

## Job Strategies for the Young

Western countries face unprecedented difficulties in generating jobs for their young generation. This is also becoming a problem for developing countries. In terms of policy options, what it boils down to is the question: Do you basically want to follow the American or the German model? In the United States, it is usually taken as a given in working life that the road to success leads through a four-year college. Given the profound cost of attending university, some parents begin saving for a child's tuition while he or she is still in diapers. But is this really the best path to success for most people?

Recent U.S. data paint a questionable picture. About 70% of U.S. high school graduates go on to study at a four-year college. If a large number of these students were earning degrees in chemistry, computer science and electrical engineering, the United States would probably not be looking nervously over its shoulder at the burgeoning economies of India and China.

The sad reality is that only about 60% of U.S. university students actually complete a bachelor's degree (or its equivalent) in any field within six years of matriculation. That means a high percentage of America's young people are entering the labor force armed only with a high school diploma – and little or no work experience. Not surprisingly, America's youth unemployment is more than double the rate for the overall population. In Germany, youth unemployment is barely above the rate for the overall population. These stark differences may, in fact, have quite a lot to do with school-to-work transitions.

Roughly two-thirds of Germans under the age of 22 choose to enter into apprenticeships, typically a three-year period of training at a firm. Along with related technical instructions at a vocational school, a young worker learns the skills required for

a given occupation. What this tells us is that the best guarantee to ensure future employability lies in obtaining real job skills.

There are those, especially some prominent American economists, who claim that apprenticeships are an insufficient form of preparation given the complex demands of the contemporary economy. As a matter of fact, apprenticeships increasingly involve a fairly complex course of training, both in trade schools and at the company level. Along the way, apprentices learn key concepts of technology, business management, applied analysis and an ever higher degree of analytical reasoning.

Apprenticeships are therefore far more than on-the-job training. They instill employable skills, as well as provide a transition to a young person's first job. At a time when public and private budgets are very stretched, a determined focus on providing real, future-oriented job training can pay huge dividends. It is not expensive and does not require young people and their families to take on a lot of debt.

The record indicates that the German strategy, which mixes academic excellence with plenty of well-thought out professional options that do not require attending university, has the upper hand over the approach of the United States. The latter overemphasizes academic training and, by comparison, almost disregards non-academic training for jobs of the future. What the German model further underscores is that the key to a successful jobs strategy lies in aligning the longer-term interests of citizens, companies and communities alike to create a prosperous future for individuals and the nation as a whole.




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 Graphics/Photographs: IZA  
 Printing: Güll GmbH, Lindau  
 Layout: IZA