

Country report “Youth unemployment in Germany”

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1. Background information about the Education & VET system in Germany

1.1. Responsibilities for vocational education

It is important to note that there are regional differences in the education system in Germany, due to the fact, that the educational legislation and administration is primarily the responsibility of the states ("*Länder*"). So therefore the education system varies throughout Germany because each state (*Land*) decides its own educational policies. As a result each state's school structure has been influenced to some extent by different historical and political events.

The *Länder* are also responsible for vocational training in schools, and therefor also for vocational schools. Unlike the general education (K-13) schools, which are under the direct control of local and regional authorities, the responsibility for Germany's dual system, which combines education with vocational apprenticeships, is shared by the Conference of Ministers of Education, a national coordinating and advisory body, the federal government, the states, representatives from industry, commerce, the trades and trade unions, and vocational teachers. So the Federal Government is responsible for in-company vocational training, while vocational training in enterprises has developed a third system situated between market and State, in the form of joint control.

1.2. Education system

Preschool education

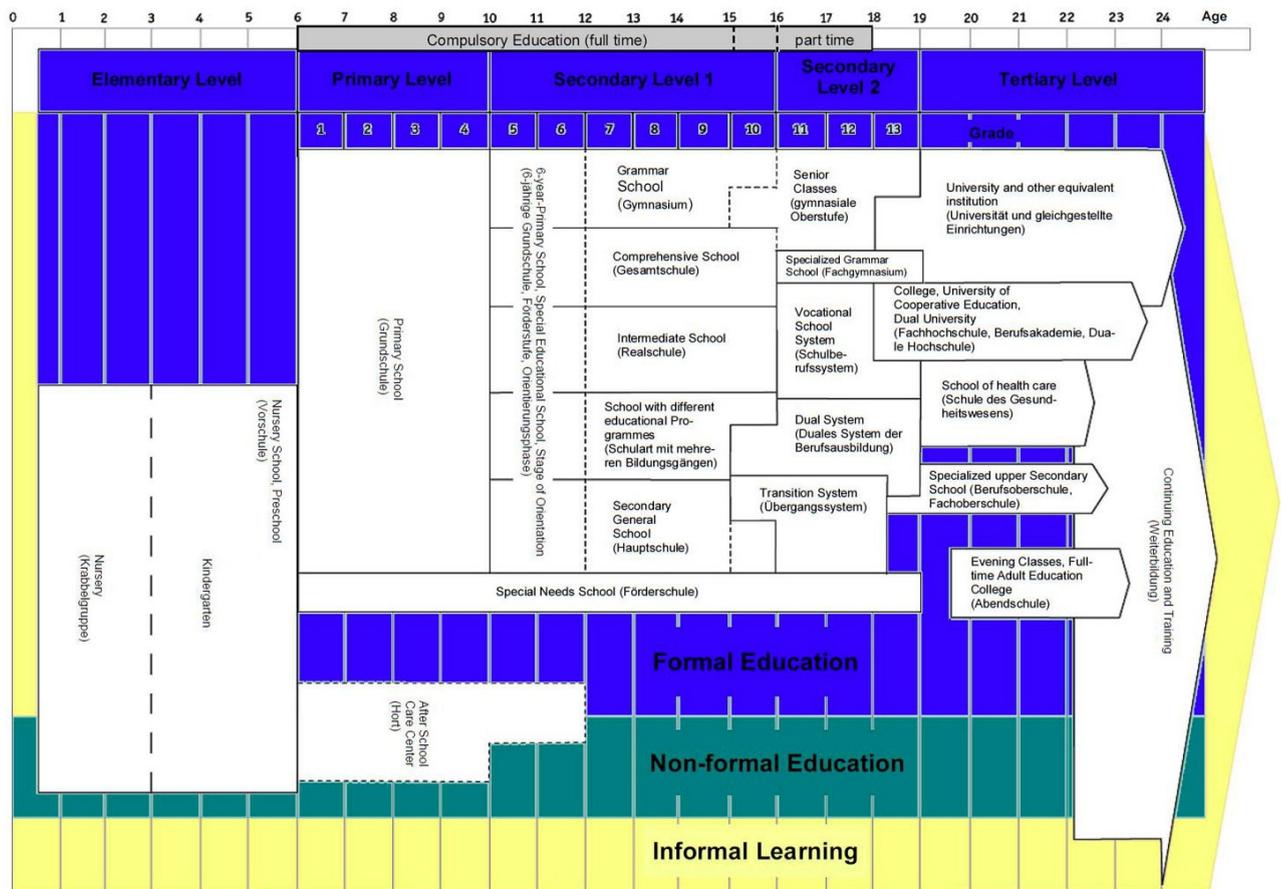
Optional Kindergarten (nursery school) education is provided for all children between three and six years of age. Through to a new legislation, from autumn 2013 on every child has the right to attend nursery school education. The local municipalities are responsible for providing sufficient and enough services and places.

School education

School attendance is compulsory at the age of 6. The German education system provides different paths for students based on individual ability. Children enter the elementary school ("*Grundschule*") at age 6, and students of all levels of ability remain together there as a group through the fourth grade (sixth grade in two states).

Most students are around ten, when finishing the *Grundschule*. Then *Grundschul*-teachers recommend their students to a particular school of Germany's traditional three-tiered system of education. The decision of the teachers are supposed to be based on criteria such as academic achievement, abilities and interests, potential, and personality characteristics, such as ability to work independently and self-confidence. However, in most states parents have the final say as to which school their child will track to following the fourth grade.

The education system of Germany¹



German secondary education includes three main types of school:

- The **Gymnasium** is designed to prepare pupils for university education and finishes with the final examination “Abitur” after grade 12 or 13. The three most common education tracks offered by standard *Gymnasien* are classical language, modern language, and mathematics-natural science (sometimes music). A variation of the traditional *Gymnasium* is the *Berufliches Gymnasium*, which offers specialized orientations in areas such as economics or the technological sciences in addition to core academic courses. Students who successfully complete study at a *Gymnasium* (or *Berufliches Gymnasium*) and pass the comprehensive examinations receive the *Abitur*. Apart from studying at university some pupils go for a dual academic and vocational credential
- The **Realschule** has a broader range of emphasis for intermediate pupils and finishes with the final examination *Mittlere Reife*, after grade 10. There are two types of grade 10: one is the higher level called type 10b and the lower level is called type 10a; only the higher level type 10b can lead to the *Realschule* and this finishes with the final examination *Mittlere Reife* after grade 10b. This new

¹ Scheme extracted from [CEDEFOP\(2011\). Germany. VET in Europe - Country Report](#)

path of achieving the Realschulabschluss at a vocationally oriented secondary school was changed by the statutory school regulations in 1981 - with a one-year qualifying period. During the one-year qualifying period of the change to the new regulations, pupils could continue with class 10 to fulfil the statutory period of education. After 1982, the new path was compulsory, as explained above. After their final exam pupils go then to part-time vocational schools, higher vocational schools or continuation of study at a Gymnasium.

