

(73) Measured unemployment is large because of the frictional feature of new people entering the labour force. Young people have more frequent job turnover than older people. Our unemployment rates are not likely to be as high as they have been in spite of future demand. We do not need 5% growth per annum to get rid of the unemployment problem as was needed in the '50s and '60s. We can do it gradually with lower rates of growth.

(74) The longer an economy lives with high unemployment rates, the more difficult it becomes to reduce them: people who are unemployed for an extended period of time lose some of their skills and have a difficult time re-entering the workforce. Unemployment has a long-term cost in this respect.

(75) However, in World War II, we were able to achieve a high level of production with a workforce unused to war production.

(76) It is very difficult to plan future manpower needs and to train for specific jobs. Nothing is more difficult than devising training for unknown jobs to develop years from now.

(77) General skills training makes more sense as one cannot make accurate decisions as to future needs. For example, businesses no longer need a sophisticated computer programmer on staff due to the availability of pre-packaged programmes.

(78) There still are basic skills which everyone will need. Business faculties are now finding that their highly streamed courses are no longer leading to jobs as successfully as more general degrees.

(79) Pockets of hard-core, long-term unemployed pose potential danger of civil unrest, especially when duration of unemployment is high for younger generations.

(80) These people can always be helped through infrastructure investment. This investment cannot always be maintained, although it is eased by mobility of workers.

(81) Should one move jobs to where labour is, or labour to jobs? One must do both; if a person chooses to live in Cape Breton, why should he or she be subsidized to stay there and not to work?

(82) The nature of unemployment is important. Older workers with families and so on move more reluctantly to places where there are jobs than do

younger people. Younger people should be encouraged to move.

Interview with Dr. Hermann Schmidt
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Vocational Training
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(1) The Institute was created in 1970 and provides the link between government and industry/unions. It is federally financed by the Ministry of Education; Parliament approves the budget. It carries out research and development projects in the field of vocational training.

(2) It negotiates training needs independently from the government.

(3) The Institute provides data on vocational education and training to inform employers and the public and to prepare the field for discussion and planning.

(4) It is also responsible for designing programs and preparing regulations (in concert with Employers' Associations, unions, the Chambers of Industry, Crafts and Commerce and the Federal Ministry of the Economy) for the 380 government-acknowledged occupations.

(5) Eighty per cent of the 1.8 million young people in the dual system are trained according to recently up-dated regulations; it is hoped that by 1990 all young people in the so-called dual system of in-company training and vocational schools (community colleges) will receive the most current training.

(6) The Institute plans and finances inter-firm training centres: up to 65% of initial investment costs; the centres (maintained mostly by the Chambers of Crafts) finance most of the running costs. The rest is financed by government.

(7) Sixty-five per cent of young apprentices are trained in enterprises of less than 50 employees.

(8) Training costs: in-company training centres: approximately \$60,000.00 per place for initial investment and \$7,500.00 per place for running costs (average). Most in-company training is done on the job; there are no investment costs.