Special Report Youth Employment

Special Report Youth unemployment Germany's apprenticeship scheme success may be hard to replicate

Other countries look to copy a training model that keeps jobless rates low for the young



Next generation: Marcus Körlin at BMW's Munich training centre © Rose Jacobs

Rose Jacobs APRIL 21, 2017

Marius Körlin, a 20-year-old BMW apprentice, spent a recent Friday morning taking visitors round the apprenticeship training centre at the automaker's campus in Munich.

He showed off the classroom for first-year participants in BMW's work-study programme; the practice workstations, abandoned during a coffee break; and the retail end of the operation, staffed by apprentices, which markets and sells products created by other trainees — from USB sticks to a concept for a levitating motorbike.

Mr Körlin has wanted to work with cars since his early teens and saw BMW as the obvious place to pursue his aim: "It's the ne plus ultra of employers."

Although he could have gone to university, having passed higher-level exams at school, he entered Germany's vaunted <u>vocational training programme</u>, an alternative to higher education that caters for about 60 per cent of the country's young people.

Most of them join three-year programmes that either mix company-based and in-school training, or consist solely of school-based training with work placements. In the first version, companies pay for most of the training and the apprentice wages; in the second, state governments pay for the training in schools. Both culminate in nationally recognised qualifications.

In December 2016, the unemployment rate for 15-24-year olds in Germany was 6.7 per cent, compared with 17.3 per cent across EU member states. Mr Körlin's career is an example of the benefits of a national apprentice system that — aided by factors such as the lack of a minimum wage — helps keep youth joblessness low. But his case also demonstrates why replicating the scheme abroad might prove difficult, despite interest from countries such as the US, China and India.



First year apprentices in a classroom at the BMW campus in Munich © Rose Jacobs

First, both Mr Körlin's father and grandfather took the same path. The fact that Germans are accustomed to the work-study model masks some of the challenges others might face in adopting it, such as doubts about the value of vocational training. Another impediment is that, outside Germany, politicians tend to aim apprenticeship schemes at less academically successful students. "If apprenticeships are only a system for lower achievers, I'd guess they will not work," says Professor Heike Solga, director of the skill formation and labour markets research unit at the WZB Berlin Social Science Center.

Germany's labour market values workers trained for specific occupations. Most positions, from electricians to nursery-school teachers, require standard training and certification. This is not the case in many of the countries eager to copy Germany's dual-education success. While the relative lack of dependence on qualifications in other countries makes mid-career moves easier, argues Prof Solga, that fluidity could undermine the status and usefulness of youth apprenticeship schemes.

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The German system is not without its own flaws, however. About a quarter of those who enter training courses only qualify for "prevocational"

training, a fallback that leaves many unprepared for anything other than unskilled, unstable, poorly paid jobs.

The portion of young people opting for university rather than vocational training is rising - in part because some of the jobs formerly within reach of people without degrees, such as back-

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office operations at banks, are now dominated by graduates. Prof Solga says: "Parents see that even if you just want your kid to do the [same kind of] job you had, today they need a [degree]."

The German government is currently helping 18 countries around the world set up apprenticeship schemes, and some companies export and adapt the model themselves. BMW's foreign apprenticeship projects include the *¿Te gusta aprender?* ("Do you like to learn?") programme in Spain, as well as partnerships with US vocational colleges.

Susanne Burger, deputy head of international co-operation at Germany's ministry of education and research, says other countries need not replicate every detail of the German system. She is agnostic, for example, about whether private companies or the state should pay salaries so long as certain conditions are met, such as ensuring national standards are maintained and can be revisited as industry needs change.

"There must be strong co-operation between government, the business community and social partners," she says. "The government must be willing to give away responsibility."

Germany is also encouraging more migrant-owned companies to take part in the schemes as well as introducing training for 25-35 year olds in an attempt to make them more inclusive.

Here, other European countries might offer better models. In 2013, Austria passed a law giving young people the right to an apprenticeship, and in Switzerland underachieving students are entered into short, first-stage vocational schemes with bridge courses to traditional apprenticeships.

Experience suggests such schemes could pay off, whatever participants' academic level. "We find that even those with very bad school marks prove to be very good and responsible when doing practical things," Ms Burger says.

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