

## Lifelong learning and skills development: a review of trends and policies with a particular focus on gender and age

### Germany

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### 1. Participation in lifelong learning

Following the report on continuing vocational training (*Berichtssystem Weiterbildung – BSW 2006*) the participation rate in adult vocational training declined until 2003<sup>1</sup>. The participation rate in continuing vocational training was 26 % in 2003 compared to 29 % in 2000 and 30 % in 1997 (Table 1). This corresponds to a decrease of approximately 1.4 million participants. For 2006 the special survey undertaken by the Eurobarometer observed a participation rate of 23 % for 2006 (*European Commission 2006*). The researchers explain this decline with the savings policy of the public sector and the increased cost pressure of firms.

Employees and self-employed, therefore, were more affected than unemployed. Their participation rates decreased by 6 percentage points, while unemployed saw a reduction of 1 percentage point. Participation rates decreased in all occupational groups, except civil servants.

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<sup>1</sup> Three major sources can be used to scrutinize trends in training of adults:

- The report system on continuing vocational training (*Berichtssystem Weiterbildung IX – BSW*) which is the main statistical source on adult training of the German population. It covers general education and vocational training and provides representative data on participation rates comparable over time. The statistics use a broad approach including training participation for private purposes. By further education or training the BSW does not only mean conventional education in terms of seminars and training courses but also informal learning processes through self-learning. Due to long publication lags, data for 2003 are the most recent figures available. The figures might be negatively biased by the unfavourable demand situation on the German labour market at that time.
- The statistics of the Federal Labour Office (*Bundesagentur für Arbeit*) on training measures for unemployed. This source focuses on active labour market policy (*Bundesagentur für Arbeit 2007*).
- Another important source is the annual Report on Vocational Education and Training (*Berufsbildungsbericht*), published by the Federal Government. This report provides a comprehensive overview on vocational training in Germany, the presentation of policy measures and the official political assessment of training developments (*Bundesministerium für Bildung und Forschung 2007a*).

Continuing vocational training is positively correlated with educational level. Almost half of the professional and managing white-collar workers participated in 2003, compared to 13 % of unskilled blue-collar workers. Among civil servants, the participation rate was 59 %. Participation declined for all status groups, except professional civil servants. Even self-employed workers retreated from continuing vocational training.

People of the age group 35 to 49 participated most and people of the age group 50-64 least in continuing vocational training. Men participated more often than women, but the difference in participation rates decreased from 2000 to 2003.

Not only the number of participants declined, but also the average time spent on further vocational training: in 2000 the average participant spent 124 hours on further training – in 2003 it was only 99 hours. As a result, the German volume of hours spent on continuing vocational training decreased by 25 % to 1.24 billion hours.

**Table 1** Participation in continuing vocational training  
Germany  
(% of labour force group)

	1997	2000	2003
<b>Total</b>	<b>30</b>	<b>29</b>	<b>26</b>
Persons employed	42	40	34
Unemployed	12	9	8
<b>Occupational group</b>			
Unskilled and semi-skilled blue-collar workers	17	15	13
Skilled blue-collar workers	35	30	25
Unskilled and semi-skilled white-collar workers	30	27	20
Skilled white-collar workers	49	50	45
Executive employees	56	52	47
Civil servants with lower, middle and upper grades	62	63	59
Civil servants with higher grades	54	56	59
Self-employed	40	43	34
<b>Age</b>			
19-34	33	31	29
35-49	36	36	31
50-64	20	18	17
<b>Gender</b>			
Male	35	34	28
Female	26	23	24
<b>Training hours per year</b>			
Total number of hours (billion)	1.95	1.66	1.24
Average number of hours		124	99

Source: Berichtssystem Weiterbildung 2006

Regarding the unemployed the report on vocational education and training (*Berufsbildungsbericht 2007*) accounts 118.762 participants in vocational training for 2006. These were 2.6 % of the unemployed. Compared to 2003 this corresponds to a decrease by 54 %, but an increase of 4 % against the very low level in 2005.

