

# England vs Germany

**the apprenticeship game**



Much has been made of the success of the German apprenticeship system, which underpins their economy with skilled workers in all core occupation areas, and it was cited in 2020 as a model for UK FE policy planning.<sup>1</sup>

With the focus in the UK on the shortage of many skilled occupations, and the ongoing debate over the moral, ethical, and political challenge of recruiting these from overseas, we look at what makes the German apprenticeship system successful and highlight key learnings for future UK educational policy.

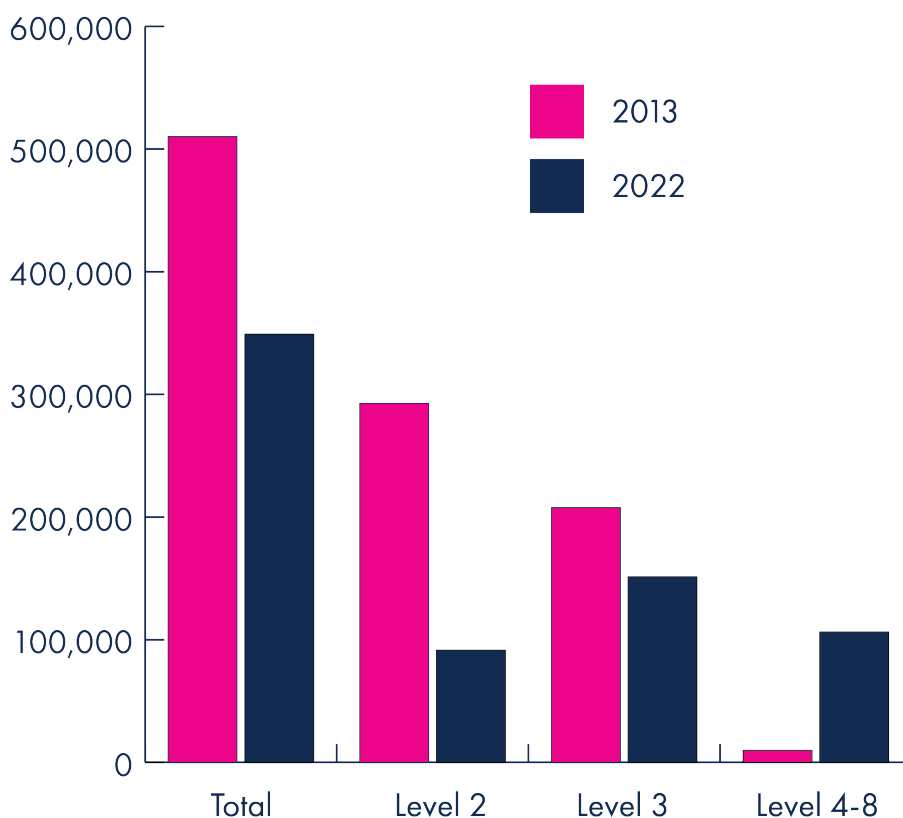
The reform of our English apprenticeship system began in Autumn 2013 with the first wave of Trailblazers, in tandem with the extension of the school leaving age to 17 (and 18 in 2015). The new Apprenticeship Levy followed (2017) across all sectors of the economy.

## So, in 10 years what have we achieved and how does this compare with the well-established and respected German 'Dual System'?

We now have better Occupational Standards; 673 live (May 2023), covering all sectors of the economy from level 2 to 7.

However, almost half (313) are for levels 4 – 7, compared with only a fifth at level 2 (139) and a third at level 3 (221). As a result, we have seen a tenfold growth in Higher apprentice starts at level 4 to 7 (9,800 in 2013 versus 106,360 in 2022). This will strengthen the workforce at level 4 to 5 where the UK has a 'missing middle'.

Whilst the higher and degree apprenticeship starts have increased, total apprenticeship starts have declined by a third, with level 2 starts declining by two thirds and level 3 starts by a quarter.



