

Chapter 7

Assessing the Effectiveness of Vocational Education and Training in Economic Development: A Comparison between Turkish and German Education Systems

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ABSTRACT

Education in general is considered and its effect on economic and human development is questioned via the Human Development Index criteria. Education as an investment to human capital is discussed. Secondly, the demand for highly skilled workers and the relation between employment and new technologies are analyzed. The high rate of unemployment of educated youth is a disadvantage for economic and social stability. The importance of vocational education in overcoming this unemployment problem is discussed. Third, the Turkish and German economies and education systems in particular are compared. In Turkey, there is an increase in the number of university graduates but also there is an increase in the number of unemployed educated young people. In this perspective school-based education, a dual system in which school-based education is combined with firm-based training and informal training is explained. The German system is investigated with a view to obtain clues for an efficient education system.

INTRODUCTION

The educational dimension of economic development is the main issue of this chapter. Human development is not only necessary for the happiness

of the population of a country, it is also a major component of economic growth or development. A population with a high youth profile is very attractive because this profile means increase in demand for goods and services or in other words, investment. This can be an opportunity for eco-

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nomic growth, but when underemployment occurs the younger portion of the workforce can also become a threat to social and economic stability.

This chapter examines education in general. As education has a major effect on economic and human development, the UNDP Human Development Index criteria are discussed. Education as an investment to human capital is addressed. The demand for highly skilled workers and the relation between employment and new technologies are analyzed. Furthermore, the filtering role of education for job markets is underlined. Secondly, returns to schooling are scrutinized. There may be an increase in the number of university graduates, yet if there is a mismatch of skills of the employee and the expectations of the employer, there will be an increase in the number of unemployed educated young people. In order to eliminate this youth unemployment, some measures should be taken in the education system. The choice between general education and the vocational education is crucial, both for the student and for the economy. In the second part of the chapter, the importance and targets of vocational education are discussed.

The third part of the chapter focuses on the differences among vocational and technical education systems. The best possible vocational and technical education systems for increasing employment, accelerating development and raising the competitiveness of the country are questioned. School-based education, a dual system in which school-based education is combined with firm-based training and informal training are explained in this perspective. Furthermore, the Turkish case is examined. In order to give clues for an efficient education system, the German method with its Gymnasium – Realschule – Hauptschule is discussed at the end of the chapter.

BACKGROUND

Education is a multidisciplinary subject, it has been analysed by social scientists from different

perspectives. As this book emphasizes the links of global economy with Europe and the MENA region, this chapter provides an analysis of the importance of the vocational education and training in these intertwined relations. Lars Osberg's index of economic well – being analysis (Osberg & Sharpe, 2011) is followed by UNDP Human Development reports to give the basic idea of the importance of investing in education. Amartya Sen's capabilities approach, dated back to 1985, and Mahbub ul Haq's definition of human development in the United Nations Development Program, 1990, are given (UNDP, 2010). Human development index data is investigated and the views of Gary Becker (1975), Theodore Schultz (1961), and Samuel Bowles (1969) on human capital are explained. Milton Friedman's (1980) approach to educational institutions is underlined. Daron Acemoglu's (2011) list of sources of human capital is given.

Kenneth J. Arrow's (1973) and Michael Spence's (1973) discussions on filtering and signalling dimensions of the education are mentioned. The demand of educated labor force is shortly expressed by the diagrams of Clive R. Belfield (2000). The wage difference among skilled (educated) and unskilled (uneducated) labor is discussed by reference to Daron Acemoglu (1988) and Thomas Piketty (2014). The importance of vocational or "manual" education is marked by Martin Carnoy's and Joel Samoff's (1990) research on education in transition economies. Education is not only important for developing countries or transition economies; it also has a dominant place in the strategies of European Union. Lisbon Strategy (EC, 2002), the Copenhagen Declaration (EC, 2002), the Bruges Communiqué (EC, 2011) all emphasize the role of education in economic growth. By signing "The Workforce Innovation and Opportunity Act" (2014), one of the leading economies, the United States (US), tries to provide workers with skills they need to secure jobs that are ready to be filled. The education systems of a developed country and an emerging

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