Title: Is occupational mobility in Germany hampered by the dual vocational system? Results of an Anglo-German comparison

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Abstract: The German dual vocational system has often been blamed as the main reason for low occupational mobility of workers, because it sorts young people too early into rigidly defined occupations, thus impeding mobility later in their life. And indeed, in occupations that are accessed mainly through the dual system, workers are less mobile, compared to low-skill-occupations or to occupations accessed mainly via academic education. However, there is an alternative explanation for this: Low mobility of those who underwent dual training may also be inherent in the kind of tasks they perform in their specific occupations. One explanation for this could be that these tasks require more occupation-specific human capital than tasks in other occupations, thus hampering occupational mobility.

In our paper, we try to discriminate between these two competing explanations: Is it really the specific German dual system that hampers occupational mobility and flexibility, or is it the inherent nature of certain tasks and occupations? For answering this question, we compare the mobility of workers in different occupations in Britain and Germany and its determinants, using a kind of multivariate difference-in-difference analysis of the determinants of occupational mobility. Britain is used as a “benchmark” because in terms of standardization and rigidity, its vocational training system is diametrically opposed to the German system. The intuition behind our approach is as follows: If it’s really the dual system that matters, then we should expect that in Germany mobility is particularly low in occupations that are mainly accessed through dual training, compared to other occupations in Germany; and that in Britain, mobility in the same occupations is not lower – or at least not lower to the same extent as in Germany – compared to other occupations in Britain. Our analysis is based on GSOEP and the BHPS data for the years 1993-2009.