- c) The lowest-achieving students attend the **Hauptschule**, where they receive slower paced and more basic instruction in the same primary academic subjects taught at the *Realschule* and *Gymnasium* and have a vocational orientation. So the Hauptschule prepares pupils for vocational education and finishes with the final examination Hauptschulabschluss, after grade 9 or 10,

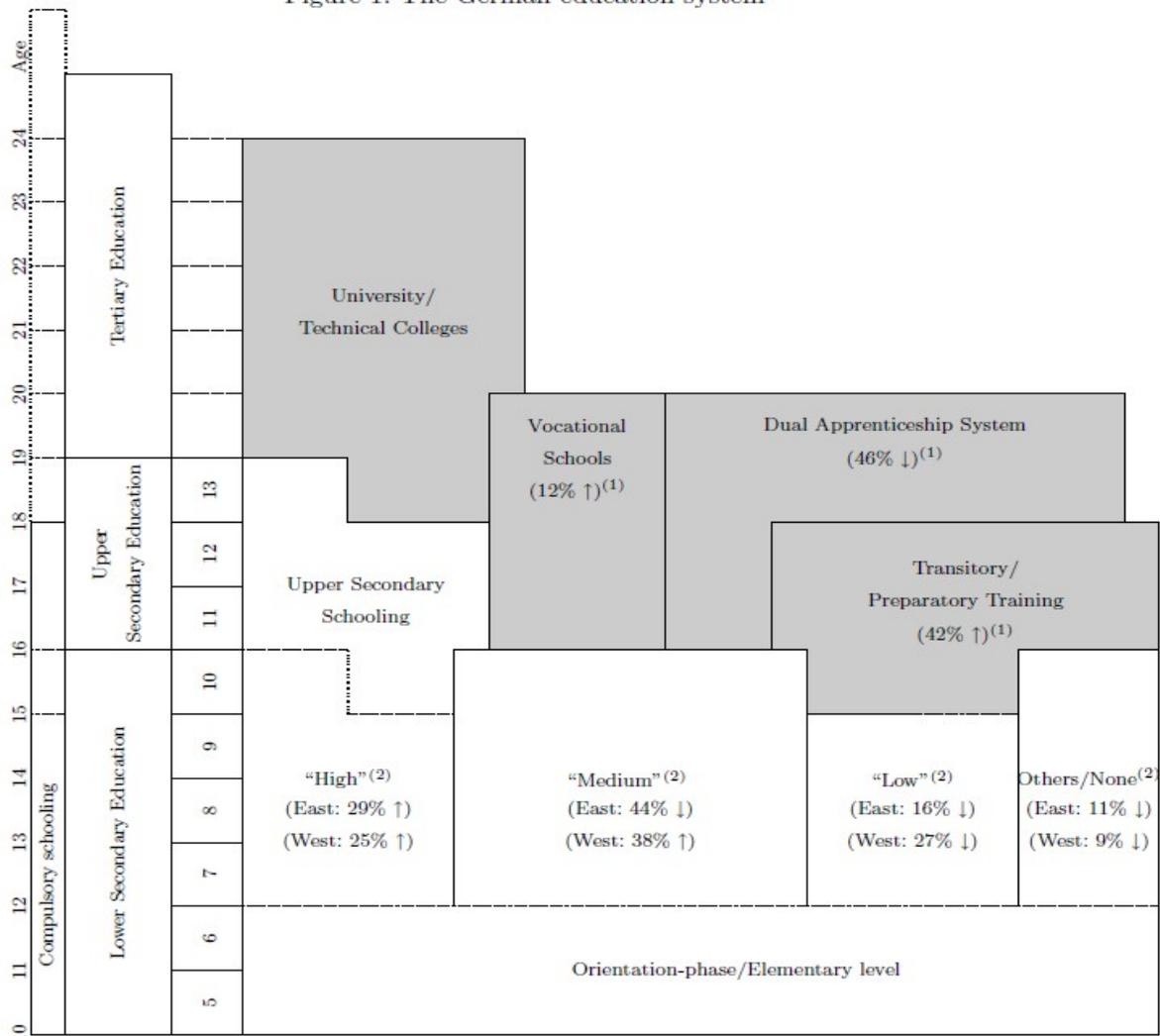
Additionally

- d) There are also **Förderschulen/Sonderschulen**. One in 21 pupils attends a Förderschule. Nevertheless the Förderschulen/Sonderschulen can also lead, in special circumstances, to a Hauptschulabschluss of both type 10a or type 10b, the latter of which is the Realschulabschluss.
- a) Other than this, there is the **Gesamtschule**, which combines the approaches of the 3 different forms. These schools, otherwise known as comprehensive schools, are not found in all states. The *Gesamtschule* arose out of a social movement in the 1960's that promoted the idea of more egalitarian access to education for everyone, and it is the school form most like public schools in the United States. Most *Gesamtschulen* are located in states that have been governed by the Social Democratic Party. *Gesamtschulen* enroll students of all ability levels in the 5th through the 10th grades. Students who satisfactorily complete the *Gesamtschule* through the 9th grade receive the *Hauptschule* certificate, while those who satisfactorily complete schooling through the 10th grade receive the *Realschule* certificate and can then change to a Gymnasium for additional three years.
- b) The combined Hauptschule and Realschule, which exists in some of the former East German states, and is slowly being introduced in Bavaria is called a **Mittelschule**.

In spite of the far-reaching changes of the past 30 years, including the shift from elite to mass education, Germany's traditional three-tiered system of education at the secondary level remains intact. In addition, support for this system remains strong among teachers, students, and parents of differing educational and social class backgrounds.

Figures and Tables

Figure 1: The German education system



Source: BIBB 2009, Federal Statistical Office.

Note: Shaded areas denote the vocational part of the education system. ⁽¹⁾ Average annual shares of yearly entries into vocational education between 1998 and 2006. ⁽²⁾ Average annual shares of yearly school leavers at the secondary level between 1998 and 2006. Arrows indicate trends in these years.

1.3. Strengths and problems of education system

In theory German public education makes it possible for qualified kids to study up to university level, regardless of their families' financial status. But in practice it is a very selecting system, where disadvantages in society are reflected:

Children whose families receive welfare, children whose parents dropped out of school, children of teenage parents, children raised by a lone parent, children raised in crime-ridden inner-city neighbourhoods, children who have multiple young siblings, and children who live in overcrowded substandard apartments are at risk of poor educational achievement in Germany. In Germany most children are streamed by ability into different schools after fourth grade. The Progress in International Reading

Literacy Study² revealed that working class children needed better reading abilities than middle-class children to be nominated for the Gymnasium. After allowing for reading abilities, odds to be nominated to Gymnasium for upper-middle-class children were still 2.63 times better than for working-class children. Often these factors go together, making it very hard for children to overcome the odds. A number of measures have been assessed to help those children reach their full potential. Children from poor immigrant or working-class families are less likely to succeed in school than children from middle- or upper-class backgrounds. This disadvantage for the financially challenged of Germany is greater than in any other industrialized nation. However, the true reasons stretch beyond economic ones. The poor also tend to be less educated. After allowing for parental education, money does not play a major role in children's academic outcomes.

Immigrant children and youths, mostly of lower-class background, are the fastest-growing segment of the German population. More than 30% of Germans aged 15 years and younger have at least one parent born abroad. In the big cities, 60% of children aged 5 years and younger have at least one parent born abroad. Immigrant children academically underperform their peers. Immigrants have tended to be less educated than native Germans.

1.4. Vocational education and training system: a system of shared responsibilities

There two main authorities governing the educational system in Germany, including all levels of the vocational education and training: the Federal government and the Länder (States).

Within the Federal government, the Federal Ministry of Education and Research (Bundesministerium für Bildung und Forschung, BMBF) is the one responsible for policy, coordination and legislation for: out-of-school vocational training and continuing education; training assistance; general principles of the higher education system, etc.

The Federal Ministry of Economics and Technology (Bundesministeriums für Wirtschaft und Technologie, BMWi) or any other competent ministry may officially recognize training occupations by adopting legislative acts and issuing training regulations for training occupations by agreement with BMBF.

