



Independent Research Group

Lack of Training:
Employment and Life Chances
of the Less Educated

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Why do We Need to Know More about the Less Educated?

Despite their group's relatively small size—at about 15% of all present-day school-leavers, or between 80,000 and 100,000 youth, depending on the birth cohort—"less-educated" persons represent a significant object of both German policy and public debate. They face extremely high unemployment risk. They constitute half of all long-term unemployed persons in Germany. Their higher vulnerability is usually attributed to the following: (1) the number of jobs for less-educated workers has decreased and will continue to decrease, and (2) due to the current job shortage, less-educated persons are forced out of the labor market because they lose in the job competition with better-qualified persons. The underlying cause of their higher unemployment risk seems to be their lack of qualifications, making the acquisition of vocational qualifications seem a fitting solution to the problem. Germany spends billions on so-called "training offensives" at both the federal and *Länder* levels to increase the number of training positions so that as many young people as possible can benefit from opportunities for training. But no one really knows whether this money is well-spent. It is not yet known whether these efforts will succeed in (1) reasonably decreasing the number of youth who hold no formal vocational certificate, and (2) actually improving their subsequent employment chances if they do complete such special training programs.

In fact, our research agenda emphasizes an explanation other than displacement. The "selection" hypothesis locates inequality of opportunities earlier in the life course—the result of selection processes in educational systems—and does not simply state that at labor market entry higher-educated persons outperform the less educated. Our perspective is historical, institutional, and comparative, as we examine changes in composition of the group of less-educated persons over time, in shifting institutional contexts, and in different regions and countries.

Research Program

The main reason for uncertainty as to the success of Germany's "training offensives" is that present-day policy mainly focuses on the question of what is to be done about less-educated youth once their lack of qualifications has become reality, reducing the problem solely to the qualification dimension. The research group will go beyond this perspective by addressing three main research questions:

(1) We explore why there are still less-educated young persons at all and who constitutes this group today.

(2) We re-introduce the sociological explanation that selection on the basis of formal qualifications is not a natural law, but the result of social action. Thus, we investigate the educational experiences and labor market opportunities of less-educated persons from an historical and institutional perspective and explore whether lack of training is a general or an historically defined, dynamic educational deficit in labor markets.

(3) We investigate whether less-educated Germans are socially excluded, and if so, whether their disadvantaged labor market situation is in fact the cause of their social exclusion.

Two dissertation projects begun in January 2000 address the first two research questions. To answer the question of why there are still less-educated youth after an extraordinary educational expansion and who they are from a sociological perspective, the dissertations investigate why particular socio-structural groups are over-represented among the ranks of less-educated youth. If innate ability differences alone were the cause of the variance in educational outcomes, we should find equal proportions of less-educated youth in

all social strata, but we do not. Thus, the sociological question to be addressed first is: *Which societal factors produce this group?* The two dissertations investigate the segregating German education system as a "producer" of differently-certified groups, the different school types as a form of institutionalized inequality in learning and socialization environments, and the significance of family background and disability labeling for individual careers in the German school and vocational training system. **Sandra Wagner's** dissertation, *Family background and school careers of less-educated youth in (Western) Germany*, focuses on historical changes in the composition of the less-educated group in terms of social background and ethnicity, and the effects of changes in the German education system on their resources for socialization and ability development over the past 50 years. **Justin Powell's** dissertation, *Does school integration matter? Comparing educational attainments of youth with physical disabilities in Germany and the United States*, attempts to offer new insights into the social mechanisms and schooling structures responsible for defining and labeling "failures" in educational systems, about how educational institutions themselves contribute to

