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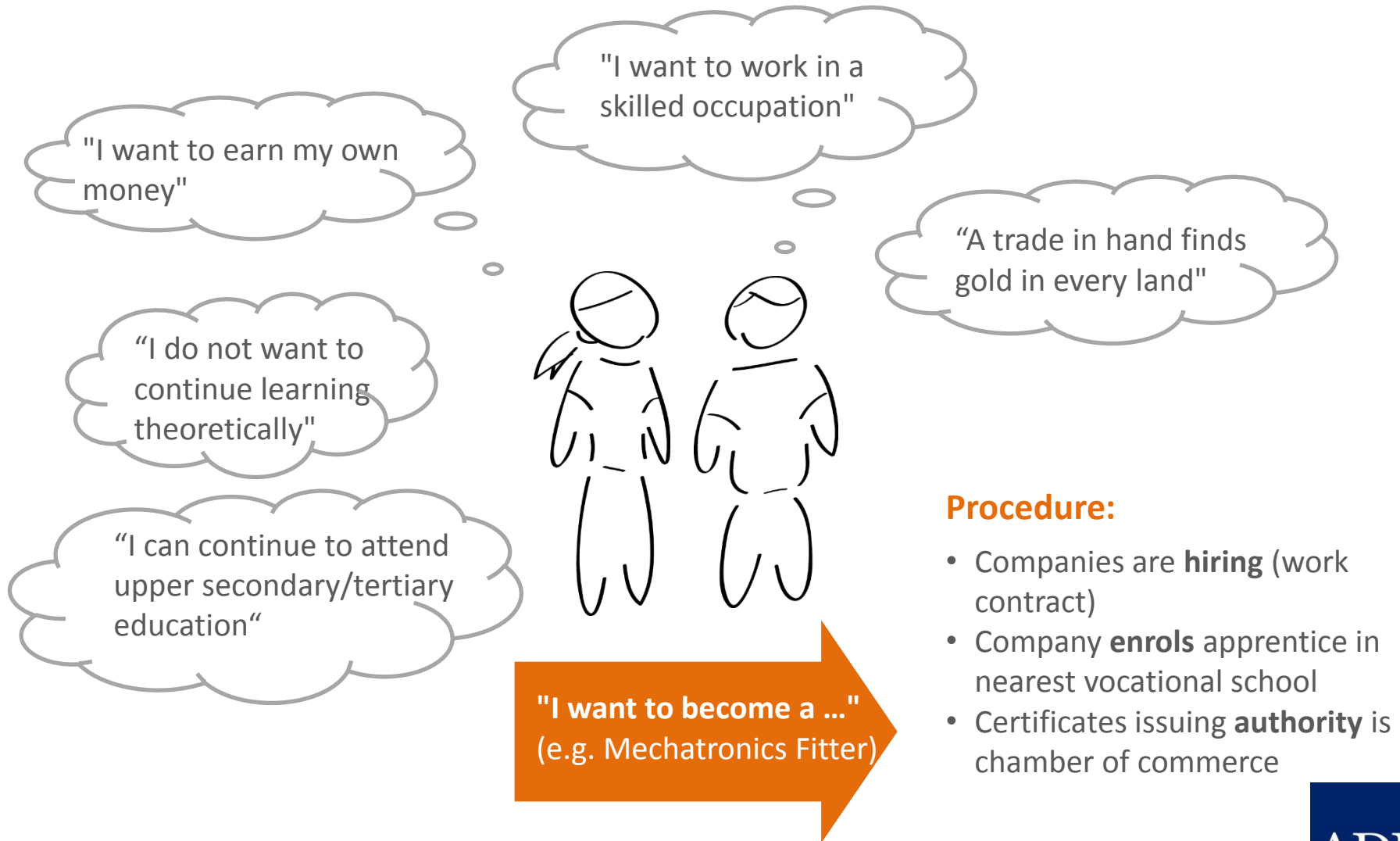
A goldfish is captured mid-jump, leaping from a smaller, partially filled fishbowl on the left towards a larger, mostly empty fishbowl on the right. The background is a clear blue sky with light clouds. The larger fishbowl contains the main title text.

On the (un)successfulness of dual education

20 January 2017
SAHS Human
Development Matters and
Education SG
Fabian Mayr,
CWSS

Part I: Why to vocationalize?

Why dual TVET (in GER speaking countries)?