For the period 2003 to 2006, the effects of the Hartz Reform have to be considered. These were associated with the reorganization of continuing training measures which caused a strong temporary decline. The Federal Labour Office (*Bundesagentur für Arbeit - BA*) attributes the increase since 2005 to the shortening of the number of measures and a stronger orientation towards labour market integration.

17.6 % of participants were younger than 25, 8.4 % were 50 and older. While this represents a double share compared to 2005, older workers are still strongly underrepresented in training measures. 20.5 % of the participants were long-term unemployed. The share of women was 48.5 %. Seven percent of the entrants into training measures took courses leading to certified training qualification. This corresponds to an increase of 8.5 % compared to 2005.

Overall, around 39 billion EURO is spent annually on continuing vocational training. This expenditure is almost equally shared between individuals, companies and governments (BIBB 2007a). Employers are still the biggest group offering continuing vocational training in Germany. One third of all participants are passing courses provided by employers. The other attended courses of adult education centres (*Volkshochschule*) and private institutions (14% and 11%). Commercial and crafts chambers provided continuing vocational training to only 5 % of all participants.

This means that continuing vocational training in Germany is employer-oriented. Training courses are short, participation concentrates on well-trained persons, and courses are focusing on company rather than labour market needs. This is not what a broad flexicurity concept requires. In contrast, actual continuing training promotes company-specific knowledge, does not provide generally accepted certificates, and is not conducive to external flexibility of the labour force.

## 2. Obstacles to lifelong learning

Continuing vocational training in Germany is strongly selective. Individuals, companies and governments developed training strategies which were adjusted to the labour market constitution of past decades rather than the decades ahead:

- Individual workers – expecting lifelong jobs – concentrated on in-house careers rather than job hopping. And those without promising career perspectives – like the low-skilled or older workers – did not participate in training adequately.
- German companies focused continuing vocational training on highly skilled workers like professionals and managers, and preferred short-term adjustment-oriented training, rather than the support of labour market oriented skills. Company training is governed by return on investment strategies and not the prevention of social costs.
- The Federal and Länder Governments stuck to the German (dual and non-dual) vocational training systems which concentrate on initial training rather than the extension of initial training through lifelong learning. No comprehensive system of continuing vocational training was developed yet.

With these orientations among actors, the critical assessment given by the Federal Institute for Vocational Training (BIBB) appears not as a surprise: “Vocational training in Germany performs significantly worse than in other European countries as e.g. in Scandinavia, France or the Netherlands.” (BIBB 2007c). Until recently, Germany relied on its dual system as a major pillar of vocational training. In a world of rapid technological and economic change, however, this appears as inflexible and unable to match the skills needs of companies. The major question, therefore, is how to manage the switch from the prevailing youth teaching approach to a learning society.

The message of lifelong learning has reached individuals, companies, and governments. This is reflected in survey results which indicate that the majority of workers are convinced that continuous vocational training improves job opportunities (BIBB 2007c). Lifelong learning is also seen as being important by more than half of the companies. And governments do not miss the opportunities to underline the necessity of continuing training. Actions, however, are different: workers hesitate to participate in training due to high opportunity costs, companies did not develop professional continuing training concepts

as in other EU countries, and governments cut education and training budgets. As a result, participation in adult training decreased in Germany instead of being extended.

The switch to a learning society is hampered by a complicated federal system of competences and financial burden sharing. While general education and university training is the responsibility of the Länder, dual training is run by the Federal Government. Continuing training is not yet defined as a governmental task and therefore remains a private responsibility with little public support. Without a substantial governmental effort – both institutionally and financially – lifelong learning will not develop to a state comparable to other European countries.

### 3. Impact of training

While former evaluation evidence for unemployed was very critical about the effects of training measures, newer investigations for the last ten years confirm a positive impact on job placements. The reorganisation of training measures of the Federal Labour Agency which happened already before the Hartz Reform showed positive results, and the Hartz Reform supported these improvements (*Lechner et al. 2005, IZA 2006, and others*)<sup>2</sup>.

