

Training Mobility The Opportunities of Young EU Citizens in the German Apprenticeship System

Paula Protsch and Heike Solga

As a result of the recent economic and financial crisis, the labor market opportunities of youth and young adults in many Southern European countries deteriorated enormously. In 2013, youth unemployment rates in Greece and Spain exceeded 50 percent, and the situation continues to be a serious concern. In Germany, Austria and Switzerland, by contrast, youth unemployment is hardly an issue. Because of their dual apprenticeship systems, these countries are often cited as examples of how to successfully integrate young people into the labor market. For one thing, young people completing an apprenticeship are employed at a company and hence not out of work. Furthermore, from an individual and societal perspective, learning an occupation is a long-term investment in young people's education, competences, and skills.

To mitigate the situation of youth in the crisis-ridden EU countries at least to some degree, the European Union has developed a number of transnational programs. They are designed to promote the mobility of young people to Germany and their integration into the dual apprenticeship system. At the same time, recruiting prospective apprentices from other EU countries is seen as a way to counteract skills shortages on the German labor market. One well-known program to boost migration from other EU countries to Germany is the MobiPro-EU program, which is funded by the German Federal Ministry of Employment and Social Affairs and the German Federal Employment Agency. MobiPro-EU does not offer any financial incentives for employers, but it does provide financial support to participants to help cover relocation costs, to top up apprenticeship wages, and to take German language courses.

Barriers to training opportunities

But what about German employers? Would they be willing to train young Europeans, or do they consistently prefer apprentices who grew up in Germany and went to school there? From the employer's point of view, what are the main barriers making it difficult for young people from Southern Europe to access the German vocational training market?

To study these questions, we surveyed company owners, managing directors and human resources officers at more than 650 companies across Germany about the prospects of young Spaniards to be hired as apprentices. In cooperation with the German Federal Institute for Vocational Education and Training (BIBB), the vignette study was integrated into an employer panel survey in 2014 (the BIBB Training Panel).

In vignette studies, respondents are given several randomly selected short descriptions of fictitious situations or persons. In our study, they were shown five tabular descriptions of young adults who submitted written applications for an apprenticeship at the respective firm. The applications referred to the firm's most important training occupation, that is, the occupation with the highest number of apprentices. The vignettes differed in a number of dimensions regarding the fictitious persons' characteristics. This approach allows us to study how specific applicant characteristics influence respondents' assessment. On a scale from 1 (very unlikely) to 10 (very likely), the employers were asked to rate

Summary: The integration of young Europeans into the dual apprenticeship system in Germany could alleviate the situation of the crisis-hit youth labor markets in Southern Europe and also counteract skills shortages in Germany. Employers' willingness to hire these applicants is a crucial factor. Very high German language skills requirements and apprenticeship training for investment are key barriers: employers who hire many of their previous apprentices as skilled workers seem to fear that these young people do not plan to stay in Germany for a longer period.

the likelihood of each applicant to be invited to their firm for the follow-up selection stage, usually a job interview or an employment test.

A number of fictitious applicants had Spanish origins. Some came from Spain and wanted to move to Germany. Others were second- or third-generation immigrants from Spain who were born and raised in Germany. The experiment did aim at detecting ethnic discrimination; hence all applicants were given Spanish origins. Rather, by comparing employers' assessment of different types of applicants, we wanted to determine the role of migration status – newcomers versus immigrant descendants – and related factors such as language skills and the likelihood of staying in Germany.

The prospective apprentices differed by sex and by educational attainment. In addition, we introduced different levels of German language skills among the group of potential newcomers. Furthermore, we varied whether applicants obtain financial support and their possibilities to become socially integrated through relatives living in town. These factors were varied in order to identify potential concerns among employers regarding these aspects.

Previous studies have often found insufficient proficiency in the local language to be one of the main reasons why migrants face inferior labor market opportunities. That is why we differentiated three different levels of German language skills among the newcomers: (1) basic proficiency obtained through taking German classes in high school, (2) intermediate proficiency obtained through taking German classes in high school plus an intensive language course, and (3) fluency in German resulting from having attended a German school in Spain. The third applicant type just like the applicant who was born and raised in Germany, has excellent German skills and a German school-leaving certificate. Our research design thus allows us to keep migration status (newcomers versus immigrant descendants) distinct from German language skills – an endeavor that would hardly be possible using conventional individual surveys. Furthermore, it allows us to consider research findings showing that a foreign educational certificate can be a barrier on the labor market. We build on that research by examining which proficiency levels are expected by employers and what other barriers aside from foreign educational credentials might emerge on the employer side.

