

# AICGS Transatlantic Perspectives

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## Comparing German and American Models in Skill Formation

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How will the economic crisis affect higher education and vocational training in the U.S. and Germany?

What characteristics do the German and American education models share? How do they differ?

The transformation of social, economic, and political conditions demands that skill formation systems in advanced economies be reformed. Currently, an array of short-term and long-range reform processes are underway. These are exemplified by the “excellence initiative” in Germany that aims to increase the global competitiveness of a handful of German publicly-funded universities;<sup>1</sup> the privatization of American state universities; and the Europe-wide initiatives to standardize higher education (named the “Bologna” process) and vocational training (named the “Copenhagen” process). Which such education and training reforms are chosen and how they are best implemented depends on ideas and policy models that have diffused and been differentiated over many decades.

### ECONOMIC CRISIS AND EDUCATIONAL REFORMS

The current economic crisis has brought commitments of considerable government support for education in the recovery packages of both the United States and Germany.<sup>2</sup> Alongside these short-term spending programs, on-going restructuring aims to adapt education and vocational training systems to an information age in which services are paramount. Responsible for conveying skills and for legitimately sorting individuals into disparate career pathways, schooling and initial vocational and professional training have retained—even expanded—their utmost significance both for economic competitiveness and individual life chances.<sup>3</sup> Indeed, higher education expansion in virtually all countries has not eliminated international and intranational disparities in the proportion of young adults who access higher education and attain credentials. For example, due to the emphasis on vocational training at the secondary level, Germany exhibits a much lower net entry rate into tertiary education: 35 percent compared to an OECD average of over 50 percent.<sup>4</sup> Yet the high proportion of high school graduates in the U.S. who enter some form of higher education is vitiated as a large minority fails to complete their postsecondary studies. Such sustained national differences motivate the reform of skill formation systems in Europe and North America.

The economic crisis underscores the challenge of providing broad-based access to higher education, especially if the commitment to increasing the proportion of students from lower-income families is to be achieved. Exorbitant increases in tuition fees at most, if not all, American liberal arts colleges and universities over the past few decades have increased social selectivity. In contrast, tertiary-level tuition in Germany rarely exceeds €500 per semester, but the path to higher education is decided very early in life, at the transition from primary to secondary schooling. Thus, while both countries struggle to provide more equal access to postsecondary education and training, they are still looked to as models to emulate in vocational training (Germany) and higher education (United States).

### GLOBALIZATION AND EUROPEANIZATION OF SKILL FORMATION

For over a century, on both sides of the Atlantic, these countries have been among the most crucial sources for models in skill formation, as they have two of the strongest science and education systems worldwide. Public and private investments in skill formation have increased in both nations over the post-World War II period, albeit with different emphases: general and academic education in the U.S. and specific vocational training in particular occupations in Germany. Looking specifically at higher education, these countries continue

to learn from each other as they compete in global education and labor markets. Indeed, in the most competitive markets for talent, a range of programs under the umbrella of the German Academic International Network (GAIN), with funding from the German Academic Exchange Service (DAAD) and other science funding organizations, aim to bring back home Germans who currently work in the American academy.<sup>5</sup> This represents a new chapter in the long history of transnational migration of scholars (“brain drain”/“gain”) that includes the dramatic scientific transfer of émigrés during and following the Nazi period.<sup>6</sup> Those migration flows are one example of the phenomena of globalization and Europeanization, which have become favored buzzwords in the press as well as among policymakers and scholars, especially since the end of the Cold War. As concrete examples of this cross-border exchange and even standardization, the Bologna and Copenhagen processes focus enhanced attention on national reform rhetoric and realities as well as to the definition of norms and (im-) permeability throughout educational systems.

Contrasting imported ideals with concrete institutionalization processes, we can ask to what degree contemporary European reform agendas are moving Germany’s skill formation institutions toward Anglophone market-based models—even as these market-based systems suffer most from the current economic crisis. Over the past decade Europe-wide developments such as study abroad programs and English-language courses of study challenge the enviable position of the United States as the acknowledged leader in higher education, based largely on the strength of several dozen extraordinary liberal arts colleges and research universities spread throughout the country. Fairer comparisons with the United States would include much of Europe, not only one country such as the UK, France, or Germany. In global competition, will European models replace the American model as the ones to emulate? A look into the history of such idea translation and policy transfer may help us gauge this possibility.

