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Apprenticeships in Germany

1 Introduction

The Committee for Employment and Learning received correspondence from the Department with regard to apprenticeships in Northern Ireland¹. The apprenticeship system in Germany has often been held up as a successful system for vocational education and training². Indeed, acknowledging that the UK has a good record for academic qualifications but a poor one for vocational skills, the House of Lords Select Committee on Economic Affairs looked at the German system for inspiration³.

This paper briefly describes the apprenticeship system in Germany, explores some advantages and challenges, and offers some analysis of its applicability to other contexts.

¹ Committee for Employment and Learning meeting 21 November 2012.

² Thomas Lange (2012), 'German Training Revisited: An Appraisal of Corporatist Governance' in *Education and Training* 54(1), p.21.

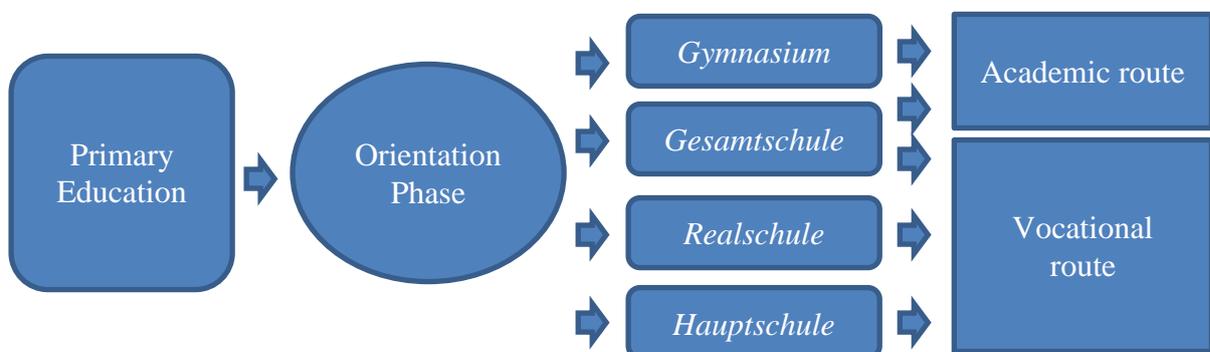
³ Select Committee on Economic Affairs (2007), *Economic Affairs – Fifth Report*, Session 2006-7, London: House of Lords, Chapter 4: <http://www.publications.parliament.uk/pa/ld200607/ldselect/ldeconaf/138/13802.htm>.

2 Apprenticeships in the German Education System

Apprenticeships are an integral part of the education system in Germany, where some 60% of school leavers undertake an apprenticeship through the Dual System⁴, that is, part time at a workplace and part time at a vocational school⁵. The system appears complex – education and training are devolved to the *Länder* (states within the federal system) and therefore differ from region to region, there are different pathways at secondary level and transition can take place at different ages – but the general process from school to training is relatively straightforward⁶.

Primary school pupils enter an ‘orientation phase’ (*Orientierungstufe*) at ages 11-12, where a degree of streaming is decided, usually through teacher reports in consultation with parents. A range of schools are available at lower secondary stage, where approximately a third go to grammar school (*Gymnasium*), a third to the less academic secondary school (*Realschule*) and the remaining third to a ‘general’ or secondary modern school (*Hauptschule*), which covers similar ground to the *Realschule* but at a slower pace, or to a comprehensive school (*Gesamtschule*), which combines the streams of the *Gymnasium* and the *Realschule*⁷.

At around age 15-16, around of third of pupils will be streamed towards attaining the academic qualification for entering university (*Abitur*), mostly from a *Gymnasium* or *Gesamtschule*, while the remaining two thirds will undergo some form of vocational study, most in the Dual System (*Duale Berufsbildung*), which combines study at a vocational school and an apprenticeship at a place of work.



The system is established in statute, the Vocational Training Act (*Berufsbildungsgesetz*) 1969⁸, which formalises an arrangement where employers, trades unions and federal and state government share responsibility for the

⁴ Variations of the Dual System are in use in Austria, Switzerland, Denmark and the Netherlands.

⁵ Chris Bryant (2012), 'A German Model Goes Global' in *Financial Times* 21 May 2012.

⁶ A summary of the German education system is at Appendix 1.

⁷ Hilary Steedman (2010), *The State of Apprenticeship in 2010*, London: London School of Economics and Political Science, p.23.