Socioeconomic responsibility for NEETs

(Youth not in employment, education or training)

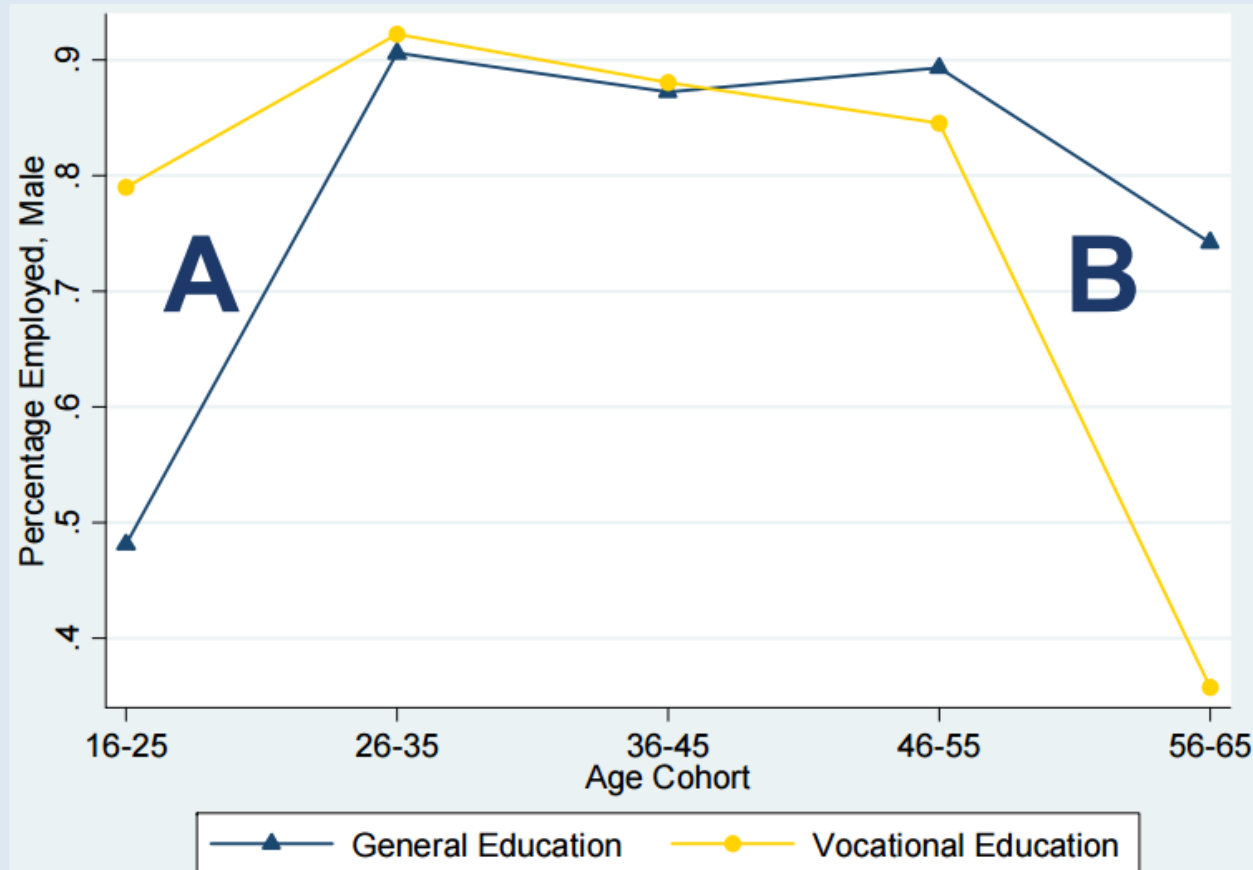
- From social perspective: implications on well-being and social cohesion
- From economic perspective: un- and underemployed workforce; if applies: welfare payments
- TVET graduates not entering the labor market
- High opportunity and sunk cost (social protection etc.) for NEET make TVET additionally attractive

(Besides hard economic facts of skilling and skills matching)

TVET... a mixed blessing?

General vs. Vocational Education over the Life Cycle

Employment probabilities by age and education type:

