

Jobs for the Young: US versus German Strategy

The German model that mixes academic excellence with intelligent professional options appears better than the US approach that disregards non-academic training



KLAUS F ZIMMERMANN

Western countries face unprecedented difficulties in generating jobs for their young generation. While there are even occasional street riots from Paris and London to Athens, the basic choice can be summed up quite simply: do you basically want to follow the American or the German model of job training for young people?

This debate is also of considerable interest in India, where generally the US model is held in high regard. While that high level of appreciation is certainly justified for high academic achievers, what about the young population at large?

In the US, 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. Which parents wouldn't want their children to live better, be more upwardly mobile, 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 the best path to success for the most people? Recent US data paints a questionable picture. About 70% of US 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 US would probably not be looking nervously over its shoulder at the burgeoning economies of India and China.

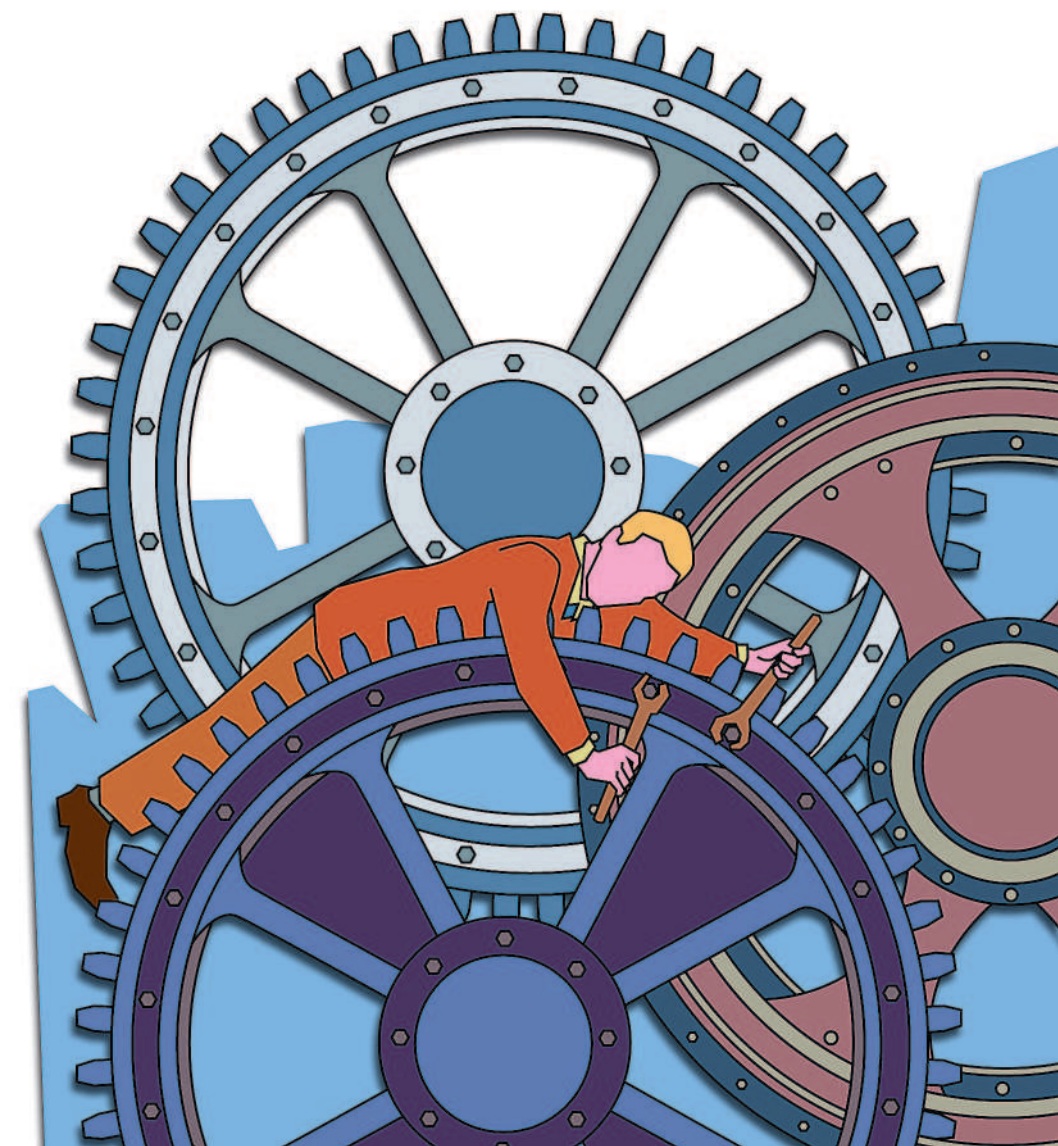
The sad reality is that only about 60% of US university students complete a bachelor's degree (or its equivalent) in any field within six years of matriculation. That means a surprisingly high percentage of America's young people are entering the labour force armed only with a high school diploma — and 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% — far lower, at less than half the US level.

Like the US, 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 US and these European countries may, in fact, have quite a lot to do with that high school-to-college transition that 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 en-



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ter 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 workforce."

What has happened in the intervening years speaks for itself. Unlike the US, Germany has not deindustrialised. Manufacturing remain the 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.

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That means, whichever way one decides should be carefully planned. Two things are deadly in this 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 materialised.

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 an upper hand over the US approach. It overemphasises academic training and, by comparison, almost disregards non-academic training for jobs of the future. That 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 at cross-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, rewarding.

(The author is director of IZA, Institute for the Study of Labor, Germany)