowing lower wages based on age, so-called youth wages. Scope of coverage, however, is sometimes limited to particular industries or occupations. Wage differentials for youth, where established, appear to be well accepted by employers, unions, and parents.

Most collective agreements in <u>Belgium</u> provide for lower wages to persons under 21. Only in exceptional cases do some agreements provide for equal pay for equal work, regardless of age. For example, in the metalworking industry in 1959, the percentage hourly pay reduction, based on the adult workers' rate in the same skill catergory, ranged from 60 percent for those under age 16 to 5 percent for those 6 months before their 21st birthday. A particular individual could receive a fixed increase if he had a diploma from a vocational school.

The <u>French</u> legal minimun wage provides for reductions applicable to workers under 18 years of age, according to the following scale:

Age group	Percent reductions from guranteed minimum wage, 1964
15–16 years 16–17 years	

In the <u>Netherlands</u>, collective agreements in individual industries set lower rates for young people. Different job rates apply for each year of age from 14 to the specified adult level, which varies according to the industry. For example, the wage for a Job Class I adult. worker aged 23 in the metal industry in 1964 was 1.79 florins (US0.50) an hour. The rates for young workers between 14 and 22 years in the same job ranged from 0.48 florins (US0.15) to 1.65 florins (US0.46) an hour. At age 18 the rate was 0.90 florins (US0.25) an hour.

In <u>Sweden</u>, special wages for youth in the 16 to 23 age range are established through collective bargaining. They vary according to age, sex, skill, industry, and the cost of living.

In the <u>United Kingdom</u>, the minimum wages set by the various Wages Councils provide for lower pay rates applicable to young workers, usually from ages 15 to 21 for males and from 15 to 18 for females. The rates increase yearly and in some cases, biannually up to adult age.

Hours

The legislation of the various countries on hours of work covers many categories of workers and in some cases applies especially to young workers. These provisions are summarized briefly below. Further details appear in the "Hours" sections of the next two chapters, on apprenticeship as affected by labor standards and on vocational training for adults as affected by labor standards.

Basic hours legislation in <u>Austria</u> dates back to the Law on Hours of Work of 1939 which established a normal workday of 8 hours; there was no prescribed limit on the length of the workweek. A national collective agreement between the Federal Chamber of Industry and the Austrian Trade Union Federation in 1959, however, made effective a 45-hour workweek in industrial and commercial firms subject to collective agreements. Overtime work is permissible only in exceptional circumstances, for which premium rates must be paid. <u>23</u>/ A higher premium (50 percent) must be paid for young workers, bakers, and agricultural workers.

Paid or regular employment of children under 14 or of compulsory school age is prohibited. Hours of work for youth up to their 18th birthday are restricted to 44 a week. Overtime at night

 $[\]underline{23}/$ For scales of premium rates paid in foreign countries, see table F-3, p.47.

between 8 p.m. and 6 a.m. as well as work on Sundays and holidays are prohibited almost without exception. Youths are entitled to 43 hours of uninterrupted timeoff a week.

In Belgium, the act respecting hours of work in the public and private sectors of the national economy of 1964 established an 8-hour day and a 45-hour week for most classes of workers. Section 21 states that any work performed beyond the legal time limits will be treated as overtime and compensated for at premium rates, unless not subject to the law. The 45-hour week, however, had been in effect since the middle 1950's, when a national agreement was signed by the workers' and employers' intertrade organizations. The agreement was extended to cover virtually all wage earners by decisions of the joint committees and by royal orders. Eleven consecutive hours of rest at night are mandatory for women and youth under 18.

The 1946 Brazilian Constitution as well as the Consolidated Labor Code of 1943 provided for an 8-hour day and a 48-hour week in industry and commerce. A maximum of 2 hours a day of overtime work is permitted if the employee agrees in writing or if the collective contract so stipulates. Only in an emergency may the legal overtime limit be exceeded, in which case the Minister of Labor must be notified within 10 days. Overtime in certain harmful occupations requires advance approval from the Minister of Labor and Social Welfare. To work overtime a woman must obtain documented authorization on her work card from a Government physician. Children under age 18 may work overtime only in special emergencies. A premium of at least 20 percent of base pay must be paid for overtime worked. Double compensation is paid for Sunday and holiday work if no alternate day off is provided.

Work from 10 p.m. to 5 a.m. is considered nightwork. A pay differential of at least 20 percent, computed on the sum of the base pay plus any other premium earned, is mandatory. In enterprises which normally operate at night, the night premium is applicable only to employed persons who earn less than the minimum wage plus 20 percent. Persons under 18 years of age may not work at night under any circumstances.

In the absence of contractual regulation, the Colombian Labor Code provides for a regular working day of 8 hours and a maximum of 48 hours a week in industry. In farming, forestry, and cattle raising, a 9-hour day and a 50-hour week were established. A twofold gradation in the amount of overtime compensation exists. If the overtime work is performed during the daylight hours from 6 a.m. to 6 p.m., a 25 percent premium is paid; during nighttime hours, 6 p.m. to 6 a.m., a 75 percent premium rate applies. Those working on Sundays and holidays are entitled to compensation equal to twice the normal pay. Minors under 16 may not work longer than 6 hours a day, 36 hours a week, or at night, unless they are employed in domestic work. Workers between 16 and 18 years old have a 7-hour day and a 42-hour week.

In <u>Denmark</u>, the working hours of most workers are not established by law, but are a matter of bargaining and agreement. At present, an 8-hour day and a 44-hour week are common. Various laws regulate the hours of workers under 18 years of age, but the restrictions apply mainly to night and Sunday work; exceptions are made for training.

A law, passed in 1936, made the 40-hour week mandatory in the nonagricultural sector of the <u>French</u> economy. The agricultural sector is covered by a 1948 law which provided for an annual limitation of 2,400 working hours for wage earners in agriculture and forestry. This figure is based on a working year of 300 days. In February 1946, a law on overtime reinforced the legal workweek of 40 hours; it authorized overtime up to a limit of 20 hours a week, for which a premium must be paid. Young workers, 14 to 16 years old, may not work over 40 hours a week. From age 16 to 18, up to 4 hours a week of overtime are permitted. Nightwork is prohibited up to age 18.