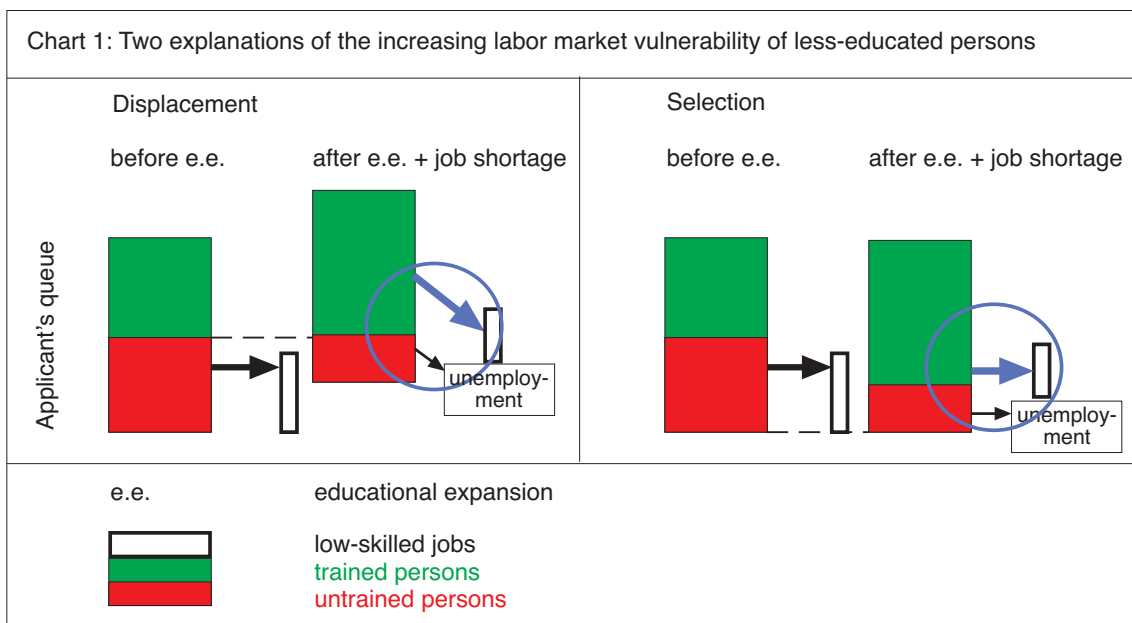
such definitions, and why certain groups (here youth with disabilities) bear far higher risks of educational disadvantage. In both countries, these youth make up a large proportion of those who do not attain the minimum degree usually required for further training. By investigating this particularly disadvantaged group, we may more clearly discover selection processes and discrimination based on so-called ascriptive characteristics, such as disability.

The third question is addressed by **Heike Solga's** research. Less-educated persons' labor market participation since 1950 will be examined. Entry into the labor market, career paths, and opportunities to gain qualifications later in life will be analyzed for different cohorts. The central complementary theses are:

(1) **Superfluosity hypothesis** In general, employment opportunities are determined by the qualification structure of the labor force (supply side) and the quality and quantity of the available jobs (demand side). Thus, lack of training does not in itself result in less-educated persons' marginalization in the

labor market. The functional irrelevance or superfluosity of less-educated persons is produced by an oversupply of qualified labor and/or a decline in labor demand.

(2) **Selection hypothesis** In sociological research, one explanation for the disadvantaged labor market position of less-educated persons is that more highly qualified persons displace less qualified persons. This project presents another, less established explanation, namely "selection." It is reasonable to assume that the persons who escaped from the "camp of the less educated" over the last decades were not a random sample of the population. The remaining individuals are most probably a "negative" selection in terms of learning and cognitive competencies. Their increasing labor market vulnerability would still result from increased job competition, but the disadvantages caused thereby would be analyzed more as a consequence of this "creaming-out" process and less as a sign of mere displacement (see chart 1). Moreover, since those who remain untrained are not randomly distributed within the social



Since May 2000 we have cooperated with the Department of Special Education, University of Cologne: Sociological research evaluating the model project "Job-coaching for school under-achievers" (funded by the Krupp Foundation and the state government of North Rhine-Westphalia).

stratification system, this hypothesis must and does include an explanation of how this lack of ability and skill is socially produced and constructed. In contrast to the displacement argument, it locates inequality of opportunities earlier in the life course—as selection processes in the educational system—and does not simplistically state that more highly educated persons outperform the less educated at labor market entry.