⁸ Berufsbildungsgesetz 1969: http://www.bibb.de/dokumente/pdf/bbig_1969.pdf.

development and implementation of vocational training and education⁹. Due to a range of challenges, including a partial failure of the Dual System in meeting the needs of employers and difficulties convincing industry of the benefits of formal vocational training¹⁰, the system was made more flexible in a reform package under the Vocational Training Act (*Berufsbildungsgesetz*, also referred to as the *Berufsbildungsreformgesetz*) 2005¹¹.

The Dual System is based on a corporatist philosophy, typical of the consensus politics of post-war Germany¹². Employers, trades unions and educationalists agree on the nature and content of what is learned in the classroom and workplace-based training, and pathways are approved by the Federal Institute for Vocational Training (*Bundesinstitut für Berufsbildung*)¹³. Costs are shared between the employer, trainee and the state, industry maintaining an interest as apprentices gain more experience, initial costs being offset by productivity later in the apprenticeship, where trainees are paid significantly less than a fully qualified worker¹⁴. The Government also has a policy role in developing programmes that ease the transition process of matching skills development with the needs of industry, such as ‘education chains’ (*Bildungsketten*) leading to vocational qualifications¹⁵.

The movement between academic and vocational streams can be relatively fluid, subject to appropriate assessment procedures for suitability. The vocational/academic distinction is also not clear cut, as there is a range of options from the purely academic to the purely vocational, with mixtures of the two in between available in later secondary education. In addition, there are those who fall outside the system, such as people who leave school without qualifications or people who have never been in the German education system, such as migrants. In this case, there is the ‘transition system’ (*Übergangsbereich*), which, rather than being a ‘system’ as such, comprises a range of training, education and labour market schemes to assist people into employment¹⁶.

⁹ Thomas Lange (2012), ‘German Training Revisited: An Appraisal of Corporatist Governance’ in *Education and Training* 54(1), pp.23-24.

¹⁰ Thomas Deissinger and Silke Hellwig (2005), ‘Apprenticeships in Germany: Modernising the Dual System’ in *Education and Training* 47(4), pp.312-324.

¹¹ *Berufsbildungsgesetz* 2005: http://www.gesetze-im-internet.de/bundesrecht/bbig_2005/gesamt.pdf.

¹² Thomas Lange (2012), ‘German Training Revisited: An Appraisal of Corporatist Governance’ in *Education and Training* 54(1), p.31.

¹³ Bundesinstitut für Berufsbildung: <http://www.bibb.de/de/index.htm>.

¹⁴ While negotiated separately between apprentices and employers, average apprentice wages in Germany are a third of an equivalent skilled ‘adult wage’ (Hilary Steedman (2011), ‘Challenges and Change: Apprenticeships in German-Speaking Europe’ in Tony Dolphin and Tess Lanning (eds.) *Rethinking Apprenticeships*, London: Institute for Public Policy Research, p.96). In the UK, in comparison, the minimum wage for apprentices under 19 is £2.65 per hour, under half but over a third of the full adult minimum wage (£6.19): <https://www.gov.uk/national-minimum-wage-rates>.

¹⁵ Bundesministerium für Bildung und Forschung, ‘Abschluss und Anschluss - Bildungsketten bis zum Ausbildungsabschluss’, accessed 28 January 2013: <http://www.bmbf.de/de/14737.php>.

¹⁶ Bettina Kohlrausch (2012), ‘Youth Unemployment in Germany’ in *Social Europe* 21 June 2012: <http://www.social-europe.eu/2012/06/youth-unemployment-in-germany/>.

3 Advantages and Challenges of the Dual System

The German Federal Government promotes the system of vocational education and training as a key factor in maintaining youth unemployment at the lowest in Europe, at 8.2%, citing the proximity of the education and training of young people to the labour market¹⁷. Indeed, observers have noted significant advantages to the system, including the following:

- A job is available for every young person enrolled in an apprenticeship contract (*Ausbildungsvertrag*)
- Trainees know what they are getting into in the workplace¹⁸
- Trainees gain qualifications while being socialised into the work environment¹⁹
- Employers gain an appropriately trained person at relatively low cost, whose competencies and productivity increase over time²⁰
- The vocational training is specific to a job, whereas many leaving university with a degree do so with uncertain prospects²¹

However, there have been significant critiques of the Dual System:

- The system is costly to trainees, who may take considerable time to reach the level of earning 'adult wages' (often age 25+)
- There is an equality dimension, as some groups, such as older workers, women and migrants, often fall outside the system
- The self-interest of many social partners tend to impede change²²
- The system remains relatively unchanged when socially there has been an expansion in education, leading to young people choosing higher value occupations
- The system is rigid, making it difficult to respond to change²³
- The system can be deterministic, streaming people for life²⁴

¹⁷ Bundesministerium für Bildung und Forschung (2012), *Berufsbildungsbericht 2012*, Berlin : BMBF, p.4: <http://www.bmbf.de/de/berufsbildungsbericht.php>.

