

Dr. Mona Granato
Joachim Gerd Ulrich

Bundesinstitut für Berufsbildung, Bonn
(Institut Fédéral de La Formation Professionnelle)
granato@bibb.de
ulrich@bibb.de
09 10 2015ab

How the educational system produces disadvantaged young people. Dual VET system in Germany and the organizational interests of stakeholders of corporate governance system

Comment le système éducatif produit des jeunes désavantagés : La formation en alternance et les intérêts organisationnels des acteurs du système corporative en Allemagne

Mona Granato, Joachim Gerd Ulrich

Bundesinstitut für Berufsbildung
(Institut Federal de La Formation Professionnelle, BIBB)

1. Introduction

The majority of young people in Germany complete general schooling without an upper secondary school leaving certificate (higher education entrance qualification) and depend on non-academic tracks in order to achieve a fully recognized vocational certificate. The dual system of initial vocational and educational training (VET) is the most important track of non-academic education, which combines part time vocational school with company based training and which is steered by a corporate governance system (Möbius & Verdier 1997; Gonon 2014).

The access to the dual VET system is marked by a fundamental institutional contradiction. On the one hand the decision whether to offer a training place and to whom is completely left to the companies (market-based access). On the other hand, there is a general agreement in German society that the economy always ought to provide sufficient dual VET places for young people, which represents a powerful social expectation legitimized by Constitutional Court (“training places for all”).

Due to the lack of in-company-dual VET places many young people looked (and still look today) in vain for a dual VET place, especially in regions without a sufficient offer of in-company dual VET training places (Granato & Ulrich 2013; Matthes et al. 2015). This contributed to substantial inequalities in access to dual VET along social dimensions, such as social and ethnic origin, age and gender (Hillmert 2010).

As a result, companies came under substantial legitimation pressure to provide enough training places for all young people, as did the market-based access to dual VET and the corporate governance system of dual VET system.

Our contribution therefore seeks answers to the questions how the stakeholders of corporate governance of dual VET system deal with or even solve this contradiction, especially stakeholders from business associations, and how, the way they perform, affect the risk of young people to be excluded from dual VET.

Neo-institutional approaches and the principal—agent theory, which we use as theoretical framework (chap. 3) allow us to better understand how political governance works in a corporate system like dual VET (chap. 2), a system where interests of organizations and their corporative stakeholders, especially from business associations have an huge impact on policy making (chap. 4).

2. System of dual VET and the market based access in Germany

2.1 Dual Vocational education and training (VET)

In Germany, only 37% of young people complete schooling with an upper secondary school leaving certificate (higher education entrance qualification, "*Hochschulzugangsberechtigung*"). 19% of school leavers finish general education with a lower secondary school leaving certificate ("*Hauptschulabschluss*"), 44% of school leavers have an intermediate secondary school leaving certificate ("*Realschulabschluss*") and even 6% leave school without any certificate (Autorengruppe 2014, p 274).

About 504.000 young people begin an *academic education* in a *university* (2014) while the majority of school leavers, around 60%, depend on non-academic vocational training in order to achieve an officially recognized vocational qualification. Within young people beginning a *non-academic education* (713.000) the majority, 484.000 youngsters, start a *dual VET* and around 221.000 a *full-time school-based VET*. Around 256.000 young people, who could not find a VET apprenticeship are placed in an *interim solution* of the so called "*transition sector*" which doesn't provide any professional diploma (Dionysius et al 2015, p 259f).

To access training in a *full-time school-based VET* it is generally necessary to have an intermediate secondary school leaving certificate. Access to dual system of VET formally doesn't require any prior school certificate. The dual VET system covers more than 340 recognized training occupations ("*Ausbildungsberufe*"). Even if all dual VET diplomas are formally considered having an equivalent level, a distinction is drawn relating to length of training between two, three or three and a half years (Granato & Kroll 2011). Corresponding to this differentiation in the "German qualification framework" the diplomas of two years VET are classified at level 3 and diplomas of three or three and a half years to level 4 (Federal Ministry of Education and Research 2012).

Federal state authorities are responsible for the practical part of in-company dual VET. They delegated the responsibility (1) for carrying out the practical part of dual VET to the companies and (2) for controlling and supervising of in-company dual VET to the chambers (of skilled crafts and of industry and commerce) as self-administration organs of economy ("*principle of subsidiarity*", Bund-Länder Kommission 1998). Dual VET system is steered, by corporative institutions and processes (Delautre 2014). Therefore, on an institutional level, administration and controlling within dual VET system are deeply rooted in corporate institutions and corporate consultation processes. There are multiple consultation processes between stakeholders of public sector (state authorities) and social partners within the state-corporatist governance system of dual VET, which is responsible for the guidance of dual VET system (Bund-Länder Kommission 1998; Busemeyer 2009; Granato & Ulrich 2013). Within this state-corporatist governance system, decisions should be taken by consensus ("*principle of consensus*").

2.2 Market based access to dual VET and – a fundamental contradiction

In Germany, there is a fundamental difference in the governance of access to higher education and to dual vocational education and training (dual VET). Access to *higher education* is state controlled, and the state stakeholders usually adjust the number of study places in university to the number of young people who have acquired a higher education entrance certificate and are interested in studies at university. The decision to get access or not to university is *rule based*, since there are clearly defined rules who can have access to this educational track (Granato & Ulrich 2013).

