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# Initiative of German Social Partners on Initial Training for Young Adults

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## Facts & Figures about the German labour market



- German labour market has about 30 million employees, of which approx. 10 million are aged 25 to 35 years.
- Of these 10 million, 15% have no formal education.
- Currently, overall unemployment in Germany is around 3 million, of which 300.000 have no formal education.
- Every year, 50.000 school drop-outs without any degree.
  - → Need for integration of low qualified young people into the labour market also in order to fight the growing shortage of skilled workers on the German labour market.
  - → "There is only one thing which is more expensive than education: Having no education" (J.F. Kennedy).

#### **ILM** agreement and German SP actions



- ILM / EUSP: "To achieve an inclusive labour market obstacles regarding training, skills and capabilities need to removed."
- ILM / SP actions: "Cooperate with providers of vocational training systems in order to better match the needs of the individual and those of the labour market, including promoting of vocational education and measures to ease the transition between education and the labour market"
  - → In 2011 German social partners (BDA, ZDH, DGB) together with the Bundesagentur für Arbeit (Federal Employment Agency) decided to launch the initiative "Initial training of young adults" ("Erstausbildung junger Erwachsener").
  - → Objective: To motivate and support up to 100.000 young low qualified unemployed aged 25 to 34 to take up and complete a vocational training course or at least a certified partial vocational qualification.

## Content of the initiative on initial training for young adults



- Identification of young low qualified unemployed willing to participate in recognized vocational training courses by the local employment agencies.
- Motivate and support of the unemployed young adults and provide financial aids (e. g. training fees, mobility costs, child care).
- Close involvement of social partners in selecting the right vocational training courses and to provide the training facilities of the social partners (e.g. training centers of chambers of crafts).
  - → Problem: The initiative should aim at supporting only complete vocational training courses (on average 3 years). However, also partial vocational qualifications (certificates on certain parts of vocational training courses) can be supported.
    ZDH position: Skilled workers need and enterprises ask for complete vocational skills.

### Results and perspectives



Significant higher employment chances of participants of the initiative in comparision to comparable not supported unemployed.

#### Problems:

- → Difficult selection process of **identifying** the right young unemployed.
- → Many young unemployed prefer staying in **low qualified jobs** than taking up a longterm and rather low paid vocational training course.
- → This problem could be exacerbated by the introduction of a **general minimum wage of 8,50 Euro** which would make low paid vocational training courses more unattractive in comparision to minimum wage jobs.
- Outlook: German social partners and the federal employment agency see the need for a better promotion of the initiative highlighting the longterm positive employment effects.



### Thank you!

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