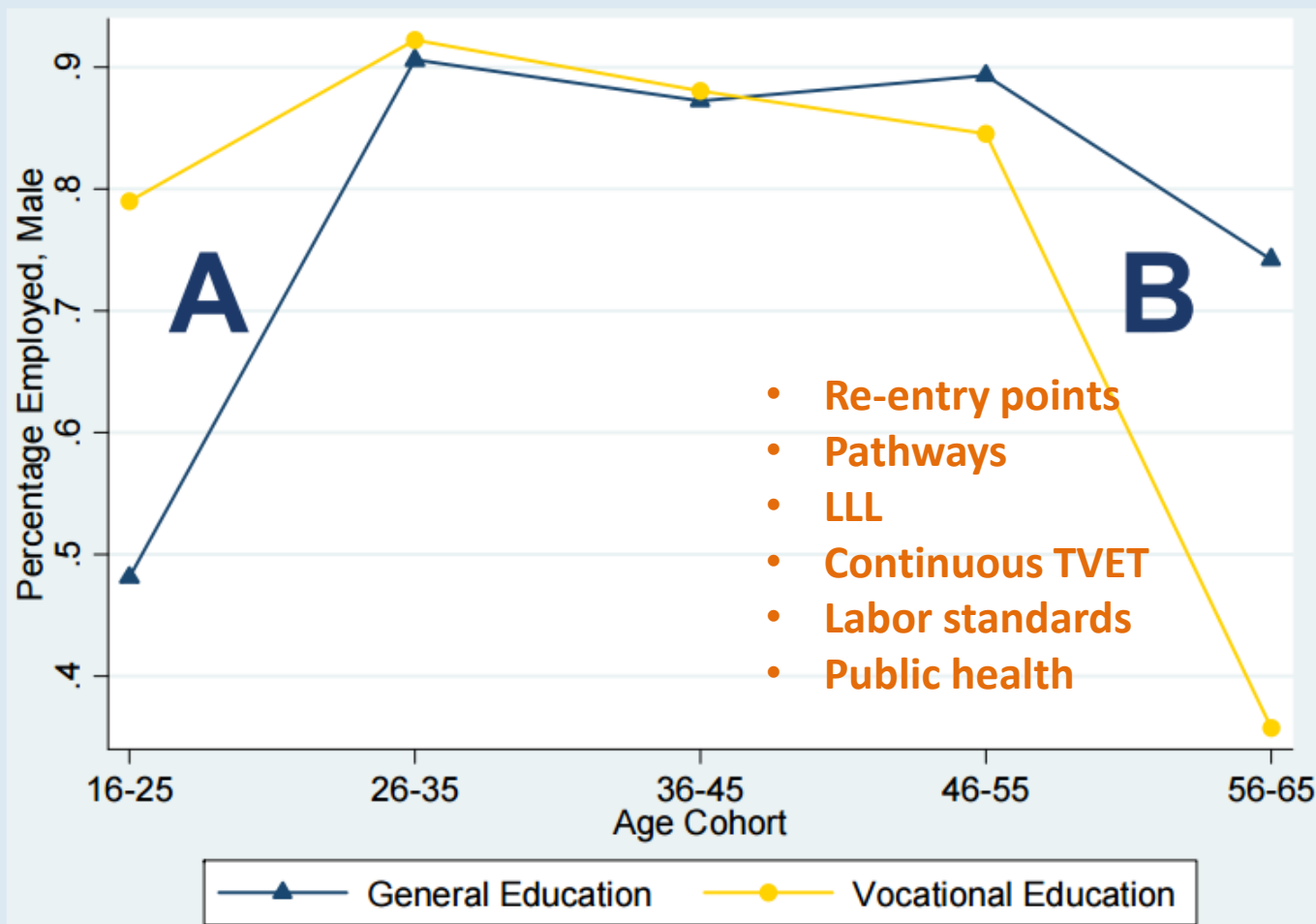


IALS data for "apprenticeship" countries. Source: Hanushek, Woessmann and Zhang (NBER 2011).

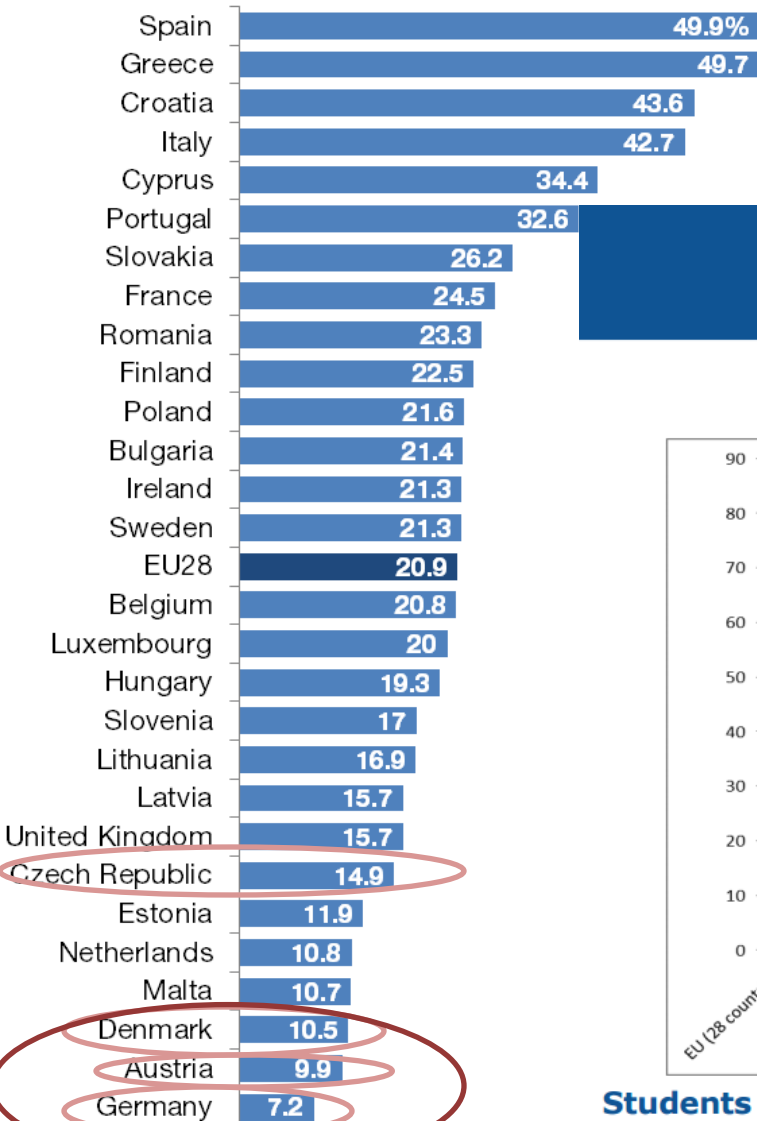
How to smoothen the B side?