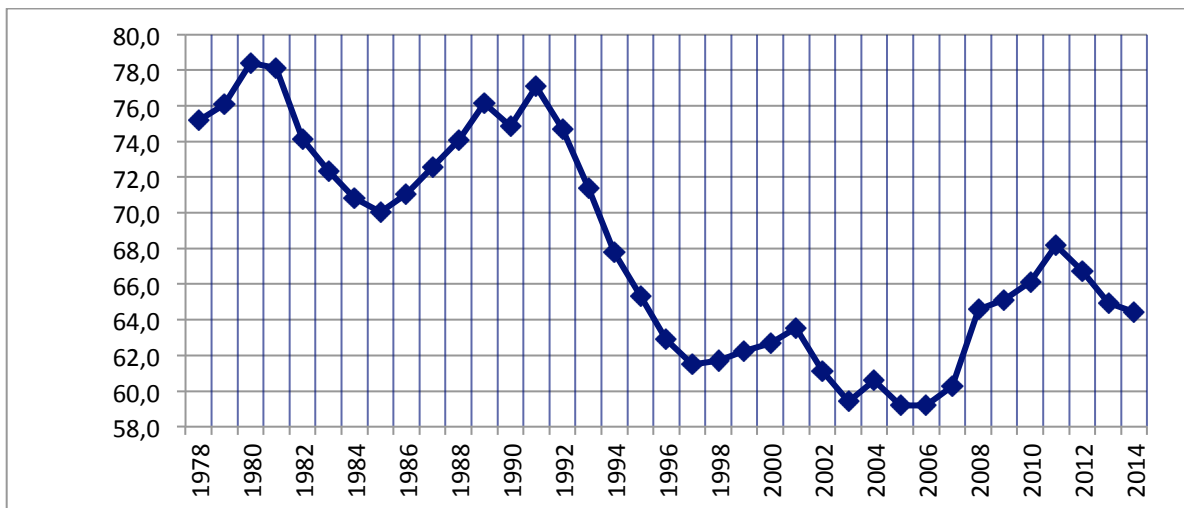
Access to dual VET is *market-based*: Young people who wish to find a training place have to apply to companies, which are interested in providing training. Companies are completely free to decide whether to provide in-company dual VET places and to whom. The number of in-company dual VET places offered by companies is much more oriented towards their own economic interests of skilled workers than towards the needs of young people for training (Troltsch & Walden 2010). The number of training places offered by companies thus does not necessarily correspond to the number of

school leavers needing an in-company training place and there is no substantial correlation between the number of dual VET places offered by companies and the number of young people interested in dual VET (Granato & Ulrich 2013). The market-based inclusion of dual VET is oriented towards the needs of economy for skilled workers (*manpower requirement approach*, Gaulke & Weißhuhn 1975).

On the other hand, there is a general expectation and agreement in German society that the economy always ought to provide sufficient training places for young people interested in dual VET (*social demand approach*, Gaulke & Weißhuhn 1975). This would correspond to a *rule based inclusion*: clearly defined rules, who can have access to an educational track. Within the “social demand approach” (which would correspond to rule based inclusion) young people’s need for in-company training places (should) determine(s) the volume of training places, not economy’s needs of skilled workers. This represents a powerful social expectation legitimized by Constitutional Court (“training places for all”).

Thus within the system of dual VET there is a *fundamental institutional contradiction*: On the one hand, in the context of market based access, companies are free to decide, whether or not they offer an in-company training place and to whom (manpower requirement approach). On the other hand, there is a powerful expectation from society that economy should always provide enough in-company dual VET places for all young people interested (social demand approach). Since the judgment of Constitutional Court in 1980 decided, “that all young people wanting to undertake vocational training are given the opportunity to obtain a training place”, *the principal of market based inclusion is linked to a defined inclusion target* („training for all“). The Court expects the economy to offer enough training places, even if companies have to offer *more* in-company dual VET places as they need to secure their needs for skilled workers. In case of substantial lack of dual VET places the Court decided, that companies which do not offer (enough) training places would have to pay a compulsory charge. This charge should be, by state authorities, used, to create state-financed non-company based dual VET places to compensate the lack of in-company dual VET places. In access of dual VET, there is hence a *contradictory combination from market based and rule based access*.

Figure 1: Percentage of young people interested in a dual VET place which begin a dual VET in Germany (1978 – 1991 Western Germany)



Source: Granato & Ulrich 2016; Federal Institute for Vocational Training and Education (BIBB)

The number of young people interested in a dual VET place has always been higher than the number of dual VET places offered by companies. Several times over past decades only around 60% of young people interested in a dual VET training place succeeded to find one. This enormous lack of in-company dual VET training places due to the increasing number of school leavers and the decreasing number of companies offer of dual VET training places cumulated from the middle of the 90th on. The transitions to an apprenticeship thus became longer and more difficult, even for those school leavers

with good school grades Ulrich 2013). Direct pathways diminished, whilst instabilities and the risk of exclusion cumulated (Hillmert 2010; Solga 2005). These difficulties affect especially young people with below-average school leaving certificate, those from socially disadvantaged or migrant families, or from economically weak regions with a shortage of VET places (Beicht & Walden 2014; Eberhard et al. 2013; Granato & Ulrich 2014; Ulrich 2013). Risks of exclusion are thus higher for the so called 'vulnerable groups'. Still in the last years, school leavers have difficulties to find a training place, especially in regions without a sufficient offer of in-company dual VET training places (Granato & Ulrich 2013; Matthes et al. 2015).

Therefore companies and economy are under pressure to fulfil the task "enough training places for all interested young people". This judgement places especially the *stakeholders from the employers' and business associations* of dual VET governance in a dilemma. They are required to encourage their members – the companies – to provide training services that might go beyond a company's own requirements. However, they cannot force them, especially as the Constitutional Court addressed its demands to the employers as a social group and not to the individual employer. On the other side, their members expect them to defend the decision autonomy of companies and to safeguard the claim of economy's self-administration of dual VET (Granato & Ulrich 2013).

3. Theoretical approach

As theoretical framework, we use *principal-agent theory* and *neo-institutional approaches*:

The relationship between federal authorities (principal) and business associations (agent), can be described as a *principal - agent* relationship (Eisenhardt 1989). The state (principal) delegate practical part of VET to economy (agent). Therefore economy is allowed to carry out in-company part of VET to a large extend autonomously (Bund-Länder-Kommission 1998). In return, the economy has to provide training places for all young people (outcome-oriented contract, Eisenhardt 1989, p 58). Agent and principal can have (partly) different or conflicting goals even both are engaged in a contract.

