

# The issue of reducing youth unemployment worldwide: A comparative study of unemployment benefits in Algeria and the dual vocational training program in Germany

# AHSSEN Djamila 1 and AHSSEN Yamina 2

- <sup>1</sup> Abdelhamid Ibn Badis University of Mostaganem (Algeria). djamila.ahssen@univ-mosta.dz
- <sup>2</sup> Belhadj Bouchaib University of Aïn Témouchent (Algeria). yamina.ahssen@univ-temouchent.edu.dz

**Abstract---**This research paper aims to focus on the German dual vocational training program and the Algerian unemployment benefits by comparing the two in terms of system concepts, funding and incentives, implementation strategies, and outcomes. One of the main findings is that Algeria's unemployment benefit initiative remains largely a social measure with no real economic impact and is not linked to a productive development policy. It requires a stronger management and regulatory strategy, which could be inspired by the dual training system in Germany that has proven its success internationally in reducing youth unemployment.

**Keywords---**Youth unemployment, Unemployment benefits in Algeria, Dual vocational training program in Germany.

JEL Classification Codes: J80, J60, E20

# INTRODUCTION:

Socio-economic repercussions. However, the degree of suffering from unemployment varies from one country to another, with each having its own vision and strategy for achieving full employment and combating joblessness by developing and implementing effective strategies.

### How to Cite:

AHSSEN, D., & AHSSEN, Y. (2025). The issue of reducing youth unemployment worldwide: A comparative study of unemployment benefits in Algeria and the dual vocational training program in Germany. *The International Tax Journal*, 52(4), 1262–1272. Retrieved from https://internationaltaxjournal.online/index.php/itj/article/view/144

The International tax journal ISSN: 0097-7314 E-ISSN: 3066-2370 © 2025 ITJ is open access and licensed under a Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International License.

Submitted: 03 January 2025 | Revised: 17 June 2025 | Accepted: 18 July 2025 1262

### • Research Problem:

In Algeria, the unemployment benefit program was introduced relatively recently as a strategy to alleviate youth unemployment, while Germany has relied for decades on the dual vocational training system, achieving notable success at the international level. This study aims to compare both strategies and address the following research question:

What are the similarities and differences between the Algerian unemployment benefits and the German dual vocational training program in tackling youth unemployment?

# • Sub-questions:

To clarify the components of this problem, we ask the following sub-questions:

- What is the general framework of the unemployment benefit in Algeria?
- What is the general framework of the dual vocational training system in Germany?
- What are the key differences between the two systems?
- How can the German experience be used to improve Algeria's youth unemployment benefits?

# Hypotheses:

- The unemployment benefit in Algeria is a social system aimed at supporting unemployed youth.
- The dual vocational training system in Germany focuses on professional training and education.

# • Objectives of the Study:

This article aims to compare Germany's dual vocational training system—considered one of the most successful globally in reducing youth unemployment—and Algeria's recently introduced unemployment benefit. The goal is to better understand both systems and identify points of convergence and divergence.

### • Significance of the Study:

The importance of comparing the Algerian unemployment benefit and Germany's dual system lies in:

- Conducting an in-depth analysis of each system's characteristics and mechanisms.
- Evaluating the effectiveness of each in reducing youth unemployment.
- Identifying the strengths of the German system that could inform improvements in Algeria.
- Proposing practical solutions inspired by Germany's experience that could be adopted in Algeria.

# • Methodology:

The study adopts a comparative approach to analyze the fundamental differences in structure, function, results, and challenges between the two systems. It relies on consistent criteria including legal and legislative frameworks, implementation mechanisms, objectives, and economic and social outcomes. The research draws on official data, international reports, academic references, and rigorous comparative analysis. It also uses the descriptive-analytical method to define the problem and analyze relevant data.

### • Previous Studies:

- Ben Mahdi, Adala. (2023–2024). The Effectiveness of Employment Policy and its Role in Combating Unemployment: A Study of the Algerian Model. Doctoral dissertation in Political Science, Specialization: Public Policies, National School of Political Science, Algeria.
- Firas Rifai. (December 2016). The German Dual Vocational Education and Training System: Evaluate the Transfer into the Jordanian Educational System. Asian Journal of Business and Management Sciences, Vol. 4 No. 11.