One of our assumptions was that employers' training strategy might be a crucial factor. In Germany, employers offer apprenticeship schemes for different reasons. Some may pursue the goal of investing in their firm's future skilled labor force and hiring as many of their successful trainees as possible once they have completed the program ("investment strategy"). For others, it may be more important to use their apprentices as a substitute for qualified workers, involving them in the firm's daily production and work processes even as they are being trained ("production strategy"). These employers are much less likely to hire their apprentices as regular employees after apprenticeship completion; instead, they tend to replace them with new apprentices. In reality, employers' actual training strategies fall somewhere between these two poles.

Our analyses show that employers clearly look differently at applicants with Spanish roots who were born and raised in Germany and applicants coming directly from Spain: Applicants who grew up in Germany received higher employer ratings than newcomers. In other words, employers believe that applicants with Spanish roots who were born in Germany are more likely to be invited to the follow-up selection stage. Even when compared to Spanish newcomers with excellent German language skills (resulting from having attended a German school abroad), second- or third-generation immigrants were rated 0.5 points higher on average on the 10-point rating scale. Weaker proficiency in German increases that difference: Newcomers with German skills acquired in high school and through an additional intensive course are rated 1.7 points lower on average than applicants born in Germany; newcomers with only basic German proficiency are even rated 2.2 points lower on average.

Behind these average scores, we find further interesting differences with regard to the vignette persons' sex and educational attainment and with regard to



Heike Solga is director of the WZB research unit Skill Formation and Labor Markets and a professor of sociology at Freie Universität Berlin with a concentration on labor, labor markets and employment.

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heike.solga@wzb.eu

employers' training strategy. Applicants with an intermediate secondary school-leaving certificate are the main target group of German employers offering apprenticeships; these applicants also receive the highest ratings. Foreign (and domestic) prospective apprentices with higher education levels (such as a university entrance diploma or a bachelor's degree) do not have any advantage because of this. This also means that disadvantages resulting from lower German language skills cannot be compensated by higher educational attainment. Employers pursuing an investment strategy (i.e., those that hire a large share of their apprentices as regular employees once the training is completed) prefer applications from Germany even if newcomers are fluent in German and have obtained a German school-leaving certificate at a German school in Spain. A different picture emerges for employers that hire only a few of their former apprentices: Here, we find no difference in the likelihood of being invited to a follow-up selection stage between immigrant descendants and newcomers with excellent German skills. Employers pursuing an investment strategy seem to fear that young Spaniards might return to their home country after completing their apprenticeship in Germany – a less relevant concern for employers motivated by a production strategy.

Moreover, we find that young women are less likely to be invited to the follow-up selection stage than young men – regardless of migration status and employers' training strategy. Further research is necessary to investigate what causes this difference. However, employers' preference for male applicants does not seem to stem from prejudice regarding women's lower labor market commitment. If that were the case, we should find differences by training strategy. The gender differences should be larger for investment-strategy employers than for production-strategy employers.

What are the implications of our findings? Social and labor market policies to promote transnational mobility attempt to improve the situation of young people in crisis-ridden EU countries by investing in their (vocational) education. These policies are also potential means of addressing skills shortages in Germany. However, what at first glance appears to be a win-win situation (from the employer point of view as well), when examined more closely, turns out to be an endeavor involving many barriers. Aside from employers' high expectations regarding foreign applicants' German language skills, a firm's training strategy may also stand in the way of success. Employers who want to make long-term investments in their own skilled workforce by participating in the dual apprenticeship system tend to have reservations about applications from other European countries.

More generally, our findings suggest that the integration of young EU citizens strongly depends on whether employers assume that these young people plan to stay in Germany long term. Furthermore, employers' high expectations regarding German language skills are a major barrier – even persons who took German classes in high school and completed an additional intensive course face lower chances to be invited for a job interview or employment test. In this respect, it seems we need a discussion about the level of German that is really necessary to start a vocational training program. Furthermore, policy makers should look more deeply into ways of supporting the acquisition of German language skills during apprenticeships or employment.

Reference

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Paula Protsch is a research fellow of the research unit Skill Formation and Labor Markets and manager of the project "Matching Young People to Apprenticeships in Challenging Times - Employers' Recruitment and Selection Practices in the German Apprenticeship Market." [Photo: David Ausserhofer]

paula.protsch@wzb.eu