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During the last few decades, Germany's youth unemployment rates have been fairly low compared to the European average. We always saw this as an effect of the dual vocational training system open to roundabout 2/3 of school leavers in Germany.

German unions are strictly in favour of this system, because we are aware of its range of advantages:

- Vocational training inside the companies means realistic training in work places. It is close to new technologies and modern production systems.
- As it is not only company-level training but legally combined with courses in vocational schools, training is close to job reality, but not only based on single jobs. Schooling should guarantee a full spectrum of competence for a profession sector-wide and beyond.
- It is organized according to legal standards and should therefore offer high quality.
- Apprentices receive a training allowance and their interests are represented by works councils.
- Apprenticeships create strong ties between company and apprentices so that they stick with the firm after their training exams normally.
- And, for decades, it kept youth unemployment on a pretty low level.

That's why German politicians have hoped to solve the problem of youth unemployment mainly by offering apprenticeships to more young people. So did the unions.

Since the end of the eighties, we have had to watch a growing number of companies, reducing their training offers. Newly founded firms were reluctant to engage in vocational training. Companies in Eastern Germany not accustomed to train their own staff, tried to depend on the state providing them with skilled labour.

During the nineties we finally became aware of a growing distance between managers and the apprenticeship system, especially those who had been trained in anglo-american economies unaccustomed to our vocational training system.

German Federal Governments tried to stabilize the supply of training places in the dual vocational training system by deregulation of legal conditions for apprenticeship. Politicians toured around companies to persuade employers to widen their apprenticeship offers. Works councils put pressure on their managers to augment the number of vocational training places. Unions tried to propagate a new system of apprenticeship financing – unfortunately without great success. On the whole, the number of apprentices decreased. A diminishing proportion of young people could enter an apprenticeship.

While in former times more than two thirds of a given year group had joined the apprenticeship system, a continuously smaller proportion of school leavers could now enter the system, although the number of applicants grew steadily. It is only now, that due to demographical changes, the number of applicants is decreasing more and more.

During the 90's the loss of training places in companies was the reason for growing youth unemployment. Due to the economic crisis, companies reduced once more their apprenticeship offers – minus 5.6% compared to last year's October. And of course, we face a growing number of young unemployed, 11.5% more than last October in the group of those between 15 and 25 years of age, while the unemployment rose generally about 7.7%.

One might expect a great number of the new unemployed coming directly from school. But disturbingly, national statistics record no growth of unemployed between 15 and 20 years. Most of the new young unemployed do not come from school or promotional programs. They have been employed before, they lost jobs (+ 15%) or haven't been retained after their apprenticeship exams (+9,4%).

This is the result of a new employment policy of companies: Especially global players try to get rid of legal links to their workers. They try not to employ them any more in the way they did for decades. Now they try to buy a work force the way they do other production resources.

It's the result of Neoliberalism: Neoliberals tend to avoid any kind of risk in the production process, especially the risk of employment. They do not want to keep workers when orders are low. They just try to retain those who would certainly be difficult to hire on the labour market in case of need. So, the ideal model of a company, for them, consists of a small core workforce and a growing number of precarious workers hired on demand via agencies or with temporary contracts. While the core workforce would keep a high standard of wages and working conditions – as long as there are strong unions engaged – the casualized workforce has to accept precarious jobs without professional and economic security.

As Germany had a fairly high standard of job protection in the past, normally elder workers were not inflicted – as long as they kept their job. But now, the moment they lose it, they will join the situation of all those newly entering the labour market: If they get a new job, it will probably be agency or contract work, less pay and with meagre perspectives.

When the global crisis started, we came out of a real economic boom period with skilled workforce problems. So, before the crisis, lay offs did not take place on a large scale. But a growing number of young people could not get a regular job after their apprenticeship exams. They were offered agency work, temporary jobs and sometimes even worse.

