

Germany: broad alliance formed to limit the damage of the economic downturn on apprenticeships

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The ensemble of social partners active at a national level across the German labour market have joined the 'alliance for apprenticeship and ongoing training', an initiative jointly initiated and presented on Tuesday 26 May by the ministries for employment and economics as well as that for education and research. The aim of the initiative is to consolidate the central dual learning framework that exists in the German education system. Among other measures, apprentices who are forced to cut their training short because their host company goes bankrupt will be granted to legal and financial means to complete their training elsewhere, as well as assistance in finding a placement.

Major concerns about apprenticeships. The severe downturn in the German economy is currently leading to a sharp rise in unemployment (a 308,000 rise in the number of unemployed people in April, taking the rate to 5.8%), which is still being tempered by an unprecedented level of short-time working in the country. Another factor that is still difficult to assess, but which is crucial for maintaining the supply of apprenticeships and ongoing training, is the number of companies going bankrupt. Short-term indicators show a slight decline which, according to experts, is due to the massive financial support provided by the German government amid the health emergency. However, they expect a strong increase in bankruptcies during the second half of the year and the beginning of 2021.

Against such a backdrop, it appears likely that the range of apprenticeships on offer will suffer. With many apprenticeship contracts being signed in July and August, the social partners, the Standing Conference of the Ministers of Education and Cultural Affairs (KMK), the Federal Government and the Federal Employment Agency (BA) have therefore decided to join forces in a major alliance to quickly sound the alarm about apprenticeships and ongoing training. In 2019, 514,000 apprenticeship contracts were signed (down 1.4% compared to 2018). Last December, there were a total of 1.329 million apprentices in Germany (source: Destatis).

Measures proposed within the framework of the alliance. As is to be expected, some of the measures put forward are also part of the economic aid measures presented elsewhere to address the impact of the coronavirus pandemic. That said, the alliance's objectives are first and foremost to preserve the dual learning system in German education as well as the quality of training and to guarantee the level of diplomas. The main measures announced in the joint declaration of the alliance are as follows:

- Financial aid and credits to companies whose operations have been affected by the pandemic (public credits and the economic stabilization fund).
- A specific digital pact for vocational schools and learning centres. The German ministry of education and research has made €500 million available to adapt content for digital technology and to purchase appropriate equipment, especially for less well-off apprentices.
- Reopening of all vocational schools and apprenticeship centres with a guarantee that examinations will be taken by the end of August at the latest.
- Coverage of apprenticeship costs and allowances for apprentices whose training has been interrupted due to a bankruptcy and/or company closure related to the Covid-19 pandemic. The Federal Employment Agency will extend the apprenticeship allowances for the people

concerned for as long as they need to complete their diploma. Social partners also commit to help individuals search for a new company to continue their apprenticeship.

- Ensuring sufficient availability of apprenticeships for 2020/2021. Concrete measures in this respect are still vague. It is hoped that all players in the sector will work more closely together in order to achieve the objective.

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