COUNTRY FICHE: GERMANY

PES NAME: German Federal Employment Agency (*Bundesagentur für Arbeit*, BA)

Basic organisational model

Type of organisation/relation to government

Self-governing public law corporation, subject to the control of the federal government.

Structure and organisational levels

- Headquarters in Nuremberg;
- 10 Regional Directorates; responsible for the delivery of regional labour market policies; work closely with state governments;
- 176 local Employment Agencies; controlled by the regional directorates; responsible for day-to-day activities of the BA;
- Some 660 business offices;
- 7 other special agencies, including the Institute for Employment Research (IAB).

Management structures and the role of social partners

- Management: an Executive Board (3 members appointed for a 5 year term) manages the BA and its activities and develops the Agency's operating policy goals and strategic orientation. The Regional Directorates and local Employment Agencies are also managed by three-member managing boards.
- Supervision: The tripartite 21 members strong Board of Governors approves the annual budget, business objectives and targets, and the annual report to the Federal Ministry of Labour and Social Affairs. 7 members are representing the group of employers, 7 members the group of employees and 7 members the group of public bodies.
- Social partners: involved with the Board of Governors. Tripartite bodies are also active at the local level, where 'Administration Councils' advise and monitor the work of local Employment Agencies.

Financing model

PES financing by source, Euro (million)

	Expenditure (EUR million)						Change 2010-2011 (%)		
	2010			2011 (forecast)					
Source of funding (%)	Total Budget	Operating costs	ALMP	Total Budget	Operating costs	ALMP	Total Budget	Operating costs	ALMP
Total	45.213 (100%)	7.436	14.982	41.964 (100%)	7.797	14.098	- 7%	5%	- 6%
Social security contributions	22.614 (50%)			24.575 (58,6%)					
Government and other public funding	16.161 (35,7%)			16.899 (40,3%)					
ESF	65 (0,1%)			50 (0,1%)					
Other EU Funding									
EURES									
PES own revenues	215 (0,5%)			155 (0,4%)					
Other	6.158 (13,6%)			440 (0,7%)					

Note: 'Other' comprises apportionment and reserve assets. Apportionment finances specific items, such as short-time working schemes during winter and insolvency support.

Human resources

PES human resources. Date of observation: December 2010

	Number of staff	% directly servicing clients
Total	**110.033**	81%
Head office	662	
Regional directorates and local employment offices	101.806	
Special agencies	7.601	

Note: Data for total staff and related % of staff directly servicing clients were provided as well for February 2011: 105.974, 81,7%. The share directly service clients includes all employees who come into contact with customers, regardless of the type and frequency of contacts. This includes core activities such as job placement and benefit payments, but also service centres (support via telephone), the employers' service (AG-S), teams dealing with training providers, sections dealing with customer complaints (KRM), key account management in the regional directorates, specialised services, and so on.

Integration of employment services and benefit payments

Unemployment and related benefits

- BA is fully responsible for the client registration, processing and payment of unemployment benefits, short-time working allowances and bankruptcy compensation payments.

Other social benefits

- Minimum income benefit system: BA provides support for long-term unemployed whose entitlement to unemployment insurance has expired.

Clients/Customers

Jobseekers. Date of observation: December 2010

	Number	%
Jobseeker client groups		
Total		
Unemployed in a wider sense	3.291.803	
Underemployed in the strict sense	3.859.231	
Underemployed excl. short-time work	4.097.283	

Jobseeker clients are generally classified in relation to their unemployment/underemployment status, distinguishing between those who are fully unemployed and those currently benefitting from different types of active labour market measures or on short-time working. (In December 2010 the underemployment rate excluding short-time working was 9.6%; the unemployment rate at national level was 7,2%, whereas ILO standard was 6,6%).Jobseekers who are not unemployed (employed, in training, inactive) are further split up according to type of employment, type of training/apprenticeship, reason for being inactive (disability, care responsibilities etc.). Conventional socio-demographic characteristics such as gender, age, marital status, nationality and immigration status, disability, branch of economic activity, school education, and employment history are recorded for all clients.

Employers

Employer clients are divided into target and standard clients. Target clients are employers with considerable potential for creating new employment or apprenticeship places and are given priority. There are also key account services for those large employers who have several plants/offices in Germany and recruit trans regionally**.**

Date of observation: November 2010

Employer client groups	Numbers	%
Total	4.930.578	
Standard clients	4.907.015	100%
Target clients	23.463	0%

Note: the figures refer to so-called operating establishments and do not refer to the number of active companies in Germany. A company can have "n" operating establishments. The operating establishment is the organizational unit that normally works together with the Employment Agency.

Other clients

- BA offers career guidance and vocational counselling services to young people and school-leavers;
- BA offers apprenticeship placement services;
- BA offers employed persons and their employers assessment on human resource development such as skills needs, information on up-skilling the workforce, and short time working schemes;
- BA processes work visa applications from EU member states citizens subject to transitional arrangements in relation to the free movement of labour;
- BA is also active in helping people with disabilities and those on rehabilitation into work.

Types and methods of service provision

Services for jobseekers

- Individual support for labour market re-integration, starting with customer profiling. Different customer needs are met by differentiated integration strategies, taking into account labour market conditions. Recruiting and matching for all unemployed jobseekers online or face-to-face based on individual integration strategies;
- Vocational guidance and placement services are primarily delivered through personal interviews though some group meetings for general information are organised. There is also a range of self-service information tools, such as the online-job-portal "JOBBÖRSE" and a database providing information about the content of different jobs ("BERUFENET");
- General information provided face-to-face, online or by call centre.