The Federal Institute for Vocational Education and Training (Bundesinstitut für Berufsbildung, BIBB) provides consultancy to the Federal Government and vocational training providers together with conducting research in in-company vocational training. It also moderates the dialogue among social partners regarding innovations in vocational training.

At a regional level Länder Ministries of Education and Cultural Affairs are competent authorities for school education as provided for by the Constitution. The Ministries are

² Progress in International Reading Literacy Study:
http://en.wikipedia.org/wiki/Progress_in_International_Reading_Literacy_Study

obliged to cooperate with each other and with the Federal Government. The cooperation platform is called a Standing Conference (Kultusministerkonferenz, KMK). Its aim is to ensure uniformity and comparability in school and higher education policies. Until resolutions of KMK are approved by individual Länder parliaments, they remain recommendations and are not legally binding.

The Länder have committees for vocational training where employers, employees and the highest Länder authorities are equally represented. Collective bargaining contracts, company agreements and contract employment are all continuing education-related issues regulated by Länder.³

Employers, trade unions and the government all play an important role in the decision-making process with regard to education. Their close partnership has great influence on the content and form of TVET where requirements and interests of the parties involved are taken into account.

Federal and Länder authorities work together on framework curricula for the dual training system. Their collaboration concerns vocational instruction and training regulations for on-the-job training.

Financing the VET in Germany

The funding system of the German VET is quite complex and includes various participants such as Federal Ministry of Education and Research (BMBF), the Federal Ministry of Economics and Technology (BMWi), the Federal Ministry of Labour and Social Affairs (BMAS), the Federal Employment Agency (Bundesagentur für Arbeit, BA), and the Länder.

Dual vocational training is financed by the Länder and local authority public funds, whereas training in full-time vocational schools is solely under the Länder budget. The out-of-school part of vocational training is funded entirely by the enterprises, which also pay a training allowance to their trainees.

Continuing TVET is financed by enterprises, the State, the Federal Employment Agency and private individuals. The Career Advancement Training Promotion Act provides for nationwide means for financing vocational career advancement training. Federation and Länder are jointly responsible for research and pilot schemes in all sectors of continuing education.⁴

1.5. Legislative framework

The most important conditions of Vocational Education System in Germany are the free choice and practice of an occupation, which are provided for in the Constitution (Grundgesetz: Article 12) and Federal Government competence for out-of-school vocational training (Article 72 (1), (2) and Article 74 (1)).

³ Sources: CEDEFOP ReferNet (2011). Germany VET in Europe Country Report. Thessaloniki : CEDEFOP; EURYDICE (2010). Organisation of the education system in Germany. Brussels: EACEA

⁴ Sources: CEDEFOP ReferNet (2011). Germany VET in Europe Country Report. Thessaloniki : CEDEFOP; EURYDICE (2010). Organisation of the education system in Germany. Brussels: EACEA

According to the Constitution the Federation has the right to legislate on vocational education and training. The Vocational Education and Training Act (Berufsbildungsgesetz, BBiG) (reformed in 2005) is another significant legislative document providing for the organisation of out-of-school vocational training. Recent changes of the Act refer to the recognition of the time-limited training periods abroad, the amendment of the Enabling Standard for the promulgation of training regulations by the Federal Institute for Vocational Education and Training (Bundesinstitut für Berufsbildung, BIBB).

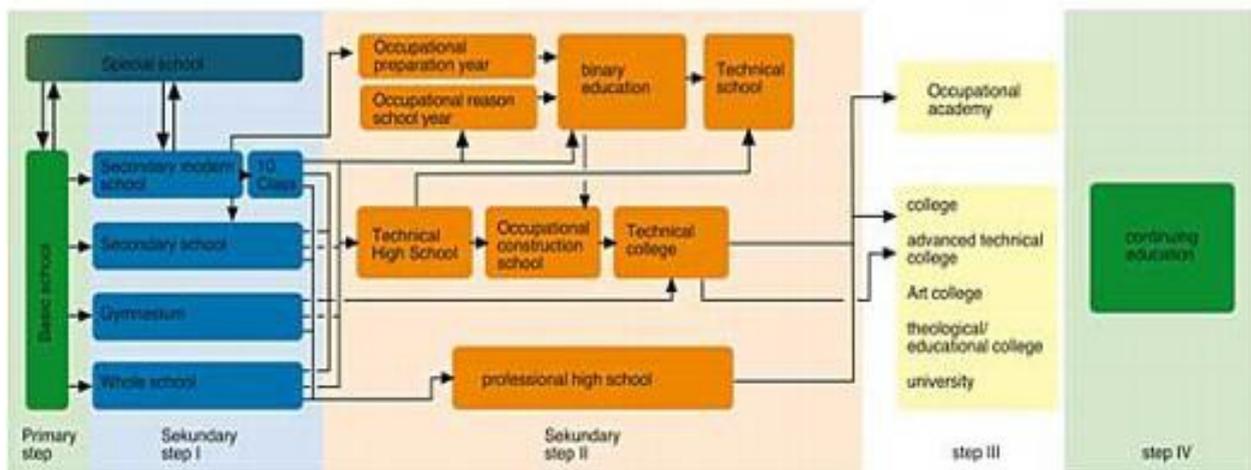
Other important legislation in the German vocational education and training system are as follows⁵:

- Regulation on Craft Trades (Gesetz zur Ordnung des Handwerks, HwO) (amended 2006) : regulates vocational training in greater concurrence with BBiG in crafts trades
- Ordinance on Trainer Aptitude (Ausbilder-Eignungsverordnung, AEVO) (amended 2009): prescribes standards for the occupational and work-related teaching abilities of instructors
- Protection of Young People in Employment Act (Jugendarbeitsschutzgesetz, JArbSchG) (amended 2006): contains protective regulations for trainees and young employees
- Works Constitution Act (Betriebsverfassungsgesetz, BetrVG) (amended 2006): prescribes participation rights of work councils in promoting and implementing training measures
- Social Code, Volume III – Employment promotion: among other issues supports occupational further training, occupational retraining and orientation training
- Career Advancement Training Promotion Act (Aufstiegsfortbildungsförderungsgesetz, AFBG) (amended 2006): confirms the right to State support of skilled workers who have completed ITVET
- Law on the Protection of Participants in Distance Education (Fernunterrichtsschutzgesetz, FernUSG) (amended 2011): regulates licensing and form of contract of distance learning courses
- Directive on recognition and Licensing of Continuing Training (Anerkennungs und Zulassungsverordnung Weiterbildung, AZWV) (amended 2007)
- The Federal Government has recently adopted a law on the improvement of the assessment and recognition of foreign professional qualifications, called the Recognition Act. The Act revises 60 relevant laws and ordinances and will enter into force on 1 April 2012.

The principles for the promotion and funding of continuing education are set out in the continuing education and employment legislation of the Länder. The latter recognizes the freedom in the preparation of curricula and independence in staff selection of continuing TVET providers.

⁵ Quelle: CEDEFOP ReferNet (2011). Germany VET in Europe Country Report. Thessaloniki : CEDEFOP, and EURYDICE (2010). Organisation of the education system in Germany. Brussels: EACEA

1.6. Options of pathways of vocational training



The vocational training system of Germany⁶

Vocational training within schools

At lower secondary level (Hauptschule and Realschule) an introduction to the world of work is compulsory in all courses, either in a separate subject, pre-vocational studies (Arbeitslehre) or as part of the material used in other subjects.