<sup>1</sup> Education Secretary FE speech with Social Market Foundation - GOV.UK ([www.gov.uk](http://www.gov.uk)) 2020

In comparison, Germany has c.330 state-recognised craft and technical Standards or Occupations<sup>2</sup> which require formal training for work, most of which are trained via a Dual system of work and vocational school settings. Targeted at German school leavers (generally 15–18-year olds), at a European Qualifications Framework (EQF) level 3-4, these apprenticeships are roughly comparable to English Intermediate and Advanced apprenticeships (L2 and 3).<sup>3</sup> The Dual system excludes healthcare, education and social services occupations, which are taught through vocational schools.

Higher/tertiary apprenticeships are available in many vocational occupations, such as Meister (Master craftsman), Fachwirt (business administrator) and Fachkraft (specialised operator e.g., in data processing), however data is kept with Chambers, and is not amalgamated nationally.

Due to its attractiveness in Germany, a half of school leavers (15-18) move on to vocational training, with a third contracting to do dual system apprenticeships, compared with only 6% of English school leavers (16-18).<sup>4</sup>

Due to the involvement of SMEs in the system, 98% of German apprenticeships are with SMEs, against 41% in England.

## So, how do apprenticeship 'starts' compare between the two systems since the English Apprenticeship Levy came in?

Table: England Level 2 and 3 'Starts'<sup>5</sup> vs German Contract starts<sup>6</sup>

Year	England L2-3 Starts	Germany Starts
2018	327,760	519,564
2019	318,320	510,870
2020	240,060	463,311
2021	222,640	466,176
2022	242,830	468,900

In England we have around half the number of apprenticeship starts at the important levels 2/3 as Germany. These levels are the core of vocational training, where careers are developed, and young people trained to improve social mobility and work prospects.

<sup>2</sup> [The German Vocational Training System - BMBF](#)

<sup>3</sup> [Qualifications can cross boundaries: Guide to comparing qualifications in the UK and Ireland \(qaa.ac.uk\)](#)

<sup>4</sup> [16-18 destination measures, Academic year 2020/21 – Explore education statistics – GOV.UK \(explore-education-statistics.service.gov.uk\)](#)

<sup>5</sup> [Apprenticeships and traineeships, Academic year 2022/23 – Explore education statistics – GOV.UK \(explore-education-statistics.service.gov.uk\)](#)

<sup>6</sup> [Vocational training - German Federal Statistical Office \(destatis.de\)](#)

In addition, Germany has a much higher achievement final exam pass rate, at around 90%, than the English achievement rate of 53%, and includes retakes (only two retakes are allowed). 99.5% pass eventually after all retakes<sup>7</sup>.

However, early termination of a training contract is measured separately in Germany and accounts for 25% of candidates. As in England, Contracts can be terminated either by the employer, due to performance inadequacies, or by the employee, moving to another company or training scheme. Change of occupation can be a factor, despite being a more informed decision than in England, due to earlier exposure to vocational skills training at secondary school. Contract termination is not encouraged, nor is it beneficial, due to the lost investment by the employer, and it can reflect negatively on the individual's further educational chances.

Around two thirds of German dropouts begin another training course which leads to a full qualification, a half to another apprenticeship and the remainder into other vocational or academic training.

So, overall, 12.5% of candidates drop out totally from the German apprenticeship system. Coupled with the 0.5% who fail their final exam, this gives 13% drop out rate, compared with our 47%.

One thing that stands out is that in Germany apprentices can move between employers much more readily than in England. They can also move between occupations which is not seen as an option in England.

As a proportion of its population<sup>8</sup> Germany has 0.6% apprenticeship 'starts', versus England's 0.4% at L2-3.

## What might we learn from the differences between the English and German systems?

English skills policy is controlled by DfE Ministers through ESFA, IfATE and Ofqual. Trade and professional bodies relate to IfATE through the route panels.

In Germany the Federal States (Länder) hold the responsibility for education, so there is some regional variation, but the Federal Ministry of Education and Research (BMBF) is responsible for overarching vocational and educational policy.

Across all States young people have a choice between vocational and academic secondary education, with apprenticeships being offered on a school or company based model depending on the subject chosen.

The nearest equivalent to IfATE in Germany is the Federal Institute for Vocational Education and Training (BIBB). BIBB has 630 staff, is independent of Ministers, and is driven by industry requirements through close collaboration.