Two recent ordinances of the Council of Ministers in <u>Germany</u> reduced the workweek to 5 days and 45 hours. Workers employed on threeshifts work 44 hours. Overtime is permitted, but at premium rates. Youth protective legislation prohibits young workers under 16 from working more than 40 hours a week, and for those 16 to 18 a 44-hour maximum workweek is the rule. In <u>Italy</u>, an 8-hour day and a 48-hour week apply to industrial and commercial business, technical education institutions, philanthropic institutions, offices, public works, and hospitals. Hours limitations do not apply, however, to seasonal work. Most collective labor agreements provide for a workweek averaging 42 to 43 hours. Sunday work generally is prohibited. Overtime may not exceed 2 hours a day or 12 hours a week, or the same average over a longer period. Premium rates paid for overtime are settled mostly through collective bargaining. Youths 15 and over may not work over 10 hours a day. Also, they must receive an adequate rest period after working for 6 hours.

The Labor Standards Law of 1947 establishes the basic labor legislation in <u>Japan</u>. In principle, hours of work are limited to 8 a day and 48 a week. Overtime, at premium rates, is permitted in cases of emergency or as agreed upon between labor and management. For work injurious to health, overtime in limited to a maximum of 2 hours a day, as is overtime work of women.

In the <u>Netherlands</u>, the legal workweek in most industries and shops is 48 hours; there is a daily maximum of 9 hours. The norm since 1960-61 has been a 5-day 45-hour workweek. The pertinent legislation includes the Labor Act of 1919, the Hours of Work (Factories and Workshops) Decrees of 1923, and the Hours of Work in Offices Decrees of 1937--all of which have been amended. Hours for women and children are covered by the Employment of Women and Young Persons Decree of 1920, as amended. As in other countries, limitations are placed on the number of hours which young persons and women can work and on daily and weekly rest periods.

In Norway, the Labor Protection Act of 1956, as amended in 1958, provides for a 9-hour day and a 45-hour workweek. Overtime is permitted only under exceptional circumstances and may not exceed 10 hours a week. Normal hours for children under 15 in approved occupations and for young persons 15 to 18 are the same as for adults, but overtime for workers under 18 is not permitted. The normal age of entry into employment in industry and trade is 15. In industrial establishments, transport operations, civil engineering, and building operations, young persons under 16 must have at least 12 consecutive hours off between any two periods of work, including the hours between 9 p.m. and 6 a.m. Persons between 16 and 18 must receive at least 7 consecutive hours off between 10 p.m. and 7 a.m.

Hours legislation, based on the General Act on Working Hours of 1930 and amended in 1957, prescribes a 9-hour day and a 45-hour week for <u>Swedish</u> employees not covered by collective agreements. This regulation covers about one-third of the labor force. Contractual hours tend to follow the established maximum, even though collective agreements may establish longer hours than those set by law. Swedish law also omits any general regulation of overtime pay on the principle that this detail should be settled by collective bargaining. The General Act distinguishes between emergency and ordinary overtime. In emergencies, such as an accident or national crisis, workers are obligated to work as demanded by employers. In ordinary overtime situations, employees 18 years of age and over may work beyond regular hours, but at most, 48 hours in a 4-week period and for no more than 200 work hours in a calendar year. Most collective agreements covering production and related workers distinguish between normal overtime (2 hours beyond the normal workday) and special overtime (Sunday, holidays, and nightwork), for which premium wages are paid.

The Workers Protection Act of 1949, amended in 1963, made 10 hours the maximum workday for women and young workers under 18. Their maximum weekly hours of work are limited to 54. A minimum of 11 continuous off-duty hours for night rest of young workers, as well as for women in industry and the handicrafts, is required.

A Federal Labor Law, which became effective in 1966 in <u>Switzerland</u>, prescribed a workweek of 46 hours for most classes of workers. Standard work contracts or collective bargaining agreements may set different work conditions, provided they meet at least the minimum standards. Special work regulations apply to hospitals, hotels, and restaurants, and other industries. Overtime at premium rates or compensatory timeoff may not exceed 2 hours a day for any worker. Sunday employment generally is prohibited, but cantonal authorities may allow certain exceptions. Young persons under age 19 may not work at night or on Sundays, but under special circumstances, such as vocational training, exceptions may be granted.

Although the statutory workweek in the United Kingdom is 48 hours, standard workweeks established through collective bargaining range from 40 to 44 hours. The hours of youth under 18 are fixed by law. Although children 13 to 15 are allowed to work a maximum of 2 hours on school days and on Sundays, they may not be employed during school hours or at night. The Shops Act of 1950 restricts shop employees under 16 to 44 hours per week and those aged 16 to 18, to 48. Similar provisions apply to factory workers under the Factories Act.

In Venezuela, the Labor Law set a maximum of 48 hours a week for men and a lower maximum for women and youth. Minors 14 to 16 years old are allowed to work a maximum of 6 hours a day. Overtime of 2 hours a day or 100 hours a year is permitted if approved by the Labor Inspector.

Apprenticeship

Wages

Hourly wages of indentured apprentices in most of the 16 countries 24/ are established by collective or individual agreement and may vary according to industry, area, age, and sex. In some cases they are decreed, as in the absence of collective agreements or for particular trades. Except in Japan, bargained or decreed apprentices' wages are substantially lower than those of regular workers in the same occupations. They may start at 10 to 12 percent of the journeyman's rate of pay and seldom reach the 90 percent level in the final year of training. However, unlike under the apprenticeship program in the United States, employers customarily pay apprentices for time spent in related instruction in virtually all the countries covered.

Apprentices' wages in <u>Australia</u> are determined by governing bodies, such as apprenticeship councils and the Industrial Conciliation and Arbitration Commission, or by regulations, arbitration awards, and agreements. In the Northern Territory, the Apprentices' Board sets the apprentices' percentage of wages payable under the Commonwealth Conciliation and Arbitration Act; in addition, where no Federal award operates, the Board fixes the minimum wages payable to apprentices.

Under provisions of the Federal Metal Trades Award, apprentices' wages expressed as a percentage of the journeyman's wage for each year of apprenticeship, are as follows:

Year of						Percent of				
apprenticeship						journeyman's rate				
1st	year									. 31.5
										. 40.5
3d	year	•	•	•	•	•	•	•	•	· 47.25
4th	year						•	•		. 71.0
5th	year	•	•	•	•	•	•	•	•	. 85.5

In <u>Brazil</u> and <u>Colombia</u>, apprentices are paid half the legal or contractual minimum wage. The major difference between the two systems lies in the absence in Brazil of a progressive scale of apprentices' pay. In Colombia, apprentices' wages increase every 6 months until the full legal minimum or contractual minimum wage is reached at the end of the apprenticeship period.

