

# ***Social Dialogue and Its Role in Germany Vocational Education and Training***

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**Abstract:** This paper takes Germany as a case study, examining the role and development of social dialogue in Germany's vocational education system. Considering the extensiveness of the German VET system, the central question is how social dialogue can play its role to promote vocational training and development in various sectors. The paper analyzes the role of social dialogue at the national and company level and concludes that social dialogue actively contributes to the development of VET in Germany and ensures the rights of apprentices and employers in terms of legislation, financial, and qualification levels. In addition, the paper also identifies the social dialogue's responses to challenges faced by VET in Germany, i.e., facility and operational problems due to the rapid development of digital technology and the integration of vocational education into higher education.

**Keywords:** Vocational Education and Training, social dialogue, social partners

## **1. Introduction**

Vocational Education and Training (VET) promotes skill development in a wide variety of vocational sectors through school-based learning and work-based learning. Work-based learning in particular is a long-standing component of the German educational system, and it plays a significant role in most vocational education and training (VET) programs at the secondary and upper secondary education levels [1]. Germany's vocational education level and quality have long been the model of many countries worldwide, with the apprenticeship model being one of the most successful types of vocational education available, as of 2019, nearly half of middle school graduates have chosen the vocational education system, with more than two-thirds of those students choosing apprenticeships [1]. German apprenticeship education can be denoted by a reasonably uncomplicated term: dual system, which was critical in lowering the unemployment rate, developing Germany's industries and economy, and highlights the significance of social dialogue and tripartism in advancing the development of the vocational education system and the role of multilateral negotiations within social partners such as federal government, associations, and employer [2].

This article aims at pointing to the social dialogue's success by showing the German institutional framework for VET and, more specifically, the duty of non-state institutions such as the social partners within that framework. Whereas, this paper points out other particular concerns of social partners regarding the Europeanization of VET, and the challenge of current VET and social partners under the development of higher education. For example, the emergence of digitalization and the low enrollment of VET due to the high development of academic higher education. Given

the bottleneck in the development of the vocational education system and social dialogue, this article examines existing reform possibilities, including a dual-study program and another possible option, namely the merging of artificial intelligence with education.

## 2. Literature Review

In his study [2,3], Jonathan explores the role of social partners in the formulation of VET programs in 13 European Union states. His research shows that social partners play a significant role in the VET system in Germany in particular. In Germany, social dialogue strategies such as collective bargaining have been demonstrated to be effective. Without a doubt, non-governmental and non-state institutions have a significant impact on apprenticeship and innovation rates [4]. In addition, the role of social partners is also reflected in the integration of non-formal and informal education in the VET system. Non-formal and informal learning has been institutionalized as an integral part of the education and training systems. According to the European Qualifications Framework, it is critical to recognize and award qualifications for non-formal and informal learners to promote lifelong learning goals. All relevant partners of the German Federation and Länder, employers' and employees' organizations, and other expert social partners actively cooperate to ensure that more people have the right to equal learning under the EU Qualifications Framework [5]. German's successful implementation demonstrates the effectiveness of social partners' involvement.

Furthermore, as a system for society, vocational education will inevitably undergo reformation, and the social partners, including employees, *all educational unions* in Germany, and other authorities, will face the challenge of lifelong learning and vocational education sustainability under the context of the United Nations' fourth Sustainable Development Goal and the European Qualifications Framework [4]. The central point of the European Qualifications Framework is the recognition of qualifications and competencies and the emphasis on higher education. Hubert in 2020 points out that the future value of VET has been questioned in recent years because more and more people are choosing to enter general higher education (bachelor's degree and beyond) rather than choosing to enter the vocational education system [6]. With education expanding at a breakneck pace at all levels, Thomas argues that reforming VET will require more outstanding general and higher education integration with vocational education. However, while social partners have been instrumental in developing the vocational education system regarding modernization and reform, conservative social partners have impeded the growth of VET to some extent [4].

