

**MUTUAL LEARNING PROGRAMME:
Towards a new vocational training system more adjusted
to the new competences and skills requirements of the labour market**

Comments from the Germany perspective

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Contents

1.	VET situation in Germany.....	1
2.	Assessment of the Spanish approach.....	3
3.	Success factors and transferability.....	4
4.	Questions.....	5

1. VET situation in Germany

Germany is well known for its traditional apprenticeship system which leads the majority of young persons into vocational training. The system of apprenticeship training distinguishes three types: dual training in companies and vocational schools, school-based vocational training, and the preparation for vocational training which is provided to disadvantaged young persons. Dual training is the largest field of education at upper secondary level. Over the half of an age cohort is participating in this system.

The German VET System is characterised as *dual*, because training is conducted at two places: practical instruction by professional supervisors (*Meister*) in enterprises as one part and part-time school training as the other. On-the-job training is mainly offered by companies in the private sector while vocational schools belong to public education.

The aim of dual training is to provide training programmes which qualify workers for a great variety of manufacturing and commercial occupations. The successful completion of the programme entitles the apprentice to practise an occupation as a qualified worker in one of the currently 348 recognised training occupations. Dual training degrees play an important role in the German labour market as access to intermediary skilled jobs is almost exclusively restricted to graduates from formal dual training.

The apprenticeship normally lasts for three years, ending with a formal examination by the chambers of trade, industry or commerce. There are occupations that even require 3 ½ years (e.g. *Mechatroniker*, a combination of mechanical and electronic engineering). However two year courses also exist for less demanding jobs (e.g. sales persons) and for apprentices with A-level exams (*Abitur*).

While training standards were upgraded in both, dual training and vocational schools, the integration of disadvantaged young people became a problem of rising importance. *Länder* governments and the Federal Labour Agency therefore developed integration programmes for these young people:

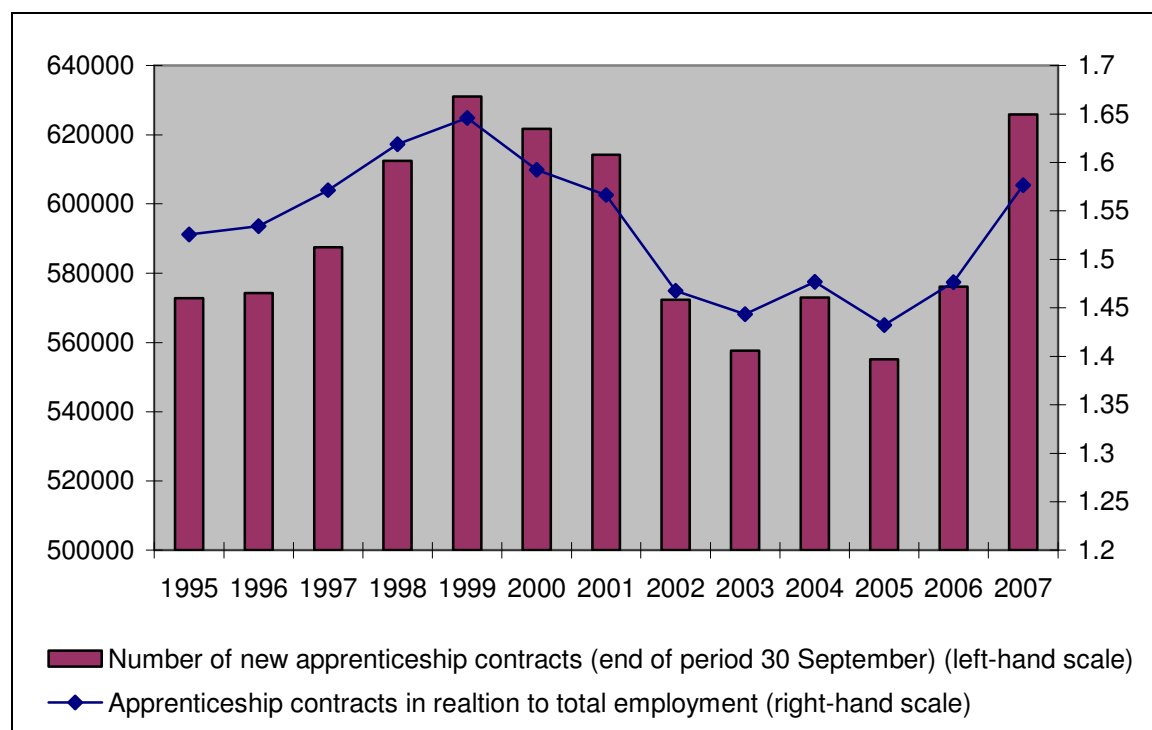
- a pre-vocational training year (*Berufsvorbereitungsjahr, BVJ*) to reduce deficiencies of basic education.
- a vocational training year (*Berufsgrundbildungsjahr, BGJ*) to provide basic education in a specific educational field.
- an in-company entry-level vocational qualification (*Einstiegsqualifizierungsjahr, EQJ*) for the purpose of integration through practical work.

