



*A German Initiative to Keep Workers Employed by Retraining Them*

As the industrial landscape in Germany shifts, companies have formed an alliance aimed at offering the skills and certification that workers need to find new jobs.

 Listen to this article · 7:12 min [Learn more](#)

 **NEW** By **Melissa Eddy** ×

**Listen to articles**

Tap the Play button at the top of any article to hear it read aloud.

May 10, 2024

When Emrullah Karaca began working at a factory in Gifhorn, Germany, where the auto parts supplier Continental builds components for hydraulic brakes, he was looking for a temporary job after finishing high school.

But after spending more than two decades building a career at the factory, Mr. Karaca, a 49-year-old father of three, learned that Continental planned to close the plant by 2027. Facing a daunting job hunt, he will head back to school to earn his trade certificate, courtesy of his employer.

It's a necessary step if he wants to find a job in Germany, where despite a desperate lack of skilled workers, degrees and certification still count more than on-the-job experience. "I never needed it until now, because I was always here," Mr. Karaca said.

The training program that Mr. Karaca and 80 of his co-workers will undergo is part of an initiative started by Continental aimed at helping employees acquire the skills they need for new jobs, either within Continental or at companies nearby.

Continental is not alone in facing the challenges of Germany's shifting industrial landscape, as manufacturing transforms to meet low-carbon goals, creating upheaval in the work force. So in 2021, it joined 70 other companies — including Bayer, DHL, Infineon and Siemens — to form the Alliance for Opportunity, an initiative intended to help them hold on to the 2.7 million people in their collective work force.





Emrullah Karaca, 49, began working at Continental when he was in high school. Patrick Junker for The New York Times



The Continental factory in Gifhorn manufactures brake parts. Patrick Junker for The New York Times

Experts have welcomed the alliance. Germany has fallen behind its peers in automating manufacturing, and as its industry moves to keep pace, the country is facing thousands of job cuts in its automotive and engineering sectors even as more than 700,000 positions across all industries remain unfilled.

“This is basically the conflicting priorities that we have right now: On the one hand, job cuts in combination with tough personnel adjustment processes, and on the other hand, you have a labor shortage,” said Jutta Rump, a director of the Institute for Employment and Employability in Ludwigshafen.

In Gifhorn, where Continental produces brake lines and valve blocks, the company was facing decreasing demand and rising energy costs, and it became clear that the factory would soon not be viable.



“We knew that we would need significantly fewer employees,” said Ariane Reinhart, a member of Continental’s executive board and head of human resources.

That left Mr. Karaca — and about 800 other employees — facing an uncertain future. “We all thought we would be here until retirement,” he said.

German companies have a tradition of social responsibility, and leaders at Continental were keenly aware of the role the factory played in the community of 41,000, where it was the third-largest employer.

Continental has joined 70 other companies to form the Alliance for Opportunity, an initiative intended to help them hold on to their employees. Patrick Junker for The New York Times

Decreasing demand and rising energy costs are forcing the Continental factory at Gifhorn to close in 2027. Patrick Junker for The New York Times

“There were two possible options: Either you do it the classic way — and classic means a lot of loud strikes, trade union politics and the politicians getting involved,” said Ms. Reinhart, who helped found Continental’s companywide training center in 2019. “Or you find a new way to do things.”

Germany prides itself on its vocational training, offered through a dual-track system that combines school coursework with hands-on work experience. Around 330 occupations require a trade certification, and anyone without one is largely out of luck — regardless of the skills that he or she may have acquired on the job.

“Without a certified qualification, it is difficult to even get invited for an interview,” said Sven Mewes, part of the human resources team at Continental, who is working with employees like Mr. Karaca to determine which training or courses are right for them.



Training courses like those offered by Continental and other alliance members have found support from Berlin and regional governments. Political leaders are eager to keep as many people in work as possible.

Despite cuts in many fields last year, the government earmarked more than 3 billion euros, or \$3.23 billion, for companies to offer training programs and certification courses for employees facing the loss of their jobs.

The initiative started by Continental is aimed at helping employees acquire the skills they need for new jobs, either within the company or at companies nearby. Patrick Junker for The New York Times

As part of a partnership, Stiebel Eltron, a producer of heat pumps, will hire more than a third of Continental's Gifhorn employees, above. Patrick Junker for The New York Times

Nearly 20 percent of people who have been out of work in Germany for more than two years do not have any formal qualification, which can keep them on the sidelines because they would rather get low-paying jobs than devote three years of their life to earning a certification.

At an alliance conference this year, Andrea Nahles, head of the Federal Employment Agency, cited the example of the job center in the western city of Mönchengladbach, where the local unemployment office selected 130 people among the long-term jobless to begin a course to earn their trade certificates and start well-paying jobs.

Then Amazon opened a warehouse in town, drawing all but 13 of the original participants away to work on the floor for €16.50 an hour, no certification required. But several months later, they were all let go and back on unemployment, Ms.



Nahles said.

“They landed back in the same situation,” she said. “It just shows how difficult the whole process can be.”

Beyond the in-house training, Continental took a further step to help its Gifhorn staff, reaching out to other companies in the region looking for workers and offering to train its departing employees for new potential positions.

For Stiebel Eltron, a producer of heat pumps that needs hundreds of workers as it seeks to expand, the offer proved fortuitous. The company signed a deal with Continental last year, agreeing to invest €65 million to take over parts of the existing factory and hire more than a third of the Gifhorn employees. The State of Lower Saxony is investing an additional €5 million in the project, the exact terms of which were not released by either company.

“We are giving 300 people a perspective, a future,” Ms. Reinhart said.

German companies have a tradition of social responsibility, and leaders at Continental were keenly aware of the role the factory played in the community of 41,000, where it was the third-largest employer.

Patrick Junker for The New York Times

This week, Continental announced that the arms manufacturer Rheinmetall, which has been rapidly expanding to meet demand for more munitions for the war in Ukraine, agreed to take up to 100 workers for a factory less than an hour away — guaranteeing a future job for nearly half of the overall work force in Gifhorn.

Before starting their new jobs, the employees at Continental will have the opportunity to improve their skills through the company's in-house training center, one of 14 it maintains at factories across the country. So far workers ages 28 to 60 have signed up to earn qualifications to become industrial electricians, warehouse logistics specialists or machine and factory operators.



The courses are held during working hours and scheduled to fit with participants' shifts. Workers continue to earn their salary while they are in classes, which are compressed into several months, instead of the standard three years.

Mr. Karaca, who is supporting one child in college and two others in high school, said that despite the disappointment that his time at the company would come to an end, he was grateful for the opportunity to find a new job.

"This is the right decision for my future," Mr. Kacara said. "I have to be able to show what I can do."

***A correction was made on May 10, 2024: An earlier version of this article misstated the conversion of 3 billion euros into dollars. It is \$3.23 billion, not \$2.79 billion.***

---

When we learn of a mistake, we acknowledge it with a correction. If you spot an error, please let us know at [nytnews@nytimes.com](mailto:nytnews@nytimes.com). [Learn more](#)

**Melissa Eddy** is based in Berlin and reports on Germany's politics, businesses and its economy. [More about Melissa Eddy](#)