## 3. VET and social dialogue framework-the case of Germany

### 3.1. Introduction of VET and social dialogue

Vocational education and training system (VET), which mainly focuses on work-based learning, not only promotes occupational skill development but also helps lower dropout rates, increases workforce and productivity, and plays a critical role in easing the transition from school to the workplace [1]. The VET system includes IVET (initial VET) and CVET (continuing VET). IVET is typically completed in high school and post-secondary before students enter the workforce, and it takes place either in a school setting or in a work setting, such as training centers or enterprises [1,7]. CVET occurs following IVET or upon entry into the workforce, and it is generally work-based [8]. VET at large is successful in that it is primarily built on a dual system (apprenticeship), which also equips individual workers or students with high-quality vocational certificates. Apprenticeships are referred to as dual-system since they occur in at least two settings: the workplace (the company) and the vocational college, where apprentices must be trained in the workplace while attending school [1,4]. Typically, individuals acquire the essential theoretical information and practical skills necessary for their chosen vocation at school. All apprentices are required to sit for a standard final

test and receive a vocational qualification after their apprenticeship [2,3]. These high-quality, employer-issued credentials serve as the apprentices' entry point into the workforce. Vocational education and training systems have been recognized as a collaboration priority for the European Education Area initiative's 2021-2030 time frame. In Europe, VET systems rely on well-developed social partners such as employers, unions, and various authorities such as chambers, committees, and councils [9].

Social partners are essential participants in social dialogue. The International Labor Organization defines social dialogue as "the negotiation, consultation, and exchange of information on economic and social policy issues of common interest [10]." The social dialogue is generally a trilateral process involving government, employer, and employee representatives, or a bilateral meeting between employers and employees. An effectively implemented and solidly structured social dialogue can address key economic and social issues, achieve stable social development and economic prosperity, and play an important role in the formulation, implementation, and execution of any policy.

### 3.2. VET and social partners in Germany

In Germany, vocational education is largely state-regulated, industry-led, and employer-driven [2]. The legislation stipulates actors of social dialogue, specifically, they are federal government and state, association, and employer and employee. Under the Constitutional Law of 1949, the Federation and the Federal States (Länder) share responsibility for education. Specifically, The Federal Ministry of Education and Research (BMBF) is in charge of vocational education and training, whereas each federal states are in charge of elementary and secondary education (general education) [1]. The Vocational Training Promotion Act in 1981 establishes the roles and responsibilities of the state government responsible for formulating VET policy and monitoring and evaluating VET. In addition, the 2005 amendment clarifies the role of The Federal Ministry of Education (BMBF), the Federal Institute for Vocational Education and Training (BIBB), and the Craft and Trade association, in terms of organizing, developing, and supervising vocational education and training [9]. Under certain circumstances, if an occupational sector does not have a specialized chamber of commerce, the specific state government shall authorize corresponding organizations, functioning as social partners to shoulder the responsibilities of monitoring, and evaluating [9]. Moreover, a vocational training commission that is comprised of social partners from different fields (six employer representatives, six employee representatives, and six vocational educators) should be established to foster negotiating, organizing, and monitoring [9]. In general, the 2005 revisions place a greater emphasis on the social partners' responsibilities for developing the vocational education system.

The primary stakeholders in Germany's dual VET systems can be divided into the federal government, the federal states, the social partners, and the chambers [11]. At the national level, the collaboration between the federal government and federal agencies such as BMBF and BIBB, as well as the federal agencies' tripartite structures, exemplify the irreplaceable character of social dialogue. First, the federal government and the state's share responsibility for regulation, legislation, advocacy, curriculum creation, and funding of VET nationwide, and in turn, the VET is guided by the officially recognized regulations of the federal government for revisions. Secondly, the Federal Ministry of Education (BMBF) regularly examines the process of vocational education and submits an annual report to the federal government on May 15, which summarizes the current situation of the training market and lays the groundwork for future changes and adjustments in vocational education [9].

Additionally, the BMBF's yearly report is based on the Federal Institute for Vocational Education and Training's (BIBB) data report [11], which contains a wealth of additional information

and insights on the evolution of vocational education. The BIBB conducts vocational education and training research, and its four specialized divisions are tasked with monitoring, investigating, and adapting VET's many directions. Specifically, BIBB is responsible for identifying future VET concerns, advising, and assisting the federal government, and recommending policies to foster innovation [11,12]. In general, the interrelationship between government institutions confirms the effectiveness of social dialogue in contributing to the implementation of VET.