With respect to living conditions of less-educated persons, the project explores the extent to which discernible differences in lifestyle can be attributed either to their "less-educated status" or to their labor market exclusion. The former would be correct if we find differences to higher-educated groups for all cohorts; the latter if differences are only found for less-educated persons in cohorts with poor employment chances. The **two competing hypotheses** are:

(1) Less-educated persons *generally* display different patterns in these domains of life compared to persons who have completed a vocational training program, even when they are in stable employment. If this is correct, any differences identified could generally be attributed to these individuals' less-educated status. This certainly does not imply that the less educated can or should be personally blamed for their fate. Instead, it would indicate the fact of their general disadvantage and their restricted access to the life options enjoyed by those with qualifications.

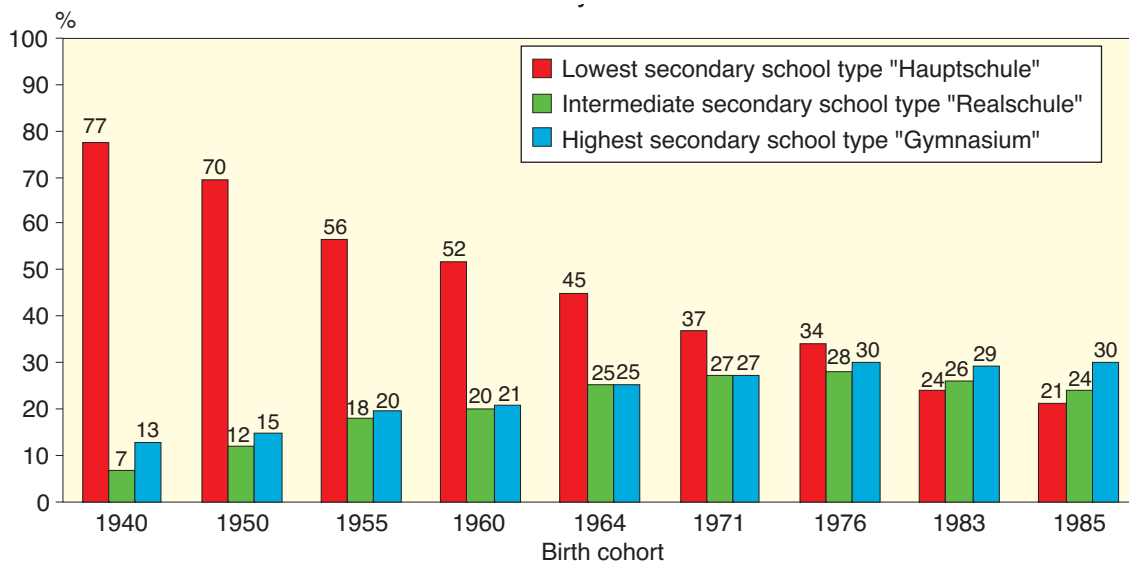
(2) Such differences *only* exist when less-educated persons are especially disadvantaged in the labor market, that is, in times of low demand for labor. The real reason for their disadvantaged living conditions, then, would not be their less-educated status in itself, but the instability of their employment status and their growing marginalization in the labor market due to long-term unemployment and/or changes in their group composition (see selection hypothesis).

The answers to our three research questions may lessen the uncertainties mentioned above. From a scientific perspective, this research focused on the less educated contributes to the specification of education's significance in society and in labor markets, and the interrelations between employment opportunities and other domains of life.

Research Activities and Results

The research group's work started with an **inaugural conference** entitled "Low-paid = low-skilled? Opportunities and Risks of a Low-Wage Sector in Germany" (in collaboration with the Network on Longitudinal Research Berlin-Brandenburg [LWBB] at the German Institute for Economic Research [DIW]). Held at the Max Planck Institute for Human Development, Berlin, on May 11–12, 2000. The conference was successful in stimulating interdisciplinary discussions between economists, sociologists, and political scientists from Germany and abroad. Conference contributions have been published on a **CD-ROM** and are also available via internet. The main result drawn from the conference contributions with respect to the research group's focus was that *an increase in the number of low-wage jobs would most probably not improve the employment opportunities of the less educated*. On the contrary, this increase might even result in a growing number of young people without formal qualifications. It might have negative effects on firms' willingness to provide training opportunities, because cheap labor without the time and task restrictions of training requirements would be available in the German labor market and on young people's motivation to accept apprenticeship when the risk of remaining low-paid after completion of training would be high (cf. conference paper presented by Heike Solga, "Consequences of a low-wage sector on the training system in Germany").