# 1- Youth Unemployment as a Global Phenomenon:

Unemployment is among the most frequently discussed issues across all social classes and fields. It is generally defined as "the state of having no job" (David Begg et al., 2nd edition, 1999, pp. 213-214). The concept of unemployment varies, with some defining it as the involuntary or voluntary exclusion from the labor force despite the ability and willingness to work. Others see it as an imbalance in the labor market (Salah Mohamed Abdel Hamid, 1st edition, 2007, p. 7). Types of unemployment include: frictional, cyclical, structural, institutional, voluntary, and involuntary (Lara Knaisse & Dr. Ismail Arikat, December 2025, pp. 03-04). According to the International Labour Organization (ILO), an unemployed person is one who is able and willing to work, actively seeking employment, but unable to find it. This definition applies to both new entrants to the labor market and those who have worked before but left for any reason. Thus, two conditions define unemployment: being able to work and actively seeking a job (Ramzi Zaki, Issue 226, October 1997, p. 17). It is crucial to distinguish between unemployment and underemployment, where fewer workdays or hours result in reduced work efficiency. For instance, in Italy, temporary workers work an average of only 161 days per year, whereas permanent workers work year-round. In India, 65% of the rural workforce is engaged in agriculture (Houria Ben Hamza & Fatima Ghai, Vol. 15, Issue 01, June 2021, p. 61). According to the ILO, the global youth unemployment rate reached its lowest in 15 years in 2023, at 13%, down from 13.8% in 2019 before the COVID-19 pandemic. Despite this decline, 64.9 million young people remained unemployed worldwide. The youth cohort includes individuals aged 15-24. However, regional differences persist:

(https://www.alaraby.com/news/, 2025)

According to the ILO's 2024 Global Employment Trends for Youth report: (https://al-ain.com/article/renewing-unemployment-benefits-in-algeria, 2025)

Arab Region: Youth unemployment reached 28.6% in 2023—the highest globally. North America: Ranked second, with a 22.5% youth unemployment rate. South Asia: Ranked third at 14.9%.

- Northern, Southern, and Western Europe: Fourth place with a 14.8% youth unemployment rate.
- **East Asia:** Fifth place at 14.3%.
- Latin America & the Caribbean: Sixth place with a 13.6% unemployment rate.
- Youth Unemployment in Algeria up to 2024:

A major challenge to Algeria's economy is its heavy reliance on hydrocarbon revenues and public spending. Between 2019 and 2023, hydrocarbons represented 14% of GDP, 83% of exports, and 47% of state revenues. Algeria aims to diversify its economy and expand job opportunities, especially for youth, given its demographic structure. In 2024, the overall unemployment rate was estimated at 12.7%, with 25.4% among women and 29.3% among youth aged 15–24 (https://www.albankaldawli.org/ar/country/algeria/overview, 2025).

Since the early 2000s, and following improved financial conditions, Algeria launched numerous development programs to stimulate growth and combat unemployment through increased consumption and investment. A comprehensive economic recovery plan was implemented, focusing on agriculture, banking, infrastructure, SMEs, tourism, agriculture, and fisheries—all aimed at reducing unemployment

Table 01: Uner	iployment Rate Tr	ends (2010–2024).
----------------	-------------------	-------------------

Years	Unemployment Rate
2010	%10.07
2011	%10
2012	%11
2013	%9.8
2014	%10.6
2015	%11.2
2016	%10.5
2017	%12.3
2018	%11.7
2019	%11.4
2020	%11.57
2021	12.7%
2022	13.4%
2023	11.4
2024	12.7%

Source: (Ben Mahdi Adala, 2023–2024, p. 65)

The period spanning from 2010 to 2022 was marked by the implementation of the Five-Year Development Plan and the Economic Growth Consolidation Program, both of which contributed to absorbing unemployment. However, beginning in 2014, Algeria entered a series of crises, including a financial suffocation that compelled the state to adopt emergency measures, particularly in response to the COVID-19 health crisis.