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<sup>7</sup> Report on Vocational Education and Training 2021 (bmbf.de) P79-80

<sup>8</sup> Germany's population is 83.3 million and the England's is 56 million.

BIBB works closely with Chambers of Industry, Commerce and Crafts. These regional bodies provide guidance to companies and apprentices, as well as registering apprenticeship contracts, monitoring employer compliance, organising final assessments and certifying apprenticeship competencies. There is also close working with trade associations and professional organisations in Germany. This integrated, co-ordinated structure and collaboration between industry and government does not work in this way in the UK; our industry representation structures are more fragmented.

Germany has better integration between local, regional and national governments' role and contribution.

A key difference is that German apprenticeships are funded by employers directly, rather than through an Apprenticeship Levy managed by the Treasury. This direct link to the cost and benefit of the individual apprenticeship on the organisation perhaps gives greater employer engagement.

In comparison, our Apprenticeship Levy is felt to be another tax on large employers and is not linked to the direct needs of the individual business, and so the employer engagement and benefits are more distant.

In addition, for the 330 German state-recognised craft and technical occupations, the apprenticeship system is the only route for employees to find work, and for the employers to find future skilled workers. This recognition of the importance of the occupational training is grounded in vocational skills development from 11 years upwards, gives credibility, and encourages engagement from all parties.

In comparison, our FE system is seen as second tier to the academic route. Technical training in schools has been squeezed out in secondary schools in favour of a narrow National Curriculum designed to build core knowledge for academic success.

Apprenticeship pay is an issue for both countries. In England the apprenticeship wage of £5.28 per hour for under 18s, and under 21s in their first year of study, is low compared with the wages offered for unskilled hospitality or retail work. In Germany the pay differs between industry, but averages at about 963 Euros per month<sup>9</sup>, or 5.70 Euros per hour, considerably lower than for skilled workers. Research into the importance of apprenticeship pay in retention during the training period suggests that a staggered increase in pay would be beneficial to prevent poaching of workers during the current skills shortages.<sup>10</sup>

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<sup>9</sup> [Vocational education and training in Europe | Germany | CEDEFOP \(europa.eu\)](#)

<sup>10</sup> [Apprenticeship non-completion in Germany: a money matter? | Empirical Research in Vocational Education and Training | Full Text \(springeropen.com\)](#)

## So, how do these differences impact on the success of the schemes?

The potential downside of the German system is that its very structured approach may make it appear rigid when adopted by other countries. Neither does it readily lend itself to support the agile requirements needed for Net-Zero and digitisation.

As in England, they are struggling to recruit and keep apprentices, due to the combination of reduced birth rates and a preference for desk jobs post-pandemic. They also have an ongoing shortage of skilled workers, so are trying to recruit from overseas.

Realistically with a general election due in the UK over the next 18 months, there is limited time, so whilst some changes can be made to our apprenticeship system, these are unlikely to be fundamental.

As a sector, we need to take the lead to shape the next stage of developing an agile skills system which is:

- Streamlined, easy to use, and embraces localities as well as trade bodies, alongside the needs of the economy.
- There for the existing workforce as well as those moving into employment for the first time.
- Based on a national skills strategy to deliver a green and digitised future with a highly skilled and productive, well-paid workforce; and
- Valued and recognised as equivalent, if not better, than a pure academic route.

In this regard, IfATE's Simpler Skills System report is welcomed.

Our next steps should be:

- Whilst welcoming IfATE's innovation strategy, we need to form a view on what England's National Skills Strategy should be.
- Research how to improve the numbers of apprenticeship starts and the achievement rates to ensure more successful skills training outcomes by learning from others.
- Benchmark apprenticeship funding systems and review improvements required for the Levy.
- Improve connection between National and Regional levels; and
- Continue to work to improve the recognition of the value of technical and practical skills to the country's economic future prosperity.

Rather than waiting for political leadership, we are better finding out what we can learn from Germany's experience and start to develop a clear plan for what happens in a new Parliament.

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# Vocational education and training in Germany