<u>24</u>/ Austria, Belgium, Denmark, France, West Germany, Italy, the Netherlands, Norway, Sweden, Switzerland, and the United Kingdom.

In <u>France</u>, the apprentice is not legally entitled to any compensation. According to custom or negotiated agreements, however, apprentices receive a kind of "pocket money." Most collective bargaining agreements, however, provide for the payment of wages on a progressively increasing scale which usually starts at 50 percent of the legal minimum wage.

In West Germany, apprentices' wages are either regulated under industrywide collective agreements or simply decreed, as in the handicraft shops by the competent handicraft chamber. The amount, which is estimated to be about one-fourth of the wage received by a youth in an unskilled job in a comparable industry or trade, usually increases for each year of training. To emphasize the position of apprentices as pupils, their wages are intended to represent a kind of "educational grant." Practice reveals that monthly cash payments to apprentices vary considerably from one economic activity to another. For example, auto mechanic apprentices received, in 1964, about DM50 (US\$12.50), and building trade apprentices DM 170 (US\$42.50), monthly in the first year of training. In the final year of training, the fourth and third year in the respective trades, the monthly payments were DM80 (US\$20) and DM 300 (US\$75), respectively.

In Japan, apprentices are paid according to the pay scale of the organization giving the training. In most companies, according to a recent report, 25/ no differential exists between the wages of apprentices and those of other workers of the same age and seniority. Some companies, however, pay apprentices slightly less during the training period. It is also customary to grant apprentices bonuses on the same basis as other workers.

In <u>Italy</u> and the <u>United Kingdom</u>, collective bargaining plays the most prominent role in setting the wages of apprentices. In the absence of collective agreements, the Minister of Labor decrees the wages of Italian apprentices. The wages of English apprentices in some industries may be fixed by the appropriate Wages Councils.

In <u>Venezuela</u>, apprentices starting their compulsory apprenticeship training programs are paid a wage equal to about one-half that of regular qualified workers in a comparable skill. Their pay scale increases over the duration of the apprenticeship. If training occurs outside the firm, the company provides time off and pays the cost. When apprentices are sent to regular centers of the National Institute of Cooperative Education (INCE), the company must pay the apprentice per diem subsistence plus regular wages.

In several countries, apprentices, even after completing the training program, may not qualify immediately for the full journeyman's wage. In Germany, the apprentice may have to work a year or two to acquire sufficient experience to qualify for the journeyman's rate of pay. In the Netherlands, apprentices are paid an "improver's" wage rate for several years before qualifying for full wages and skilled status. The age at which this status is reached varies according to the trade or occupation. For example, in metallurgy and automobile trades, the age is 26; in patternmaking, 28; and in the building trades, 23. In the United Kingdom, apprentices who have completed their training may be required to work 1 or 2 additional years in some industries at less than the full journeyman rate for adult workers.

Other Benefits

Compared with the wages of apprentices in the United States, which range from 50 to 90 percent of the journeyman's straight-time earnings, bargained or decreed wages of foreign apprentices are considerably lower. Foreign apprentice earnings in some cases, however, are supplemented by additional allowances.

In Denmark, for example, the Danish Federation of Employers estimates that the pay of apprentices varies from 12 to 13 percent of the journeyman's wage in the first year of training to about 20 percent during the final year of apprenticeship. Danish apprentices, however, may receive supplementary support from the Young People's Training Fund for expenses such as travel or board at the technical school.

^{25/} International Labor Office, <u>Report on the Asian</u> Study Tour on Vocational Training in Japan (Geneva, ILO, 1966, ILO/TAP/AFE/R.14).

For example, apprentices, who must travel more than 7 kilometers (4-1/2 miles) to attend such a school are eligible for reimbursement of travel expenses. The Government may pay 20 percent of the costs of board and lodging. Apprentices also may receive scholarships and loans from the Young People's Training Fund or private scholarships from individual trade unions.

In other countries, such as Belgium, France, and the Netherlands, family allowances may supplement the pay of apprentices. In Belgium, the apprentice's parents are entitled to a family allowance if the apprentice is less than 21 years of age, earns less than 450 Belgian francs (US\$9) a week, and is not a member of his employer's family. In France, it is considered more worthwhile to continue to receive a family allowance, paid until age 17 for apprentices, than to raise their wages, since the wages, if in excess of 50 percent of the legal minimum wage rate, would disqualify the parents from receiving an allowance for their apprenticed children. In the Netherlands, the family allowance is paid according to the provisions of the Family Allowance Act for Wages Earners, the General Family Allowance Act, and the Family Allowance Act for Self-Employed Person.

By and large, apprentices are covered by all the social benefits customarily available to regular workers. These include old-age insurance, paid vacations, unemployment insurance, accident insurance, hospitalization, and paid sick leave.

The length of the paid vacation sometimes varies according to age. In <u>Belgium</u>, for example, apprentices under 18 years of age normally receive 18 days off a year with pay; those over 18, 12 days. Belgian employers are required to pay 8 percent of the wages paid apprentices into a special Annual Vacation Fund, a practice not encountered in the other countries. Since January 1967, all Belgian workers are entitled to 3 weeks of paid vacation. <u>French</u> and <u>German</u> employers must give apprentices under 18 years of age 23 days of paid vacation a year. In <u>Switzerland</u>, the law requires that each employee be granted at least 2 weeks of paid vacation annually. Apprentices, however, up to age 20, and workers up to age 19, have a right to 3 weeks. These federally established minima may be liberalized by the cantons. The <u>Norwegian</u> Holidays Act provides explicitly for longer vacations for apprentices than the 4 weeks given to regular employees but does not compel employers to grant them. Consequently, apprentices seldom receive longer vacations.

Hours

The hours which apprentices are required to work are usually the same as those of regular workers, except for overtime; limitations on overtime are imposed mostly because of the young age of apprentices. <u>26</u>/ For example, in <u>Belgium</u>, apprentices may not contract to work more than 45 hours a week; in <u>Italy</u>, the maximum number of weekly hours is 44; and in <u>Japan</u>, 42. Overtime work of apprentices is usually permitted only under exceptional circumstances and must normally be compensated for at the established premium rates. In <u>France</u>, apprentices are usually granted a bonus for overtime, although no specific legal provision exists for such compensation.