According to agency theory, the agent (economy) is strongly interested in his own goals, but less motivated to fulfil the tasks and duties he has overtaken from principal (federal authorities). Therefore, the agent seeks opportunities to fulfil the contract respective task (training places for all) in a self-interested way: "Agency theory reminds us that much of organizational life, whether we like it or not, is based on self-interest" (Eisenhardt 1989, p 64). The agent also tries to present its outcomes in a favourable (flattering) light (Ebers & Gotsch 2006, p 261). Among other strategies, he tries to use "information asymmetries between principal and agent" for self-interested interpretation of outcome (Eisenhardt 1989, p 59). The principal therefore "build up 'information mechanisms' to control agents' result and his 'self-serving behaviour'" (Eisenhardt 1989, p 59).

What happens, if the content of a contract can anymore be discussed by the agent, as it is the case for the "training places for all", which can anymore be discussed since the judgment of Constitutional Court? Due to the judgment of Constitutional Court in 1980, business associations couldn't anymore use short-term economic recessions to legitimize inadequate outputs of training-place supply. An important presumption of *neo-institutional approaches* is that organizations need harmony with their institutional environment, since the resulting legitimacy is necessary to safeguard their existence (Scott 2001, p 58ff). It is therefore important for organizations to establish legitimacy within their institutional context and to accept institutions, to get less vulnerable to attacks. Neo-institutional approaches allow us to understand, how stakeholders (as part of an organization) deal with challenges like institutions, which can not be questioned and, how they survive and even reach their goals within their institutional environment. Organizations cannot formally withdraw from (sometimes contradictory) institutions representing a powerful social expectations ("myths"), of what is "deemed to be normatively right, socially appropriate and rational behaviour by organizations" (Koch 2009, p 113). Such "myths" represent a particular challenge to organisations

(Meyer & Rowan 1977; Koch 2009). Thus, *strategic* aspects how organisations deal with institutions become important: Organizations sometimes only integrate institutions as powerful social expectations *formally* into their list of goals knowing that “others” have these expectations, even if they don’t internalize them into their own organizational targets (“legitimacy facades”) (Meyer & Rowan 1977, 345; Walgenbach & Meyer 2008; Koch 2009). Organisations moreover have sometimes to deal with contradictory expectations. Whereas the members of organisations expect efficient representation of their political interests vis à vis the institutional environment, the expectations from the institutional environment focus on the disciplining of their own members. In these situations organizations may deal with contradictory expectations “by taking a both /and approach” (Hargrave & van de Ven 2009, p 127).

Organizations can try to influence their institutional environment (1) on the *regulative level* by laws, regulations and contracts (*regulative* institutions), (2) on the *normative level*, by norms and values (*normative* institutions) and (3) on the *cognitive level* by cultural standards, interpretation schemata as universally shared ideas about social facts (*cognitive* institutions (Scott 2001, 51f). Organisations thus influence institutional environment and thereby structure it. Stakeholders of organizations also often have an active role trying to influence their institutional context by working as “institutional entrepreneurs” (DiMaggio 1988, 14) at all levels of their institutional environment (cognitive, normative, regulative): “to build their goals and procedures directly into society as institutional goals” (Meyer & Rowan 1977, p 348).

In the light of neo-institutional approaches and the principal—agent theory our contribution therefore addresses these questions:

- (1) How do members of the corporate governance of dual VET system, especially stakeholders of business associations, deal with this contradiction? Which strategies do they use?
- (2) How does this contradiction affect reform proposals in the field of dual VET?
- (3) What is the impact of organizational interests of players in the corporate system on the risks of exclusion of young people looking for an apprenticeship?
- (4) How does this contribute to produce disadvantaged youth?

4. Empirical Approach

As empirical approach we use on the one hand *document analysis* of documentations of statements (stakeholders), political debates, educational reforms et al.; laws, contracts, regulations and annual reports (Annual VET Report et al.).

On the other hand we use a survey of VET-experts of the Federal Institute for Vocational Education and Training (BIBB). This is an online questionnaire surveying VET experts on educational policy issues, like the reformability of access to dual VET (2010) and other reform proposals. Around 470 experts participated on this survey, especially experts involved in VET in the field of educational policy, at schools, companies, chambers, business and trade and industry associations, in the area of research and development, at employer organisations and trade unions, at government authorities and at educational institutions can participate.