# 2- Understanding the Concept of the Unemployment Benefit System in Algeria and the Dual Vocational Training Program in Germany to Combat Youth Unemployment:

### 2-1 The German Experience (The Dual Vocational Training Program – Dual System):

Germany has a distinctive vocational learning system known as the "Dual Vocational Training System" (in German: Ausbildung). This system is structured institutionally into two parts: actual vocational training provided by a company (on-the-job learning), and theoretical education delivered by vocational schools. (Firas Rifai, December 2016, p. 2)

Germany is regarded as one of the leading destinations globally for education and vocational training, offering Ausbildung programs that integrate theoretical instruction and hands-on practice across various fields. This prepares trainees to enter the job market with confidence. The system emerged from a historical context that led to a unique partnership among trade unions (representing workers), employers' associations (representing companies), and chambers of commerce and crafts (public bodies representing the state but funded by businesses). (Jana Heinz & Georg Jochum, 2014)

Through this program, trainees gain real professional experience and often secure stable employment, reflecting the strength of Germany's vocational education system. Over 60% of German youth enter vocational training after completing basic education. According to the German Federal Statistical Office (2023), the national unemployment rate was around 3.1%, while youth unemployment (under 25) was only 5.7%—one of the lowest globally.

Given the rapid changes in the global labor market, these programs are essential in meeting evolving market demands. The system is internationally recognized, qualifying graduates to work not only in Germany but in many other countries. (https://ausbildung-in-germany.net, 2025) Germany's approach to reducing unemployment relies heavily on the dual education system, which combines theory and

practice, in addition to flexible labor market policies and cooperation among the government, employers, and unions. Vocational training and retraining programs also play a vital role in preparing workers to keep pace with technological advancements. The dual training program usually lasts between two and three and a half years, depending on the chosen profession. During this period, trainees work at a company and attend vocational school one or two days per week for theoretical lessons. They acquire practical skills on the job and receive a salary during the training period. Germany owes much of its low youth unemployment rate to this system, compared to other European countries. About one million young people in Germany pursue recognized vocational qualifications under this system. In 2024, there were 328 recognized vocational occupations, and approximately 479,800 individuals signed new vocational training contracts within the dual system. Multiple actors in Germany support the dual vocational training system and ensure its quality. Chambers of commerce advise training companies, inspect their facilities, and organize exams. Trade unions and employer associations negotiate vocational training wages and contribute to establishing company training standards. The state finances and supervises public vocational schools and supports disadvantaged or unemployed youth in finding vocational opportunities. (https://www.tatsachen-ueber-deutschland.de/ar/alml-fy-almanya/altahylalmhny-almzdwj, 2025). During dual training, trainees earn a salary that varies based on the profession and federal region. In the second and third years, salaries typically increase slightly. A portion of the salary is automatically deducted for social insurance. If annual earnings exceed €12,084 (as of 2025), taxes must also be paid. (https://employmentbridge.de/ar, 2025)

The idea of exporting the German dual vocational system is not new. Similar attempts have been made across continents such as Africa, Asia, and South America. For instance, six European countries—Spain, Greece, Portugal, Italy, Slovakia, and Latvia—signed a "Memorandum of Understanding on Cooperation in Vocational Education and Training in Europe" in December 2012 in Berlin, in collaboration with the European Commission, aiming to establish dual training systems in their respective countries. (Michael Gessler & Falk Howe, p. 17)

# 2-2 The Unemployment Benefit as a New Mechanism to Support Unemployed Youth in Algeria:

In an effort to support unemployed individuals, the Algerian state introduced a new mechanism—the Unemployment Benefit—administered by the National Employment Agency and funded by the state. This benefit is intended for those who are unable to secure employment and is distinct from unemployment compensation or insurance. Article 190 of the 2022 Finance Law states: "An unemployment benefit is established and granted to first-time job seekers registered with the National Employment Agency..."