In <u>Denmark</u>, apprentices may not be required to work more than 10 hours a day. Permission is usually granted to employ trainees 16 years old and over at night, however, for training purposes. For example, the Factories and Workshops Act of 1954 states:

Where it is considered necessary for the young person's training, the Minister of Social Affairs may also, on receipt of an application therefor and with the advice of the Director of Labour Inspection and the Labour Council, permit male workers who have attained the age of 16 years to participate . . .in operations that are necessarily continuous in character between 6 p.m. and 6 a.m. in the following undertakings: iron and steel factories, glassworks, paper mills and sugar factories. <u>27</u>/

<u>26</u>/ See appendix D, p.44, for examples of legislative restrictions on overtime.

^{27/ &}quot;Denmark: An Act Respecting Workers' Protection Generally," Legislative Series 1954 (International Labor Office, Geneva), No. 226, June 11, 1954.

In <u>France</u>, unless otherwise provided for in collective bargaining agreements, the time that employers must allow apprentices to attend related instruction are not counted toward the apprentices' working hours. In other countries, including West Germany, Italy, Norway, Sweden, and Venezuela, related instruction time is normally part of the apprentice's working day.

Vocational Training Programs for Adults

Wages

Full-Time Training Centers. Adults taking full-time instruction in government training centers or in other approved full-time training institutions are paid either the unemployment compensation benefit or a training allowance. The basic wage, except for a few cases, is further supplemented by special allowances, such as dependents' or family allowances, lodging allowances, or per diem subsistence, and sometimes special rent allowances, to cushion the expenses of home upkeep when the head of household must be away from home for the duration of training. Allowances are sometimes granted for meals; in other cases, meals are provided at centers at a modest price. Meals seldom are free. To qualify for some of these various allowances, a means test is often required.

Limitations on the total payments received are usually imposed. For example, in <u>Belgium</u>, under regulations governing training allowances, the trainee payments, including wages or their substitute and all other supplementary benefits, may not exceed either the normal wages paid to adult skilled workers in the same trade or the regular wages paid to young, unskilled workers. At present, Belgian trainees under courses sponsored by the National Employment Office (ONEM) are paid a maximum of 33 francs 41 centimes an hour (US\$0.67). In <u>West Germany</u>, the training allowance is related to previous earnings.

In-Plant Training. When adult training occurs within the firm, the trainees may be paid their

regular wages, as in Austria; the employer, in turn, is subsidized from public funds to cover expenses such as loss of worktime, lower productivity, and use of materials and equipments. In the Netherlands, the trainee begins by receiving the wage rate paid to an unskilled worker in the particular industry. During the training course, the value and progress of the trainee's performance are calculated, and the length of training time required is determined. For the formal part of the training the state pays about 40 percent of an unskilled worker's wage; the difference, or 60 percent, is paid by the employer. Wages paid by the employer during the practical training depend on the value of the worker's performance until the end of the agreed training time, when the full wage is paid.

In <u>Italy</u>, participants in on-the-job training courses under Law No. 264 receive a wage equal to two-thirds of their normal pay up to a maximum of 40 hours weekly. This salary is charged to the Wage Integrating Fund. Participants are also paid an additional allowance of 100 lire (US\$0.16) a day and a family allowance.

<u>Combination In-Plant and Full-Time Train-</u> ing in Centers. When workers are sent by their employers to retrain at the centers for related instruction, as in <u>France</u>, employers may pay their regular wages and, in turn, may receive a government subsidy. In the <u>Netherlands</u>, if an employer wishes to have a center train a person already employed, he must pay the trainee's wage or allowance and, in addition, pay a fee to cover the cost of the training. The number of such cases is reportedly small.

Incentive Pay. The Netherlands has introduced an incentive pay system for trainees. Those in vocational training at the centers are paid a basic compensation for the loss of earnings each week. For married men of age 23 and over, this allowance is about 90 percent of the basic wage of unskilled workers. Single men of age 23 and over receive 12-1/2 to 25 percent less, depending on whether or not they live with their parents. Trainees under age 23 are paid 10 percent less for every year below that age.

Over and above the basic compensatory pay, the trainee is paid a performance premium if his average performance rating for practical work is above a specified minimum. The amount of the incentive premium is based on a threefold scale, depending on whether the individual's performance rating score is low, medium, or high. The premium is paid only if the particular qualifying score has been maintained for an entire week and if, during the same week, a minimum average performance mark for theoretical training has also been achieved. The premium reportedly encourages the concentration and perseverance of the trainees.

Minimum Wages. Under adult vocational training programs in <u>France</u>, the state pays workers in training at the centers the legal minimum wage rate for the duration of their training. In Japan, employers conducting government-approved on-the-job vocational training programs may be exempted from paying the minimum wage to the trainees who are in fulltime training and are not producing anything of value. In practice, however, such permission is rarely requested by employers.

Lump-Sum Payments After Training. In addition to the basic wage or allowance, some countries have adopted a system of additional lump-sum payments paid to trainees successfully completing their courses.

Belgian trainees upon completion of training receive 900 to 1,800 francs (US\$18 to US\$36) in a lump sum--the amount varying according to the duration of the training period. Moreover, if the trainee remains employed in the occupation for which he was trained for 6 months during the 12-month period immediately following his training, he is paid an additional 500 francs. Those who have successfully completed training taken on Saturdays receive a lump sum of 900 francs, in addition to 80 francs for each Saturday in attendance.

In <u>Italy</u>, under accelerated vocational training programs, participants successfully completing their courses are paid a lump-sum payment of 3,000 lire (US\$4.80). Those who have completed on-the-job training courses and cannot be absorbed in the firm's work force must be paid dismissal benefits and bonuses under the terms of the existing labor contracts.

Other countries follow slightly different practices. <u>Swedish</u> trainees completing the course may be granted "financial assistance" in the form of a loan equivalent to 1 month's training allowance to assist in their transition from school to work. In the United Kingdom, payment in kind may be provided to trainees successfully completing a training program. In trades where craftsmen normally have their own tools, a free tool kit is given to the trainee who has successfully completed a training program.