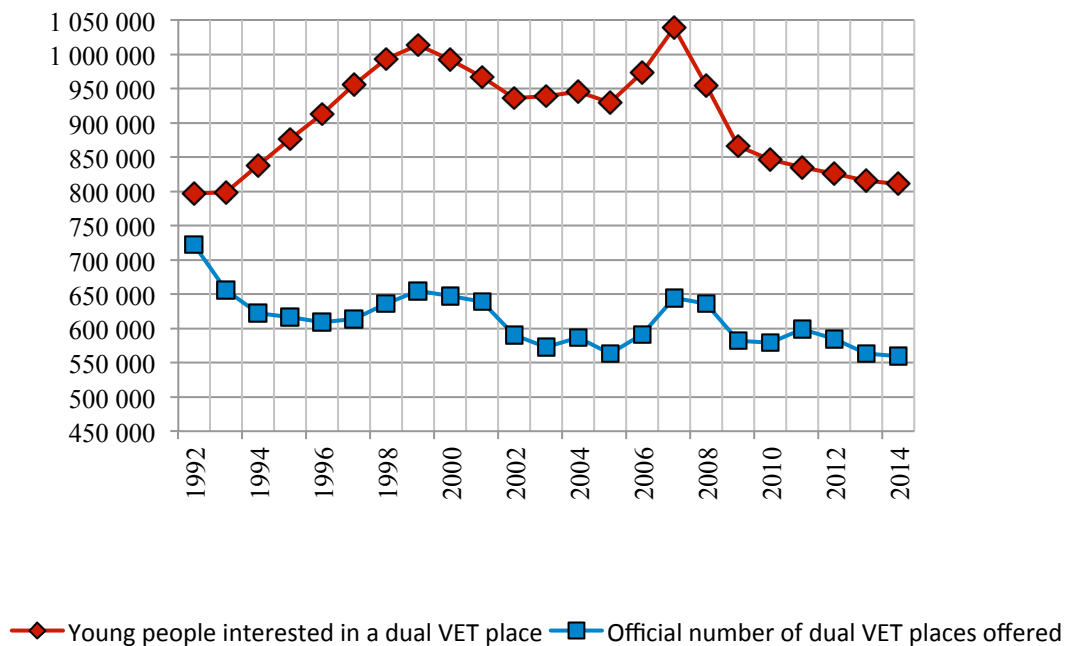
5. Findings

Over the past decades, the number of young people interested in dual VET has always been higher than the supply of company-based training places (figure 2). In 1992 around 797.000 young people were interested in a dual VET place, the number of in-company training places offered by companies was about 722.000. This discrepancy between offer and demand of dual VET places increased enormously until 2005, due to a growing number of school leavers and - in same time - a declining number of in-company dual VET places offered by companies (figure 2). Since 2007 because of demographic change the number of young people interested in training has been falling steadily (figure 2), and there is an impending shortage of skilled workers in the coming years (Maier et al.

2015). Even if we can observe in the last years a light relaxation on the training place market – going along with regional and professional imbalances - tens of thousands of school leavers could yet not find a training place, especially in regions without a sufficient offer of in-company dual VET training places (Granato & Ulrich 2013; Matthes et al. 2015; Matthes & Ulrich 2014). In 2014 810.000 young people are interested in dual VET and the supply of in-company based training places by the companies is around 539.000 (figure 2). Only 64% of these young people could enter a dual VET place (figure 1).

In the light of neo-institutional approaches and agency theory, our results reveal how the partners of corporate governance system and especially the stakeholders from the employers’ and business associations proceed to come out of this dilemma.

Figure 2: The development of the training market 1992-2014



Source: Granato & Ulrich 2013, pp 326, figure actualisée

5.1 Way of accounting (official statistics)

Since monitoring is necessary to know, if the supply of in-company training places is “enough” for young people’s need of training places, state authorities needed to establish official statistics about the number of dual VET training places offered by companies and the number needed by young people. They thus worked out statistical definition of offer and demand of training places. Within the corporate governance system, employers’ and business associations tried to influence the way of accounting offer and demand, to shed a “good” light on their “results” and thereby avoid compulsory charge for the companies, which do not offer enough training places. They thus worked on the *regulative level* to influence the monitoring in favour to them and succeeded to obtain a *restrictive accounting of applicants* for an in-company training place.

The official statistics are not young people interested in dual VET, but only those who apply for a dual VET place at national labour agency *and* officially are recognized as applicants.

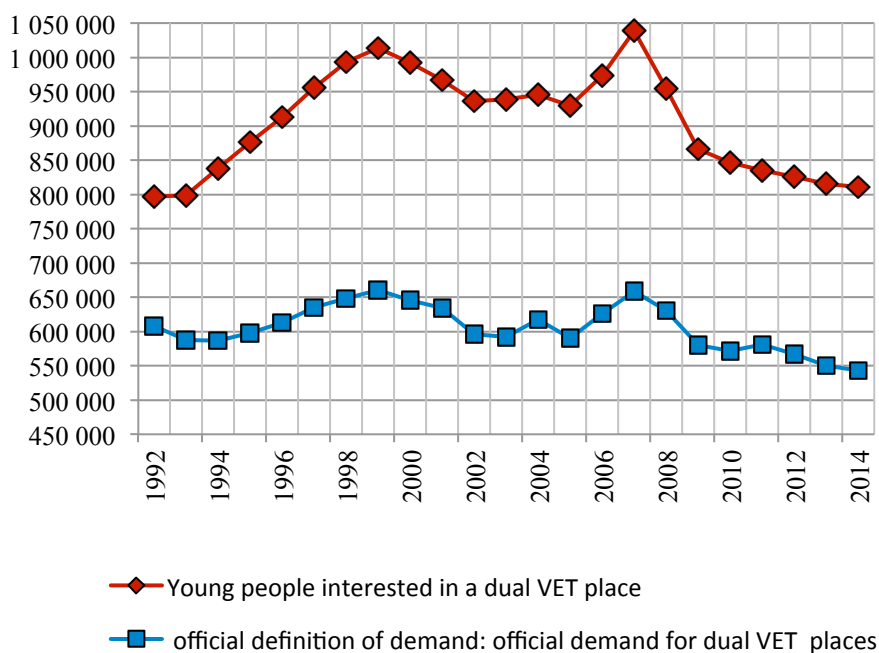
From these applicants the following groups are excluded in the counting:

(1) Applicants for training places who did not find a dual VET training place and officially gave up looking for a training place before the end of September

(2) Applicants, placed in interim solutions of transition sector, which does not lead to a recognised vocational certificate, are not counted; they are recorded in the statistics as “placed applicants” (*versorgte Ausbildungsstellenbewerber*) (Granato & Ulrich 2013).