Education guidance to individuals regarding their careers does take place in schools. As part of the measure, the Public Employment Service visit schools the year before pupils are due to leave the education system and provide information about the labour market.

Vocational training after school

Having completed compulsory education (generally at the age of 15), school leavers may choose from the range of programmes that include full-time general education and vocational schools and vocational training within the dual system.

Vocational training in the dual system is a popular choice for German students. In general, vocational training in Germany is organised as apprenticeship training and in full-time vocational schools. Approximately two-thirds of an age cohort decide to go for vocational training initially (this doesn't preclude their moving on to academic education later on). It is carried out in two places of learning: workplace and vocational school ("Berufsschule"). The Berufsschule is an upper secondary school form which students may enter to pursue part-time academic study combined with apprenticeship, following the successful completion of either the Hauptschule or Realschule. The successful completion of an apprenticeship program leads to certification in a particular trade or field of work. The programme lasts for 2-3,5 years depending on the occupation chosen.

⁶ Quelle: EU-Projekt „Innovative Approaches against Dropping out of the VET

Excursion: "The dual system"

The dual system has a long tradition, going back to medieval craftsmen and their craft specialisms which have survived. Apprenticeships are part of Germany's Dual Education System, and as such form an integral part of many people's working life. Finding employment without having completed an apprenticeship is almost impossible.

Apprenticeship

The apprenticeship is organised within the so-called 'dual system', which is determined by the combination of school-based and firm-based training. The firm-based training is responsible for the more practical part of the training, while the schools are responsible for the subject's theoretical and general education. Usually trainees spend one or two days in school. Part-time vocational schools and firms are by law defined as equal partners in training. So the apprentice can spend two days per week at school with the remaining three days in a company. In some cases there is a consecutive period of six to eight weeks at school for theory training and after this period the trainee spends time in the company – two fifths of the period is spent at school, the remainder is spent in the company. Companies are also bound by a 'curriculum' and need to impart certain knowledge to their trainees. When a trainee needs to move from one company to another to learn their craft, it is the Chambers of Industry and Crafts Association that organises this. For example, a trainee cabinet maker needs to learn additional wood-working skills such as window making and will need to move to a different company to learn this new skill.

In Germany, there are 342 recognized trades (Ausbildungsberufe) where an apprenticeship can be completed. They include for example doctor's assistant, banker, dispensing optician but also the professions mentioned on page 2. The dual system means that apprentices spend about 50 – 70% of their time in companies and the rest in formal education. Depending on the profession, they may work for three to four days a week in the company and then spend one or two days at a vocational school (Berufsschule). This is usually the case for trade and craftspeople. For other professions, usually which require more theoretical learning, the working and school times take place blockwise e.g. in a 12 – 18 weeks interval. These vocational schools have been part of the education system since the 19th century. For some particular technical university professions, such as food technology, a completed apprenticeship is often recommended; for some, such as marine engineering it may even be mandatory.

The importance of the dual system show following figures:

In 1969, a law (the so called „Berufsbildungsgesetz“) was passed which regulated and unified the vocational training system and codified the shared responsibility of the state, the unions, associations and the chambers of trade and industry. The dual system was successful in both parts of the divided Germany. Averagely two thirds of young people aged under 22 begin an apprenticeship, and 78% of them complete it, meaning that approximately 51% of all young people under 22 have completed an apprenticeship. In the GDR, three quarters of the working population had completed apprenticeships.

In 2004 the government signed a pledge with industrial unions that all companies except very small ones must take on apprentices. To employ and to educate apprentices requires a specific license. The AdA – Ausbildung der Ausbilder – „Education of the Educators“ license needs to be acquired by a training at the chamber of industry and commerce.

Vocational training after school

A student may also follow a 1-year course of basic vocational training that is offered in the form of full-time schooling or a dual system arrangement (Berufsgrundbildungsjahr). This course lays the groundwork for subsequent vocational training. A student may choose one of 13 career areas.

Higher (vocational) education

In order to enter university, students are, as a rule, required to have passed the *Abitur* examination; since 2009, however, those with a *Meisterbrief* (master craftman's diploma) have also been able to apply. Those wishing to attend a "university of applied sciences" must, as a rule, have *Abitur*, *Fachhochschulreife*, or a *Meisterbrief*. Germany's hundred or so institutions of higher learning charge little or no tuition by international comparison. Students usually must prove through examinations that they are qualified.

Higher education is offered by the following institutions:

- Technical Universities (Technische Universitäten)
- Technical Universities of Applied Sciences (Technische Hochschulen)
- Comprehensive Universities (Universitäten – Gesamthochschulen)
- Pedagogical Universities of Applied Sciences (Pädagogische Hochschulen)

Tertiary – level education outside the higher education system is offered by:

- Universities of Applied Sciences (Fachhochschulen)
- Professional Academies (Berufsakademien)

Integral part of a study programme in Universities of Applied Sciences is two semesters of work experience. Programmes generally last 8 semesters. Courses offered by Professional Academies last 3 years.

Further education

Further education is offered by municipal institutions, especially by Adult Education centres (Volkshochschulen), as well as by private institutions, trade unions, various chambers of industry and commerce, political parties and associations, companies and public authorities, family education centres, academies, Technical colleges (Fachschule), Professional Academies, institutions of higher education and distance learning institutions. Some schools are private and demand fees. In general these schools (*Berufsfachschulen*) provide approved vocational certificates. They arose in areas of employment that were not integrated in the craft- or industrial-based system of skilled labour. Subjects taught in continuing education comprise social sciences, education and psychology, humanities, languages, business and commerce, mathematics, natural sciences and technology, leisure, health and housekeeping, etc.⁷ and therefore are often rather female-dominated.

⁷ EURYDICE (2010). Organisation of the education system in Germany. Brussels: EACEA, UNESCO-IBE (2007). World Data on Education. Germany VI. Edition. 2006/7. Geneva: UNESCO-IBE

1.7. Qualifications and qualification framework⁸

Depending on the type of VET institution and programme attended by the student a respective qualification is awarded.

At the end of the dual system of vocational training students are awarded a certificate showing proficiency as a skilled worker, commercial assistant or journeyman (Facharbeiterbrief, Kaufmannsgehilfenbrief, Gesellenbrief respectively).

A student studying in a full-time vocational school who has fulfilled the necessary requirements is granted a qualification as a “state-certified technical assistant” or as a “state-certified business assistant” upon completion.

General higher education entrance qualification may also take the form of College and Technical College entrance examination (Fachhochschulreife and Hochschulreife respectively), or an equivalent qualification.

Completion of Higher education institutions leads to a Bachelor’s or Master’s degree. Universities of Applied sciences together with Professional academies award a Diplom.

1.8. National Qualifications Framework (NQF)

The process of developing a NQF for Lifelong Learning (Deutscher Qualifikationsrahmen, DQR) started in 2006 by joint initiative of the Federal Ministry of Education and Research (BMBWF) and the Standing Conference of the Ministers of Education and Cultural Affairs of the Länder (KMK). The idea was to introduce NQF based on learning outcomes in accordance with the recommendations of the European Parliament and of the Council on European Qualifications Framework (EQF). As a result a Federal Government/Federal States Coordination Group for the DQR was established. Stakeholders from general education, higher education and initial and continuing vocational education and training all took part in drawing up the proposal governed by the Coordination Group. The work on the proposal took place within the German Qualifications Framework Working Group (Arbeitskreis Deutscher Qualifikationsrahmen, AK DQR). DQR is represented by a matrix for the alignment of qualifications and consists of 8 reference levels each describing the competences required to obtain a qualification. Competences are divided in two sections: Professional and Personal.