Cohorts before 1983: only West Germans.

Cohort from 1983: West and East Germans.

The difference to 100 percent = special schools for "disabled" youth, comprehensive schools, Waldorf and private schools.

Source: Official statistics.

Figure 1. School attendance of 13-year-old West Germans.

Further research results of the first year are:

Educational expansion has led to a social homogenization of the lowest secondary school track in Germany (Hauptschule), which negatively impacts the school environment of children attending this school type. Analyses on "A side effect of educational expansion: The increased social homogeneity of the Hauptschule" (by Heike Solga and Sandra Wagner, 2001) have shown that today, children attending the Hauptschule are doubly disadvantaged. Decreases in the number of children attending the Hauptschule (see Fig. 1) have not only been a quantitative process, but have also led to qualitative changes in the school environment. Increasingly, children attending the Hauptschule come from deprived families; their parents over-proportionally work as unskilled workers; and more than those in other school types,

they have experienced negative life events during childhood. They are not only faced with fewer resources for educational attainment by virtue of their own family background, but their peers also come mainly from less-advantaged families. Thus, they have lost compensatory resources in their school environment, which they had in the past when the Hauptschule was the standard school type and attended by the majority of youth.

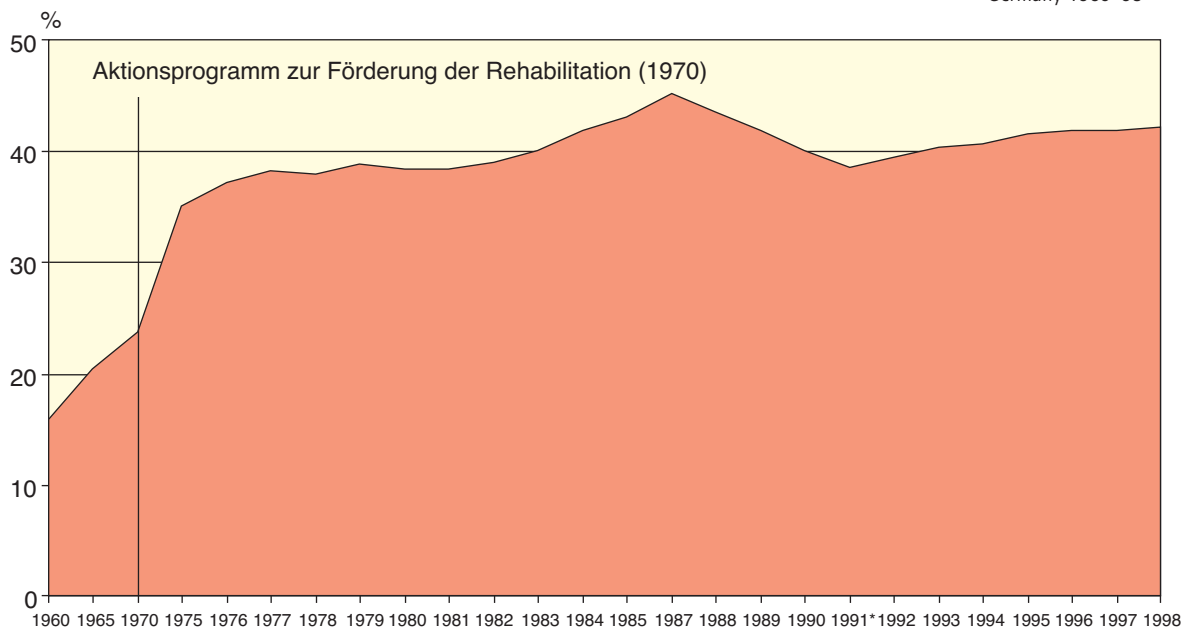
Similar anti-discrimination protections and calls for social integration in Germany and the U.S. have not led to similar levels and types of school integration for children with disabilities. Research presented by Justin Powell, "Disability discrimination and equality in Germany and the United States: Changing legal conceptions and social realities," at the 30th Biennial Meeting of the German Sociological Association, Cologne, September 2000,

