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The Apprenticeship Crisis in Germany:
The National Debate and Implications for
Full-time Vocational Education and Training

Introduction

The fact that in Germany dual apprenticeship training is the major non-academic option for school-leavers to start their working lives implies that school-based training is not one of the well-known features of the German VET system. Moreover, this focus on the apprenticeship model implies a huge dependence of the VET system on economic parameters and the labour market situation. As vocational full-time schools mostly offer formal school qualifications that only exist outside the dual system, schools are in fact not prepared to develop a strong ‘qualification function’. This is a particularly serious problem in a situation where the supply of training places fails to meet the demand, and where employers seem to lose interest in the apprenticeship system.

Against this background, VET policy recently has started to strengthen the work-related features of school-based VET in order to open up pathways and opportunities for young people outside the dual system. This is especially true for Baden-Württemberg through the implementation of ‘practice firms’ in the so-called ‘vocational colleges’ (Berufskollegs). The question raised in this chapter is whether full-time courses in the German VET system can be alternatives with respect to the dual system and thus can help to compensate for the creeping loss of training opportunities.
Context: The Critical Relationship between the Dual System and Vocational Full-time Schools

On April 1, 2005, the new German Vocational Training Act (Berufsbildungsgesetz) came into operation. One of its major intentions is to link full-time vocational education and training (VET) and vocational preparation more closely to the dual system of apprenticeship training – considered to be the “centrepiece of vocational education and training in the Federal Republic” (Raggatt 1988, p. 166). The passing of the Act can be seen as a modest political move to question the omnipresence of the traditional apprenticeship system which has always dominated alternative non-academic pathways in the area of VET (Euler 2000). The following figures illustrate this dominance:

- In 2003, out of 2.7 million students attending non-academic vocational courses, only some 700,000 had subscribed to a vocational full-time school, including vocational preparation schemes (Federal Statistical Office 2004a). Hence the share of apprentices among these students is around 65%.
- In 2004, among all courses at Berufsfachschulen (as the largest segment in full-time VET), which lead to vocational qualifications outside the dual system, those that provide for a vocational qualification based on the Vocational Training Act (or correspondingly the Craft Regulation Act or Handwerksordnung) only made up 9% in the old and 21% in the new federal states (Federal Ministry of Education and Research 2005, p. 137).

Since an apprenticeship in the dual system gives young people the opportunity to undertake formal qualifications leading into various types of employment within an occupationally structured labour market (Deissinger 1998), its strong focus on tradition and quality control has an almost universal character and traditionally recruits the majority of 16-to-19-year-olds. Even critical observers agree that the system certainly has played its part in contributing to a comparatively low number of unskilled employees in international terms (Büchtemann et al. 1993, pp. 510f.; Greinert 1994, p. 116).

The situation in the dual system has recently been determined by two issues. While the problems at ‘threshold two’ – for those graduating from the VET system – have been perpetuated in the face of a still surging unemployment rate (though partly due to statistical corrections), the training or apprenticeship market has become one of the most heavily discussed political issues at the end of the 1990s. Many observers believed and still believe that the traditional core mechanisms of the German VET system are failing with respect to new economic and social requirements (Greinert 2004, p. 112). Greinert holds that the ‘recruiting mechanism’, which should provide a training and labour market with qualified apprentices, has stopped functioning because companies prefer to recruit employees from outside the dual system, due to increasing aspirations towards general education among young people at the expense of vocational education. Similarly, the traditional ‘funding mechanism’ seems to have been perpetuated in the main into the modern training system. Much earlier in the development, compulsory attendance at part-time vocational school emerged as a second pillar underlying formalised vocational training. Although the dualism of learning sites and legal responsibilities is held to be the striking feature of the ‘German system’ of vocational training (Greinert 1994), it is characterised by working principles which reflect the organisation of the training process as a whole, and thus reaches far beyond the dual training arrangement.

