Apprenticeships/dual education system - is the German model universal?

Werner Eichhorst, IZA

Youth unemployment after the Great Recession: Evidence and lessons of national policies
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Youth unemployment rates, 2008 and 2012

Source: Eurostat.
Vocational training and youth unemployment

- Youth unemployment rate in Germany has been very low for decades and is currently one of the lowest in the EU
- About two thirds of the workforce have a vocational degree in Germany – vocational education is clearly the most relevant category of training in Germany
- What about the causality?
  - Studies show that dual vocational training (and school-based version) contributes to a relatively smooth transition of successful trainees from fixed-term apprenticeship contract to permanent position with training firms (about 60%) or other employer
  - Fixed-term contracts with training are more conducive to successful transition than ‘pure’ temporary jobs
- But there are some structural challenges to the system!
Benefits of vocational training

Dual vocational training
- Combines general, transferable skills (class-based) and structured learning on the job
- Due to general skills acquired, graduates are employable by the training company and other employers
- During vocational training, apprentices have a fixed-term employment contract with an employer at a reduced wage level

School-based training
- Follows a formal curriculum and combines general with occupation-specific training.
- Does not convey practical occupation-specific skills within a company

On-the-job training
- Better pay in the short run
- Acquisition of skills restricted to learning on the job and done in a rather informal way, this type of learning is likely to be of less value when moving jobs.
- Due to the lack of general occupation skills, employability is limited

Comparing vocational schooling and dual apprenticeship models, a dual system tends to be associated with a smoother transition from school to work and low youth unemployment.
German dual vocational training – how it works

1. Combination of **structured learning while working** in companies with vocationally oriented schooling (school-based vocational training in some occupations such as nursing, old-age care)

2. Standardized, binding **national training curricula** that are updated regularly, exams with chambers of crafts and commerce -> certified transferable occupational skills

3. **Fixed-term apprenticeship contracts** with specific collectively agreed wages

4. **Co-regulation** by social partners and government regarding curricula and exams

5. **Shared funding** by employers (labor costs) and government (schools)
German dual vocational training – crucial supporting factors

- System benefits from and contributes to its general acceptance as solid education by young people, their parents and the business community
- Collaboration of government, public agencies and the social partners is crucial and demanding
- But the German model relies on long history and socio-economic (and even cultural) roots – is certainly not easy to transfer!
Challenges of the German apprenticeship system

- **Regular and timely updating of formal training curricula** given rapid technological and economic change => new and broader occupational profiles (fewer separate occupations), more modular curricula

- **Sustained willingness of companies to train** => national pact on promoting vocational training (e.g. more training slots, support for preparatory ALMP), but now demographic change sets strong incentives to train more and update the system

- **Willingness of young people to enter the apprenticeship system** (as an alternative to academic studies) => different forms of dual academic education, new upward-oriented pathways after vocational training

- **Exclusion of weakest school-leavers** => non-firm-based vocational training in schools and public preparatory scheme in place, responsible for about one third of all school leavers below university entrance diplomacy level, but effectiveness is questionable as (repeated) preparatory measures do only partially improve access to apprenticeships => standard vocational training seems to be too 'exclusive'
Preconditions of an ideal-type dual vocational training model

- **Close cooperation between state and economy:** Employers should view vocational training as investment with positive returns.

- **‘Learning while working’**
  Young people and trade unions should accept lower earnings in exchange for quality skill acquisition.

- **Standards accepted by society**
  Vocational training needs sufficient funding and an institutional framework provided by the state/employer.
  It must be widely accepted by society as a solid form of education.

- **Qualified vocational trainers**

- **Institutionalised research and consulting**

In many countries, on-the-job learning needs to become more systematic, and school-based vocational training or general education should have closer links to labor market needs. To achieve this, employer participation and some more systematic vocational training are crucial.
Feasible options for policy transfer

- Full-blown (and highly regulated) dual vocational training at the national scale is difficult and takes time – less may be more here!
- Training systems will probably not ease current youth unemployment significantly now, but can help prepare European countries for the future

Realistic starting points:

1. **Creating dual training courses** at a sectoral and/or regional level based on a cluster of larger or smaller companies with similar interests, also with joint training centers
2. Inserting **firm-based parts** into vocational schooling or academic studies
3. Establishing **sectoral or regional associations** of business, government and unions to further develop vocational training and establish some ‘light’ regulation of training curricula and certificates
Werner Eichhorst
IZA
IZA, P.O. Box 7240
53072 Bonn, Germany
Phone: +49 (0) 228 - 38 94 – 531
Fax: +49 (0) 228 - 38 94 180
E-mail: eichhorst@iza.org

http://www.iza.org