First, not everyone interested in a dual VET place is officially enrolled in labour agency: she or he can try by himself/herself to find a training place. These young people thus are not recorded within the number of official applicants. *Second*, in the official statistics of demand the number of official applicants is diminished by those applicants who gave up before the end of September and by those who are placed in an interim solution. All these young people are not counted as applicants in the official demand statistic. The number of applicants in the demand statistic is thus far below the number of young people interested in VET (figure 3):

Figure 3: Young people interested in dual VET and the official demand for dual VET places 1992-2014



Source: Granato & Ulrich 2013, pp 326, figure actualisée

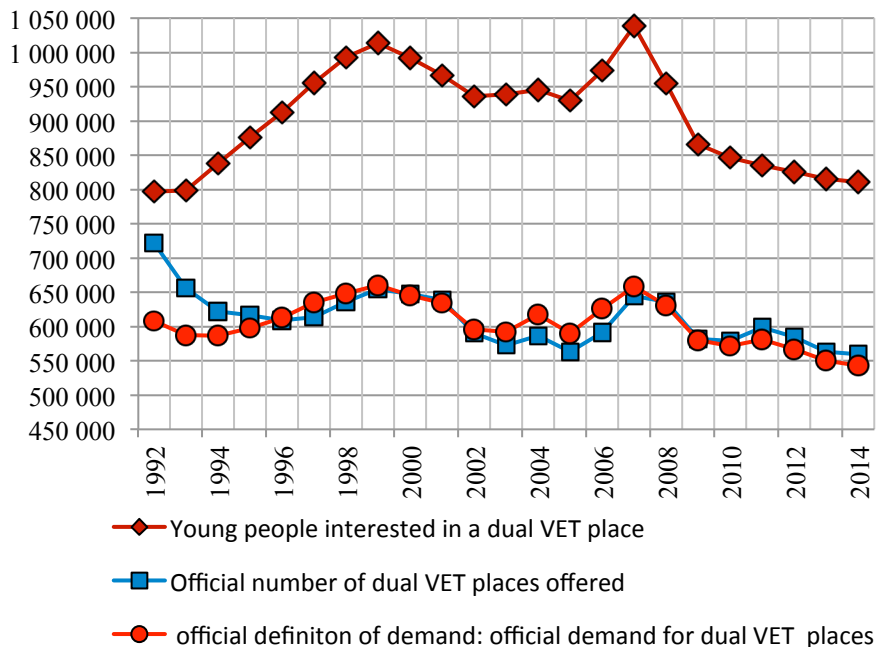
According to this statistical definition, there are fewer training-place applicants than young people interested in dual VET in reality. Corresponding to this restrictive calculation of demand within the statistics for the dual VET market accounting (*Ausbildungsmarktbilanz*) the supply of companies of in-company training places seems in most of the years to meet the “official demand” of applicants (figure 4).

The “official supply of dual VET places” thus covered every year at least 95% of the statistically defined “official demand for dual Vet places” – which is far away from the almost very high number of young people looking for an in-company VET place. This restrictive method of reporting supply and demand on the training market furthermore awakened long time the impression, the supply would be able to correspond flexible to the need of young people seeking an in-company training place. This was the case even in the years when the supply was far away from the real, de facto need of young people, interested in a dual VET place (Busemeyer 2009, pp19).

This way of accounting makes possible that business associations can *apparently* meet the expectation of their institutional context and the law’s demand to offer enough training places for all young people interested. Referring to the official statistic employers’ and business associations can thereby legitimize market-based access to dual VET – without changing substantially the supply politics of companies (Granato & Ulrich 2013). By this strategy, they can “hide” the de facto lack of

supply. This statistical practice creates the impression that both sides, the right of the young people for a training place and the need of the companies to exercise autonomy are realised without conflict.

Figure 4: The development of the training market 1992-2014 and the official demand for dual VET places



Source: Granato & Ulrich 2013, pp 326, figure actualisée

5.2 Legitimation strategies “not everybody wants” and “not everybody who wants is capable”

In order to secure the legitimacy of this statistical practice, the stakeholders from employers’ and business associations used also different legitimation strategies trying to exert influence on the normative level.

First they tried to explain that young people who didn’t find a dual VET place were *not interested* by a training place and that it was their own ‘decision’ to stop looking for an in-company training place and instead begin voluntarily an interim solution within the ‘transition sector’. The official way of accounting supported their arguments, since the number of young people placed in an interim-solution is subtracted from the number of applicants. They thus endeavoured to persuade the public opinion that the demand for dual VET places has apparently fallen because these young people are no more interested in an in-company training place and would prefer an interim solution rather than an in-company training place (Granato & Ulrich 2013). The “transition sector” thus supported market-based access to dual VET.

Second 2005 929.000 young people were looking for a dual training place whilst companies offered only 563.000 places (figure 4). Only around half of young people looking for an in-company training place could find one (58%, figure 1). In 2005 thus, 164.000 fewer apprenticeship places were offered, than in 1992. In 2006, however, the number of school-leavers was 179.000 higher than in 1992. The growing number of young people interested in training but without an apprenticeship place considerably sharpened the pressure on employers’ and business associations. Even given the restrictive way of calculation, the official number of “unplaced applicants” rose so clearly (1992 13.000, 2005 40.500), that pointing to the officially statistical decline in demand for dual VET (1992 608.200, 2005 590.700) was no longer enough to prevent public doubts about the legitimacy of the existing institutions and especially of market based access (Granato & Ulrich 2013).

Employer's and business associations thus 'explain(ed)' the relatively high number of entrants in the 'transition sector' in this period (+ 300.000 more entrants compared to 1992) by arguing that these young people lack in 'apprenticeship entry maturity'. They thereby managed to justify the dramatic expansion of the "transition sector", especially in Western Germany (Granato & Ulrich 2013). Furthermore they combined their argument of lack of maturity with the idea accepted in society, that the worlds of companies are ruled by (economic) requirements that would make it impossible for them to take on immature youngsters as apprentices (Eberhard 2006; Imdorf 2012). Since the companies cannot be expected to deal with such young people, the 'transition sector' has to establish the necessary 'maturity' for VET (Granato & Ulrich 2013).

At the same time, employer's and business associations complain about the lack of regional and occupational flexibility of those young people who are officially unsuccessful training place applicants. In this way, they steer the debate on the youth in Germany in a direction that associates problems accessing VET with individual weaknesses of these young people and that does not question the market-based access to VET (Luedtke 2014, pp 89).

