



Federal Ministry
of Labour and Social Affairs



PROGRESS REPORT 2013

on the Federal Government's Skilled Labour Concept



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Securing the supply of skilled labour – Improving employment opportunities

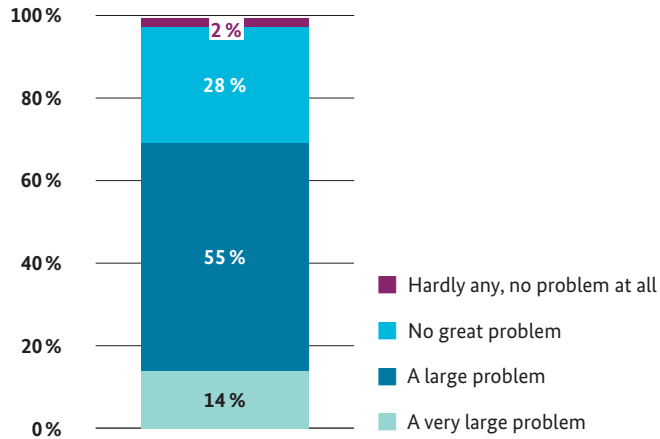
In a matter of a few years, the German labour market has undergone a fundamental change. Unemployment has declined and employment has risen. To continue on this successful course, we need to secure our reservoir of skilled labour in the long term. Shortages are already making themselves felt today in many occupations and regions. More companies than ever see skilled labour shortage as a major risk to their business outlook. Qualified young personnel will be even more in demand due to demographic change in the coming years: in the academic professions, but more so in the whole range of training occupations.

Despite this trend, the long-term unemployed still have great difficulties finding a job, low-skilled people are still at risk of making a false start in their working life and many women keep trying to re-enter adequate employment with little success. Also, many people working in the low wage range still earn too little to provide for themselves and their families without welfare support and contribute enough to obtain an adequate pension later on. This is why I would like to see our efforts to secure skilled labour concentrate far more than to date on improving job prospects for these people.

Only if we give everyone the chance to qualify and train themselves further and find decent work will we have an adequate supply of skilled labour and robust enterprises that can rely on their workforce to generate innovations. These are, and will remain, the mainstay of our economic success and, with that, our prosperity.

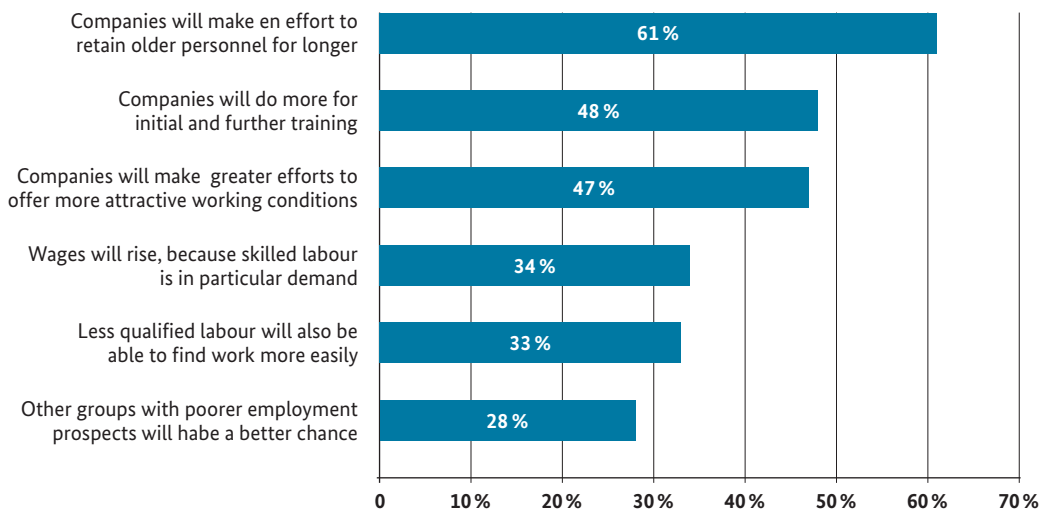
Public opinion

Does skilled-labour shortage pose a problem for German business and industry?



Source: Representative opinion poll; Allensbach Institute, January 2014

What are the possible consequences of skilled-labour shortage in your opinion?



Source: Representative opinion poll; Allensbach Institute, January 2014

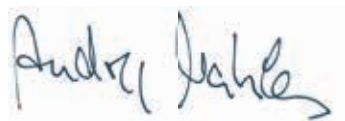
To attract and keep skilled labour, we also need to offer them something in return. On the policy side, we shall lay the right foundation for a favourable investment climate and secure and decent work. This is why we are introducing a statutory minimum wage and more generally binding wage agreements that will make work more attractive again and set incentives for personnel qualification. At the same time, we will ensure a good standard of social security for employees. The primary aim of future employment growth will be to strengthen regular employment relationships.

Securing the supply of skilled labour is a large challenge facing businesses, trade unions and policymakers alike. To meet it, we shall harness the stable situation on the labour market and growth in employment. Through training, we shall specifically seek to create and secure jobs in particular for the long-term unemployed, people with no occupational qualification, those with an immigrant background and persons with disabilities, who will also contribute to tomorrow's pool of skilled labour. This calls for particular efforts on the part of enterprises.