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1 Germany’s apprenticeship system has its roots in the corporatist framework established by legal sanction in the late nineteenth century (Deissinger 1994, Deissinger 2004a), which not only remained virtually unchanged in its crucial features up to the establishment of the Vocational Training Act (Berufsbildungs-

2 In 2003, 39% of graduates from lower secondary schools (Hauptschulen), 49% of intermediate secondary school (Realschule) leavers and 12% of ‘A-level holders’ (Abiturienten) from grammar schools (Gymnasien) planned to enter a formal apprenticeship course in one of the 350 occupations in the Dual System (Federal Ministry of Education and Research 2004b, p. 502).

3 In 1993 the quota of first-year students in higher education was 25.5% of an age cohort but increased by 14.1% to 39.6% in 2003. Also, the quota of ‘A-level Holders’ (Abiturienten) increased by 6% in the last ten years (Federal Statistical Office 2003).
fail because apprenticeships are cost-intensive, especially for companies in the new federal states in the east of Germany. Finally, according to Greinert, problems have not been solved with respect to the ‘mechanism of learning places’ which means that periods of theoretical learning in the compulsory vocational part-time school and periods of practical learning in the workplace are still more or less separated spheres of learning.

The subsiding interest of employers has to be seen as a serious problem in a situation when the supply of training places regularly fails to meet the demand (Deissinger 2004b, Deissinger & Hellwig 2004). In 2003, at 557,612, the number of new training contracts was down 14,711 on the previous year and, was decreasing by 2.6%; it reached an unexpectedly low level (Federal Ministry of Education and Research 2004b, p. 66). By early October 2003 some 35,000 young people were still unsuccessful in their search for apprentice-ship places. Although in 2004 the number of new training contracts rose by a slight 2.8% against the previous year, the ‘supply demand ratio’ (Angebots-Nachfrage-Relation) dropped to just 95% (Federal Ministry of Education and Research 2005).

Against this background it is not surprising that young people look for alternative pathways into skilled employment by opting for a full-time course in a vocational school. The following table illustrates this ‘critical’ (statistical) relationship between the apprentice-ship system and full-time VET:

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<tbody>
<tr>
<td>Students in Berufsfachschulen attending courses outside VTA or Craft Regulation Act</td>
<td>-3.0%</td>
<td>2002/2003</td>
</tr>
<tr>
<td>New training contracts in the Dual System</td>
<td>-6.3%</td>
<td>2002/2003</td>
</tr>
<tr>
<td>Students taking up full-time VET outside the Dual System leading to vocational qualifications</td>
<td>+11.9%</td>
<td>2002/2003</td>
</tr>
<tr>
<td>Students taking up full-time VET outside the Dual System leading to vocational qualifications outside VTA or Craft Regulation Act</td>
<td>+74.9%</td>
<td>2002/2003</td>
</tr>
<tr>
<td>Students taking up full-time VET outside the Dual System leading to vocational qualifications based on VTA or Craft Regulation Act</td>
<td>+132.4%</td>
<td>2002/2003</td>
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<tr>
<td>Students taking up full-time VET outside the Dual System leading to vocational qualifications based on VTA or Craft Regulation Act</td>
<td>+264.2%</td>
<td>2002/2003</td>
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Against the background of the critical training market situation, the federal government has introduced the concept of training-place developers (Ausbildungsplatzentwickler) in order to secure the long-term provision of training places and detach it from the contingencies of the labour market. This includes support for companies to cope with administrative work linked to an apprenticeship, to improve co-operation with vocational schools and to implement company-specific training plans. Encouraged by a programme called 'STARRegio', regional joint training provision is to be promoted which means that companies can pool together (Ausbildungsverbünde) and therefore can guarantee young people to achieve all the competences prescribed by a training ordinance (Federal Ministry of Education and Research 2003b).

In 2004, even the introduction of a training levy re-entered the political agenda. The ‘Act to Secure Provision of Training Places’ (Berufsausbildungssicherungsgesetz) envisaged a levy once the training supply fails to exceed the demand by 15% at the beginning of a training year (Federal Institute of Vocational Training 2004a, p. 2). With this law the government endeavoured to strengthen the responsibility of companies for the provision of sufficient training places through an internal funding system (Federal Institute of Vocational Training 2004b, pp. 1–2). Although there has been and still is enormous resistance from employers against the Act, the present gov-

4 Employers deplore that they no longer can recruit qualified apprentices via the training market and they associate apprenticeships with an additional financial burden and not with a useful future investment (Pätzold & Wahle 2003 p. 473).