Thus, the employers' associations diverted the pressure for the lack of in-company VET places away from the companies on to young people and to their so-called 'lack' of interest, willingness or maturity. Young people interested in training were stigmatised as being unwilling or insufficiently mature.

5.3 Reform proposals of market-based access to dual VET – a survey of experts

The following findings on opportunities to reform market-based access to dual VET result of a survey of VET experts (chap 4). The majority of VET experts agree with reforms towards a broader access to dual VET, especially with those reform proposals in order to *supplement* or *relativize* the principle of market-based access of dual VET. This is particularly the case in respect of unsuccessful applicants' legal entitlements to non-company-based training leading to a full vocational qualification (rule-based inclusion). Only among the experts of employers' and business associations, a majority reject these proposals. Nevertheless, the majority of *all* VET experts favour reforms of access to dual VET towards rule-based inclusion (Gei et al. 2011).

On the other hand, the majority of the surveyed VET experts think these reforms will not be realised in the near future. VET experts consider those reform proposals to have the *highest probability* to be realised within the next years, which do not restrict market-based access, like reform proposals, which will lower companies' costs and risks to be engaged in dual VET, e.g. new models of support for companies during the transition process or during the apprenticeship. They consider those reform proposals to have *less probability* of realization, which are complementary to market based access, like e.g., a guarantee for non-company-based dual VET place for those applicants who do not find an in-company dual VET place. Those reform proposals are considered to have the *lowest probability* to be realised, which restrict the principle of market-based access, e.g. the use of anonymised applications for an in-company dual VET place or quotas for specific vulnerable applicants' group (Granato & Ulrich 2013).

Their rating (predictions) on the probability, if a reform proposal will be realised, depend on a great extent, on, how VET experts estimate the influence of business associations on reform proposals. Those, who assume that employers' and business associations are opposed to innovations towards a rule-based access of dual VET consider, that such reforms will not be realised in the next years. In contrast, the VET experts consider less important the influence of employees' representation (trade unions) in political decision-making process (Granato & Ulrich 2013).

5. Conclusions

Business associations succeeded to use the *principal agent relation* (chap. 3) to their advantage: Although federal authorities built up "information mechanisms" to control the outcomes of the contract, business associations used information asymmetries for self-interested description and

interpretation of outcomes. They succeeded to present the supply of dual VET places of companies as a favourable result and thereby “with wash” the results of the contract.

In the light of neo-institutional approaches (chap. 3), our results point out:

Employers' and business associations establish legitimacy within their institutional context, *formally* supporting this powerful social expectation ‘training places for all young people’ (‘myths’), in order to appear less vulnerable, even they don’t integrate it into their own goals, whilst they struggle successfully for their own interests and those of companies („legitimacy facades“, Meyer & Rowan 1977). Accordingly, the representatives of employers’ associations could seek “both / and” solutions (Hargrave & van de Ven 2009), which *seem* to satisfy both the companies’ demand for autonomy as well as the young people’s demand for training-place provision.

Since in the 1980th it was not possible to change the institution ‘training places for all’ (legitimized by Constitutional Court) on the *regulative level by laws*, employers’ organisations attempted *first* to influence their institutional environment on the *regulative level by regulations*, on the *normative level* (norms, values) and the *cognitive level* (interpretation schemata about social facts, Scott 2001). Later they even influenced the *regulative level by laws* (Granato & Ulrich 2013). Employers’ and business associations thus work(ed) successful as institutional entrepreneurs (DiMaggio 1988) at least at *all levels of their institutional context*, which they influence still today:

- They tried and succeeded to change or to prevent laws (regulative level)
- They influenced regulations, e.g. regulations for statistical accounting (regulative level)
- They succeeded to influence norms of maturity for access to apprenticeship (normative level)
- They succeeded to influence interpretation of society towards youngsters (cognitive level) (Granato & Ulrich 2013).

Given the lack of training places, they struggle successful for the autonomy of companies and thereby avoid fundamental reforms of market-based access to dual VET. The lack of in-company dual VET places remained hidden. They prevent that the charge for companies in case of a lack of dual VET places was realised. Today, vocational training and education is more strongly than in the 90th, linked to companies demand than to young peoples need (Granato & Ulrich 2013).

State stakeholders often agree with these arguments and accept legitimization strategies of employer’s and business associations for different reasons. *First*, when economy didn’t provide enough in-company VET places for all young people state stakeholders did not force companies, which do not offer (enough) apprenticeship places to pay a compulsory charge as for seen in 1980 by Constitutional Court. In order to legitimise their lack of action – after all, the Constitutional Court had decreed that the state *must* expect sufficient provision from the economy if it left the task of VET to the employers – they also favoured a restrictive calculation of training demand. The pressure to take action thus was taken away by the statistics (Bosch 2008, p 242). *Second*, they later on enlarge(d) the ‘transition sector’, especially in Western Germany, instead to build up more non-company dual VET places financed by public sector. In the light of neo-institutional approaches stakeholders from the federal authorities especially, could thereby continue their “muddling through” strategy (Powell & Colyvas, 2008, p. 277). Both, state actors from the federal authorities as employers’ associations could still adopt a “both/and approach” (Meyer & Rowan, 1977, p. 348), formally satisfying social expectations on the one hand while avoiding fundamental reforms of market-based access on the other (Granato & Ulrich 2013).

At least federal authorities acknowledged priority of *manpower requirement* of economy compared to *social demand* of young peoples’ need for VET training places (Granato & Ulrich 2013). Thereby the position of employers’ associations within the corporate governance system of dual VET got stronger whilst the corporate governance system itself got weaker among other by violation of *principle of consensus* and *subsidiarity* (chap. 2, Busemeyer 2009; Granato & Kroll 2013; Granato & Ulrich 2013).