The DQR introduces various educational pathways and makes the German education system more flexible and better aligned with the European one. Currently further work is being done on implementing informal and non-formal learning into the DQR.

⁸ Sources:

EURYDICE (2010). Organisation of the education system in Germany. Brussels: EACEA

AK DQR (2011). Germans Qualifications Framework for Lifelong Learning. Accessed 22 December 2011

CEDEFOP (2009). Accreditation and quality assurance in vocational education and training- Selected European approaches. Luxembourg: Publications Office of the European Union

1.9. (Current) VET policies, measures + projects

Since one of the priorities of VET in Germany is to attract more participants and therefore increase the amount of qualified workforce, Qualification modules were introduced in order to make it easier for young people to enter training. They are mainly aimed at socially disadvantaged young people and those who find learning difficult. The providers are institutions such as the Chamber of Industry and Commerce, the Craft Chamber and BIBB. They are supposed to provide description of each module taught. The BIBB maintains the database of the qualification modules.

Another initiative that was introduced in 2007 is called “Training modules” as part of the BMBF programme “Jobstarter Connect”. Its goal is to help young people who have been applying unsuccessfully for an apprenticeship place for a year or more. Training modules were developed in 14 occupations within the dual system. They are supposed to help applicants to transfer to regular dual training with previously acquired learning outcomes accounted for in the regular training period. The final purpose is the award of full qualifications in the dual system.

In order to facilitate transition from school to the dual system and decrease the drop-out rate of young people a programme called “Completion and transition – education chains leading to vocational qualifications” was launched in the summer 2010. There are three main components within the programme:

- Career-start counselling – education chains
- Vocational orientation programme
- JobStarter structural programme for initial TVET

The German Association of the Chambers of Industry and Commerce and the Association of Universities and other Higher Education Institutions in Germany came together in a project aimed at facilitating the access of those holding vocational qualification to Higher Education. As a result of their joint effort the Standing Conference of the Ministers of Education and Cultural Affairs of the Länder issued a Resolution on “Higher education entrance for vocationally qualified applicants without a school-leaving certificate conferring university entrance entitlement”. Now the entrance qualifications are more transparent and standardised for Higher Education Institutions.

The Employment Opportunities Act of 2010 introduced Training Bonus, a financial subsidy that decreases the cost of initial vocational training and is provided to employers that offer additional training places for young people.

Other important funding projects are as follows:

- Vocational Training Programme for Highly Talented and the Career Advancement Training Promotion Act: provide financial initiatives for obtaining a master craftsman qualification
- “WeGebAU” Continuing Training Programme: for those in full-time employment wishing to participate in continuing education
- Training Vouchers of Federal Employment Agency: re-employment grants provided to both employed and unemployed.

- Continuing Education and Training Savings Model “Bildungsprämie”: subsidies for continuous education and training

The Federal Ministry of Education and research (BMBF) together with the National Agency “Education for Europe” at the Federal Institute for Vocational Education and Training (BIBB) have set up an internet portal where all the issues related to the national integration of European TVET policies are described. The portal contains information on such topics as ECTS, ECVET, EQR and EQAVET.

1.10. Regulations for VET Providers

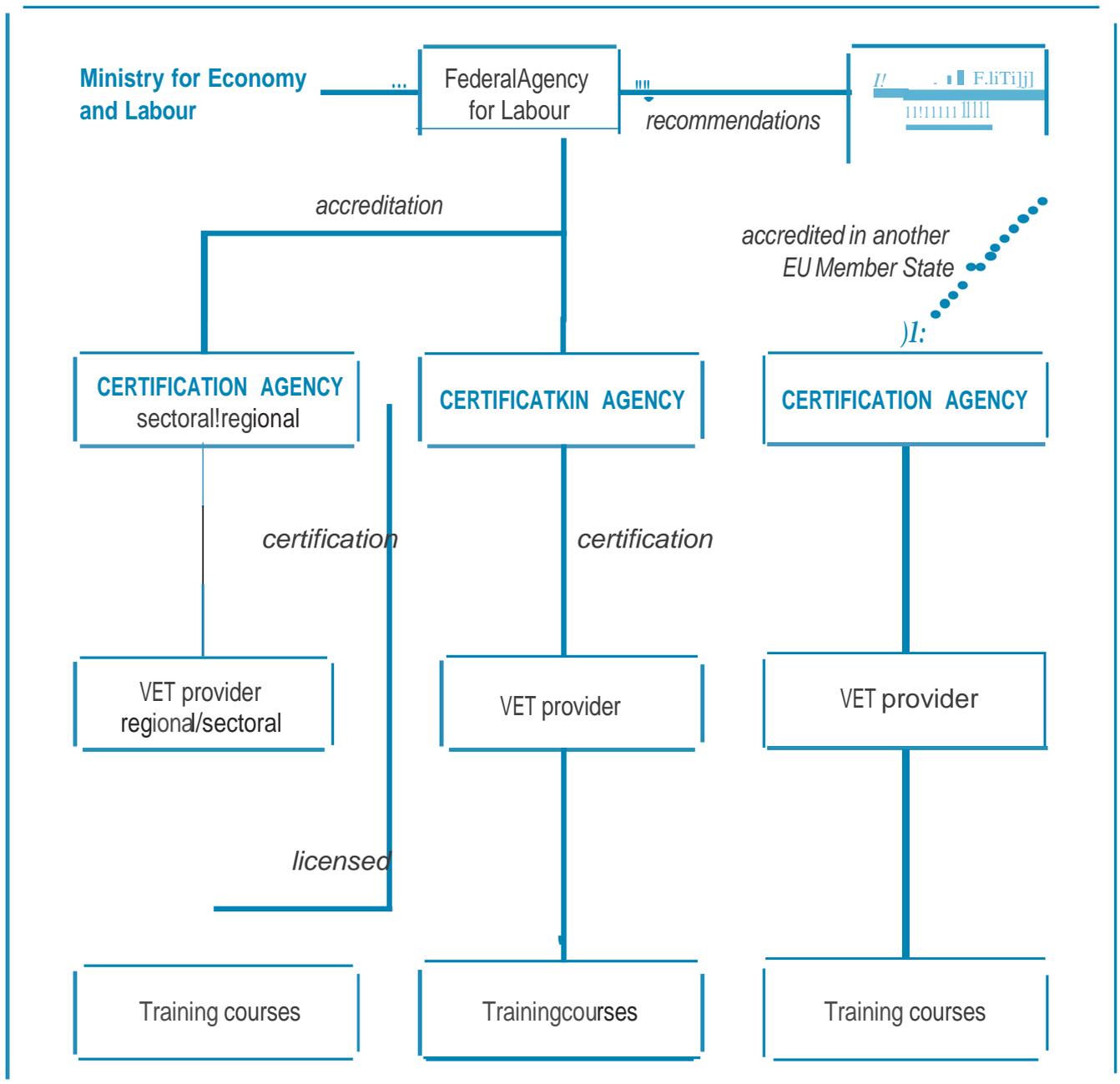
Since 2004, VET providers are obliged to undergo internal and external quality assurance according to criteria set out by the Federal Ministry for Economy and Labour (Bundesministerium für Wirtschaft und Arbeit). External assessment of VET institution and their training courses is conducted by certification agencies (Zertifizierungsstellen) or centres of expertise (fachkundige Stellen) which in turn are accredited by the Federal Agency for Labour (Bundesagentur für Arbeit). Certification and licensing is conducted by private certification agencies which are subject to accreditation from a national body. Accreditation of certification agencies is granted for the period of three years and can be national or regional/sectorial. An accreditation council (Anerkennungsbeirat) has been established to advise and support the national accreditation body.