General vs. Vocational Education over the Life Cycle

Employment probabilities by age and education type:



Youth unemployment rate in the European Union, March 2015, %

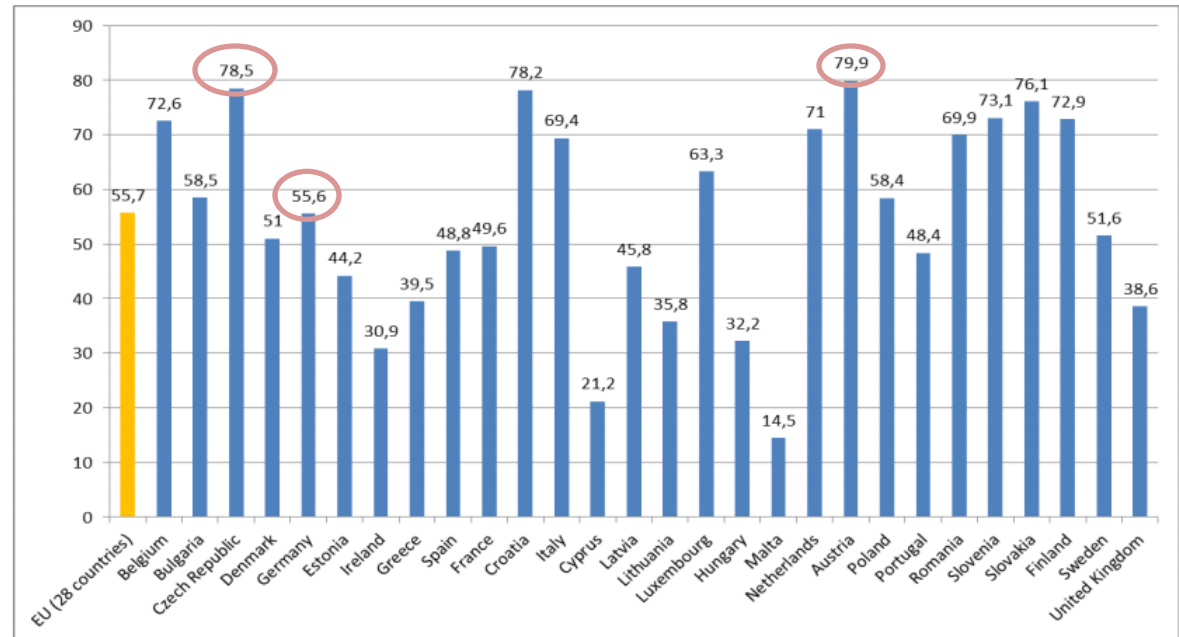


Observations and seeming correlations:

- Generally higher participation in TVET
- Countries with higher TVET participation levels can have lower youth unemployment
- Countries with dual education outperform others
- TVET to increase employability – to increase employment: **entanglement with economic policy**