Even the rating of VET experts in the survey reflect the powerful position of employers' and business associations within the corporate governance system. Market-based inclusion, is perceived, even by experts, as an institution capable to resist reform efforts. The scope of the reform propositions rated as (more) probably to be implemented is limited to *system-immanent* proposals, which only seek to "optimise" market-based access to dual VET. These consist exclusively of proposals shared by the employers' associations (Granato & Ulrich 2013). Thus there is empirical evidence that actors from the employer's and business associations have much more influence on policy making processes within the corporate governance than other social partners, e.g. trade unions. When they are opposed (e.g.) to fundamental reforms of access to dual VET, the political implementation of this reform seems even to VET experts to have little chance of success. The results of the VET expert survey indicate how much the attitudes of the actors of dual VET system are influenced by the self-interests of their organizations and to which point political debates, (non)decisions as well as reform proposals are rather more dominated by the recruitment interests of economy than by young people need of a training place.

So fundamental reforms of market-based access of dual VET are not realised and still in the future, many youngsters seeking an in-company training place will not find one and stay on the long term without a recognised vocational qualification. An essential function of the education and training system, namely providing offers of training for all young people, is still unfulfilled.

Employers' associations are still arguing that the companies are the more suitable learning venues and that the problems in the training market have been caused by *individual weaknesses* of *young people*. Difficulties of market-based access to dual VET especially supply problems of economy are thus *individualised*, even if it is due to the lack of dual VET places that over the past decades a part of a generation was "crowded out". Business associations thus influenced the public discourse in German society towards young people to be unwilling or not mature, at least "disadvantaged" youth. This strategy working on the *cognitive level* influenced the interpretation of society towards young people and joint the prejudice of society towards the young generation and thereby influenced successfully the public and political discourse of youth as a 'social problem' (Hasse & Schmidt 2010). The policy of corporate governance of dual VET, especially the organisational interests of stakeholders of employers' and business associations and of stakeholders of state authorities (going almost along with them), still consists in avoiding fundamental reforms of market-based access to dual VET, even if there are not enough training places provided for young people needs and even if this produces thousands of young people looking in vain for a training place. Thereby corporate governance of dual VET as part of the educational system take into account to produce disadvantaged young people.

Due to the demographical change, we can observe in the last years a decline of young people interested in dual VET and a light relaxation on the training place market – going along with regional and professional imbalances (Matthes & Ulrich 2014). In those regions or training professions without a sufficient demand of young people for in-company dual VET, companies are facing growing difficulties in filling their training places (Matthes & et al 2015). This challenges the institutional work of employers' and business associations in a quiet different way. They now strengthen more than before arguments like the regional and professional mobility of young people. They thus expect young people e.g. to be regionally mobile and even to pick up those dual VET places that have not been considered by other applicants (Granato & Ulrich 2013). These are often places in training professions in which training allowances tend to be low, the contract dissolution rates high and in which training conditions are exceptionally difficult, as surveys of apprentices show (e.g. more frequent overtime, less compliance with the training plan, more tasks having nothing to do with the training; DGB-Jugend 2014). In this case, again, the associations of employers' take into account, that young people, especially with lower school leaving certificates or none at all, take over the risk to find their way through an apprenticeship that often does not correspond to their preferred occupation and in which they are more likely to be subjected to even more difficult training

conditions than apprentices in other training occupations. If they solve their contract because of difficult conditions during apprenticeship, the reasons *discussed* in public discourse will be (surely) *individualised*.