¹⁸ Michael Dolgow (2012), 'Would German-Style Apprenticeships work in the US?' in *Business Week* 19 July 2012: <http://www.businessweek.com/articles/2012-07-19/german-vocational-training-model-offers-alternative-path-to-youth>.

¹⁹ Bettina Kohlrusch (2012), 'Youth Unemployment in Germany' in *Social Europe* 21 June 2012: <http://www.social-europe.eu/2012/06/youth-unemployment-in-germany/>.

²⁰ Hilary Steedman (2011), 'Challenges and Change: Apprenticeships in German-Speaking Europe' in Tony Dolphin and Tess Lanning (eds.) *Rethinking Apprenticeships*, London: Institute for Public Policy Research, p.97.

²¹ Chris Bryant (2012), 'A German Model Goes Global' in *Financial Times* 21 May 2012.

²² Thomas Lange (2012), 'German Training Revisited: An Appraisal of Corporatist Governance' in *Education and Training* 54(1), pp.25-27.

²³ Diane-Gabrielle Tremblay and Irène Le Bot (2003), *The German Dual Apprenticeship System: Analysis of its Evolution and Present Challenges*, Research Note No 2003-4A, Montréal: Université de Québec, p.26.

In general, the Dual System is regarded as a practical way of ensuring people being trained for work are matched to the needs of industry, but is insufficiently flexible to respond quickly to change and issues have been raised around how the system defines people in socio-economic terms. The system does not appear to have been extended far beyond German-speaking countries, so context is considered in the next section.

²⁴ 'Germany's Education System is a Work in Progress' in *The Economist* 11 March 2010:
<http://www.economist.com/node/15640999>.

4 Applying the Dual System in other Countries

While held up as an example of good practice, the Dual System appears not to travel well. An obvious reason is that the German education system is to a significant degree structured towards feeding the vocational apprenticeship pathway, with decision points for streaming at the end of primary schooling and between lower and upper secondary education. Commentators have also proposed other reasons why the system has not been adopted elsewhere.

In the context of Europe, it has been observed that there are features of German industry that require a constant supply of technically and vocationally skilled workers. These features include a technology focus in German industry that is export-oriented, but also a tradition of loyalty to a company, which makes investment in workers in the longer term a more viable option for businesses. In contrast, in many other European countries there is less commercial demand for such skills due to a loss of an industrial base²⁵.

German companies in the UK are reported to find young people unprepared for the workplace and miss the supply of skilled workers that the Dual System provides in Germany. The reason for this, it is suggested, is that, while skilled jobs are essential for the economy, they are seen as second class by young people in the UK²⁶. Furthermore, it has been asserted that there has been a lack of employer and trades union engagement in the UK, leading to the state taking on more responsibility than in Germany²⁷.

Similarly, in the USA, it is concluded that the business culture is very different from that of Germany. This leads to a number of challenges with regard to introducing apprenticeships along the lines of the Dual System. These include a corporate sector that does not see technical and vocational training as a key responsibility, the stigma attached to vocational and technical training among young people and a suspicion of state oversight of training²⁸.

In summary, the benefits of the Dual System are clear in matching vocational and technical training more closely to the skills needs of industry while significantly reducing youth unemployment. However, the main challenges are the need to change educational structures to provide eligible apprentices, buy-in to the partnership working to drive the system and changes in attitudes that view vocational training as inferior to academic study, along with the associated unintended equality implications that follow.