Just before the global financial breakdown agency work had risen enormously to an amount of 722.000 jobs in 2008 compared to 297.000 in 2003. During the crisis, agency workers were the first to be laid off – 214.000 from July last year to this year's April. In the meantime more and more temporary work also came to an end and was not renewed.

It took some time until unions reacted to the precarization of work, especially to agency work. Agency work doesn't fit easily into our regular union structures. It does not take place in one sector or within a single community. So in the beginning, no union felt responsible for them. We have tried to face this by fighting for collective agreements in the agency work sector on the DGB level. Although the lawmakers had connected the deregulation of the agency work with the obligation for collective agreements, the situation did not improve until we started to fight for better conditions from the side of companies hiring agency work. We succeeded in getting a growing amount of Equal pay agreements especially on an OEM level, but could not prevent managers effectively from laying off agency and contract workers the moment, the financial crisis reached the companies in our sectors.

As we knew what losing one's job would mean for our colleagues in the heaviest hit sectors such as automotive or machine tooling, IGMetall chose to propagate "no lay-offs" during the crisis. We advised the Federal Government to help companies keep their staff as long as possible. We demanded economic stimulus package to stimulate the public and private demand. The Cash for Clunkers package proposed by IGM, did help the hard hit car industry in the short run, before public investment programs could be put in place.

Together with our employers we advised the German Government to change the conditions for enforced parttime work – to get some breathing space for companies after the crash in demand. Finally, the federal Government even took responsibility for the social contributions of enforced parttime workers. Now we have just asked for a further extension of the existing 24 months of subsidies for them and their companies. The effect of the crisis on the labour market is much better than we once expected it to be. Unemployment rates could be kept to a reasonable 7.7% level in October 2009. The instrument of enforced parttime supports more than 360.000 jobs at the moment – a lot of them would have been lay offs without.

Certainly, this is not a special program for young unemployed, but it is absolutely necessary to reduce the number of people seeking work to help the professional beginners.

What are we doing to directly improve the situation of youngsters during the crisis, to enter the labour market successfully?

In some of our sectors, we had already reached in 1997 collective agreements concerning retainment: According to which, every young worker finishing his or her apprenticeship with a diploma could stick with the company for at least one year – to get more professional experience and be eligible for the minimum waiting time for unemployment benefits. For years there has been a growing discussion between young trade unionists to get similar new regulations in other sectors or to improve those existing. On the other hand, companies have tried more and more to get rid of the obligation to retain, especially now during the global crisis.

To fight this, IGMetall youngsters started a campaign called “Operation: Retainment” last winter – trying to stimulate this discussion on a company as well as on a public level. It is often connected with the demand to keep the number of vocational training places in a firm at the pre-crisis level.

“Operation: Retainment” offers a strategy as well as publicity for company or public actions. It is linked to a website which publishes best practice and allows activists to exchange experiences. It empowers young people to work on their personal situation and perspectives in their own way, with their own possibilities and needs. It tries to enlighten the public regarding the problems of the young generation and their specific problems of achieving a minimum of economic security to guarantee a proper income, social security and some stability for one’s partner and family.

“Operation: Retainment” proved to be a very successful program. A wide variety of different action forms rose from the volunteer structure of our union. We also achieved some very good results: In the heavily damaged steel sector, retainment was prolonged from 12 to 24 months. Collective agreements in smaller sectors took up retainment measures for the first time. Global players, such as Daimler, maintained the amount of apprenticeship places planned for the future or at least diminished the proposed reduction. VW improved their retainment process just some weeks ago.

Two years ago, IGMetall directed a campaign to discriminate misuse of agency work and inform the public about working conditions in this type of precarious work. It has been rather successful, even in terms of a growing membership. Next year, we intend to combine both targets very closely. We fear that the moment, a small silver lining shows up on the economic horizon, any growing employment will mainly be precarious work, especially for young people. We are trying to fight for better conditions mainly in those companies in which we are strong enough.