## **TWENTY-FIRST CENTURY REFORMS AND THEIR HISTORICAL PRECEDENTS**

Debates in Germany have led to the re-evaluation of its educational system to meet new European standards. Recently implemented Bachelor’s and Master’s courses of study and graduate schools offering PhD programs in Germany are an attempt to move its less differentiated universities (that nevertheless serve a small and select proportion of each cohort) into compliance with global ideals of access and equity as well as Europe-wide standards. These standards, set forth in the Bologna process, include credit transfer points for student workloads, diploma supplements (explaining the degree students have attained), and qualifications frameworks. Ultimately transformative in the diversity and rapidity of their implementation, the recent reforms of higher education in Germany and her neighbors have been legitimated by way of benchmarking in global university rankings and continuous (and often spurious) comparison to a handful of elite Anglophone universities. Challenged by the contemporary economic crisis that has reduced their endowments, curtailed alumni giving, and increased demand for financial aid, American colleges and universities increasingly recognize the potential of European reforms. For example, the Lumina Foundation recently funded pilot projects in Indiana, Minnesota, and Utah to test the potential of “tuning,” a method for measuring student learning, knowledge, and skills that transcends the mere counting of hours in the classrooms.<sup>7</sup> Ten years after European education ministers met in Bologna and reached voluntary consensus on Europe-wide goals in higher education, these efforts to communicate the contents of study courses and the value of credentials across national (and linguistic) borders are designed to enhance student mobility, transparency, and accountability for learning outcomes. Looking back to earlier periods helps evaluate whether and how contemporary reforms in Europe will influence developments across the Atlantic.

Although the U.S. was influenced by and followed models of many other countries, such as Great Britain, none has had more impact in “the civic and economic development of the U.S. than those brought from Germany into the sphere of education,”<sup>8</sup> from Kindergarten to university-based research. The German universities of the nineteenth century bequeathed a lasting legacy to the United States, notably in such research-focused tertiary educational institutions as Johns Hopkins University.<sup>9</sup> The transatlantic models adopted had substantial consequences for the development of skill formation institutions. Both the British colleges and the Humboldtian research-university ideal (as an export of preeminent German science) were highly influential in the United States before 1914.

Germany's dual system of vocational training with apprenticeship has long been a popular model in both Great Britain and the United States, albeit difficult to successfully emulate. After 1945, American universities rose to prominence with massive government funding of university-based research, the GI Bill, and efforts to meet the education and science challenge following the Sputnik shock. The result was the replacement of German educational and scientific preeminence and influence by an increasing American dominance in the post-World War II era, especially since 1989. Today, education at elite Anglophone universities is celebrated, whereas practice-based vocational training has lost its luster, despite its potential to secure smoother transitions from school-to-work and stable employment. Yet competition between apprenticeships, school-based education, and on-the-job training—as ideals in education and training—within and between these nations continues, as does the borrowing of educational models across the Atlantic.<sup>10</sup> Each country builds on its comparative advantages in skill formation to respond to the challenge of internationalization.<sup>11</sup>

### **COMPARING GERMAN AND AMERICAN HIGHER EDUCATION AND VOCATIONAL SKILL FORMATION**

While foreign models are always interpreted through national lenses, these have referred to each other over centuries, exemplifying transatlantic interconnectedness as well as on-going cooperation and competition. The “international argument” has long played a key role in educational reforms, independent of immediate relevance or even applicability.<sup>12</sup> Even if international pressures to attain standards and reform structures are sometimes blocked by national models and institutional arrangements, these are often also used to legitimate endogenous reforms as pieces of such models are picked up, translated, and altered to fit local conditions. While gradual changes over decades led to the contestation and renegotiation of governance structures, ideals—such as that of collectively managed monitoring of firm-based training of workers in Germany—remained “incredibly stable” despite critical junctures.<sup>13</sup> However, recent transnational pressures in education and training suggest more than incremental change as hybrid organizational forms develop at the nexus of higher education and vocational training.<sup>14</sup>

In American vocational education and training, the labor market and on-the-job learning are paramount, rather than the state or collaboration between it and businesses or labor. Overarching standards are generally lacking given the tremendous diversity of educational and enterprise-based providers of vocational training. Individuals themselves bear the major costs of training, especially in school-based general qualification programs, with employers investing in specific, relevant skill development. German vocational training, which exhibits considerable dialogue and consensus-building between firms, the state, and other interest groups such as labor unions,<sup>15</sup> continues to provide a (hardly attainable) ideal for the United States, due to the different environments in which these systems are embedded.<sup>16</sup>

While similar differences would seem to impact higher education as well, here the cross-border influence has been greater and more continuous. This is so despite widely held and popular myths about American higher education that include its supposed selectivity, which is contradicted by its extraordinary diversity in organizational forms, its expansiveness, and its non-selectivity overall—much less so than the German system.<sup>17</sup> Indeed, the complexity of American postsecondary and tertiary colleges, institutes, and universities also contributes to differentiated courses of study and degrees in general education, which retain primacy over specific vocational training in market-dominated systems.<sup>18</sup>

Even if emulating successful foreign models remains hard work, the transatlantic influences of German and American models in skill formation continue to be reciprocal. Today, as a century ago, the view across the Atlantic has spurred the reform of skill formation systems. In so doing, decision-makers in science, education, and training have arguably developed skill formation systems far beyond what each country could have accomplished had they been content with their own national status quo.

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The views expressed in this essay are those of the author alone. They do not necessarily reflect the views of the American Institute for Contemporary German Studies.

**NOTES**

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