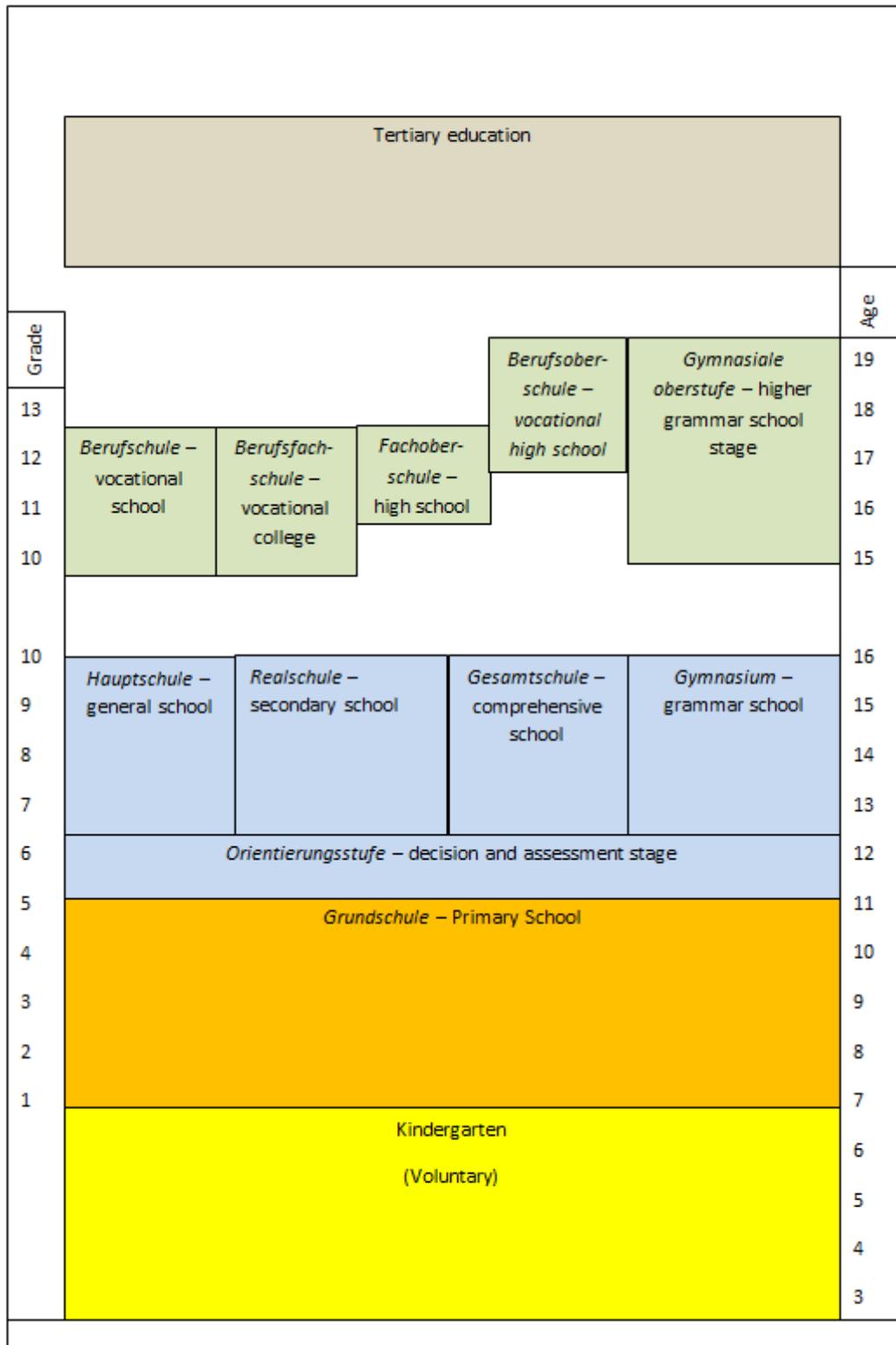
²⁵ Nigel Cassidy (2011), 'German Apprenticeships: A Model for Europe?', BBC Business News 14 December 2011: <http://www.bbc.co.uk/news/business-16159943>.

²⁶ Greg Walton (2012), 'Big German Firms in the UK Slam Apprenticeships and Say Young are Not Well Educated' in *This is Money* 10 August 2012: <http://www.thisismoney.co.uk/money/news/article-2186255/Big-German-firms-UK-slam-apprenticeships.html>.

²⁷ Hilary Steedman (2011), 'Challenges and Change: Apprenticeships in German-Speaking Europe' in Tony Dolphin and Tess Lanning (eds.) *Rethinking Apprenticeships*, London: Institute for Public Policy Research, p.103.

²⁸ Michael Dolgow (2012), 'Would German-Style Apprenticeships work in the US?' in *Business Week* 19 July 2012.

Appendix 1: The German Education System²⁹



²⁹ Derived from Kultusministerkonferenz (2011), *Bildungswesen in der Bundesrepublik Deutschland 2010/2011*, Bonn: KMK, p.30.