References

- Autorengruppe Bildungsberichterstattung 2014: Bildung in Deutschland 2014. Ein indikatorengestützter Bericht mit einer Analyse zur Bildung von Menschen mit Behinderungen. Bielefeld.
- Beicht, U. & Walden, G. 2014: Chancennachteile von Jugendlichen aus Migrationsfamilien beim Übergang in berufliche Ausbildung. Welche Rolle spielt die soziale Herkunft? In: Zeitschrift für Berufs- und Wirtschaftspädagogik, Heft II, Band CX, pp. 188-215.
- Bosch, G. 2008: Zur Zukunftsfähigkeit des deutschen Berufsbildungssystems. In: Arbeit, 17(4), 239-253.
- Bundesministerium für Bildung und Forschung (BMBF) 2012: Wichtiger Schritt hin zum Bildungsraum Europa, Berlin, Pressemitteilung.
- Bund-Länder-Kommission für Bildungsplanung und Forschungsförderung (eds.) 1998: Modernisierung des dualen Systems – Problembereiche, Reformvorschläge, Konsens- und Dissenslinien, Materialien zur Bildungsplanung und Forschungsförderung.
- Bussemeyer M. 2009: Wandel trotz Reformstau. Die Politik der beruflichen Bildung seit 1970. Schriften aus dem Max-Planck-Institut für Gesellschaftsforschung Köln, n° 65.
- Delautre, G. 2014 : Le modèle dual allemand. Caractéristiques et évolutions de l'apprentissage en Allemagne. Document d'études N 185. Direction de l'animation de la recherche, des études et des statistiques.
- DGB-Jugend 2014 : Ausbildungsreport 2014. Berlin: Deutscher Gewerkschaftsbund.
- DiMaggio, P. J. 1988: Interest and agency in institutional theory. In: Zucker, L. (ed.): Institutional patterns and organizations: culture and environment. Cambridge, MA. p. 3-21
- Dionisius, R. et Illiger A., Schier F. 2015 : Die integrierte Ausbildungsberichterstattung im Überblick, in BIBB Datenreport zum Berufsbildungsbericht 2015. Bonn, p 255 -269. Bonn
- Eberhard, V. 2006: Das Konzept der Ausbildungsreife - ein ungeklärtes Konstrukt im Spannungsfeld unterschiedlicher Interessen. Bonn: BIBB
- Eberhard V. et. Beicht U., Krewerth A., Ulrich J. G. 2013: Perspektiven beim Übergang Schule - Berufsausbildung: Methodik und erste Ergebnisse aus der BIBB-Übergangsstudie 2011, Bonn, Bundesinstitut für Berufsbildung - (Wissenschaftliche Diskussionspapiere 142).
- Eisenhardt, K. M. 1989: Agency theory: an assessment a review. In: Academy of Management Review 14 (1). p. 57-7
- Gaulke, K.-P. & Weißhuhn, G. 1975: Berufsfeldplanung für die Sekundarstufe II. Berlin.
- Gei, J. et Krewerth, A., Ulrich, J. G. 2011: Reformvorschläge zum Übergang Schule-Berufsausbildung nur bedingt konsensfähig. Berufsbildung in Wissenschaft und Praxis, 40(2), pp 9-13.
- Gonon, P. 2014: What Makes the Dual System to a Dual System? A New Attempt to Define VET through a Governance Approach. bwp@ Berufs- und Wirtschaftspädagogik - online, 25, 1-13.
- Granato, M. & Kroll, S. 2013: L'alternance en Allemagne: différenciation de la formation sans différenciation des diplômes? In: Cahiers de la recherche et des savoirs, coordonné par Brucy, g.; Maillard, F.; Moreau, G.; H-S n 4, S. 109-131.
- Granato, M. & Ulrich, J. G. 2014: Soziale Ungleichheit beim Zugang in eine Berufsausbildung: Welche Bedeutung haben die Institutionen?. In: Zeitschrift für Erziehungswissenschaft (Sonderheft 24: Herkunft und Bildungserfolg von der frühen Kindheit bis ins Erwachsenenalter: Forschungsstand und Interventionsmöglichkeiten aus interdisziplinärer Perspektive, von K. Maaz (dir.) M. Neuman, pp. 205-232.
- Granato, M. & Ulrich, J. G. 2013: Die Reformierbarkeit des Zugangs in duale Berufsausbildung im Spannungsfeld institutioneller Widersprüche. Schweizer Zeitschrift für Soziologie Nr 2, p. 315-339.
- Hargrave, T.J. & Van de Ven, A.H. 2009: Institutional work as the creative embrace of contradiction, in T.B. Lawrence, R. Suddaby & B. Leca (Eds) Institutional work (120-140). Cambridge: Cambridge University Press.
- Hillmert, S. 2010: Betriebliche Ausbildung und soziale Ungleichheit. In: Sozialer Fortschritt, 6 -7, p. 167-174.

- Imdorf, C. 2012: Zu jung oder zu alt für eine Lehre? *Zeitschrift für Arbeitsmarktforschung*, 45(1) p 79-98.
- Koch, S. 2009: Die Bausteine neo-institutionalistischer Organisationstheorie – Begriffe und Konzepte im Lauf der Zeit. In: Koch, S.; Schemmann, M. (eds.): *Neo-Institutionalismus in der Erziehungswissenschaft*, Wiesbaden. p. 110-131
- Lawrence, T. B. & Suddaby, R. & Leca, B. (Hrsg.) 2009: *Institutional work. Actors and agency in institutional studies of organizations* Cambridge: Cambridge University Press
- Luedtke, J. 2014: Die Arbeitsgesellschaft unter Wandlungsdruck. Auswirkungen auf die Lage und Zukunft von Jugendlichen. In: A. Groenemeyer & D. Hoffmann (Eds): *Jugend als soziales Problem - soziale Probleme der Jugend? Diagnosen, Diskurse und Herausforderungen*. Weinheim & Basel: Beltz Juventa., pp 76-96.
- Maier T. et. Zika G., Wolter M., Kalinowski M., Helmrich R. 2014: Engpässe im mittleren Qualifikationsbereich trotz erhöhter Zuwanderung. Aktuelle Ergebnisse der BIBB-IAB-Qualifikations- und Berufsfeldprojektionen bis zum Jahr 2030 unter Berücksichtigung von Lohnentwicklungen und beruflicher Flexibilität. *BIBB REPORT*, 23/2014.
- Matthes S. & Ulrich J. G. 2014: « Wachsende Passungsprobleme auf dem Ausbildungsmarkt », *Berufsbildung in Wissenschaft und Praxis (BWP)*, I, pp. 5-7.
- Matthes S., Ulrich J.G., Flemming S., Granath R. O. 2015: Die Entwicklung des Ausbildungsmarktes 2014: Duales System vor großen Herausforderungen. *BIBB-Erhebung über neu abgeschlossene Ausbildungsverträge zum 30. September*, Bonn, Bundesinstitut für Berufsbildung.
- Meyer, J. W. & Rowan, B. 1977: Institutional organizations: Formal structure as myth and ceremony. In: *American Journal of Sociology*, 83(2). p. 340-363
- Möbus, M. & Verdier, É. 1997. La Construction des diplômes professionnels en Allemagne et en France. In: *Bref No 130. CEREQ, Marseille*.
- Powell, W. W & Colyvas, J. A. 2008: Microfoundations of institutional theory. In: Greenwood, Royston; Oliver, Christine; Sahlin, Kerstin; Suddaby, Roy (eds.): *Organizational institutionalism*. Thousand Oaks. p. 276-298
- Scott, W. R. 2001: *Institutions and organizations*. 2nd edition, Thousand Oaks
- Troltsch, K. & Walden, G. (2010). Beschäftigungsentwicklung und Dynamik des betrieblichen Ausbildungsangebots. *Zeitschrift für Arbeitsmarktforschung*, 43, 107-124
- Ulrich J. G. 2013: « Regionale Unterschiede in der Integrationsfähigkeit des dualen Berufsausbildungssystems », *WSI Mitteilungen*, I, pp. 23-32.
- Walgenbach, P. & Meyer, R. 2008: *Neoinstitutionalistische Organisationstheorie*. Stuttgart: Kohlhammer.