Young Persons. Young persons in training under adult-type programs may or may not receive an allowance. In Italy, for example, young people up to age 16 or 17 receive no pay. However, they do receive two free meals a day and other benefits. Dutch trainees under 18, living with their parents, do not receive an allowance. In Japan, young trainees undertaking basic training to enter employment for the first time are denied allowances; they may even be required to pay certain fees to cover expenses such as books and working clothes. Trainees from low-income families, however, may receive an interest-free loan up to 4,000 yen (US\$11) a month. If the training course lasts at least 1 year, they may use public transport facilities at a reduced rate. In Sweden, on the other hand, young persons attending 2year training courses of vocational training

centers receive a small allowance of about onefourth or one-third of what a youth of similar age could earn.

Other Benefits

Allowances received by unemployed adult trainees usually are not subject to income tax. In addition, trainees are covered by sickness, accident, and disability insurance even though they do not usually contribute to the social security system and often are reimbursed for travel expenses. Tuition is usually free. In the <u>Netherlands</u>, trainees living 3 or more miles from the vocational training center may receive either an allowance for travel or an allowance for the use of their bicycles. Since many of the courses for adults are short, paid vacations are seldom granted. Trainees seldom receive working clothes or an allowance for their purchase.

Hours

Hours of training for adults follow closely the normal workweek pattern in the respective countries. Practical training instruction consumes from 75 to 90 percent of the total training time. Adults trained in the firm are treated as regular workers for purposes of computing overtime pay.

Part IV PROBLEMS ENCOUNTERED

Trainee Wages

Although the application of wage-hour standards to the training programs of the countries discussed in this bulletin does not appear to have caused employers to minimize or refrain from providing training, particular problems have occurred that tend to suggest a rather serious imbalance between the quantity and quality of training.

The current trainee-wage practice of some countries has resulted in dissatisfaction among apprentices or abuses among employers. For example, Danish apprentices staged demonstrations in 1966 against the "starvation" wages received and the allegedly inordinate length of their apprenticeship. The demonstrations, often held in conjunction with trade union conventions, were directed not only toward employers but also skilled workers. The apprentices felt that (1) management tended to regard apprentices as a source of "cheap labor," and (2) skilled workers tended to believe that the present generation of apprentices should be exposed to the same "ordeal" in their training that the past generation had experienced. At the triennial convention in Copenhagen in August 1966, the Danish machinists' union, whose membership included many skilled workers, responded with expressed determination to press for improved apprentices' wages.

In <u>Brazil</u>, minors may be hired at half the minimum wage if they are enrolled part time in a training course in an approved institution. However, if no training institution exists in a particular area or if enrollment for a particular course at such institution is closed, the employer is relieved of the obligation for institutional training. As a result, a large number of minors hired as apprentices are reportedly performing full-time work at half pay without receiving adequate training. Observers also feel that the lack of a graduated scale in the apprentice wage during training and a strong demand for semiskilled workers in industry contributes substantially to the large number of youths who fail to complete the apprenticeship.

An <u>Italian</u> journal article <u>28</u>/ indicated that the low wage of Italian apprentices coupled with virtually limitless freedom in hiring them had resulted, in some cases, in the unscrupulous use of young workers at the expense of their proper educational and vocational development. Strong appeals have been made to transform Italian apprenticeship from a quantity- to a quality-based system by stricter regard for the spirit and letter of the law. Also, legislation has been proposed to reform apprenticeship training by having rigorous training inspection, expanded control of the numbers trained, and improvement of apprentices' wages.

There are indications that the <u>German</u> apprenticeship system, especially in small establishments, is open to similar abuse. A basic criticism is that young persons are recruited as cheap labor and are often employed on work not directly related to their training. Wages amount to only 20 to 25 percent of the journeyman's rate, and apprenticeship is provided in as many as 600 basic trades for eventual work in 20,000 occupations. About 1.3 million persons on the average, or 6 to 7 percent of the total wage and salary

<u>28</u>/ Remo Pironti, "La Formazione Professionale e l'attivita del Ministero del Lavora," <u>Rassegna del Lavoro</u>, Quaderno No. 27, 1963, p.40.

work force, undergo apprenticeship at one time. Under these conditions, there still has been in recent years an average of 250,000 apprenticeship vacancies.

When adjusted to a family allowance system, apprentices' wages may not improve significantly. In <u>France</u>, for example, if apprentices' wages exceed 50 percent of the legal minimum wage, parents are not entitled to a family allowance for them. Allegedly, parents have found it more advantageous to receive the family allowance than to encourage increases in wages for their apprenticed children. Consequently, apprentices' wage have not been critical in contract negotiations. In only one case have wage regulations had an adverse influence on employers' willingness to hire apprentices. Shortly after the Apprenticeship Act of 1951 in Norway was enacted, many employers, especially in small firms, hesitated to accept apprentices on grounds that the act involved them in large expenses and extra work in providing systematic training. They particularly opposed the requirement to pay apprentices' wages during school attendance and sickness. As a result, in 1958, state grants were made available to smaller firms accepting apprentices, and refund of part of the wages paid during the apprentices' illness also was provided for.

Trainee Hours

Problems regarding the hours of training were found to be of a general character. A paradoxical situation has resulted from the fact that there is less time for training, on the one hand, because of the shortened workweek, whereas, on the other hand, there is a rise in the skill standards demanded due to technological advances. Consequently, officials of an increasing number of countries have begun to place greater emphasis on the theoretical aspects of training. There has also been considerable experimentation with "block release," that is, classroom instruction of several weeks' duration or longer in each year, rather than "day release," which calls for classroom instruction of at least 1 full day a week, although the latter is still more common.

The United Kingdom has made an effort

to cope with the problem by devoting the first full year of apprenticeship to "off-the-job" training. The adoption of a similar technique has received support in other countries, such as West Germany and France.

The fact that many employed persons today can be expected to change jobs more frequently in their working lives than in the past constitutes a similar problem. To facilitate the transition of workers to other occupations, training which combines general education and technical training basic to two trades or more is receiving greater attention. Upgrading the training of employed persons is also becoming more prominent. In adult training, short and intensive courses under accelerated vocational training schemes are already widespread throughout Western Europe.