In addition, various *Länder* governments offer dual training places for disadvantaged young people in public training institutions.

The dual system is the largest field of education at upper secondary level. Between October 2006 and September 2007 625,914 new apprenticeship contracts were signed. These were around 1.6 % of total employment (Chart 1).

The number of new training contracts is highly cyclical. Even worse, training activities also decline in relation to overall employment during weak economic periods. Between 1999 and 2003 therefore, there was a considerable decrease of the number of new training contracts. This changed after 2004 when the National Training Pact was concluded, an initiative of the Federal Government in collaboration with trade and industry to provide more apprenticeship positions. Since 2005 the positive development of employment boosted the number of apprenticeship positions additionally.

Chart 1 **Number of apprenticeship contracts in the dual system in relation to total employment**
Germany



The majority of new apprenticeships contracts in 2007 were signed for industrial occupations (59 %) and 28 % in craft-related occupations. Furthermore, 6 % were signed in the field of liberal professions (*Freie Berufe*), 3 % in agriculture and 2 % in public services.

2. Assessment of the Spanish approach

Education and training have emerged as the keys to economic growth, and Germany certainly is a good example for this principle. Based on a broad stock of human capital, Germany specialised on high-tech manufacturing since many decades if not centuries. A highly differentiated vocational training system provided the skills required to deliver top-quality products and remain innovative on many industrial markets.

Focus on intermediary skills

With its polarised skills structure, Spain obviously suffers from the lack of a broad skills provision at intermediary levels. This is typical for countries with a limited engagement of public investment in a broad human capital basis. While tertiary education provides strong economic incentives to students by high income and low unemployment perspectives, these incentives are weaker at the intermediary level. Moreover, tertiary education usually is strongly subsidised by governments. This creates a “second-best” equilibrium where private investments into education and training remain limited. The Spanish Roadmap therefore takes the right choice to focus on intermediary skills, and to develop a VET system along the 26 “professional families”.

An integrative approach

The Spanish Roadmap for enhancement and improvement of VET is related to this idea, not only using a substantial amount of money for training purposes but trying to achieve a “cultural change” towards the need for vocational training. It involves a broad set of stakeholders, who are indispensable for shaping the training system, creating the value added for all participants and finally achieving the targets of policy initiative.

In Germany, this type of cooperation has proved to be essential for the development of VET. Based on the historical tradition of vocational training, the system has continued to integrate the different stakeholders, companies, trainees, and public authorities. The system survived because all stakeholders are profiting from their involvement: companies are able to train young workers according to their specific needs, trainees are equipped with principal and theoretical occupational knowledge, and the public takes advantage from the economic success of a broad human capital basis. It is this win-win-win situation which creates the strength of the German dual training system.

Emphasis on innovation

The Spanish approach puts a focus on innovation in VET which appears to be a genuine function of all training systems. Nevertheless, it is one of the difficult tasks, as the consensus on the nature of innovation is hard to achieve among stakeholders.

This is also a key issue in Germany. For decades the German dual system has been criticised for being inflexible and outdated (see e.g. *Büchtemann, Vogler-Ludwig 1997*). But both, employers’ associations and trade unions were reluctant to change training curricula for a long time.

Obviously there is strong trade-off between standardisation of training curricula and adaptation to changing company needs. Standardisation promotes the acceptance of training certificates in the labour market and thus makes training to a publicly accepted good. Adaptation gives incentives to training investments by companies and improves labour market chances of the trainees, and thus makes training to an individually accepted good.

Meanwhile, German stakeholders realised the danger arising from insufficient innovation, as companies had started to withdraw from dual training, and young persons had preferred upper-level education and training. This resulted in the deterioration of both, the

capabilities of trainees and the quality of training places. The system was in danger of drying out.

Many of the dual training curricula therefore have been revised in the meantime. On the one hand, new and more ambitious curricula were introduced, e.g. the combination of electronics and engineering (*Mechatroniker*). On the other hand, shorter training courses were implemented for simpler jobs and disadvantaged young persons (e.g. sales persons).

