Labor Market Availability

Highly Skilled Workforce

Germany’s world-class education system ensures that the highest standards are always met. The German workforce comprises over 41 million people – making it the largest labor pool in the EU. Additionally, companies in Germany benefit from the high levels of education in the workforce: More than 80 percent of the German workforce has received a formal vocational training, is in possession of a trade or technical school certificate or an academic degree.

Germany’s globally renowned dual system of vocational training consists of about 1.3 million apprentices and more than 8,600 vocational schools. In addition, about 2.8 million students are enrolled at one of Germany’s 425 universities. A majority has opted for courses with a technical focus. Germany’s share of university students in the natural sciences, mathematics, statistics, computer sciences, and engineering is the highest in the EU, with 37.5 percent of all German students. According to OECD statistics, Germany has the highest rate of graduates with a doctoral degree in the natural sciences and in engineering.

Business Climate

Labour Force in Germany by Vocational Qualification Attained (2017)

[Diagram showing the distribution of labor force in Germany by vocational qualification attainted: 50.1% for University Degree/Doctor’s Degree, 22.2% for Trade and Technical School Certificate, 17.1% for Apprenticeship/Vocational Educ. & Trg. (Dual System), and 10.2% for No Vocational Qualification Attained.

Source: Federal Statistical Office 2019

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Dual Education System

To secure the economy’s demand for highly-qualified personnel, Germany traditionally relies on a dual system of vocational education and training - combining the benefits of classroom-based and on-the-job training over a period of two to three years. Every fifth German company participates in the dual vocational training system, which turns their best apprentices into specialists that fulfil each company’s individual needs.

The apprentices also benefit from the system. In 2017, about 74% of all apprentices received an employment contract after completing their vocational training at the company. More than 1.3 million young people are currently in a vocational training program in Germany. Germany has Europe’s second lowest youth unemployment rate with only 5.8% and enjoys an excellent reputation resulting from the dual system of vocational education and training.

There are currently around 325 occupations recognized by the system. The German government, in close cooperation with the German Chambers of Industry and Commerce (IHKs) and the German Confederation of Skilled Crafts (ZDH), ensures that standards are adhered to rigidly, guaranteeing the quality of training provided across Germany.

The higher education system also applies the dual system of vocational training. There are currently more than 110,000 students taking part in a dual study program. These are usually offered by universities of applied sciences. Most of the dual study programs are in engineering or business because of the high level of integration with the more than 47,000 companies and other partners participating.
Vocational Training "Made in Germany"

Germany’s “dual system” of vocational training combines company apprenticeships and vocational school training. The system is a pillar of Germany’s economic competitiveness and innovative capacity. Local authorities and industry officially recognize study programs and certification in around 330 vocations.

Turning apprentices into skilled professionals

APPRENTICESHIP

2–3 YEARS OF COMBINED TRAINING
LABOR MARKET AVAILABILITY

Related Links

- Federal Ministry of Education and Research
- Federal Institute for Vocational Education and Training
- AusbildungPlus (Database for dual study programs in higher education)

Motivated and Dependable Employees

German labor flexibility is reflected in higher than average employee motivation levels – exceeding those of most leading industrialized nations. In fact, according to the IMD World Competitiveness Yearbook, German employee motivation levels are higher than those recorded in the US, China, Russia, Poland, France and the UK. As a direct consequence Germans work more than their international peers (41.0 hours per week) and lose less days per annum due to labour disputes than other European nations (significantly below the EU-28 average according to Eurofound).

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Average Number of Weekly Working Hours for Full-time Employees (2018)

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Sound Labor Costs
An excellent labor force and efficient production processes have led to an increase in productivity in the past decade – higher than that in labor costs.

Since 2016, labor costs have risen in most European countries (EU-28) in almost every year. The annual growth rate averaged 2.3 percent between 2016 and 2019. While some countries – particularly those in eastern Europe – experienced an increase of about 6.6 percent, Germany experienced a lower labor cost rise with 2.8 percent.

This has led to a genuine competitive cost advantage – particularly in manufacturing. Recently, the growth of unit labor costs in Germany has been recorded at 2.0 percent. Similar rates have been registered in the Czech Republic, in Slovakia and in Hungary.

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**Average Annual Change of Nominal Unit Labor Cost based on Persons (2009-2018)**

Source: Eurostat 2020

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**Contact Us**

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✉️ Submit your question
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