5 This is against the background that the number of apprentices in the craft sector alone decreased by 100,000 within the last six years (Federal Ministry of Education and Research 2004b, p. 527).
ernment put the law through parliament in May 2004. At the same time, the government offered a pact (Ausbildungspakt) with industry and trade unions as an alternative to the levy, which includes financial, organisational and human resource measures that should guarantee training places for all young people. It seems that the slight increase in new training contracts at the end of 2004 was due to this training pact. Meanwhile the government has announced that it has 'parked' the law until autumn 2005.

A New Framework: The Revised Vocational Training Act

In Germany, training in the dual system is composed of institutional components responsible for skill formation and certification in the context of an ‘occupation-based approach’ (Ryan 2001, p. 136). Mandatory part-time courses at the Berufsschule, compulsory general education and a training law which provides for national uniform training standards in all occupations reflect this firm understanding of ‘process regulation’ and ‘quality control’ (Deissinger 1996; Raggatt 1988). As the existence of a ‘skilled training occupation’ (Ausbildungsberuf) is dependent on a training ordinance (Ausbildungsordnung) its formal recognition requires governmental approval. An occupation is expected to encompass a broad range of elementary vocational qualifications leading to a maximum of flexibility and mobility between different workplaces and firms. In the ‘old’ Vocational Training Act (1969), the Ausschliesslichkeitsgrundsatz (principle of exclusiveness) even made sure that training ordinances represented the only way to lead young people into skilled employment (Deissinger 1996, p. 329 f.). The idea behind this strict principle, which is now being gradually softened, has always been based on the conviction that a systematic training course pins companies and chambers (as examining bodies) down to the complete skill range of a given occupation (Beck et al. 1980).

In 2004 the federal government started to amend the Vocational Training Act (Euler & Pätzold 2004). It was finally passed by the Bundestag in January 2005 and put into operation in April 2005, referring to the following intentions:

- the inclusion of vocational preparation schemes within the scope of regulation of the law and with it the implementation of an appropriate system of qualification modules;
- the transferability of credits obtained in school-based VET via agreements between the federal states and the federal government;
- a more intense internationalisation of VET by providing opportunities for apprentices to undergo part of their vocational training abroad; and
- an ongoing modernisation of examinations by including the ‘extended’ final examination in the list of recognised types of final examinations.

According to the benchmarks for the reform of the Vocational Training Act, the introduction of national competency standards as they have recently been implemented in general education seems to become inevitable (Federal Ministry of Education and Research 2004a, p. 4). However, for the time being, modernisation of the dual system seems to happen on the curricular level. It has materialised in the creation or revision of training schemes within the system of ‘skilled training occupations’ which now even allow for modest features of modularisation. Implanting modules within training schemes as didactical units with a mandatory but optional character (like in the IT occupations created in 1997) no longer seems to be incompatible

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6 See www.netzeitung.de/arbeitundberuf/295022.html.
7 "Training for a recognised trainee occupation shall be given only in accordance with the relevant training regulations. [...] Initial training in occupations other than recognised trainee occupations shall not be provided for young persons under 18 years of age unless it is intended to prepare them for a subsequent course of instruction" (section 28 of VTA 1969).

8 The theoretical achievements in the vocational school during an apprenticeship are not recognised in the final examination. The integration of these achievements is demanded by teachers unions, such as the Business Teachers Association (Verband der Lehrer an Wirtschaftsschulen), although this issue runs against the unions.
with a holistic notion of competence (Euler 1998, pp. 96ff.; Deissinger 2004b, p. 91 f.).