The IZA study came to the result, that public training measures raised the employment probability of former unemployed participants by five percentage points (*Schneider, Uhlendorf 2006*). Positive effects can be discerned 22 months after the start of the training measure. It is stronger for men than for women. The Hartz Reform seems to strengthen the positive effects and shorten the lock-in periods, even if evaluation results are still preliminary.

A surprising result of the evaluation studies is the neutral effect of training measures on unemployment – in spite of the positive employment effect. The conflict of arguments is explained by the observation that training measures keep workers in the labour market while those without support would have left to non-employment. Training measures were obviously able to raise the chance for a new job but did not reduce the risk of unemployment.

### 4. National strategies and measures

A series of measures have been developed in Germany to promote lifelong learning through financial support, develop new learning methods (e-learning), create learning regions, and improve the transparency on training markets. A selection of important measures will be briefly presented in this Section:

#### *Training vouchers (Bildungsgutschein)*

The Federal Labour Agency supports continuing training of more than 12 weeks for unemployed through training vouchers which allow choosing between different approved training courses and training providers. Thus unemployed have the responsibility in selecting an appropriate continuing training course. The approval of training courses and training providers is carried out by the Federal Labour Agency on the basis of institutional quality standards. The aided person has to convert the voucher within 3 months.

The government expected to enhance efficiency and quality of continuing training through this instrument. Competition would be strengthened among training providers by quality

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<sup>2</sup> In more recent publications Lechner et al. (2007) developed a sceptical view on public training measures, criticising the ineffectiveness of training. The issues raised, however, are related to methodological arguments rather than the interpretation of empirical evidence.

search of potential participants. The evaluation by the Federal Institute for Vocational Training (*BIBB 2006*) concluded that the efforts of training providers to attract participants increased. Quality management of courses enhanced and training became much more systematic. However, training providers complained that their effort also increased because of the advanced consulting and information demand of the participants.

The instrument was introduced in a phase of severe restructuring of publicly supported continuing training. Participation in continuing vocational training decreased from 453.000 to 132.000 between 2002 and 2005, putting a number of training providers at risk. The share of older, long-term unemployed or illiterate participants decreased and short training measures increased. Nevertheless, the BIBB evaluation comes to a positive result.

### *Saving for continuing training (Weiterbildungssparen)*

The promotion of savings for continuing training will be introduced in 2008 in order to improve the financing of training costs. Currently further training costs are deductible from income tax, which means that low-income earners do not gain from this regulation. The model which the government agreed upon avoids this effect through direct financial support:

- *Premium on further training*: the state will cover 50 % of participation costs up to a total of €154 if a person earns less than €17.900 (single) or €35.800 (married).
- *Completion of the Capital Accumulation Act (Vermögensbildungsgesetz)*: non-penalised withdrawals from tax-preferenced savings are allowed for training purposes before the expiry of the retention period. In this way participants can revert to liquidity without losing state allowance.
- *Loan on further education*: without credit check there will be a loan available for every participant with interest rates similar to those of study credits (5.95% p.a.).

The government believes that especially the premium on further education is suitable for winning young people to study further. However, because the premium amount is limited, the premium will only enable short further training measures.

### *E-Learning*

The quality of the e-learning courses improved in recent years: the design of computer-based training (CBT) and courses became much more pedagogical and more web-based training (WBT) is supported by e-tutors. Topics related to computing are by far the most prevalent in e-learning, followed by business science, law and administration.

In order to increase the effectiveness of e-learning, the government decided to support research, development and testing processes through the program New Media in Education (*Neue Medien in der Bildung, BMBF 2007b*). By this program the government seeks to increase participation in further training, support groups with special educational needs, and provide education in regions lacking training infrastructure and link further training and work. Participating private firms receive up to 50 % of their project costs, academic institutions up to 100 %.

There were a series of successful projects undertaken until 2004:

- *Working process oriented training for the IT sector (APO-IT: Arbeitsprozessorientierte Weiterbildung für die IT-Branche)*: a consolidation of more than 300 courses to 35 certified training profiles.
- *Teachware on demand and the development of e-learning methods*: programming instruments which allow creating multi-media courses, modular training, tutorial courses, and electronic exams.
- *Sector-specific training modules*: e-learning instruments for the automotive industry, training of mechatronic specialists, construction industry, textiles industry, medical sector, etc.
- *E-learning for master courses in the crafts sectors*.
- *Creation of databanks on continuing training in order to improve the transparency on training markets*.