This means the benefit targets newly unemployed individuals registered as job seekers. It serves as a support program to assist and encourage first-time job seekers during their job search. This initiative is part of the government's efforts to reduce unemployment and improve the economic conditions of those without work. The benefit was formalized through Executive Decree No. 22-70 issued on February 10, 2022, which outlines eligibility criteria, application procedures, and the allocated amount. It aims to provide financial assistance to individuals without a stable income, provided they meet specific conditions, such as:

- Registration with the National Employment Agency
- No other source of income
- Compliance with obligations imposed by the relevant authorities

Through this initiative, the Algerian government seeks to mitigate the social and economic consequences of unemployment while encouraging individuals to improve their professional status through training and education. (Official Gazette, 2022) The first unemployment benefit was paid on March 28, 2022, to approximately 580,000 beneficiaries, 38% of whom were university graduates. Eligibility criteria (Article 02, Executive Decree 22-70, 2022):

- Must be an Algerian citizen
- Must reside in Algeria
- Age between 19 and 40 years
- Must be a first-time job seeker registered with the National Employment Agency for at least six months
- Must have no income, regardless of type
- Must not have benefited from any public programs supporting business creation or social integration
- Spouse (if applicable) must not have income
- Must clarify status regarding national service
- Article 03 also allows former prisoners who have completed their sentences and have no income to benefit under the same conditions.
- As of 2024, renewal of the benefit requires additional criteria: Participation in training programs offered by the National Employment Agency; No ownership of real estate or business projects.

These conditions are designed to ensure fair distribution of the benefit to those truly in need. (Official Gazette, 2022)

The objectives of the unemployment benefit include: (Lamia Mechouk, 2024, p. 588)

- Providing temporary financial support to help cover basic needs such as food, shelter, and utilities;
- Reducing poverty, particularly among youth;
- Ensuring fair wealth distribution;
- Promoting human development and social welfare, especially for disadvantaged groups;
- Contributing to sustainable development;
- Maintaining social stability by reducing economic-related protests and unrest.

### However, some negative effects have been observed:

- Labor shortages leading to task delays and decreased work quality;
- Reluctance to accept fixed-term job contracts;
- Market distortion: in some cases, the benefit may reduce motivation to seek work, especially if
  it matches or nears potential wages;
- Increased pressure on public budgets due to rising government spending;
- Inflation risks, particularly if large sums are distributed without corresponding economic productivity;

Ultimately, the impact of the unemployment benefit depends on how it is managed and how closely it aligns with broader public policies promoting requalification and training of the unemployed. (Rahimi Issa, Kerkad Adel, & El Aib Nasreddine, 2018, p. 146)

# **3-Comparative Study:**

After presenting the theoretical framework and defining the German dual training system and the Algerian unemployment benefit, it becomes clear that both systems aim—at least in theory—to achieve the same goal: reducing youth unemployment.

Using the comparative method, we will now examine both systems more deeply by comparing them across multiple dimensions.

# ➤ Comparison in terms of system concepts:

	Dual Vocational Training in Germany	Unemployment Benefit in Algeria
Establishment	An old system developed since the 19th century, now a key pillar of the German economy.	Officially launched in 2022 as a response to growing unemployment.
General Framework	A system that combines theoretical education in training centers with practical experience in companies.	A financial allowance granted by the state to unemployed job seekers under certain conditions.
Legal Framework	Vocational Training Law (Berufsbildungsgesetz, BBiG).	2022 Finance Law and executive decrees from the Ministry of Labor
Main Objective	Prepare youth for the labor market through practical vocational education.	Reduce unemployment and provide temporary financial support.
Target Group	Youth aged 15 to 25 seeking professional integration.	Unemployed youth aged 19 to 40 who have not benefited from other government support.
Eligibility Conditions	Signing a training contract with a company and enrollment in a vocational school.	Registration with ANEM, no income or property, and mandatory participation in interviews
Implementation Mechanism	Signing a training contract; dual training (school + company).	Application to the agency, eligibility check, and monthly payment.
Duration	Usually 2 to 3.5 years, depending on the occupation.	Renewable yearly based on follow-up
Support Provided	Continuous hands-on training within companies, with regular evaluations.	Orientation toward job offers or training.

# > Implementation Strategy:

	Dual Vocational Training in	Unemployment Benefit in
	Germany	Algeria
	70% practical training in companies	No mandatory training or
	+ 30% theoretical instruction in	practical experience included.
Program Content	vocational schools.	
	Chambers of Industry and	National Employment Agency
Supervising Authority	Commerce, Chambers of Crafts, in	(ANEM) with the Ministry of
	coordination with the Ministries of	Labor.
	Education and Economy.	
Duration of	Training lasts 2 to 3 years	Monthly grant, renewable
Support/Training	depending on the profession	annually (subject to suspension).
	Mandatory attendance and regular	
Attendance and	assessments by both company and	Not mandatory.
Evaluation	school.	
Flexibility	Training is adjusted based on labor	No direct link to the labor
	market demand.	market.

