Statement

Professional qualifications as the key to success in craft trades

– Ten facts about craft professions requiring qualification as a master craftsman –

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Legal Department
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General note

With roughly a million companies in their ranks, employing more than 5.34 million people and annual sales of Euro 508 billion (2012), craft trades represent the life-blood of medium-sized businesses in Germany. In addition to their economic performance, craft trades have gained the respect they enjoy due to their most important social function, namely professional qualification. Craft businesses offer more than 400,000 young people training opportunities in more than 130 trades through the system of dual vocational training and have established themselves as a bulwark against youth unemployment.

But craft trades not only signify vocational training but also advanced training. In 2012 alone, 22,891 master craftsmen of both sexes successfully completed their examinations. The fact that over 20% of these people were women ought to act as a stimulus for the whole industrial economy to generate more female entrepreneurial spirit.

With its highly effective vocational training structure, Germany is in an extremely strong position compared with the rest of Europe. In order for this to remain the case, access to the professions through qualifications must be encouraged. Vocational training in skilled trades is a successful model that ought to serve as an example to Europe, more so than has been the case so far.

Fact 1:  
The record of craft trades in providing vocational training has been a major contributory factor in providing new talent for the whole industrial economy.

The craft trades train more young people than they require for their own needs. At roughly 8%, the ratio of apprentices in craft trades compared with the total number of employees is more than twice as high as in the overall economy. 95% of apprentices receive their vocational training in craft trades subject to official registration, where “master craftsman” or an equivalent qualification as foreman is a condition for setting up in business on one’s own. These craft trades in particular make a crucial contribution to young people obtaining a professional qualification that opens up career opportunities not only in craft trades but also in other industrial sectors. Ensuring and fostering fresh talent in the industrial economy clearly shows the influence of the craft trades and would be inconceivable without the contribution of craft companies to vocational training.

Fact 2:  
The quality of professional qualification is a crucial factor in the international competitiveness of German industry.

Viewed in terms of global and particularly European competition, German companies successfully assert themselves, in spite of the fact that, at Euro 34.47 an hour (gross earnings plus fringe benefits), labour costs in Germany are several times higher than in many other countries.
The key to the success of German companies is not the price, but rather know-how. Particularly in craft industries, market leaders draw their economic strength, innovativeness and competitiveness from the technical qualifications of company owners and employees that are unmatched anywhere else in the world.

**Fact 3:**
The *system of dual vocational training offers a tailor-made professional qualification that enables a smooth entry into a career and offers attractive opportunities of further qualifications.*

The system of dual vocational training is characterised by the considerable weight given to practical experience. The interplay of the company providing training and vocational education institutes enables apprentices to receive practice-based training oriented towards the actual needs of the economy and professional life. This creates a seamless transition from training to a career and provides the basis for advanced training specific to the profession. Follow-up vocational training of this sort – such as master craftsman – also has a financial return. Compared with the costs of training to become a master craftsman, the increase in earnings resulting from further training is higher than amongst university graduates. The benefit of investing in training as a master craftsman was recently again confirmed in a study carried out by the *Institute of German Industry in Cologne.*

**Fact 4:**
The *high level of training in craft trades is ensured by the close cooperation between the highly efficient companies providing training and the practice-oriented training institutes run by the craft trades’ professional bodies.*

A successful system of dual vocational training is not only a question of the companies’ willingness to provide training. A key factor in the high level of qualifications provided by vocational training is the technical and educational abilities of the trainers themselves. The professional and vocational pedagogic knowledge and skills that this requires are conveyed as a central aspect in the training of a master craftsman. Moreover, the companies receive comprehensive support from the craft trades’ professional organisations through a wide range of services, stretching from measures as part of training apprentices in their industry-wide vocational training centres through to the support provided to training advisers in advanced qualification courses in the field of professional and vocational teaching methods.

