

Executive summary

The broad outline of the German 'dual system' is familiar to those engaged in the formulation and execution of training policy. It encompasses all sectors of industry and almost all occupations. Over 70 per cent of young Germans start their working life through an apprenticeship, and the system, with its low training allowances, is generally seen as an explanation for the country's low rate of youth unemployment and its success as a purveyor of high quality goods on world markets.

In the early 1980s, however, the 'dual system' was in relative crisis. The coming to working age of the 'baby boom' generation brought an unprecedented demand for apprenticeships. At the same time the slow-down which affected German industry in the wake of the second 'oil shock' reduced the ability of employers to meet this demand. The number of young people failing to find an apprenticeship place rose dramatically in the first half of the 1980s. What is more, not only were young people having difficulty crossing the 'first threshold' (from school to apprenticeship); there were for the first time signs that they were having difficulty crossing the 'second threshold' (from an apprenticeship to employment). A new phenomenon became apparent, that of unemployment after an apprenticeship.

Yet between the middle and the end of the decade the situation was almost completely reversed. Economic recovery played a part, but hardly a major one. Much more important was the replacement of the 'baby boom' generation by the 'baby bust' generation. The size of the 16-19 cohort fell 35 per cent over the 1980s, more than twice as much as it did in Britain. By 1989 the national balance in the supply of and demand for apprenticeship places had switched from the 5 per cent deficit recorded in 1984 and 1985 to a surplus of 11 per cent. The

problem of unemployment after the apprenticeship also diminished in gravity. Although one in eight apprentices still suffered some unemployment on completion of their training, by 1989 the duration of this unemployment had halved. The favourable outcome hid a substantial and worsening disparity between the north of the country – where deficits still prevailed – and the south – where ever larger surpluses were recorded. Nevertheless, concern of recent years has been mainly with meeting shortfalls of young people and with making the most effective use of those available.

An important component of the response has been the promotion of the recruitment into apprenticeship places of groups who had previously been ignored or under-utilised – young people with physical handicaps, the children of first generation migrants who still have language difficulties, and those who have shown learning difficulties whilst at school. Much effort has been directed to encouraging employers to recruit young women into ‘male’ (mainly production) occupations, where the mismatch between the number of apprenticeships offered and the number sought has been greatest, and to encouraging young women to consider such occupations. Employers have also been encouraged to consider the possibility of reducing the duration of the apprenticeship, if more highly qualified candidates present themselves. It is hoped that in this way apprenticeships will continue to be attractive, as they had become over the 1970s and 1980s, to young people who have stayed in school and completed their university entrance qualification.

To some extent, firms have been competing against one another in the market for young people by improving the terms they offer. However, there has not yet been wage competition of the sort observed in some sectors in Britain. Employers have observed the negotiated rates set in collective agreements and these have shown no signs of accelerating. What some have been doing is to offer additional allowances – to cover travelling costs or meals – or to offer especially favourable employment terms – rights to extended parental leave – to those who train with them. Currently, it seems as if larger employers are meeting their recruitment targets; it is the smaller ones who are having to make use of alternative sources of supply or indeed, to suffer shortfalls.

A second major concern of the training authorities, and also aimed at enhancing the ‘dual system’s’ ability to meet the future, has been with the revision of training regulations. For some occupations, the regulations determining the content and duration of in-firm training dated back to before the last war. Since the early 1970s efforts have been made to update them to take account of modern materials, modern technologies and modern customer needs.

The second half of the 1980s saw revisions taking place in some of the quantitatively most important occupations – the engineering and the electrical occupations, the clerical and the retailing occupations. The process of revision has simultaneously been one of rationalisation. The objective was not only to bring minimum requirements into line with present day demands and conditions, but also to eliminate unnecessary duplication by combining closely related courses and to abolish those occupations which had become irrelevant to the needs of a modern industrial society. As a consequence there has been a fall in the number of recognised apprenticeships from 465 in 1980 to 332 in 1988.

The revision process has not been a particularly fast one, especially for some important occupations. Thus the initial proposition to revise the regulations for engineering occupations in the small firm sector was made in spring 1983 but the new regulations were not agreed upon until 1988 and did not take effect until autumn 1989. And for engineering occupations in the large firm sector, the process took from 1979 to 1987. These might have been exceptions, but three to four years was not unusual, and it seems unlikely that major revisions in any one occupation will occur more frequently than every 20 years. Accordingly, and as a consequence of the high degree of regulation to which it is subject, the ‘dual system’ shows some signs of inflexibility which might be to its disadvantage in a rapidly changing world.

The new regulations are intended to increase the transparency and transferability of young people’s skills. In part this was achieved by creating fewer but broader occupations. Another major development has been the practice of publishing simultaneously with the new regulations governing the in-firm component of the training, recommendations for the curriculum of the in-school component. These are agreed to by the appropriate representatives of the individual states (in whose competence schooling falls). This has gone a long way to ensuring that nationwide standards apply to in-school training too. Finally, in the course of the 1980s, there has also been a growing standardisation of final examinations. Although these are still conducted by the local chambers of commerce, they have been making increasing use of centrally produced examination questions rather than constructing their own. The use of common examinations is seen to promote common standards of marking, and this should in turn lead to a more universal acceptance of qualifications acquired.

Although they have been in effect only a short while, some initial evaluation of the impact of the revised regulations for the industrial and the electrical occupations in the large firm sector has been carried out. This has suggested that the higher standards imposed by the new regulations have not led to a sizeable

number of employers discontinuing to train. On the other hand, it did seem as if an increasing proportion was making use of the facilities of special training workshops, such as are run by the local chambers of commerce, to supply those elements of training they were no longer able to provide themselves. Moreover, it appeared as if employers sought to draw recruits for apprenticeship places increasingly from those young people with an intermediate, rather than basic, school leaving certificate, feeling that they were better equipped to respond to the higher standards imposed. Yet employers were by no means always able to satisfy their wishes for more highly qualified apprentices; the increasingly tight youth labour market saw to that. Lastly, the new regulations appeared to be having some effect on the manner in which training took place. Training was gradually becoming more project based and less didactic, as employers sought to inculcate the 'general competences' of 'planning, carrying out and controlling' now specified in the regulations. For this to be successfully implemented is likely to require additional training of trainers themselves, but this incidence of this is limited to date. Where it has occurred it has normally involved only full-time trainers, who are seldom found in other than the largest firms.

Both policy makers and employers are largely confident that the 'dual system', having survived the crisis of the first part of the 1980s, is well set up to provide the country with skilled manpower of the quality desired. Whether it can provide the quantity desired is a different matter. The recent inflow of people from East Germany was initially seen as a panacea, for many of them were young and well qualified. Similarly, the end of the school year in the East is also looked forward to, to see if large numbers of young people from there come and apply for apprenticeships in the West. However, once German reunification is achieved, the eastern region cannot be treated as a new labour reserve. German training policy will have increasingly to concentrate upon making the best use of the skilled labour which is already available and upon providing retraining opportunities for those whose skills are becoming redundant.