Besides this ongoing ‘internal modernisation’, the new Act passed in 2005 contains quite innovative stipulations that have been set up to re-define the relationship between apprenticeship training in a recognised occupation and full-time VET courses leading to vocational qualifications. Sections 7 and 43 of the new Vocational Training Act try to build ‘bridges’ between the two sub-systems:

- According to Section 7 the federal states get the right to determine which courses in full-time vocational schools or in comparable institutions shall lead to a partial accreditation in a subsequent apprenticeship. Applications for accreditation have to be submitted individually to the chambers (as the ‘competent bodies’).
- According to Section 43, people graduating from a full-time course leading to a vocational qualification shall get the permission to undergo a final examination in a recognised occupation before the chamber, if the occupation trained for in a school is equivalent. This new regulation also includes so-called ‘school occupations’ outside the scope of the Vocational Training Act or the Craft Regulation Act.

It is too early to assess the consequences of these new stipulations. However, there is no doubt that their practical relevance is dependent on the value companies and chambers place on full-time VET in general.

Re-defining the Qualification Function of VET in Full-time Vocational Schools

Although full-time VET is multi-functional as against apprenticeships in the dual system, there are obviously links between the two sub-systems. The following chart shows the basic structure of the location of vocational schools within the German education system, indicating that VET in schools may prepare, directly or indirectly, both for the tertiary sector and for a follow-up apprenticeship:

The ‘vocational college’ or BK (Berufskolleg) in the federal state of Baden-Württemberg is a striking example of the ambivalence toward full-time VET in Germany. Being one of the major subtypes of a vocational full-time school with currently some 14,300 students enrolled, it can be attended by students with an intermediate school leaving qualification. These students come from either the two-year vocational full-time school or Berufsfachschule (which takes graduates from the lower secondary schools normally aged 15 or 16) or – more likely – from pre-vocational education (Gymnasium or Realschule).

The BK clearly has a ‘double function’ as young people can study a ‘professional’ or ‘occupational’ qualification, namely an ‘assistant qualification’ (e.g. the economic assistant or Wirtschaftsassistent) and also go for a higher school qualification (in this case a polytechnic entrance qualification or Fachhochschulreife). However, research carried out at the University of Konstanz (Deissinger &
Ruf 2003, Deissinger 2003, Franz 2001) reveals from a student perspective:

- ... that the occupational (assistant) qualification (Wirtschaftsassistent in the case of the commercial BK) is generally not valued as being useful or attractive – a result that is supported by empirical evidence as most students report their intention to take up an apprenticeship after finishing the BK course;
- ... that the ‘parking function’ (deferring function) of the BK before entering the dual system seems to remain restricted to the first year (BK I), while students in their second year have a clear understanding of their goals and motivations including taking up an apprenticeship after the BK II (i.e. the full two-year course); and
- ... that the BK rather assumes the role of a ‘bridge’ between school education and the dual system and therefore cannot be regarded as a substitute or alternative in relation to the apprenticeship system.

One of the didactical tools supposed to ‘make schools practical’ and, in the case of the vocational colleges, to increase the labour market and training market value of the assistant qualification is the ongoing implementation of ‘practice firms’ (Reetz 1986). In Baden-Württemberg, practice firms (Übungsfirmen) are seen as learning arrangements to give full-time VET a new face and increase its attractiveness to both students and employers (Nephaus 1999). All in all, some 90 practice firms are currently in operation in commercial school centres in Baden-Württemberg. Most of them are implanted within BK I and BK II courses and have been introduced in the commercial sector on a larger scale since 1997/98. Currently, the third phase of what is named ‘Future Offensive III’ is being implemented with 43 vocational colleges involved and some 70 practice firms in operation (Deissinger & Ruf 2003).

As already mentioned, there has been a long-standing dissatisfaction with the conspicuously low market value of the assistant qualification in relation to apprenticeship qualifications (Feller 2002, Euler 2000). Traditionally, there has always been a clear preference on the part of companies for the dual system and its graduates. For instance, in 2002 only half of all full-time VET students in Germany attended courses leading to ‘occupational’ qualifications considered to be portable on the labour market. However, with the slackening training market and the ongoing discussion on alternative pathways and the accreditation of school-based learning with respect to occupational qualifications, vocational full-time schools could become more occupation-orientated. This would require, however, improvement in their relevance both for skilled employment and for a subsequent apprenticeship course. From an educational perspective the crucial question is the extent to which practice firms are able to promote the employability of young people by developing skills in a more or less realistic learning environment which simulates problems and work activities normally typical of workplaces in companies.10

