



Global Exchange

U.S. should copy the German model of youth employment

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In the U.S., it is usually taken as a given in working life that the road to success leads through a four-year college. Given the profound cost of attending university these days, some parents begin saving for a child's tuition while he or she is still in diapers.

The impulse is understandable. What parents don't want their children to live better, to be more upwardly mobile, to be more financially secure? Indeed, doing better than one's parents has long been a way of defining the American dream -- if not a universal human right.

But is this really the best path to success for the most people? Recent U.S. data paint a questionable picture. About 70 per cent of U.S. high school graduates go on to study at a four-year college. If a large number of these students were earning degrees in chemistry, computer science and electrical engineering, the United States would probably not be looking nervously over its shoulder at the burgeoning economies of China, India and other emerging markets.

The sad reality is that only about 60 per cent of U.S. university students actually complete a bachelor's degree (or its equivalent) in any field within six years of matriculation. That means a surprisingly high percentage of America's young people are entering the labor force armed only with a high school diploma -- and little or no work experience.

Not surprisingly, America's youth unemployment is more than double the rate for the overall population. Meanwhile, in countries like Germany, youth unemployment is 8.8 per cent, less than half the U.S. level.

Like the U.S., the economies of these countries were hit by the global financial crisis -- and yet they have not suffered the same kind of spike in youth unemployment.

The stark difference in youth unemployment between the U.S. and many European countries may, in fact, have quite a lot to do with that high school-to-college transition, which Americans have traditionally viewed as leading to good jobs and financial security.

Contrast that with Germany, where roughly two-thirds of people under the age of 22 choose to enter into apprenticeships, typically a three-year period of training at a firm. Along with related technical instruction at a vocational school, a young worker learns the skills required for a given occupation.

What the low youth-unemployment numbers in these countries tell us is that the best guarantee to ensure future employability lies in obtaining real job skills.

There are those, especially some prominent American economists, who claim that apprenticeships are an insufficient form of preparation given the complex demands of the contemporary economy. At least since the 1980s, the naysayers have based their case on statements such as “Germany is an economy that has seen its better days” and “It doesn't really fit in with what America does best, namely creating a flexible and versatile work force.”

What has happened in the intervening years speaks for itself. Unlike the U.S., Germany has not de-industrialized. Manufacturing remains a backbone of the economy.

As a matter of fact, apprenticeships increasingly involve a fairly complex course of training, both in trade schools as well as at the company level.

Along the way, apprentices learn key concepts of technology, business management, applied analysis and an ever higher degree of analytical reasoning. Apprenticeships are therefore far more than on-the-job training. They instill employable skills, as well as provide a transition to a young person's first job.

At a time when public and private budgets are very stretched, a determined focus on providing real, future-oriented job training can pay huge dividends. It is not expensive and does not require young people and their families to take on a lot of debt.

However, one thing is true: Whichever way one turns, executing any job training strategy will take time for it to bear real fruit in the work place and in the broader national economy. It could well be a decade or two before the real transformational impact is felt.

That means, whichever way one decides should be carefully planned out. Two things are deadly in this policy business: The first is not to be able to decide on a strategy, and hence dither and delay. And the second is to change that strategy impatiently, often on its very head, because the hoped-for results haven't yet materialized.

At least for now, the record would indicate that the German strategy, which mixes academic excellence with plenty of well-thought out professional options that do not require attending university, would have the upper hand over the approach of the United States, which overemphasizes academic training and almost disregards non-academic training for jobs of the future. This is proving to be a big mistake.

What the German model further underscores is that the key to a successful jobs strategy lies in aligning the longer-term interests of citizens, companies and communities alike to create a prosperous future for individuals and the nation as a whole.

Working jointly and conscientiously, not haphazardly or across purposes, these forces can greatly facilitate the school-to-work transition by focusing on attaining practical skills. In the world of today, those can be extremely complex -- and mastering them extremely rewarding.