At the union and company levels, social partners are typically employer groups and union-affiliated enterprises. They are crucial in ensuring the quality of training, developing training laws, and monitoring the training process. Firstly, the federal institution BIBB provides a platform for the federal government and individual states to negotiate and regulate training quality and for trade organizations, unions, and employers to work on creating and revising training provisions [9]. Training provisions are typically developed in four stages, each of which consists of a tripartite process that demonstrates the active participation of all social partners aims at developing a more effective VET system. Secondly, social partners such as local chambers play a vital role in the VET standard framework. Federal states' ministries of education establish standardized VET educational standards, quality frameworks, and examination requirements that enable local school authorities to monitor and evaluate schools. Specifically, local chambers of commerce, as represented by the Federation of German Employers' Associations, are responsible for the registration of all apprenticeship contracts to assure their quality and fairness [9].

#### **4. The role of social partners in VET: Financial support and Certificate recognition**

##### **4.1. Financial support from social partners**

In Germany's VET system, financial support mostly comes from social partners, including the federal government, agencies (particularly the Ministries of Education, Economics, and Employment), and companies under a co-financing approach [13]. The federal government and associated agencies are financially responsible for part-time school expenses, including building maintenance, teacher wages, and school equipment, while enterprises cover the costs of internal training [1].

VET financing is broken down into distinct components for IVET and CVET. For IVET, the federal government is responsible for the costs associated with creating and operating VET educational institutions on a nationwide basis. Federal entities such as the Vocational Training Allowance (BAB) assist learners in financing their living expenses through the Federal Employment Service [14]. Besides, at the local authority level, agencies are responsible for both internal school matters such as school supervision, as well as external school matters such as school building maintenance and renovation, amounting to roughly €8.7 billion as of 2019 [1]. Additionally, with the cooperation and support of social partners, the annual tuition stipend paid by the employer to the apprentice is increasing and should climb to at least €620 by 2023 [15]. For CVET, the federal government funds apprentice through grants, upgrading scholarships, and continuing education bonuses, which are administered by several federal agencies such as the BMBF and the Federal Ministry of Labor and Social Affairs [16].

##### **4.2. The certificate recognition by social partners**

Updated in 2017, the European Qualifications Framework (EQF) is a transnational framework consisting of vocational qualifications and a relevant accreditation system [17]. It enables the comparison of vocational certificates across countries and organizations and thus helps promote individual workers' occupational mobility between regions and industrial sectors [18]. Further, it

requires that social partners undertake such responsibilities to promote the accreditation of the certificates of students and workers studying in informal and non-formal settings [19].

In Germany, many individuals, who do not obtain their education through formal and official routes (federally approved vocational education institutions) and whose academic certifications are not been recognized, have experienced difficulties and have been undervalued integrating into the labor market, particularly while facing unemployment. Their risk of unemployment is more than five times that of individuals with a vocational qualification [1]. Under such a situation, it is critical to understand the importance of life-long studying and recognition. Thus, social partners must collaborate to enhance equity by building a recognized system for assessing certification competencies.

The social partners at the national level have proposed two pathways of the certification recognition system, including validation systems and external examinations. First, four Chambers of Skilled Crafts and four Chambers of Commerce and Industry, have collaborated on a joint project, the "ValiKom" development project, aiming at assessing and certifying (validate) vocational skills acquired outside the formal education system, with support from several federal institutions such as the BMBF and the Federal Ministry of Education and Research [20]. Based on this, the relevant Chamber of Commerce will provide a certificate to people whose professional experiences are evaluated by experts in their respective fields [21]. Secondly, individuals who have no experience in any formal vocational training program can attend preparation classes offered by the relevant association or self-preparation in order to participate in the external candidate examination which is proposed under the Vocational Training Act (2005) and the Trade and Craft Act (1953) [1]. Through this examination, people are able to obtain the final examination for a recognized occupation by choosing to provide proof elements such as certificates, work contracts, and the passing score for the written portion of the exam [1]. By and large, the social partners' acknowledgment of non-formal and informal learning has enhanced the VET's integrity and inclusion.

## **5. Challenges faced by Germany VET and relevant responses**

### **5.1. Challenges of the VET system**

The future values of VET have now faced challenges from transition issues from vocational education to higher education, the aging population, and the emergence of digitalization. In the first place, since the government has issued many policies in recent years with the goal of promoting higher education have to some extent expanded the gap between vocational education and higher education, this led to a decline in the attractiveness and enrollment of VET, which in turn causes a future skilled labor shortage problem. Specifically, if the gap between VET and general higher education keeps enlarging, a mismatch between supply and demand for future market careers and low economic development would result, and enterprises are unable to fill open positions due to a lack of skilled applicators [6]. Meanwhile, demographic changes such as the aging population exacerbate the drop in apprentice participation in VET, resulting in a future lack of trained workers in specific careers, such as nursing. The German Federal Statistical Office projects that nearly a third of the population will be 65 years or older by 2060; the young workforce will shrink from 64.9 percent in 2019 to 57.2 percent in 2060 [1].