In particular, the national training pact was concluded in order to raise the number of training offers. This was a successful undertaking that safeguarded the fundamental integrative function to reduce youth unemployment in Germany.

A modular approach

In comparison to a fixed system of vocational training with standardised training periods in young years, modular systems have various advantages but also some pitfalls.

Modular systems which allow splitting training by subject and time are able to adjust more flexibly to the trainees' needs. They proved to be effective in both, training of disadvantaged youth and of adult workers. In particular, the Australian credit point training system achieved positive results with such an approach.

The risk, however, is that modules are not strictly integrated and do not lead to definite and generally accepted training levels. This requires both, the clear definition of training levels which can be achieved by a combination of modules, and the strict monitoring of modular training offers in order to guarantee the standards of the VET system. Such measures are needed to handle the heterogeneity of the training system.

3. Success factors and transferability

Adaptability of the workforce rather than adaptation to work

At different occasions, the Spanish paper underlines the importance of adjustment to actual skill needs. While it remains unclear what exactly is meant by such adjustments and who has to adjust to what, the principal question arises, whether the VET system should be aligned along that route. What is more important, the efficient use of the workforce at specific workplaces with a narrow range of skills, or the promotion of the adaptability of the workforce by a broad range of generic skills?

While this principal question of education and training policies will remain relevant with unlimited duration, it appears to be obvious that the speeding-up of technical change, the internationalisation of the economies, the rising importance of knowledge, and the gradual disappearance of "manufacturing" jobs all together make generic skills more important. The adaptability of the workforce to future changes is much better to cope with future changes than the specialisation on specific tasks.

Public investments into the knowledge-base

Companies however are hardly inclined to invest into generic skills. This is a genuine public task, also at intermediary skill levels. Governments therefore need to invest into VET continuously, not only with an initiative of limited duration.

Education and training is a public infrastructure which will be used by the employers in their specific environment. Companies will use the broadened skill levels of the workforce with minor adaptive training investments. As private investments remain restricted, public VET system needs to be established by both, clear regulations and financial resources.

Company involvement

In order to achieve the adaptation of knowledge to practical work, various forms of company participation in VET are needed. This can range from internships to formalised company-based training like dual training in Germany. The experience from school-based vocational training is that labour market prospects of students remain limited as compared to company-based training.

Company-based training can be implemented on the basis of “fair trade” between employers and trainees. This implies a reduced wage for trainees compared to workers, and the involvement of trainees in productive work. Both factors are able to make training profitable for companies and trainees. The costs of training are limited and trainees gain from better career prospects.

Transferability

The Spanish Roadmap is strongly related to the needs arising from the labour market and the structure of the Spanish VET system. Its transferability therefore appears to be limited, at least to countries with a developed training system. Nevertheless, the approach raises a series of issues which are important for all EU countries. The focus on intermediary skills is one of these points. The creation of a flexible and innovative VET system is another one. Finally, the modular approach is important to create a system that builds on the competences available in the workforce, and complies with existing training structures. The integration of VET and lifelong learning needs to be part of the approaches for the future.

4. Questions

- What is the role of employers in providing training? Is training provided mainly in public vocational schools or is practical training included?
- What is meant by adjustment to skill requirements – stronger adjustments to company needs, labour market needs or needs of the students/workers?
- How is non-formal and informal learning integrated?
- What are the main lines of conflicts between the different stakeholders?

Summary Table

Labour market situation in the Peer Country
Germany is well known for its traditional “dual” apprenticeship system which leads the majority of young persons into vocational training. It successfully integrates a high share of young persons. However, it is strongly cyclical and requires public support.
Assessment of the policy measure
The Spanish roadmap appears to be well designed, referring to the lack of intermediary skills and trying to trigger a cultural change on training markets. It emphasises innovation and applies a modular approach.
Assessment of success factors and transferability
Training systems provide the human capital basis for the economy. They should improve the adaptability of workers rather than adapt closely to the changing needs of companies. Public investments are necessary as well as company involvement. The principles of the Spanish approach are useful and transferable.
Questions
<ul style="list-style-type: none"> • What is the role of employers in providing training? Is training provided mainly in public vocational schools or is practical training included? • What is meant by adjustment to skill requirements – stronger adjustments to company needs, labour market needs or needs of the students/workers? • How is non-formal and informal learning integrated? • What are the main lines of conflicts between the different stakeholders?

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