# Funding and Incentives:

	Dual Vocational Training	Unemployment Benefit in
	in Germany	Algeria
Funding Source	Joint funding by the government and employers through training contracts.	State treasury (social support budget).
Trainee Compensation	Monthly trainee salary paid by the company (average €800–€1200).	Fixed allowance of about 15,000 DZD/month without productive output.
Company Incentives	Tax incentives and public support for training.	None.

#### Results and Outcomes:

	Dual Vocational Training in Germany	Unemployment Benefit in Algeria
Integration Rate	Very high, over 60% are employed immediately after training.	Very low, less than 10%.
Skills Matching with Market Needs	Programs are tailored to local economic needs.	No actual training is provided.
Impact on Economic Growth	Clearly contributes to youth employment and productivity.	Almost nonexistent.
System Efficiency	Very high; the system is a global benchmark.	Low.
Labor Market Relevance	No graduates are produced in irrelevant or oversaturated fields.	No clear connection.

### Conclusion:

The German Dual Vocational Training System has long received and continues to receive high-level international attention due to its positive impact in achieving both social goals (such as reducing youth unemployment) and economic objectives (such as building a strong economy). This success has led several European governments to consider adopting and testing this system as a means to overcome economic crises more efficiently.

Although Algeria's initiative to introduce the unemployment benefit aimed to reduce youth unemployment — which affects the largest segment of its population — it has not been linked to a productive development policy. It remains a social measure without economic return and requires better management and oversight. In contrast, Germany's dual training system has proven its effectiveness internationally and has become a successful model in reducing youth unemployment — a model that Algeria could learn from and adapt to its local context.

This can be done by establishing a genuine partnership between the state, vocational training institutions, and the economic sector. Rather than treating unemployment benefits purely as social aid, they can be turned into an opportunity by implementing a youth training program tailored to labor market needs, supported through agreements with economic institutions.

# • Key Findings:

# ✓ First : Strengths of the German Dual Vocational Training Program

According to A Comparative Study: Challenges and Opportunities for European Union Dual Vocational Training Systems, one of the main challenges in implementing this system is organizing companies and vocational schools and managing their daily training responsibilities. Additionally, the method for evaluating trainees' experience and training quality is still not entirely clear. Nevertheless, several strengths of the program can be highlighted:

- It creates a direct connection between training and employment.
- It ensures genuine integration of youth into the labor market, with 70% to 80% employed immediately after completing the program.
- The system is flexible and adapts to market needs by avoiding oversupply in unnecessary fields.
- It actively involves companies as essential stakeholders in the training process.
- It combines theoretical education with hands-on training in companies.
- It produces graduates ready to enter the workforce.
- It draws strength from a tripartite partnership (state, companies, and training centers), working in coordination:
- ❖ The state provides the legal and financial framework
- Training centers offer theoretical and technical instruction
- Companies host trainees and pay them a salary.
- The program includes regular evaluations that prepare trainees for employment either within the same company or others.
- It has successfully contributed to a significant decrease in youth unemployment in Germany.
- In Germany, the state delegates the responsibility of workplace training to companies while overseeing the school-based component of the training.

# Second: Weaknesses of the Algerian Unemployment Benefit and Proposed Solutions

Although Algeria's unemployment benefit is part of the country's efforts to support young job seekers, it has the following limitations:

- It remains a temporary social aid measure without economic or productive outcomes.
- It is not part of a structured employment policy, but rather a reactionary measure lacking long-term strategic vision.
- It is disconnected from the labor market, with no link between receiving the benefit and actual employability.
- It is granted without any requirement for training or professional integration.
- There is no effort to connect beneficiaries with economic institutions.
- The follow-up by ANEM (National Employment Agency) is weak.
- All beneficiaries are treated equally, without classification based on their qualifications, training, skills, or social situation.