Additionally, the VET system has been under the pressure of digital transformation both physically and administratively with the development of digital technologies [22]. Without sufficient support for the digital transformation of vocational education schools, schools may not have effective hardware facilities and apprentices may spend more time learning technical operations in the real workplace [22]. Therefore, as the digital society continues to be interwoven



into everyday life and work, innovations, and changes in VET in teaching, learning, and organization must be combined with social dialogue concepts in order to establish attractive, flexible, and high-quality training systems. In short, the labor scarcity caused by an aging population and insufficient connection to academic higher education, as well as the increased demand for high-tech facilities in a digital era, highlights the need for social partners to give effective responses.

## 5.2. Social partners in VET in response to challenges

Along with offering training resources, social partners improve the VET system in two ways: 1. digital transformation for the companies and schools concerned. 2. connecting pathways between VET and academic higher education.

To begin, the BMBF, in collaboration with other social partners, established the project competition "Shaping the Future - Innovations for Excellence Vocational Training" - abbreviated InnoVET - in 2019 [23]. Around 89 social partners joined to identify ideas that will contribute to the future development of VET. Out of 176 draft ideas, 17 core ideas that reaffirm the value of VET and increase its popularity in a variety of fields were selected and will be tested until 2024 [23]. In general, those core projects reinforce links between social partners in order to foster a more effective learning environment and open up new learning opportunities through the use of artificial intelligence [24]. Additionally, the Vocational Education and Training in the Working World 4.0 (VET 4.0 in short), a joint effort of the Federal Ministry of Education and Research (BMBF) and the Federal Institute for Vocational Education and Training (BIBB), prepares VET students and faculty for the digital era [1]. Five free, innovative learning modules in electronics and mechatronics [25] have been produced for VET students and faculty in the VET 4.0 project to suit the criteria of modern, open, and collaborative learning.

Furthermore, Germany has advocated the merger of higher education with vocational training, the dual study programs, in order to boost the attractiveness of VET. The dual study program is characterized by the provision of higher education courses along with training in practical skills [6, 26]. Students can gain practical experience and develop a network of contacts with employers while pursuing a higher education degree, which is extremely appealing to students who are undecided between traditional higher education and VET, as it increases their chances of obtaining stable employment and relatively good pay. In fact, due to their technical skill and higher education credentials, students who have participated in corporate training during their studies are more likely to be hired as regular employees of the training organization following graduation [6]. In addition, dual study programs enable enterprises to acquire more competent and talented employees concurrently and enable employers to have a deeper understanding of apprentices during the training term in order to recruit regular employees who are responsible, and capable of quickly taking on follow-up work once graduates. Lastly, social dialogue is critical in supporting the implementation of the dual study programs in terms of providing financial support and regulation. On the one hand, local education associations use public funds, which are supported by the federal government and higher education institutions, to ensure the quality and equity of dual study programs, foster collaboration between schools and the local business sector, and cover apprentices' education and living expenses to ensure stability and continuity [6]. On the other hand, in order to guarantee the apprentice's fundamental right to an education and a salary and regulate the social partners in defining the content of vocational studies, educational institutions and companies should provide a dual contract, a contract for education and workplace, based on the federal government's Federal Vocational Education and Training Act [6].

## 6. Conclusion

This paper points out the success of the social dialogue by analyzing the active role played by the different German social partners in their vocational education framework. The social dialogue has supported the development of VET at the legislation level, the financial level, and the certification recognition level. It is undeniable that the German VET is still a multi-national role model, but it has challenges in terms of digital transformation and integration with higher education. Although the relevant German social partners have initiated a project that focuses on promoting artificial intelligence in education and advocates the dual-study program that aims at integrating VET and academic higher education, policy adjustments will still need to be made at any time to facilitate the development of VET in an ever-changing future, especially with the increase of unemployment problems under the spread of COVID-19 pandemic currently being experienced.

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