TVET providers benefit from public funding if their institution is certified and their courses licensed by an accredited certification agency.

The following criteria determine eligibility for funding.

- “the capacity to support the integration of their trainees into employment;
- the qualifications, professional experience and participation in further training of teachers and trainers;
- an efficient system for quality assurance and quality development including:
 - customer orientation;
 - continuous evaluation of training courses based on the use of indicators and measurement;
 - continuous improvement of training provision;
 - cooperation with external experts for quality development.”

Gennan framework for quality assurance and development



⁹ Source: Erwin Seyfried in CEDEFOP, 2009

1.11 Conclusions concerning Education + VET system

Positive factors that result from the education and training system in Germany include:

- Broad skills basis for many sectors;
- The German training system has not focussed on top skills, providing an emphasis on developing low skills. A broad skills basis has led to the success of German competitiveness;
- Early integration of young people;
- German entrants into the labour market start early. However, some people fail to meet the system's entry requirements;
- Strong involvement of companies;
- Companies can be involved in the content of vocational training. There are very few instances of mismatch in the German labour market (as far as the dual system is concerned).
- The dual system is an underlying factor to the success of German industry. Both employers and young people believe in it, and think highly of it. The dual system sets standards for each job apprenticeship. Apprenticeship qualifications carry social standing; the system is based on its tradition and sets standards of qualifications recognised by employers and is very well understood by the labour market.
- The rate of unemployment is relatively low for young people respectively similar in relation to the unemployment rate for adults. The dual system is one of the contributory factors. Although there might be a need for adjustment, the system has worked well in relation to the integration of young people into the labour market.

In spite of these positive factors the rising imbalance of supply and demand remains a challenge, e.g. the latent decrease of the German population due to low birth rates is now causing a lack of young people available to start an apprenticeship. In order to address this problem the National Employment Pact has been developed, where employers have agreed to more vocational training places; as a result of this, demand has further increased for these places. It was noted that the dual system is beginning to erode. In industry there are unfavourable employment outcomes, which have resulted in companies withdrawing from the dual system. Two reasons have been proposed that could explain this situation:

- A greater number of skilled workers;
- Technological changes with rapid developments taking place in ICT.
- The dual system however is not performing effectively in relation to employers' needs.

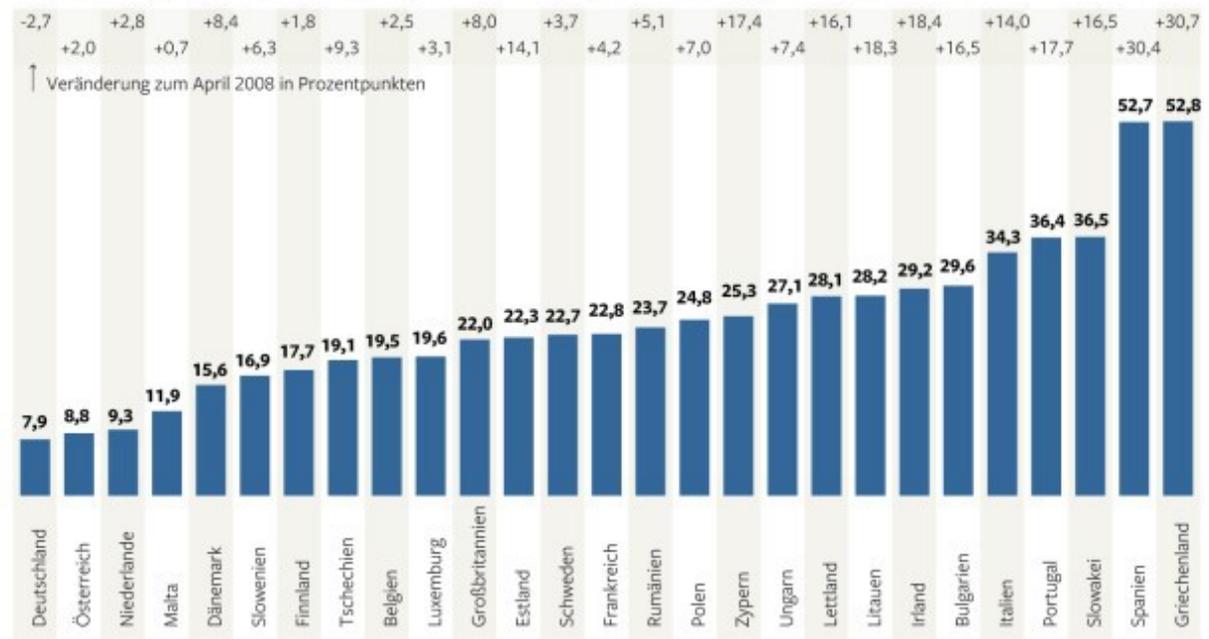
It was explained that the number of young people migrating to Germany is increasing, whereas the number of young Germans is decreasing. In response to this it is now viewed as extremely important to integrate migrant young people.

2. Youth employment – Facts and figures

2.1. Youth unemployment within Europe (June 2012)

Jugend ohne Arbeit in Europa

Arbeitslosenquote der 15-bis 24-Jährigen* im Juni 2012 (saisonbereinigt) in Prozent



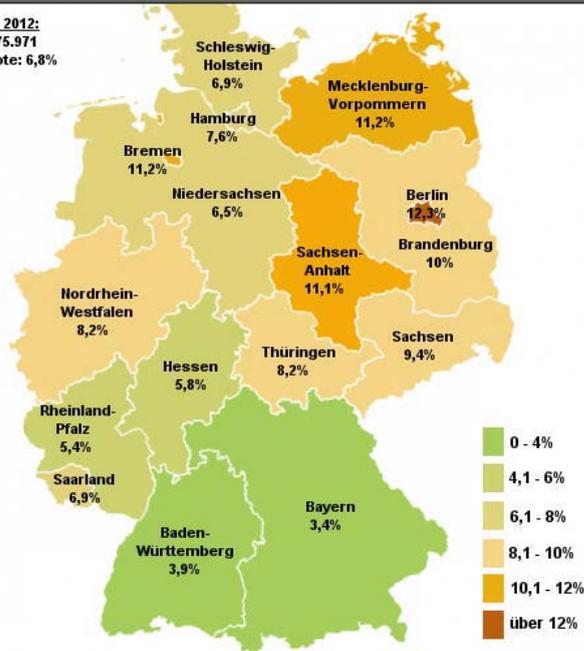
Estland, Rumänien, Lettland: Berichtsmonat April; GB: Berichtsmonat März
*ohne Wehrpflichtige und Zivildienstleistende