Participation levels in VET

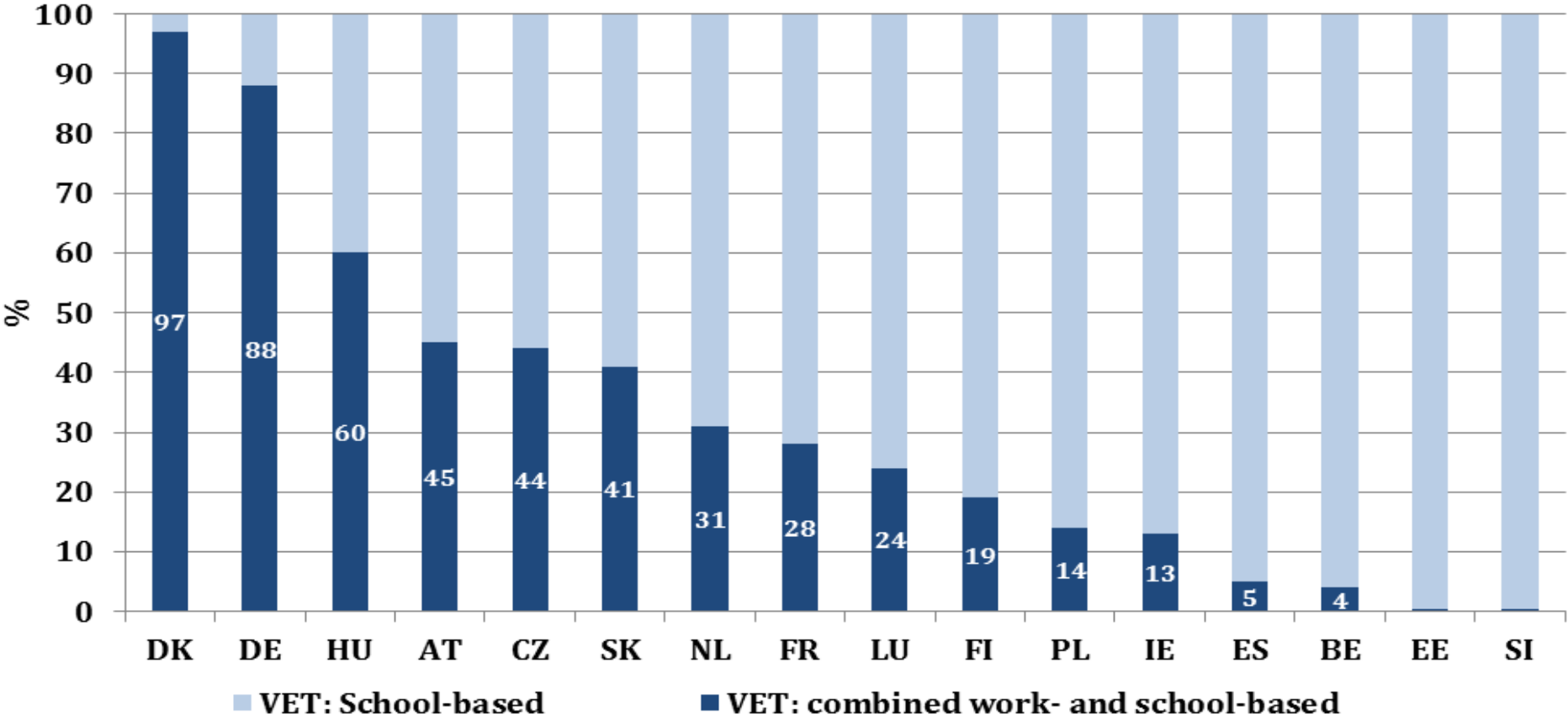


Students enrolled in vocational upper secondary education, 2012, as a % of all students enrolled in upper secondary education (ISCED level 3)

Work-based learning (WBL) and youth unemployment

Share of students in ISCED 3 level programmes including at least 25 % of work-based learning	Youth unemployment rate		
	Below 15 %	15-25 %	Above 25 %
More than 30 % participation	DK, DE, AT	CZ	
Between 6 and 30 %	NL	FI, LU, FR, UK	SK, HU
Less than 6 %		BE, SI, SE	EL, PL, IE, PT, ES, IT, EE