showed that while Germany and the U.S. both protect the civil rights of citizens with disabilities, their educational systems differ in levels of integration and inclusion and access to certification. **In Germany**, the rapid growth of special schools during the post-war educational expansion and their stability since hinders these individuals' educational attainment. Only a fraction of Germany's *Sonderschulen* offer higher education or even middle-level certification. In 1998, youth with disabilities who attended *Sonderschulen* constituted over 40% of all school-leavers who did not receive even the lowest certificate, the *Hauptschulabschluss* (see Fig. 2). In the same year, less than 10% graduated with an intermediate certificate (*Realschulabschluss*) and only 0.4% of these school-leavers attained a certificate needed for university study. Given the declining value of the lowest-level certificates, students labeled disabled face reduced opportunities in further education and employment. **In the United States**, rising levels of integration of youth with disabilities (over

40% spent about 80% of their school days mainstreamed in regular classrooms in 1996 compared with around 30% in the late 1980s) have been accompanied by higher rates of high school graduation and steadily increasing college and university participation rates, but Americans with disabilities still face extremely poor labor market opportunities as do Germans with disabilities.

"Creaming-out" effect and educational disadvantages of persons with less-advantaged family backgrounds contribute to explain the increasing vulnerability of less-educated persons in labor markets. In the paper "Displacement or selection? Two explanations for the increasing vulnerability of less-educated persons" (Independent Research Group Working Paper 2/2000), Heike Solga reintroduced the selection argument to explain the increasing vulnerability of less-educated persons over the course of educational expansion. In sociology and economics, the dominant explanation of this vulnerability has been the displacement hypothesis,

Figure 2. Percentage of school-leavers without formal school certificate (without "Hauptschulabschluss") from special schools (*Sonderschulen*), West Germany 1960-98*



Source: Federal Bureau of Statistics, Fachserie 11, Reihe 1, several years. * Figures as of 1991 include all German states.

namely, that the less qualified are displaced by higher qualified persons. Our analyses have shown that instead of such displacement, the higher (negative) selectivity of this group is an essential cause of their poorer employment opportunities today. By analyzing the chances of less-educated persons to enter into skilled jobs and how these chances have changed as the less-educated group has become smaller, the paper shows that those who constitute the less-educated group today have always had the poorest employment opportunities. Due to the outflow of persons with relatively higher ability and advantageous social background characteristics into higher educational groups over the course of educational expansion, these lessened opportunities become increasingly visible. The analyses show that—especially for men—the social selectivity of less-educated persons has increased over the cohorts. Due to this selectivity, certificates have increasingly replaced personal, ascriptive characteristics in job competition. Whereas in the older cohorts, employers had to observe several personal characteristics alongside the indicator of “vocational certificate” in order to choose the relatively best applicants, after educational expansion they put “trust” in the single indicator of certification, because more than ever before it simultaneously indicates the less-advantaged social background characteristics of the untrained and, with them, the relatively disadvantaged environment of ability development in families and schools. This finding must be strengthened through an investigation of the relationship between the creaming-out process and other labor market outcomes—such as unemployment, upward mobility, and opportunities of acquiring formal qualification later in life.

One could argue that it does not matter whether one calls it “selection” or “displacement,” the result of the increased job competition is the same: ultimately, less-educated persons have poorer employment opportunities today than in the past. Both hypotheses would “agree” that today the new quality of less-educated persons’ vulnerability is that they are those who are legitimately defined as being economically obsolete. However, whereas the displacement hypothesis explains the exclusion of the less educated by the newly emergent (at labor market entry) displacement phenomenon, the selection hypothesis defines labor market disadvantage as solely a new feature and higher visibility of the *continuing* social disadvantages that less-educated persons suffer. Whereas “displacement” occurs at a particular moment in time at the micro level, after educational investments already have been made, the selection hypothesis locates inequality of opportunities earlier in the life course—as a continuous selection process in educational systems—and does not simply state that at labor market entry higher-educated persons outperform or out-qualify less-educated persons. In doing so, it emphasizes the idea that it is not an individual’s failure, but the social environment that produces and is responsible for his or her lower achievement, through disadvantages accumulated in schooling and socialization.

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Publications by Heike Solga that originated from her previous work within the Center for Sociology and the Study of the Life Course can be found there.



Left to right: Heike Solga, Justin Powell, Sandra Wagner.