### Recommendations:

Drawing from the German dual system, the following measures are proposed to improve Algeria's unemployment benefit framework and transform it from a purely social aid into an economic opportunity:

- Integrate the unemployment benefit into a national employment strategy with a long-term vision.
- Make vocational training in in-demand specializations the foundation of the benefit system.
- Link financial support for unemployed individuals to actual participation in professional training programs.
- Address the weak follow-up by ANEM by establishing career guidance units in each agency and implementing a periodic evaluation system for training and job-seeking efforts.
- Classify beneficiaries into categories (e.g., university graduates, skilled workers, uneducated individuals, and people with disabilities) to tailor support programs effectively for each group.
- Strengthen partnerships with companies by encouraging them to hire beneficiaries (even in temporary roles) through temporary tax exemptions and government wage contributions (e.g., in the first year).

- Develop a robust monitoring strategy that ensures coordination between ANEM, vocational training centers, and economic institutions, possibly through a unified digital platform for transparent tracking.
- For cooperative education to be effective, a genuine partnership between labor unions, businesses, and education providers is essential for planning, implementing, and certifying training programs.

# **Bibliographies**

- [1] Jana Heinz & Georg Jochum. (2014). The Emergence and Development of the German Dual Vocational System: Between Crises and Praises. Ammattikasvatuksen aikakauskirja. https://journal.fi/akakk/article/view/113847.(Accessed May 12, 2025)..
- [2] A Comparative Study: Challenges and Opportunities for European Union Dual Vocational Training Systems. (n.d.). Journal of Cooperative Education and Internships, Vol. 47, Issue 01.
- [3] David Begg et al. (1999). Macroeconomics, 2<sup>nd</sup> Edition, Paris: Dunod.
- [4] Firas Rifai. (December 2016). The German Dual Vocational Education and Training System: Evaluate the Transfer into the Jordanian Educational System. Asian Journal of Business and Management Sciences, Vol. 4, No. 11.
- [5] Michael Gessler & Falk Howe. (n.d.). The German Dual Vocational Training System The Origin of the Current Architecture. https://www.researchgate.net. (Accessed May 12, 2025).
- [6] Ben Mehdi Adala. (2023–2024). The Effectiveness of Employment Policy and Its Role in Combating Unemployment: A Study of the Algerian Model. Doctoral Thesis in Political Science, specialization in Public Policy, National School of Political Science, Algeria.
- [7] Houria Ben Hamza & Fatima Ghai. (June 2021). Theoretical Foundations of Unemployment and Mechanisms to Reduce Its Worsening in Algeria. Annals of Guelma University for Social and Human Sciences, Vol. 15, No. 01.
- [8] Rahimi Issa, Qirqad Adel & Al-Aayeb Nasr Eddine. (2018). The Phenomenon of Unemployment: Its Concept, Causes, and Effects. Irtiqa Journal for Economic Research and Studies, Issue 00.
- [9] Ramzi Zaki. (October 1997). The Political Economy of Unemployment: An Analysis of One of the Most Dangerous Problems of Contemporary Capitalism. World of Knowledge Series, Kuwait, Issue 226.
- [10] Salah Mohamed Abdel Hamid. (2007). The Unemployment Crisis: A Comparative Study (Egypt, Saudi Arabia, Kuwait). Nile Arab Publishing and Distribution Authority. 1st Edition.
- [11] Lara Qunais & Dr. Ismail Arikat. (December 2025). The Role of Government Policies in Combating Unemployment in Palestinian Society. Arab Journal of Administration, Vol. 45, Issue 04, pp. 03–04.
- [12] Lamia Mchouk. (2024). The Impact of the Unemployment Benefit on the Labor Market in Algeria: A Study of Economic and Social Implications. Global Politics Journal, Vol. 08, Issue 02.
- -https://al-ain.com/article/renewing-unemployment-benefits-in-algeria. (Accessed May 12, 2025).
- -https://ausbildung-in-germany.net. (Accessed April 12, 2025).
- -https://employmentbridge.de/ar. (Accessed May 20, 2025).
- -https://www.alaraby.com/news/. (Accessed May 12, 2025).
- -https://www.albankaldawli.org/ar/country/algeria/overview. (Accessed May 12, 2025).
- -https://www.tatsachen-ueber-deutschland.de/ar/alml-fy-almanya/altahyl-almhny-almzdwj. (Accessed April 13, 2025).