Source: Eurostat



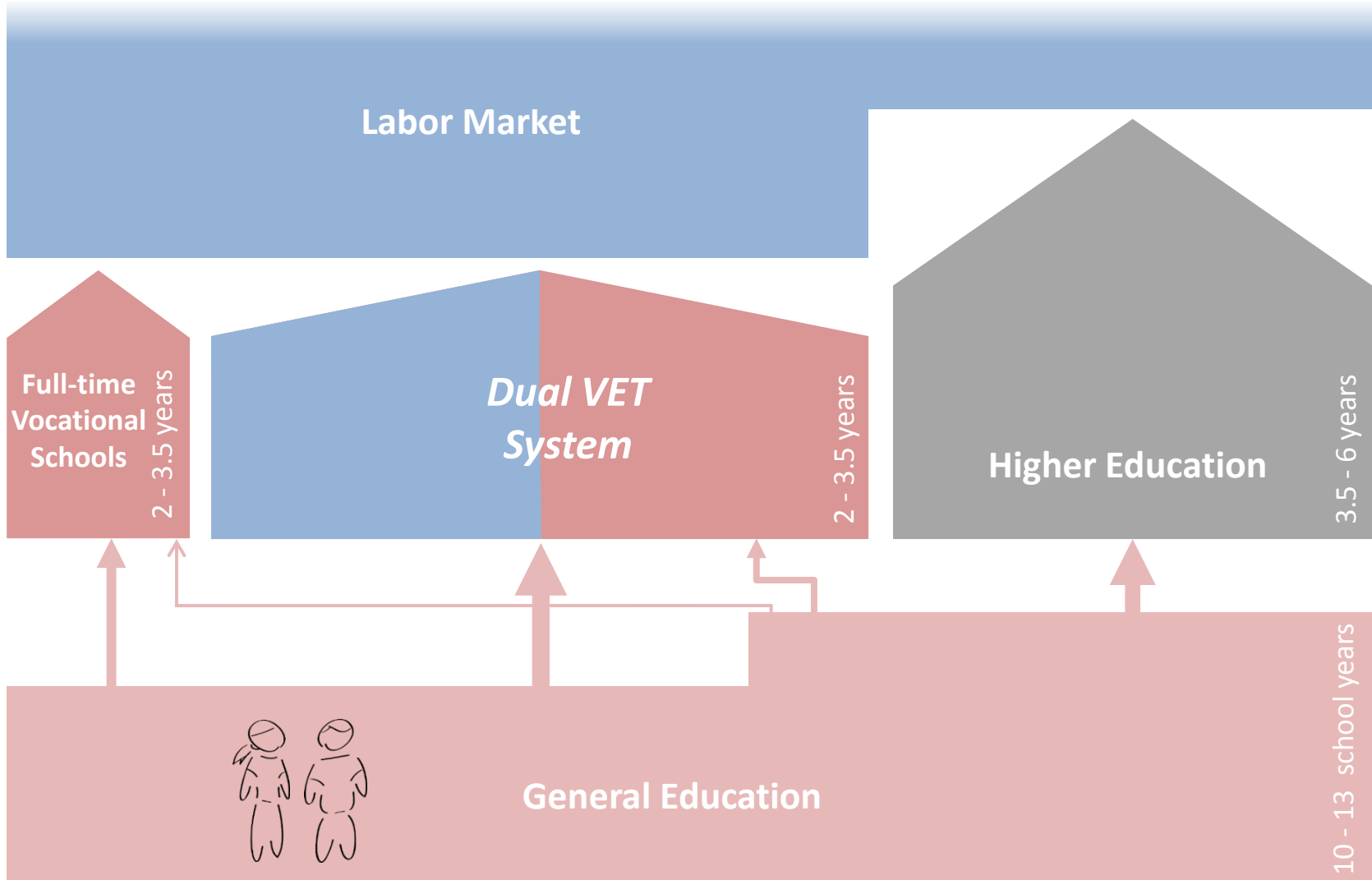
Source: Eurostat

Proportion of VET students enrolled in combined work- and school-based VET, as a % of all students in upper secondary VET (2010)



Part II: What is dual education and how transferable is it?

Dual TVET: a common path to work

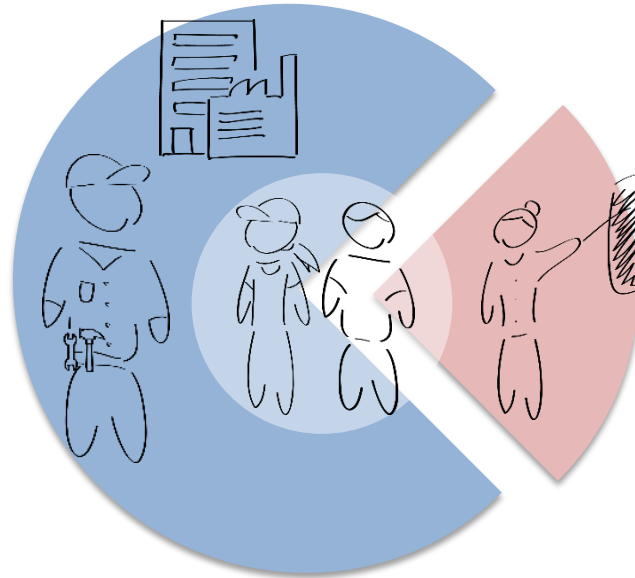


WBL in focus in Dual TVET

70 % of TVET
in company

In-company training

- Company provides systematic training under real-life working conditions (in-company trainer, up-to-date equipment, etc.)