Quelle: dpa, Eurostat

2.2. Unemployment in Germany (Juli 2012)

Arbeitslosenquote in Deutschland Juli 2012

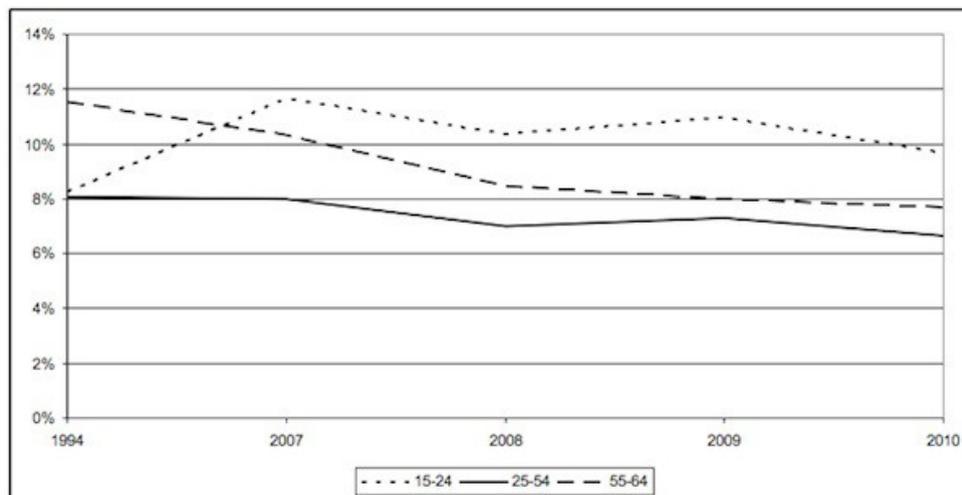
Deutschland Juli 2012:
Arbeitslose: 2.875.971
Arbeitslosenquote: 6,8%



stepmap.de

Quelle: Bundesagentur für Arbeit

Fig.: Unemployment rates by selected age groups¹⁰



2.3. Youth unemployment in Germany

German youngsters are not as much affected by the current financial crises as their counterparts in other European countries. Nevertheless patterns of labour market entry have undergone some changes. In Germany rates of youth unemployment are still low compared to European standards. This indicates the tight link between the labour market and educational systems resulting from the still well established vocational training system. However, in Figure 1 we can see that since 1994 youth unemployment rates have been higher than those of older age groups. This shows that many young people experience stages of unemployment at the beginning of their careers and transitions into the labour market have become more unstable since the mid 1990s.

Youth unemployment within Germany (1993-2010)



¹⁰ Source: OECD 2011

2.2. Youth employment in the district of Freyung-Grafenau

2.2.1. General information about Freyung-Grafenau:

The district suffers from structural deficits which leads to a low level of job offers, to a low income, low income (73% of national average) and highest proportion of exclusively marginal employment within Bavaria and therefore to a high rate of out-commuter. It occupies rank number 93 amongst 96 districts in Bavaria.

The demographic effects have a great impact: the average age is now 43.0 years, and will increase to 47.9 years in 2025. The growth of population within the last 10 years was -3,8% in comparison to +2,5% in whole Bavaria. The figures for the years between 2016 and 2025 are estimated to be -7,5% (Bavaria 2%). The fertility rate and the migration of families (person per 1.000 inhabitants) is declining, the fertility rate amounts to -4,9% (Bavaria 0,3%), the migration of families -0,7% (Bavaria 0,7%).

Additionally there is a low percentage of 4.2% of the high-skilled workers in total employment (Bavaria 10.6%), due to the fact, that mainly there are hardly any job opportunities for high skilled workers. But still there is a skills shortage in the district, in particular in the trades. It can already be noticed today and will increase during the next years; already open positions for apprentices.

2.2.2. Youth in Freyung-Grafenau

Many of the graduates are very attached to their home and would like to work and live there. But in total, about 40% of the young people leave the district after having graduated in order to begin a vocational training, academic studies or to work elsewhere. This is quite dramatic because they often do not return, and the regional labor market misses those youths. The relative balance of migration of 18 to 24-year-olds in 2011 was -1.9% in FRG (Bavaria +1%).

But the labor market in FRG actually offers young people sufficient prospects: Statistically there are 100 candidates in the district FRG compared to a range of 106.1 apprenticeships. The training rate is 8.9% compared to 6.2% in whole Bavaria. This density of training positions occupies rank 25 in the national INSM comparison. On average, in whole Germany there are 98.9 apprenticeships for 100 applicants. So there is not a fundamental shortage of training positions. But why these open positions are not taken has different reasons:

- a mismatch between the behavior concerning choice of jobs and the available job offer is a general problem: the choice of occupation does not depend on the existing possibilities on the regional labor market, but on very traditional ideas
- a lack of qualifications and vocational maturity

The main reasons for the unidirectional career choices are career teaching in schools, vocational guidance by the employment agency, the information given by the parents and other relatives and the information of the young people's peer group

2.2.3. Youth unemployment in Freyung-Grafenau¹¹

Unemployment in total	Youth unemployment (15-25 years)		
	Relativ	total	Relativ
1.154	2,8%	87	1,6%

2.3. Labour market policies

In order to combat youth unemployment, measures have been introduced to address the number of young people (9%) who leave school without any qualifications. A pact has been established between three Ministries who work together to try and combat the problem.

Additional qualifications have been drawn up enabling young people to progress to a higher level if they wish, which could then lead to an apprenticeship or a job. So Germany installed an extensive preparatory/ transitory training system aiming to prepare youths towards a successful entry into the apprenticeship system or other options of the vocational education. In particular, the programme focuses on basic skills such as literacy..

From 2000 to 2010, participation rates in the preparatory system have increased by about 50%.

The extensive labour market reforms between 2002 and 2005 (the Job AQTIV Act and Hartz-reforms) further extended the realm of temporary work arrangements 2000, with the objective of reaching a faster activation of unemployed individuals. This led to the expansion of Active labour market programmes (ALMP) offering job search assistance and short-term training courses, wage subsidies, job creation etc.. The majority of ALMP schemes are financed by the federal government and the regulations regarding their implementation are contained in the Social Act III (SGB III). Unemployed youths who fulfil the eligibility criteria, are entitled to participate in the standard labour market programme schemes available in the SGB III.

2.4. Active labour market programmes (ALMP)

The schemes are meant to improve the participants' change to fully qualifying vocational training (and not to replace it) and can be categorised according to four main objectives:

- *Second chance qualification*: young people with missing or only below-average secondary schooling are given the possibility to make up for these shortfalls in their former biography. They can attain low or mediate secondary school degrees often

¹¹ see „Statistik der Bundesagentur für Arbeit „Arbeitslose nach Kreisen“, Okt 2012“

combined with more occupational oriented skills. However, the occupation specific skills are provided in schools and do not focus on a particular occupation but rather on a certain labour market sector (Autorengruppe Bildungsberichterstattung 2010b).

- *Vocational orientation:* these schemes seek to improve the participants' trainability by focussing on individual deficits such as low numeracy or literacy as well on social problems such as drug addiction. Further young people are getting application training or do internships in order to get a better idea of their occupational interests and competences (Bundesministerium für Bildung und Forschung 2005).

- *Vocational preparation:* here low level occupational qualifications are provided. The qualifications can sometimes be approved as a part of regular training. Here again the provided skills are (even though occupational oriented) more general or very basic which means specific.