### *Educational guidance*

The Federal Institute for Vocational Training developed a database called ELDOC ([www.eldoc.info](http://www.eldoc.info)), which supports people interested in e-learning to find adequate offers. The database provides information about the quality of further education offers based on the internet, their providers, the duration of courses, costs, time and effort, education requirements, certificates etc. In this way interested people can easily compare the offers and find the best fitting courses. The database is increasingly used, which shows its effectiveness: currently there are 103 training providers and over 850 courses offered. At least 25 additional databanks were established according to the German product testing foundation (*Stiftung-Warentest*). The chambers of industry and commerce (IHK) and the chambers of trade (HWK) offer a comprehensive information and guidance services regarding vocational training.

### *Training act for career promotion (Aufstiegsfortbildungsförderungsgesetz - AFBG)*

The law assures the individual legal claim on government aid when attaining further education measures, which lead to occupational advancement, for instance master classes in crafts business or other approved occupations. In the period 2007 to 2010 the government plans to spend 615 million EURO within the AFBG. In 2005 141.000 persons were supported. Nearly 80 % of the persons were aged between 20 and 35. Thus the AFBG was successful in motivating young people to continue training. Similar programmes are run under the title of training for the talented („*Begabtenförderung berufliche Weiterbildung*“).

### *Learning regions*

The Federal Ministry for Education and Research promotes the creation of regional networks for innovative and integrated lifelong learning services. The program has a volume of 118 million EURO for the 2001 to 2007 period – 51 million EURO from ESF sources. 70 regions are supported to improve training consulting, self-learning approaches, and transitional adjustments through training.

### *Collective agreements*

In a series of sectors, social partners agreed on training measures for employees. This includes the right to participate in training and financial support. However, only a small share of companies is covered by such agreements, and participation appears to be low.

## 5. Conclusions

There is great awareness in Germany about the needs for lifelong learning. The development of the knowledge society is one of the key elements of the German National Reform Program. The Deutsche Bundestag decided on a declaration on lifelong learning, demanding for more support and involvement of all actors (*Deutscher Bundestag 2005*). The majority of workers and companies see lifelong learning as important investment into competitiveness and job prospects.

Reality however is different. Companies retreated from continuing vocational training, workers hesitated to leave their jobs for labour market oriented courses, and public institutions like the Federal Labour Agency cut training measures for unemployed by more than 50 %. Germany still sticks to a system of initial vocational training rather than lifelong learning. As a result, participation in continuing vocational training decreased over the last ten years.

Until now, the efforts to develop the knowledge society were based on a multitude of programs and initiatives. A principal approach towards a lifelong learning system which complements general education and vocational training, however, is not yet visible. Continuing vocational training in Germany still is employer-oriented. Training courses are short, participation concentrates on well-trained persons, and courses are focusing on company rather than labour market needs. This is not what a broad flexicurity concept requires. In

contrast, actual continuing training promotes company-specific knowledge, does not provide generally accepted certificates, and is not conducive to external flexibility of the labour force.

Moreover, German training policies appear to be caught in a net of conflicting competence levels at the Federal and Länder level, social partners and training providers. Action is governed by a multitude of political concerns, financial concerns in particular. Neither principal reforms nor the extension of financial resources can obviously be achieved by this network.

As it is quite clear that employers cannot be motivated to finance labour market oriented training measures, and workers are faced with high opportunity costs of training, Germany needs a public system of continuing vocational training. This should include

- public support for training periods outside firms;
- a modular system of continuing vocational training providing credit points for specific training courses;
- the opening of universities for continuing training providing certificates on knowledge updates in different subjects.

Of course such a system will need financial resources. In addition, a reform of vocational training is needed which integrates life-long learning as a third pillar of the German education and training system rather than using it as a supplement to initial training. Vocational schools, colleges and universities will have to develop adequate training courses and methods to meet the training needs of adults.

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