30 % of TVET
in vocational school

Vocational school education

- Local government finances public vocational schools (facilities, teachers, etc.)
- Vocational schools offer lessons in professional (2/3) and general education (1/3) subjects, free of charge

Approx. duration of Dual TVET: 2 – 3.5 years

Dual TVET performance (e.g. GER)

Apprentices



- On average **55.7 %** of the population enter Dual TVET, **44.2 %** graduate from Dual TVET
- **1.4 m trainees** in **327** recognised training occupations
- **5.4 %** of all employees are trainees
- **High employment security** (95 % *Dual VET* graduates employed)
- **43.8 %** of *Dual TVET* graduates continue working in same occupational field
- Receive **average training allowance** of about 795 € per month as trainee

Employers



- **438,000** of **2.1 m companies** train (**20.7 %**), most of which are medium-size and large companies
- Train more than **500,000** new trainees every year
- Hire **66 %** of *Dual TVET* trainees as employees after training
- Employers invest on average **18,000 € per apprentice per year** (62 % of which is training allowance)
- **76 % of investment is refinanced** by productive contributions of trainees during training period

Government



- Shares expenses for TVET system **with employers**
- **Public expenditure for Dual TVET: 5.4 bn €**
- 2.9 bn € for 1,600 public vocational schools providing part-time TVET
- 2.5 bn € for steering, monitoring and further supporting measures
- **EUR 7.7 bn € contribution by employers**

Contributes to

National Economy / Society

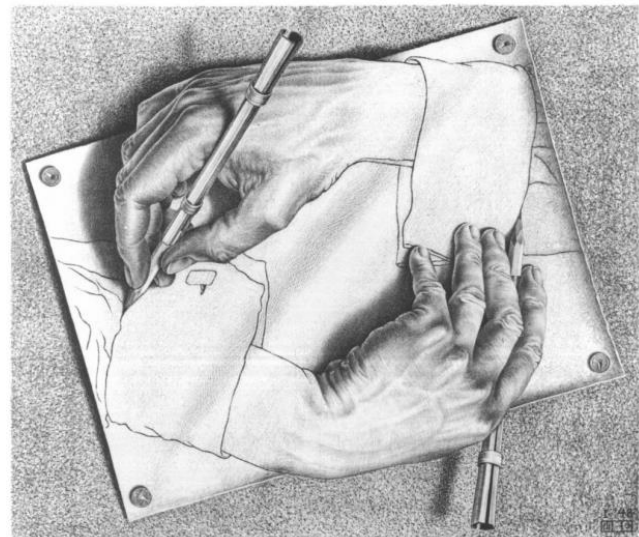
- Strong **SME competitiveness** on international markets
- Relatively **low youth unemployment** in Germany (7.1 %)

Sources:
BIBB Data Report (2015),
Federal Statistical Office



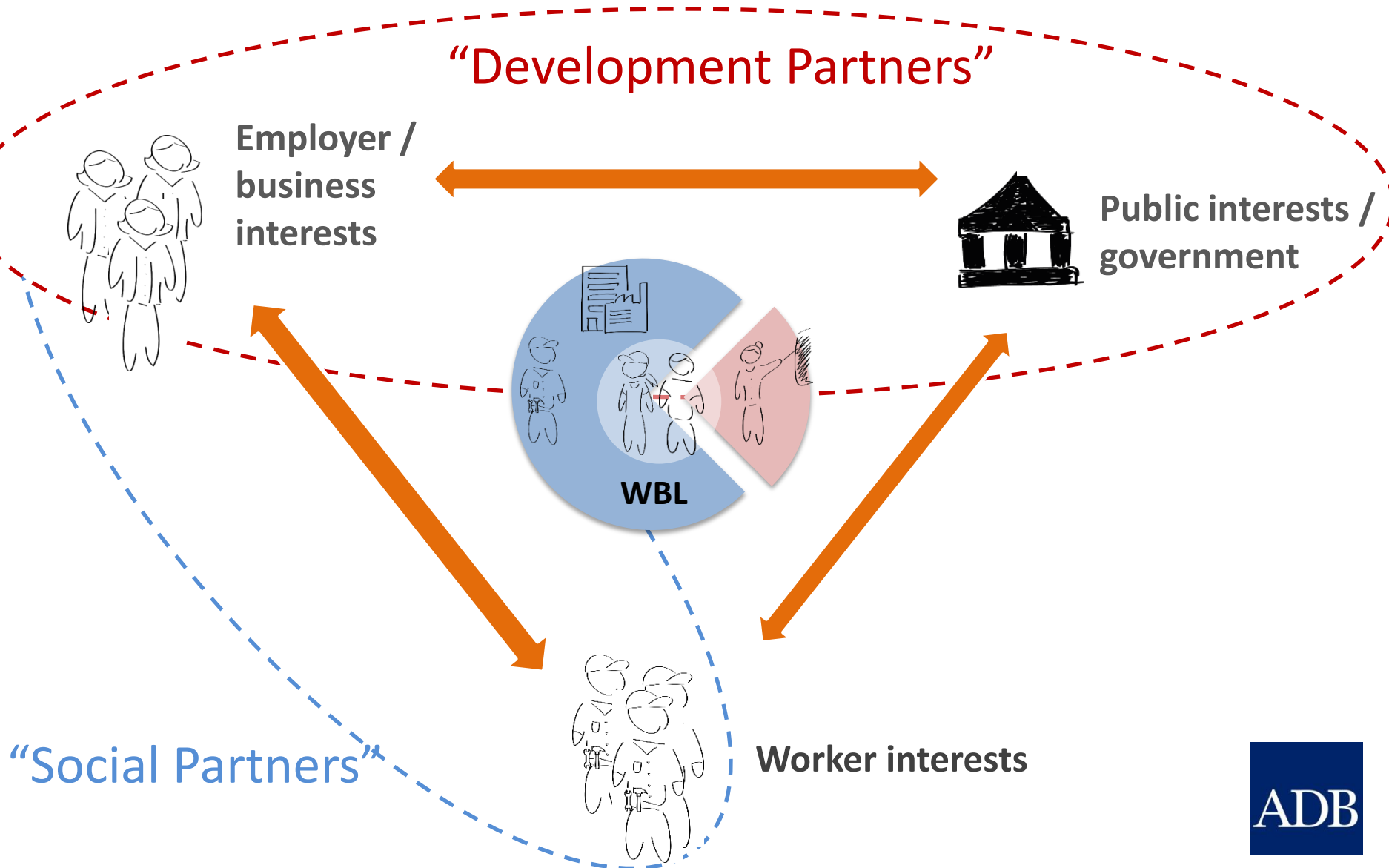
The need for a **culture** of social partnership