- *Prevention:* an increasing number of schemes is already implemented in general schools in order to facilitate transitions from school to (fully qualifying) training (Solga et al. 2010)

Regarding the type of assistance offered, the ALMP in place can be grouped into three broad categories:

- counselling and placement help (most important due to the numbers)
- Longer-term measures either aiming to promote the integration of youths into an apprenticeship
- measures aiming to help youth integrate into the first labor market (training programs, wage and selfemployment subsidies, and job creation schemes)

There are seven main labour market programme schemes

a) Job Search and Assessment of Employability:

So-called "profiling" immediately after individuals enter unemployment, including professional counseling by the employment agency (EA), short-term measures to improve employability and mobility aid. Conclusion of an informal contract to systematize and monitor search effort, as well as measures to be taken by the EA for a quick and successful re-integration of the unemployed

b) Short-Term Training:

Full- or part-time training measures aimed at improving the employability of youths, including coaching for the application process, and training of specific skills. In the SGB III the former should have a maximum duration of two weeks, the latter of eight weeks. JUMP measures are not considered.

c) JUMP Wage Subsidies:

Wage subsidy to regular employment with minimum 15 hours per day at the maximum amount of 60% (40%) of the full wage, for a maximum duration of one (two) years. No minimum duration in unemployment necessary. Post-subsidy employment of half the subsidized period.

d) SGB III Wage Subsidies:

Wage subsidy to regular employment at the maximum amount of 50% of the full wage, for a maximum of one year. No minimum duration in unemployment. Post-

subsidy employment of the same duration as the subsidized period, but a maximum of 12 months.

e) Job Creation Schemes:

Working opportunity in areas of the public interest, e.g. infrastructure, social work. Low level of remuneration subsidized by the employment agency. In the SGB III the maximum duration of 12 months could be extended if it leads to regular employment. Very similar program within JUMP, here placement subordinate to placement in training or regular employment—parallel qualification measures should be implemented, but could be suppressed if they do not seem sensible.

f) Further Training Measures:

Long-term training measures for youths with or without professional degree, providing them with job-specific skills. Intensity of training was normalized to 25 to 35 hours per week. The total duration of the measures should not exceed one third of the regular vocational training, i.e. approximately one year, but could be extended if necessary. JUMP measures are not considered.

g) Preparatory Training:

Practical training/internship within a company that should help find and successfully participate in regular vocational training. Duration of training could vary within the SGB III. Within JUMP it was limited to one year, and potentially also included catching up on the lower secondary schooling degree.

Growing numbers of young people participate for at least one year in schemes of the transition system before starting a fully qualifying training in the dual system or vocational schools – if they start regular training at all. Even though the risk of long stay in the system is exacerbated for lower qualified youths recent research on transition patterns concluded that half of all young people entering the system never start fully qualifying training, e.g. because these schemes sometimes have stigmatising effects since potential employers perceive these young people as being less capable than those from regular schools.

Chances of leaving the system for fully qualifying training do not only depend on the individual competences and school performance but are pre-structured by socio economic characteristics, such as migrant background (young people with a migrant background are more likely to enter the transition system than their German counterparts). In this regard, the establishment of the transition system stratifies young people according to their educational and ethnic background. 83 per cent of young people with no school leaving certificates enter schemes of the transition system. But also for young people with a lower secondary degree the chance of getting an apprenticeship is only around 51 per cent.¹²

Research on the effects and results of the “Active labour market programs (ALMP)” has shown:

- the positive long-term employment effects for nearly all measures aimed at labour market integration.

¹² Source: Autorengruppe Bildungsberichterstattung 2008

- Measures aimed at integrating youths in apprenticeships are effective in terms of education participation, but fail to show any impact on employment outcomes
- Public sector job creation is found to be harmful for the medium-term employment prospects and ineffective in the long-run.
- German ALMP systematically ignores low educated youths as neediest of labour market groups.
- While no employment program shows a positive impact on further education participation for any subgroup, the employment impact of participation is often significantly lower for low-educated youths.
- wage subsidies of shorter duration work better for high-schooling youths, while wage subsidies with longer duration work equally well for low and high educated youths. This suggests that low educated youths require more time to turn the subsidized work experience into a stepping stone to a stable employment entry. By extending the access to longer-term professional experience for these youths, an additional barrier of labor market integration for these could potentially be removed.

2.5. Conclusions

Current statistics confirm this picture of the German youth labour market. German youth – like the German labour market in general – are not as much affected by the financial crisis as their counterparts in other European countries. Even in 2011, when the financial crisis caused dramatic turmoil on European (youth) labour markets, German youngsters were threatened by unemployment to a comparatively low extent. For example, the average youth unemployment rates of the EU27 have been more than twice as high, at 21 per cent, as those in Germany, at 9 per cent. This indicates the close link between the labour market and the education system resulting from the still well established vocational training system.

Why Germany still has a low rate of youth unemployment has many reasons:

1. Demographic change:

There is a decline in the birth rate (1.4 children per women)

2. Relatively good economic situation

3. The dual system:

The corporate German apprenticeship system has been seen as an exemplary model to show how to skill up the labour force at high qualitative and quantitative standards and organise smooth transitions from school to work. The firm-based training provides clear advantages: The occupation-specific orientation of the vocational training generates a highly standardised system, which generates tight linkages between the vocational system and the labour market, because fully-qualified apprentices are not only highly qualified in an occupation, they are also already socialised into working life and into the organisational culture of the company

4. High labour market orientation of the vocational training system in Germany: For example the organisational core element of the German vocational system is »occupational profiles« (*Berufsbilder*), which define the respective training stages

and the necessary supplements of subject-specific theoretical knowledge and general education. Skills are organised according to broad occupational criteria, and this particular occupation-specific configuration of skills is a major guarantee for the social and labour-market integration. Especially for skilled workers (*Facharbeiter*), this concept of work organisation constitutes a convenient arrangement, because it guarantees a secure social status (inside and outside the firm) compared to unskilled workers.

5. Long (vocational) education period

6. Lower level of starting salaries for young people

7. Good starting position for academics due to the lack of skilled labour

8. Active Labour Market Policies

Germany is one of the European countries with the highest expenditures on youth Active Labour Market Programmes. There are many additional educational offers to young unemployed by Public Employment Service.

9. One distinguishing feature of the German system of vocational education is that it is backed by the social partners, who play an active role in its development. The dual system is particularly known for its state-corporate guidance system, in which unions and the association of German's employers (including chambers) have a strong influence. The social partners participate in setting the syllabuses and provide the inspectorate and certification. This corporatist self-regulation of the system by the social partners has been one of its most stabilising factors. Even in times of economic turmoil stabilising mechanisms take effect.

But young people in Germany do have risk in the transition in the work force:

1. Access to the dual apprenticeship system is competitive and particularly problematic for youths with low previous educational attainment
2. Only 40% have direct access to regular vocational training, others are going through a passage of various public employment and training measures and programmes
3. In Germany the relation of supply and demand of apprenticeship places is decreasing. More than a decade the demand of apprenticeships has been over its supply. As a result governmental intervention has become important in order to maintain the vocational training system, especially in the Eastern part of Germany. So on the structural level, the growing state intervention creates a publicly organised apprenticeship market, which parallels the regular labour market. This intervention in the existing system of apprenticeship and employment compensates for weak points of the vocational system or job market, for example by providing – particularly in the Eastern part of the country – state financed apprenticeship places. Apprenticeships are increasingly organised as 'firm external apprenticeships' (außerbetriebliche Ausbildungsplätze). But they are not as highly valued by potential employers as regular apprenticeship within companies.
4. Those who are not able to attain a professional qualification within the vocational training system are threatened by permanent exclusion from the job market: Youth with no vocational qualification are up to three times more likely

to be unemployed than youths with qualification—compared to youths with tertiary education they are eight times as likely

5. In terms of the probability for young people to enter long-term unemployment, Germany is amongst the European countries with the highest risk
6. Sequences of (unpaid) internships are becoming normal, especially for academics
7. Atypical forms of employment, such as part-time work, temporary and time-limited contracts, temporary agency work, seasonal work etc. have become a kind of norm for young professionals, with less stable long-term employment outcomes.

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