Other Problems

General concern resulted over insufficient funds to expand or modernize training facilities and equipment, particularly for adult training. Another general problem, especially important

to the countries having tax systems for financing training, is the apparent inability of the small employer to take advantage of the system to provide training. In France, for example, apprenticeship tax exemptions have been criticized for insufficient inducement for plants to initiate or continue in-plant vocational training. $\underline{29}/$ Moreover, the report of the Committee of Enquiry into measures to improve further education and upgrading (the Masselin Committee) disclosed that a third of the tax proceeds went into the national budget unused and concluded that the tax is a failure particularly for small enterprises. <u>30</u>/ In <u>Brazil</u>, only the largest firms were able to train and to qualify for a tax rebate. In the <u>United Kingdom</u>, the Industrial Training Boards are encouraged to give special consideration to the training difficulties and needs of small employers.

In contrast to the dynamic changes that have occurred in industry and technology during recent years, vocational training in many countries have been described as static. In some countries the need for modern vocational training laws has been acknowledged. Regarding the inflexibility of the apprenticeship system in particular, considerable debate is taking place on the appropriate length of training, the necessity to adapt course content to changing occupational requirements, and the need to devise a means to systematically update skills.

^{29/} Chartier, "La Taxe d'apprentissage" L'enseignement Technique (Paris), April-June 1964, pp. 37-46, in <u>CIRF Abstracts</u> (International Vocational Training Information and Research Center, Geneva), vol. 3. 1964, No. 2/08789.

<u>30</u>/ J. Choffel, " Difficulés de la formation professionnelle," <u>L'Usine nouvelle</u> (Paris), Special issue, October 1964, pp. 85, 87, and 89, in <u>CIRF Abstracts</u> (International Vocational Training Information and Research Center, (Geneva), vol. 3., 1964, No. 2/09847.

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1. What types of programs exist: Programs established by law, collective bargaining, employers unilaterally, others? Is the training programed on the plant, local, State (Provincial), or national level?

2. Are the programs operated by the government, employers, unions, other organizations, or by any combination of these groups? Who has the responsibility for training requirements and job requirements?

3. What part does on-the-job training play, in general, in the training of apprentices, other youths, and adults? To what extent is on-the-job training of each of the above types practiced?

4. Who is eligible for participation in (a) governmentally and (b) privately operated programs?

5. What methods of instruction are used? What is the duration of the various types of training?

6. How and by whom are the various programs financed? If training is subsidized by the government with the help of a tax on the industry or individual employer payroll, are rebates or grants given to firms with approved programs?

7. How are trainees compensated (wages, allowances), what are their hours, and what other terms and conditions apply to participation in the various programs? How are pay, hours, and other terms and conditions of participation fixed?

8. What is the legal relationship between the trainee and the firm or other institution providing the training?

9. What have been the practical effects of the various types of on-the-job training over the period of a decade or more? (Furnish benefit-cost analyses, if available.)

10. Cite and describe the provisions of contracts and of labor, industrial safety, social security, and other national, State, or local laws applying to the various types of on-the-job training.

11. Does legislation regulating labor standards, such as minimum wages and/or maximum hours, exist? If so, does it apply to on-the-job training? What are the pertinent provisions and how have they affected training?

12. Otherwise, what provisions of the labor standards legislation are not applicable to on-the-job training and what rules apply in their place?

Australia

Tradesmen's Rights Regulation Act, 1946-58

<u>Austria</u>

Trade Regulations, 1859, as amended Act Respecting Chambers of Trade and Commerce, 1946 Agricultural Labor Act of 1948, as amended in 1965 Act Respecting Chambers of Labor, 1954

Belgium

Legislative Decree Respecting the Establishment of Joint Committees in $\rm I_{n-}$ dustry, Commerce, and Agriculture, 1945

Royal Decree Respecting Vocational and Further Training in Handicrafts and Commerce, 1959

Decree of the Ministry of the Middle Classes, 1960, as amended in 1963

<u>Brazil</u>

Decree Respecting the Establishment of SENAI, 1942 Legislative Decree Respecting the Consolidation of Labor Laws, 1943 Decree Respecting the Concept of Apprentice Employee, 1952

<u>Colombia</u>

Decree 118 Respecting the Establishment of SENA, 1957, as amended in 1963 Law No. 188 of 1959 Respecting Contracts of Apprenticeship, as amended in 1960

Decree No. 2838 Respecting the Implementation of Law 188, 1960

Denmark

Apprenticeship Act, 1956

Act No. 195 Respecting the Employment and Training of Young Persons, 1960

France

Law Respecting Attendance at Vocational Courses, 1919
Finance Law Respecting the Apprenticeship Tax, 1925
Law Respecting the Organization of Apprenticeship in the Artisan Trades, 1937
Law Respecting Technical and Vocational Training in Agriculture, 1960, as implemented by a decree of 1961
Law No. 66-892 Respecting the Orientation and Program of Vocational Training, 1966

Germany (Federal Republic)

Industrial Regulations Code, 1869, as amended

Commercial Code, 1897, as amended

Handicrafts Regulation Act, 1953

Act Respecting the Protection of Young Persons in Employment, 1960

<u>Italy</u>

- Decree No. 936 Respecting the Establishment of the National Administration for Training of Workers in Trade and Commerce (ENALC), 1938, as reorganized in 1945
- Decree No. 1380 Respecting the Establishment of the National Institute for Industrial Training (INAPLI), 1938, as amended by Decree 393 of 1949
- Decree No. 1380 under authority of which the National Institute for Teaching and Training Handicraft Workers (INIASA) was established, 1938

Italy--Continued

Law No. 25 of 1955, as amended by Law No. 706 of 1956 Respecting Apprenticeship Courses

Japan

Labor Standards Law, 1947, as amended Vocational Training Law, 1958

<u>Netherlands</u>

Vocational Education Act, 1919, superseded by the Continued Education Act, 1963

Act Respecting Subsidies to the Apprenticeship System, 1937

Act for an Apprenticeship System, 1966

Norway

Apprenticeship Act, 1950

Sweden

No legislation. Instead, the basic agreement between the Swedish Employers' Federation (SAF) and the Swedish Trade Union Confederation (LO) provided for vocational training in 1944, revised in 1957

Switzerland

Law Respecting Vocational Training in Agriculture, 1951 Law Respecting Vocational Training, 1963, made effective by a 1965 ordinance

