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The German Labour Market in the Year 2030

Tackling the economic and demographic challenges with a National Continuing Training System and a Family Oriented Policy

A long-term forecast of labour and education in Germany

Skills shortages will pose a major challenge to the German economy over the next decades. However, with a nationally certified continuing training system and a family friendly labour market policy, Germany will be able to master these challenges.

This is the conclusion of the "Labour Market 2030"study which provides a comprehensive forecast of how labour and education will develop in Germany up to 2030. The study presents a forecasting model which was commissioned by the German Ministry for Labour and Social Affairs and developed by a research team around Economix Research & Consulting in Munich.

 "Labour Market 2030" combines in its methodology qualitative long-term scenarios with mathematical forecasting methods. It derives a differentiated and empirically well founded vision of the likely changes in economy and society. The forecast serves as an early warning system to identify probable labour shortages and to take measure in securing adequate future labour supply.

Basic trends

- A declining and ageing population will lead to a decrease of the workforce which will also limit employment. In 2030 there will be 1.4 million fewer people in employment than today. Yet the income per capita will nevertheless rise by 40 %.
- Asian countries – first of all China – will push into high-technology markets. As a result the margins for industrial production in Germany will become ever smaller in contrast to those of the research, development and management of international supply chains. German industry will evolve into an industrial service provider. This will be primarily to the benefit of specialized service companies.
- An ageing population will not just lead to an expansion of health and social services. It will also present a key challenge to an economy that is based on innovation and science. Retaining these resources through a broadly based continuing training system lies at the center of long-term policies.
- The influx of qualified employees from universities will grow further and will be only marginally affected by the decline in the younger population. The share of college or university graduates in the job market will rise from 17% in 2010 to 26% in 2030. However, this higher level of qualifications will not affect the dual vocational training system which will maintain its relative im-

portance if more young people from educationally disadvantaged backgrounds – mainly migrants – can be integrated.

- The German economy is moving from a service-based economy towards a knowledge-based economy. As a result, not only more college and university graduates are needed but also people with higher qualifications on all educational levels. College graduates will be replaced increasingly with employees with a bachelor degree, the dual vocational training will become more ambitious and complex. Above all, considerable efforts are being made to decrease the still high number of young people and adults with no formal training by promoting the participation in vocational training programs.

The need for a highly qualified workforce can only be met if the German programs for continuing education are developed into a certified system with national standards across the country. In order to achieve this, the government would have to transfer the currently course-based continuing education programs into a clearly structured, standard-based system which cannot be funded by employees and employers alone. At the same time companies will have to pursue an age-management strategy which effectively fosters the ability of employees to learn and adjust.

Methodology of "Labour Market 2030"

The quantitative model is based on two alternative long-term scenarios which were developed based on seven expert reports. The expert reports evaluate the future effects of globalization, technological change, the organization of work, climate change and, above all, demographic changes on the educational and employment behavior of the German population.

The quantitative models of the study encompass 44 economic sectors, 88 occupational groups and 27 fields of vocational training. This high level of differentiation exceeds present projections. The models are based on a labour market model that is also used for the qualifications forecast of the European Centre for the Development of Vocational Training (CEDEFOP). In total, seven modules of the quantitative model simultaneously estimate labour supply and labour demand taking into account the various interrelations in the labour market. "Labour Market 2030" is the first study that shows labour market flows in a detailed occupational and qualification-specific classification.

Political and social conditions considered

The authors of "Labour Market 2030" base their forecast on the continuation of labour market policies, for example the German Government's policy for retaining skilled labour, and on assumptions about technological change, corporate globalization strategies and specialization as part of the international division of work. Overall, "Labour Market 2030" does not describe a status quo. It rather shows a projection that includes political actions. In their report the authors present a strategic forecast of a possible future alternative for the German labour market which provides a relevant contribution to the current debate.

Free Material on wbv-open-access.de

The methodological report, the scenarios and the expert reports are freely available in German on wbv-open-access.de.

The authors

Kurt Vogler-Ludwig is founder and director of Economix Research & Consulting in Munich, an independent economic consultancy. He is an economist specialising in labour market and structural research, European Commission adviser and consultant for Federal Ministries and ministries of the federal states in Germany as well as for national and international political institutions.

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Publications 📖

Kurt Vogler-Ludwig, Nicola Düll
The German Labour Market in the Year 2030
 A strategic view on demography, employment and education
Translated by Louise Rotter
Will be published soon by W. Bertelsmann Verlag, Bielefeld

Publications in German:
Kurt Vogler-Ludwig, Nicola Düll
Arbeitsmarkt 2030
Eine strategische Vorausschau auf Demografie, Beschäftigung und Bildung in Deutschland
W. Bertelsmann Verlag, Bielefeld 2013, 199 Seiten
ISBN 978-3-7639-5278-6
Bestell-Nr. 6004383
Print plus E-Book 39,- Euro
E-Book 29,- Euro

Nicola Düll (Hg.)
Arbeitsmarkt 2030 - Fachexpertisen und Szenarien
Trendanalyse und qualitative Vorausschau
W. Bertelsmann Verlag, Bielefeld 2013
Kostenloses E-Book im WBV-Open-Acess

Ben Kriechel, Kurt Vogler-Ludwig
Arbeitsmarkt 2030 - Methodenbericht
Beschreibung der quantitativen Modelle
W. Bertelsmann Verlag, Bielefeld 2013
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