Two major results from a research project on practice firms in the BK in Baden-Württemberg, which has just been completed, seem remarkable: The first one refers to the intention or motivation young

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9 The basic features of a practice firm may be characterised as follows: (i) it is a fictitious company within a vocational school that works like a normal company; (ii) all commercial departments are represented within a practice firm; (iii) there is no real exchange of goods and money; (iv) it co-operates with other practice firms within a national and international network; (v) a real company normally provides support, money and the product names for the practice firm; (vi) the number of lessons per week spent in the practice firm is typically between five and seven (in the BK in Baden-Württemberg).

10 Didactical expectations attached to the practice firm concept refer to the presumed benefits of this clearly non-conventional learning arrangement which puts both the teacher and the student into different roles by requiring a new understanding of the relationship between teaching and learning as opposed to normal classroom settings of lessons in business administration or economics. It is assumed that practice firms help learners to develop a more substantial understanding of business processes and to experience realistic workplace conditions although the practice firm remains first and foremost a pedagogical institution. Practice firms are seen as learning arrangements which have to be measured against the criteria typical for ‘activity orientation’ (Handlungsorientierung) now seen as the dominant and most innovative didactical concept within the current VET debate (Czycholl 2001).
people associate with the vocational college; the second one refers to the acceptance of the ‘assistant qualification’ among employers. All data were raised in 2003 and 2004 only in the federal state of Baden-Württemberg in commercial and in health and care vocational colleges\textsuperscript{11} (1022 students, 224 companies):

- In terms of their motivation to attend a vocational college students rated the prospect to improve their individual chances on the training market as essential, followed by the aim to obtain a polytechnic entrance qualification. The relevance of the ‘assistant qualification’ is virtually irrelevant among the students. Therefore it may be claimed that the students view the vocational college as an institution which prepares for an apprenticeship and/or offers pathways into higher education.

- With respect to the attitude of companies towards the vocational college in general, only half the number of firms consider the ‘assistant qualification’ as sufficient for entry into skilled employment. Thirty-three percent, however, would accept that graduates from the BK II (the two year course) should get a reduction of the training period in a follow-up apprenticeship by half a year, and 27.3\% think that an accreditation should even stretch to one year.

Although students in the BK think that learning in a practice firm in the BK helps them to develop ‘occupational competence’ (berufliche Handlungskompetenz) in a way that is better than in conventional classroom-based learning, these results yield a rather pessimistic picture of the perception of vocational pathways outside the Dual System and therefore have to be seen as a political challenge in the wake of the new Vocational Training Act.


Conclusion

Currently, one of the most interesting issues in the German VET context is the shaping of ‘borders’ between initial training (apprenticeships) and full-time VET. With its institutional demarcations and more ‘structured’ system (Ryan 2001, Raggatt 1988, Harris & Deissinger 2003), Germany seems to find it more difficult in general than other countries to develop more flexible structures that offer new pathways into skilled employment. In addition to the federal political system, one of the reasons for the so far rather fainthearted policy in this area seems to be that the country is rather reluctant when it comes to changing the long-standing patterns of responsibility within its VET system.

However, the strong cultural foundation of dual apprenticeship training implies a huge dependence of the VET system on economic parameters and the labour market situation. As vocational full-time schools mostly offer formal school qualifications that only exist outside the dual system, schools are in fact not prepared to develop a strong ‘qualification function’. The latter is neither perceived clearly by students who attend these schools nor by companies who are reluctant to accept these qualifications besides apprenticeships. Therefore, efforts stretching further than the recent reform of the Vocational Training Act seem necessary. The implementation of practice firms can be seen as one of the tools to stabilise the school-based VET system in general and to make it more functional in relation to the labour market. This means strengthening the work-related features of school-based VET in order to open up pathways and opportunities for young people outside the dual system. It remains an open question whether full-time vocational schools really have to copy more of the apprenticeship system in order to become competitive against a system that – even more than the school system – is associated with the cultural heritage of the country.
References