To the Federal Government, I proposed the idea of some kind of incentive for companies with new retaining contracts valid until spring 2010, when lots of apprentices will get their diploma, but probably no ordinary job. Our argument is based on the forthcoming skilled force demand that most companies are going to face led by the developing demographic change. The demand is on the table of the new German government.

There are also some new ideas, regarding young engineers finishing their BA- or MA-studies. The Employers’ Association for the metal industry, together with IGMetall, have created funds to make sure they become employees during the recession period on a hiring basis to companies at the collective agreement standards for at least two years.

And of course we have to struggle for the maintenance of the dual vocational training system in general. Although in most other countries experts envy Germany for its training system, we have had a growing discussion in our country during the last several years, tending towards demolishing the structure in order to make it more compatible with other European systems. IGMetall has fought against this and is going to keep on fighting, as we know, that all our problems with a split workforce in our companies are only going to increase, if we lose this fight.

One of the great advantages of the German dual vocational training system is, that companies, aware of their skill needs in the future, can train their own staff according to these expectations. Training people needs time – at least three years if you want fully professional competence. You have to start long before you need the workforce in the production process. And you have to be fully aware of the oncoming technologies and production systems.

It has never been easy for the companies to foresee all that. But it is almost impossible for a training system based mainly on schools. You will get all kinds of bad investments and people's lives being spoilt. That's why we try to stick to the old model of company based training.

In the meantime, the profound change in company structures we have undergone in a globalized economy has led to a growing lack of transparency regarding the need for skilled workers and who should be responsible for training these experts. So, you can't simply go on the way we did in the past.

Some years ago, we already proposed sector monitoring councils between government, unions and employers and we reiterate that now. These councils should watch the sector development in relation to the skilled workforce problem and discuss and promote measures to meet demands for experts of all kinds and propagate industrial policy in structurally changing situations. They should also initiate research and development programs from the government. There are some signals from the new federal government, that something like this could develop in the near future.

But all this is still not the answer to the question, who should be responsible for training the skills needed. It is absolute nonsense to expect agencies to train their own staff. This can only be done by the hiring companies. But they will not do it on their own costs. If we don't want to transfer the costs to the public but keep it in the responsibility of companies, we have to create a new financing system in Germany to keep companies in the vocational training system even in times of outsourcing and growing agency work. I'm very much in favour of the Danish Cost Share –system or the fund maintained by contributions from French employers to finance further education for their staff. I propose, we should have something similar in Germany on a legal basis. There is a rather successful comparable system on a Cost Share-basis in the German construction industry founded on a collective agreement already more than 30 years old. Unfortunately, employers have blocked the spread of this system to other sectors.

During the ongoing crisis, one of our regional collective agreements in the metal industries even includes a system to finance more training places by a small part of the agreed wage increase. We had a very controversial discussion about it because we maintain that the responsibility for a skilled work force is from the companies and not from the workers. It had already been agreed upon some years ago, but was never really used because of relatively good economic conditions throughout the sector. But this has changed dramatically in the meantime. We shall see whether this method leads to improve the situation of young unemployed.

And one last aspect: We had to realize that even a growing demand for apprentices did not give better opportunities to a group of young people unsuccessful time and again in their hope for proper vocational training. They often belong to families with migration background. Companies use to complain about the original standards of potential apprentices ranging from bad literacy to social problems.

As it seems, German secondary schools in too many cases do not hand over pupils in line with the expectations of firms. For years these youngsters have been driven to multiple promotional programs offered mainly by vocational schools or training suppliers. A lot of money has been spent on this without solving the problem. We know that this special clientele with special problems could profit a great deal from programs inside the companies. So, last year, IGMetall in Northrhine-Westphalia succeeded in getting a collective agreement over a special type of structured pre-training. Here young people can work for some months on their individual weaknesses to get prepared for regular vocational training places. We believe this program will ensure that young people become ready for a highly demanding range of technological professions.