United Kingdom

Employment and Training Act, 1948 Industrial Training Act, 1964

<u>Venezuela</u>

Law Establishing the National Institute of Cooperative Education (INCE), 1959, as implemented in 1960

Australia

Industrial Training Plan (proposed in 1964 but not yet enacted)

<u>Austria</u>

Unemployment Insurance Law, 1927 (AVAVG)

Belgium

Regent's Decree Respecting the Organization of the National Employment Service, 1945

Royal Decree Respecting Accelerated Vocational Training for Adults and the Rehabilitation of Unemployed Persons, 1961, as amended

Denmark

Act No. 194 Respecting the Vocational Training of Unskilled Workers, 1960

France

- Decree Respecting the Establishment of Training Centers, 1945, amended in 1946 and 1949
- Act Respecting the Issuance of Various Provisions for the Promotion of Industrial Proficiency, 1959
- Decree No. 59-1424 Respecting the Promotion of Industrial Proficiency Within the Scope of Vocational Training of Adults, 1959
- Act No. 63-1240 Respecting the National Employment Fund, 1963

Law No. 66-892 Respecting the Orientation and Program of Vocational Training, 1966

Germany (Federal Republic)

Employment and Unemployment Insurance Law, 1927, as amended Occupational Promotion Act, 1965

Italy

- Law No. 264 Respecting the Establishment of a Central Commission for the Placement of Workers and Assistance to Unemployed Workers, 1949, as amended by Statute No. 456, 1951
- Decree No. 17 Implementing Statutory Provisions in the Administration of the Vocational Training Fund, 1950

Law Establishing Training Activities of the <u>Cassa per il Mezzogiorno</u> (Fund for Southern Italy), 1957

<u>Japan</u>

Employment Security Law No. 141, 1947 Vocational Training Law, 1958

Netherlands

Royal Decree Providing for a Bureau of Vocational Training Under the Government Employment Office, 1944

Norway

Law Establishing the National Unemployment Insurance System, 1938 as amended

Sweden

Ordinance Respecting Vocational Training Courses for Unemployed Persons, 1945 Labor Market Ordinance, 1966

Switzerland

Vocational Training Law, 1963

United Kingdom

Industrial Training Act, 1964

Appendix D. Restrictions on Overtime Work

Brazil

Sec. 59 of Brazil's Legislative D^{e} cree No. 5452, May 1943, applicable to all employees, states: "The normal hours of work [8 a day] may be increased by not more than 2 hours a day by an agreement in writing between the employer and the employee or by a collective contract of employment."

Sec. 61, par. (2) additionally states: "In cases of overtime worked for reasons of <u>force majeure</u> . . . the hours of work shall not exceed 12 hours a day unless another limit is expressly fixed by law."

Norway

Art. I, sec. 38 of a 1958 act amending Norway's 1956 Act Respecting the Protection of Workers states: "When the normal hours of work are changed . . ., the normal hours of work of young persons shall not exceed 9 a day or 48 during any one week without the permission of the Ministry, which shall be required in every individual case . . . Children and young persons shall not be employed on overtime."

Under art. II of the same act, the following terms, effective until December 31, 1960, were stipulated: "The overtime worked by an employee shall in no case exceed 30 hours in any four consecutive weeks."

In the Act Respecting Apprentices in Handicrafts, Industry, Commerce and Office Work, July 1950, the following prohibition was made in ch. III, sec. 8, par. 5: "An apprentice under the age of 18 shall not be employed overtime."

United Kingdom

According to the factories legislation of the United Kingdom, women and young persons age 16 and over may be employed on overtime within the following limits:

	Overtime limits for factory working a					
Coverage	6-day week	5-day week				
For the whole factory: Maximum amount of overtime in any week.	6 hours	6 hours.				
Maximum amount of overtime in any calendar year.	100 hours during not more than 25 weeks.	100 hours during not more than 25 weeks.				
For individual women and young persons:						
Maximum spread of employ- ment, i.e., normal peri-	Weekday other than Saturday: 12 hours.	12 hours.				
od of employment as extended by permissible overtime.	Saturday: 6 hours	6 hours, provided no overtime is worked in that week.				
Maximum daily working hours (excluding in- tervals).	Weekday other than Saturday: 10 hours.	10 ¹ ⁄₂ hours, provided no Saturday over- time is worked.				
	Saturday: 5½ hours	4 ¹ ₂ hours, provided no other overtime is worked in that week.				
Earliest starting time	7 a.m					
Latest finishing time	Weekday other than Satu women; 8 p.m. for you					
	Saturday: 1 p.m.					

Source: Hours of Employment of Women and Young Persons, Minister of Labour Safety, Health and Welfare, New Series No. 23, London, Her Majesty's Stationery Office, 1965, pp. 11-12.

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List 1. Usual Entry Age Into Apprenticeship, 16 Countries Australia.... 15 years Austria..... 15 years Belgium..... 14 years Brazil..... 14 years Colombia..... 14 years Denmark..... 14 years France..... 14 years Germany (F.R.) 15 years Italy..... 15 years Japan.... 15 years Netherlands... 15 years Norway..... 15 years Sweden..... 15 years Switzerland... 15/16 years United Kingdom 15/16 years Venezuela.... 14 years List 3. Industrial Training Boards, United Kingdom Agriculture, horticulture, and forestry Carpets Ceramics, glass, and mineral products Chemical and allied products Civil air transport Construction Cotton and allied textiles Electricity supply Furniture and timber Gas Hotel and catering Iron and steel Knitting, lace, and net Man-made fibres Metalworking Petroleum Road transport Rubber and plastics processing Shipbuilding Water supply

Wool, jute, and flax

List 2. Ministries Assigned Major Supervisory Responsibility for Apprenticeship, 16 Countries Australia.....Ministry of Labour and National Service Austria.....Federal Ministry of Commerce and Reconstruction Belgium......Ministry of Education and Culture Brazil.....Ministry of Education and Culture Colombia......Ministry of Education Denmark......Ministry of Education France......Ministry of National Education Germany (F.R.) .. Federal Ministry of Economic Affairs Social Security Japan......Ministry of Labour Netherlands.....Ministry of Education and Sciences Norway......Ministry of Church and Educational Affairs Sweden......Ministry of Ecclesiastical Affairs and Education Switzerland.....Federal Department of Public Economy United Kingdom...Ministry of Labour Venezuela.....Ministry of Education

