



# The skilled labour shortage in Germany

## Which potentials can vocational training activate?

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# Agenda

1. The current situation: challenge and opportunity
2. The Federal Government's strategy for securing the supply of skilled workers
3. Remedy I: Making Dual VET more attractive
4. Remedy II: Enhancing CVET and reskilling
5. Remedy III: Facilitating labour immigration
6. Conclusion

# The skilled labour shortage: Threat for competitiveness and prosperity

- ▶ Germany is the 3rd largest economy in the world
- ▶ 46.9 mill. people work in Germany  
average age : 44.6 years (2023)
- ▶ Decarbonisation and Digitalization put additional demands on skilling
- ▶ a job vacancy remains for
  - ▶ 241 days in plumbing, heating, air conditioning
  - ▶ 249 days in building material manufacturing
  - ▶ 251 days in geriatric care
- ▶ **World Competitiveness Ranking**  
ref: [IMD: World Competitiveness Ranking 2024](#)



# Federal Government's skilled labour strategy (Oct. 2022)

**Objective:** Increasing labour force participation by

- ▶ up-to-date VET
- ▶ promoting CVET to all people of working age
- ▶ increasing the potential of
  - ▶ women
  - ▶ older people
  - ▶ people with disabilities
  - ▶ people with migration background
- ▶ increasing the quality of work / changing the culture of work
- ▶ fostering skilled labour immigration



## Remedy I: Making Dual VET more attractive



dual VET has traditionally been highly valued in Germany over the last years, however, the number of trainees has fallen from 1.51 mill. (2010) to 1.22 mill. (2022)

caused by:

- low birth rate → declining number of school graduates
- increasing number of university enrolments
- dropouts during the pandemic
- difficulties in matching supply and demand of apprenticeship places

## Inspiring young females to take up VET

- ▶ 2022: 469,866 young people signed an apprenticeship contract, amongst them 171,252 women = ~ 36 %
- ▶ female trainees in STEM-occupations = 11.9 %
- ▶ several initiatives to foster career guidance free of social stereotypes
- ▶ extending career guidance to occupations that are relevant for the digital and green transformation



# Excellence Initiative in VET / Ministry of Education & Research (Dec. 2022)

- ▶ Budget: > EUR 750 million till 2026
- ▶ Fields of action
  - ▶ promoting opportunities for talent in VET
    - ▶ information and communication to ensure greater visibility of VET
    - ▶ extend vocational orientation to digital formats and to all school types
  - ▶ establishing an attractive and innovative VET landscape
    - ▶ inter-company vocational training centres (ÜBS) to be turned into centres of excellence
    - ▶ portal with training offers for teachers and trainers
  - ▶ expansion of international orientation in VET
    - ▶ funding (national and EU) for trainees to go abroad for vocational training and learning

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## Remedy II: Enhancing CVET and reskilling



the world of work is undergoing significant change

in-company CVET with 48 % most popular form of CVET (2022)

participation rates (in-company CVET)

62 % of male employees

59 % of female employees

age 25 – 34: 62 %

age 55 – 64: 58 %

employees with vocational or academic degree: 67 %

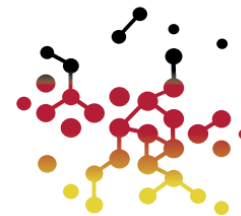
employees without qualification: 44 %





## National CVET Strategy (updated 2022)

- ▶ 2022: 58 % of individuals in Germany (18 – 64y) take part in further training
- ▶ **Goal:** increase the participation rate in CVET up to **65 %** in 2030 by
  - ▶ facilitating access
  - ▶ deepening cooperation (regions, sectors)
  - ▶ more targeted support (e.g. SME, low-skilled workers)
  - ▶ fostering digital CVET



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Nationale Weiterbildungsstrategie

## Remedy III: Facilitating labour immigration



growing number of labour migrants

net skilled labour migration in 2023: 68,000

net migration needed to fill the gap caused by “baby boomers” exiting into retirement: 400,000 p.a.

→ more options are needed to make labour immigration from outside the EU to Germany easier and more attractive for international skilled workers



- ▶ Reform of the Skilled Immigration Act (2023-24)
  - ▶ immigration of skilled workers with vocational qualification and persons with practical professional expertise will be facilitated
  - ▶ three main pathways, recognition of foreign qualifications one option among others
  
- ▶ Advice and information for skilled workers from abroad
  - ▶ official websites
    - ▶ [Make it in Germany](#)
    - ▶ [How do I get recognition? \(anerkennung-in-deutschland.de\)](#)
  - ▶ Hotline “Working and Living in Germany”
  
- ▶ “Welcoming culture”: joint effort to keep skilled workers in Germany



## *What should stick*

- 1. The German Government is actively working with all stakeholders to overcome the shortage of skilled labour as part of its national skilled labour strategy.*
- 2. There is no “one-size fits all” solution. A mix of strategies and measures is needed. TVET is a crucial field of action.*
- 3. To fill the skilled labour gap, a better integration of women in the labour market, the empowering of older employees to remain in work and a higher level of qualified immigration are mostly required.*
- 4 The need for skilled labour acts as a catalyst in shaping labour immigration to Germany.*

**Thank you for your attention!**

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