- Established over **centuries** rather than decades or years.
- **Industry driven** by chambers. (chambers, unions, and government are strongly linked)
- **Full use of apprentices** rather than need to teach
- **‘Universal TVET truths’** apply also to GER speaking TVET systems (outdated, quality of teaching, reputation, etc.) => ‘Fair enough TVET is good enough’?



Part III: Implications for ADB operations

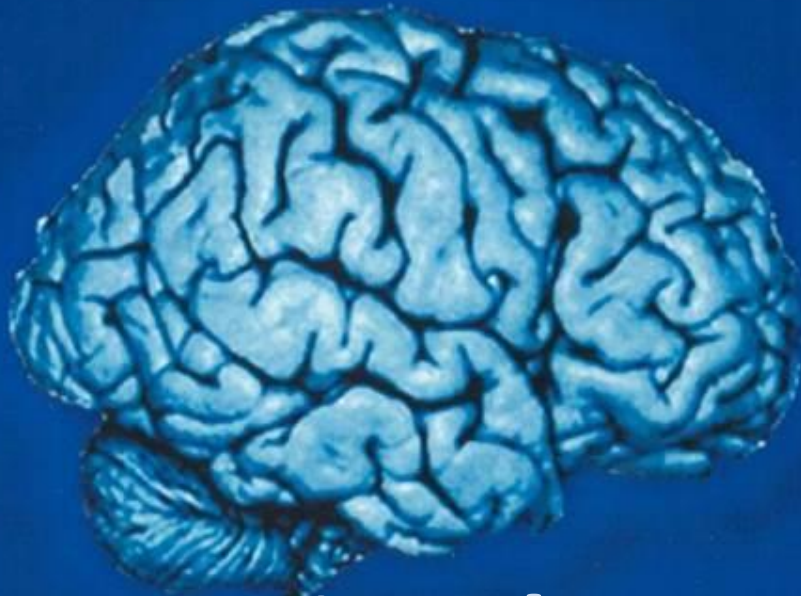
Why dual TVET is less successful in DMCs?



Implications for ADB's policy dialogue

- S(t)imulate social partnership through Sector Skills Councils or similar with strong workers' representation (Social Dialogue)
- Continued gradual introduction of elements of dual education in DMCs (WBL to improve under-skilled workforce and skills mismatch)
- Long-term campaigns to change image of TVET
- School based entrepreneurship education important to increase employability with appropriate practical method
- Organizational entrepreneurship needed:
 - Small scale production in TVET schools
 - More realistic work conditions for better learning outcomes
 - TVET schools with entrepreneurial spirit and mandate
- Support to curricula reform: 1/3 general, 1/3 practical, 1/3 entrepreneurial
- Holistic picture needed (high social and economic opportunity cost of 'not to TVET')
- TVET + LLL + conducive economic environment = sustainable rise of employment?





Vocational

+

Vocation

Thank you very much!