List 4. Levy Assessments of Selected Industrial Training Boards, United Kingdom

Industrial <u>Training Board</u>	Levy as percent of payroll
Carpets Construction	0.5 .1 (plus 1.0 of payments made by employers to labor hired under a labor only contract)
Cotton and allied textiles Furniture and	•4
timber Iron and steel	.9 (£18.00.0. per employee)
Man-made fibres	•2
Metalworking Shipbuilding	1.55
Wool, jute, and flax	1.5 (0.5 to 2.0 for cer- tain establishments)

Country	lst hour	2d hour	3d hour	4th hour	Additional hours
Australia	50	50	50	50	100
Austria	25	25	25	50	50
Belgium	25	25	50	50	50
Brazil.			(for some	workers 25)	1
Colombia		20	20	20	20
Denmark		33-1/3	50	50	100
France			' (up to 8 ho	urs, then 50)	•
Germany (Federal Republic)	25	25	50	50	50
Italy		20	30	30	30
Japan		25	25	25	25
Netherlands		25	25	50	50
Norway		25	50	50	50
Sweden			(up to 70 af	ter 1st hour)	
Switzerland	25	25	25	25	25
United Kingdom	25	25	50	50	50
Venezuela	25	25	25	25	25

Table F-1. Overtime Premiums as Percent of Basic Wage

Source: Adapted from official sources.

Table F-2. Statistics on Apprenticeship Training, Selected Countries 1/

Country	1960	1961	1962	1963	1964	1965	1966	Labor force, 1966 <u>2</u> / (thousands)
Australia 3/		44,939	47,278	50,732	87,623	94,744		4,210
Austria 4/		143,700	148,200	153,600				3,357
Belgium 5/		9,143	8,350	8,683	8,460	8,323		3,767
France <u>67</u>		.58,190	60,117	58,780	72,955		300,000	20,294
Germany 7/		1,156,899	1,130,780	1,173,825	1,194,337			27,243
Italy 8/	305,041	392,567	471,353	468,853		417,950	760,000	19,873
United Kingdom <u>9</u> /	122,951	135,276	142,760	117,069	131,355	154,675	131,197	26,236

 $\underline{1}/$ Data on training are not comparable. For details, see footnotes 3-9.

2/ Labor Force Statistics, 1956-66 (Paris, Organization for Economic Cooperation and Development, 1968). Data relate to persons 14 or 15 years of age and over and are not strictly comparable. For differences in concepts and the various collection methods, consult the source publication.

3/ The statistics on the number of apprentices in training are from the Australian Apprenticeship Advisory Committee, <u>Essential Features of Australian</u> <u>Apprenticeship Systems</u>, sec. 5, table 2. Figures shown are for June 30 of each year and represent the total number of apprentices in training. Other qualifications are also applicable. Figures for New South Wales are excluded from the 1961-63 data and included in the 1964-65 data. The labor force data are for 1961, exclude persons under 16, and are from the Commonwealth Bureau of Census and Statistics, <u>Yearbook</u> of the Commonwealth of Australia, 1964.

4/ From <u>Manpower Problems and Policies in Austria:</u> <u>Report by Examiners</u> (Paris, Organization for Economic Cooperation and Development, 1965). Figures show the trend of the number of apprentices in recent years. Labor force data are for 1965. 5/ From Comité National de Formation, <u>Rapport</u> (Brussels, 1966). Figures show the number of contracts concluded or agreed upon.

6/ From <u>Revue française du travail</u>, July-September 1966, table 1, p. 163. Figures show number of apprenticeship contracts signed in 12 months ending in June of each year. Data for year ending June 1966 were obtained from official correspondence, and include the total number of workers in training in firms under contract; another 600,000 were apprenticed in public technical schools; and an additional 200,000 in private technical schools.

 $\frac{7}{From}$ the Federal Republic's <u>Statistical Yearbook</u>, <u>1966</u>. Figures include apprentices and learners in industry and commerce and in the handicraft trades.

8/ From La Formazione Professionale in Italia, Quaderno 27, 1963. Data through 1965 show apprentices in attendance at complementary courses only in 12 months ending in June of each year. The 1966 data were obtained from official correspondence; they include all apprentices on record as of March 31, 1966.

9/ From the Ministry of Labour. Figures relate to young persons of both sexes under 18 years of age who enter apprenticeship when first employed.

Table F-3. Statistics on Adult Training, Selected Countries 1/

Country	1960	1961	1962	1963	1964	1965	1966
Belgium 2/	1,907	1,696	2,411	4,270	5,272	6,717	
France 37				29,249	32,678	35,177	
Italy <u>4</u> /	29,279	29,299	13,314	13,234	5,896	8,909	
Japan 5/		}			78,660	75,450	73,970
Netherlands 6/				1,818	2,357	2,755	
Norway 7/				5,100	5,550	5,961	
Sweden 8/]			14,226	15,079	17,045	20,184
United Kingdom 9/							6,708

1/ Data are not comparable. For details, see the following footnotes.

2/ From National Employment Office (ONEM), <u>Rapport</u> <u>annuel, 1962-65</u>. Number of persons completing vocational training and retraining. Figures include those trained under the ONEM program and by employers.

3/ Data obtained from official correspondence. Figures include persons who completed training under the program Vocational Training for Adults (FPA).

<u>4</u>/ Data show number of adults trained in 12 months ending in June of each year. 1960-61 data are from <u>La Formazione Professionale in Italia</u>, Quaderno 27, 1963; 1962-65 data are from official sources, and include persons in accelerated and on-the-job training courses. 5/ From Organization for Economic Cooperation and Development, <u>Manpower Policy Developments 1965-66</u> (Paris, 1967, MO (66) 24/21). Figures show persons in vocational training for changing jobs and retraining or followup training in 370 vocational training centers.

6/ From official correspondence.

7/ From Labor Directorate, Annual Report, 1965.

8/ From Häkan E. Häkanson, <u>Retraining and Further</u> <u>Training, 1966</u>. Figures are for February each year and include persons in retraining and further training under the auspices of the National Labor Market Board; about 18 percent of these workers are in industry.

<u>9</u>/ From <u>Ministry of Labour Gazette</u>, February 1967. Figures include workers in training under Government vocational training schemes.

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