Services for employers

The employers' service (AG-S) offers a range of free services and advice to employers:

- Pre-recruitment services;
- Placement of disabled persons (Rehab/SB);
- Placement in apprenticeship/training positions;
- Counselling services in the above mentioned fields.

Job vacancies and market share

Collecting information on job vacancies

Employers report vacancies to the local Employment Agencies on a voluntary basis. Statistics on registered vacancies are published monthly.

Additionally, the Institute for Employment Research (IAB), the research institute of the BA, undertakes an annual Job Vacancy Survey based on a sample of all companies/administrations with at least one employee.

Vacancies and referrals

2010: total of 2.017.216 vacancies of which 478.161 were successfully filled by the BA

Latest stock of vacancies: 417.224 (February 2011).

Matching of supply and demand

Supply and demand on the labour market are analysed on a regular basis (mostly monthly). Statistics are produced on reported vacancies (by region, economic sector, and occupation), unemployment (by occupation), demand for university graduates and, more specifically, for skilled jobseekers down to the most in-demand occupations. Data are used by Employment Agencies to plan vocational training and qualifications targets.

Market share

According to the IAB survey to firms on the total economic supply of jobs in 2009, the filled vacancies mediated by PES services amount to 50% of the received vacancies. This survey allows the analysis of the effectiveness of other instruments internal and external to the firm: among the external methods, PES services turn out to be the most used.

Active labour market policies

LMP Services

Name of service	Brief description	Delivery
Placement voucher	People unemployed at least two months and claiming unemployment insurance or assistance may receive a placement voucher from the PES. Vouchers are paid in amounts of € 2000 and are valid for three months.	PES
Individual re-integration budget	Support to the taking up of employment subject to compulsory insurance. Action required on account of a person's individual needs can be supported by funding from the placement budget in a targeted and needs-oriented way. Support is individual. Other benefits must not be supplemented, replaced or circumvented.	Federal Government

LMP Measures

Name of measure	Category	Brief description	Delivery
Support for further vocational training	2	The local employment service may bear the costs of further training, especially course fees and the cost of ascertaining the suitability of the applicant, accommodation and travel, and in certain cases the cost of childcare.	PES
Integration measures	2	Employers can be given responsibility for job-insertion of the unemployed, workers liable to become unemployed and persons seeking training. Arrangements regarding the content of the measure are decided on by the training provider, who is paid on the basis of successful placements.	PES
Business start-up subsidies	7	Unemployed persons who want to start a business are entitled to a monthly start-up grant. The grant is paid for one year, and is renewable up to a maximum of three years. Amounts are digressive: €600/month in year 1, €360/month in year 2, €240 /month in year 3.	PES

Cooperation/partnership

Core tasks like counselling and placement are performed by BA itself. Yet training measures are generally carried out by certified training providers. Jobseekers that fulfil a number of criteria are handed out training vouchers specifying individual goals, the necessary focus of courses and the maximum amount of training to be offered. Jobseekers can spend the voucher with a certified training provider of his/her choice to participate in a certified training measure. To be able to offer the whole range of its services the BA cooperates at all levels (federal, state and local) with various partners. An example of cooperation at the federal level is a joint initiative of the BA and the Ministry of Family Affairs to promote measures to facilitate women's return back to work after parental leave. At state level, close collaboration between the BA and the government developed in the area of career guidance for young people and in the implementation of ESF-financed interventions. At local level, BA works together with training providers, schools and universities, local firms, chambers of commerce, temporary employment agencies or youth welfare services.

Evaluation

BA is required by the law to conduct evaluation on the effects of its measures, concerning the efficiency and effectiveness of the resources used. A special evaluation tool called TrEffeR uses administrative data instead of ex-ante control groups or ex-post samples to create "statistical twins" for evaluation purposes. Evaluation results are used for the identification of effective funding approaches, to further develop measures and to plan vocational training/qualification targets at the local level. Most of the analysis is carried out by the IAB or internally by the BA, which sometimes commissions part of the work to external research institutes.

Management logic and performance measurement

Planning process

The planning process usually ends in the summer with the adoption of the operational policy goals by the Advisory Board. These are translated into binding goal indicators, which are set at the beginning of each year and form the basis for target agreements with managers across the three hierarchical levels of the organisation (Headquarters, Regional Directorates, and local Employment Agencies). The BA Headquarters formulates indicative values for all impact indicators, taking into account the operational medium term objectives for 2010-2012 as well as the business cycle. All Regional Directorates and local Employment Agencies are involved in discussions concerning procedural, structural, and organisational topics and in the delivery of realistic proposals for the perspective indicators.

Types of objectives and targets

Targets are of two main types:

- Operational policy goals determine the operational orientation and the success of the BA in the respective policy fields. The main operating policy goals for the year 2011 are:
    - Prevention of unemployment and decrease in the duration of unemployment;
    - Successful job insertion of all clients;
    - Increase in labour market participation.
- Employee-oriented goals refer to BA staff productivity and skills. They consider the leadership performance of managers towards their employees. Example: securing a high skills level.

Monitoring

Regular follow–ups take place during the year. Performance measurement is carried out by monthly target-performance comparisons and is disseminated via a central reporting system. This process is supplemented by a performance-related compensation scheme, which sets additional incentives for managers. Operational policy goals and monthly reports on progress form the basis of regular dialogue at all organisational levels. The analysis focuses on weaknesses, that is, on goals which could not be reached or are likely not to be reached. The approach is forward-looking: it focuses on how the goals could still be achieved rather than why these have not been met. The success of the agreed measures is then discussed at the next dialogue. The results of these dialogues are checked quarterly. Relevant data and analysis are published monthly.

Lean management

The principle of lean management is integrated in the design of processes. The target system is aimed at the greatest possible continuity of the governance process. The requirement to reduce or narrow the administrative effort is taken into account.