**Fact 5:**
*In practice, the high degree of control exercised over the qualifications offered by craft trades is inseparably linked to the extreme effectiveness of craft trades in providing training.*

It is not a coincidence that companies that train master craftsmen make the largest contribution to the training output of skilled trades. Technical qualification, educational skills and social responsibility are conveyed in training to become a master craftsman and are therefore part of the master craftsman’s armoury. A renunciation of the qualification as a master craftsman as the key qualification in certain trades will therefore inevitably lead to a marked reduction in the quality of training provided by craft trades. Particularly in view of the need to secure skilled personnel, which is greater than ever, and the importance for the whole of the industrial economy of the training output of companies producing master craftsmen, it is absolutely essential that existing qualification requirements in skilled trades are encouraged.
Fact 6: The qualification as a master craftsman provides a firm basis for independence and the entrepreneurial spirit — an indispensable condition for sustained economic success.

The qualification as a master craftsman covers every aspect of preparing for a successful entrepreneurial career. In addition to technical knowledge specific to the profession, it includes knowledge of commerce and the law as well as of professional and vocational pedagogic skills. The training as a master craftsman therefore conveys key skills necessary for the long-term and successful establishment of a company in the market. Most apprentices in skilled trades continue to be drawn from school-leavers from secondary schools (“Hauptschulen”) (50.1%) and middle schools (“Realschulen”) (36.6%). With the opportunity of further training to become a master craftsman, this target group is provided with the chance of acquiring a first-class qualification and excellent prospects of establishing their own company. With this academic background, equivalent professional and individual career opportunities are therefore also opened to people lacking the qualifications for admission to a university. The qualification as master craftsman therefore makes possible successful entrepreneurship quite apart from an academic career.

Fact 7: The system of dual vocational training is an effective weapon in the battle against youth unemployment.

A good qualification is the principle pre-condition in securing an adequate income and the best protection against unemployment. It therefore makes a crucial contribution to relieving a society based on solidarity. Ultimately, thanks to the dual vocational training system, at 7.4%, Germany has the lowest rate of youth unemployment in Europe. On average, this rate is almost three times as high throughout the 28 members of the EU. The success of the system of dual vocational training not only results from its closeness to practical experience and flexible design. The key strength of the dual vocational training system is the human factor. Apprentices learn directly from a foreman and benefit from his experience and skill. The personal approach and the joint experience of success and progress at work strengthens the apprentice’s bond with the company and eases further development within the company.

Fact 8: A first-class professional qualification is an essential basis for first-class products and services in the competition that prevails in modern markets.

A good qualification is the basis for a high level of performance that has been the hallmark of the concept of “Made in Germany”. Particularly in difficult economic times, German skilled trade companies have proved to be extremely robust. The reason for this is chiefly the high degree of technical qualification of its employees. Commercial flexibility and innovativeness are inconceivable without qualified entrepreneurs and employees. Particularly in the case of smaller and medium-sized companies, faced with ever more complex and demanding market structures, as well as more severe competition, the technical skills of everyone working in the company are indispensable in order to assert their position and to act successfully in business.
Fact 9:  
*Particularly in the case of professions subject to danger, technical skills represent active and preventive consumer protection.*

Work subject to danger should only be carried out by craft trade companies whose owners or foremen are in possession of master craftsman’s certificate or an equivalent professional qualification. The technical skill and professional experience of master craftsmen prevents work being carried out incorrectly or even dangerously and enables every foreman to recognise dangers to life, health and the environment and to take preventive measures. Consumers in particular must be able to rely on the skill and safety of work carried out by a craftsman. The qualification as a master craftsman is therefore in the direct interest of effective consumer protection that seeks to prevent dangers arising.

Fact 10:  
*The qualifications for a skilled craft profession do not impede the mobility of the self-employed and employees within the European domestic market.*

The EU Directive on the Recognition of Professional Qualifications enables access to craft professions subject to registration in Germany by citizens from member-states in the European Union and the European Economic Area in possession of appropriate qualifications. Checks on the professional qualification and undergoing a professional recognition process are only required when employment as a foreman in a company registered in Germany is sought. The principle of automatic recognition generally applies in providing cross-border services. The migration of specialist personnel as employees is in no way affected by German regulations governing the professions.