Companies have already started to change their attitude towards older personnel and increasingly appreciate their expertise and experience for that they are: a genuine asset. Instead of looking for ways to get them to retire early, businesses are looking to retain their older workforce for as long as possible or even recruit older staff, as is evident from the sharp rise in the employment of older people. Representative surveys indicate that this trend will continue.

This progress report on the skilled labour concept for 2013 gives an account of the main measures the Federal Government has taken in this area and outlines the progress made so far, but it also pinpoints the tasks we still need to tackle.

Through measures to secure employment, strike a better balance between family and working life, improve education and qualification opportunities, step up integration and promote the immigration of qualified professionals, the aim of our skilled-labour policy is to enable people to contribute their abilities and knowledge to the labour market. This will pave the way for the future economic success of our country.

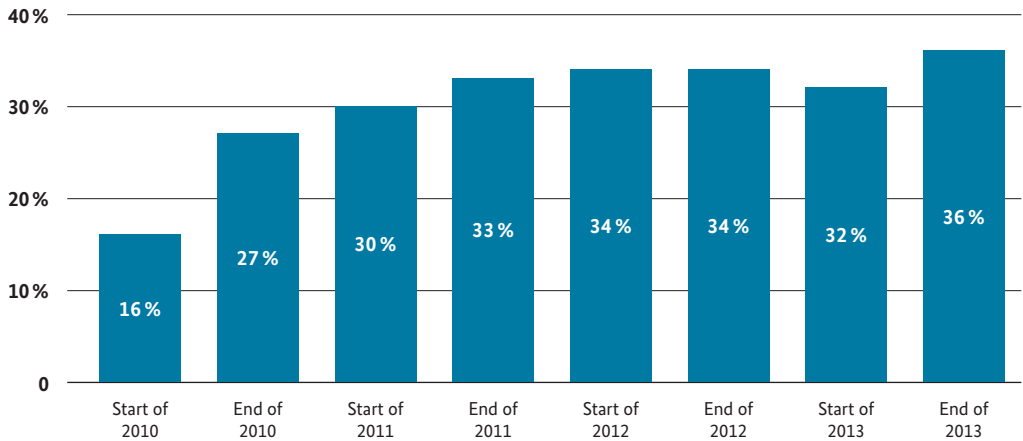


Andrea Nahles

Federal Minister of Labour and Social Affairs

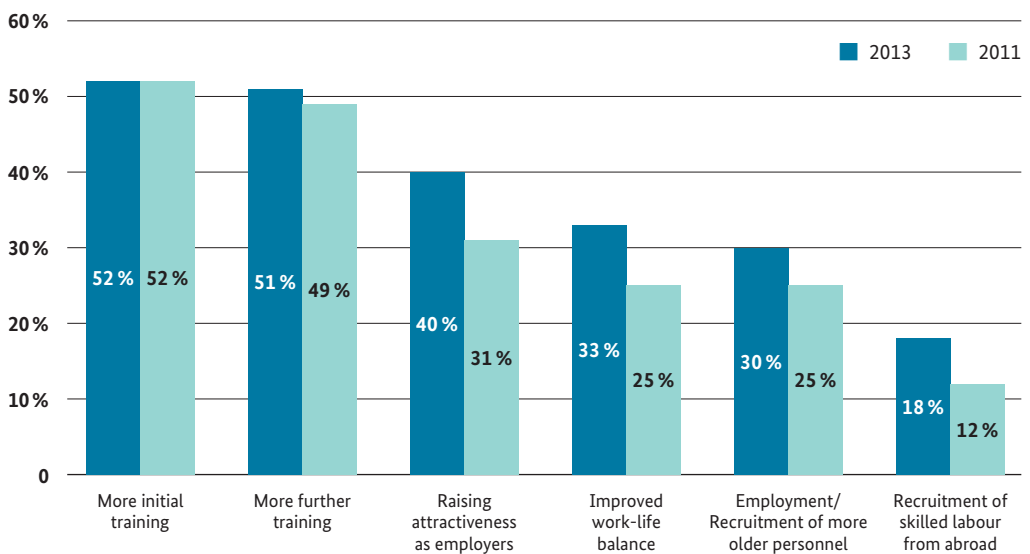
Growing corporate awareness of the problem

Ratio of companies that see skilled-labour shortage as a risk to their own business outlook



Source: German Association of Chambers of Industry and Commerce, Labour Market Report 2013/2014

Corporate response to future skilled labour shortage (multiple responses possible)



Source: German Association of Chambers of Industry and Commerce, Labour Market Report 2013/2014

1. Introduction

One of the great challenges facing German society is to secure its supply of skilled labour. With their various levels of qualification, we need skilled personnel in all sectors to maintain social prosperity and ensure national economic growth and competitiveness. Due to the additional impacts of demographic change, this will also mean new employment opportunities for groups that have so far been less able to participate on the labour market. With effective measures to secure the supply of skilled labour, we can offset the decline in the labour force.

Securing skilled-labour supply is cited in the coalition agreement as a way to guarantee prosperity and growth, but it is also closely bound up with the goal of equal opportunities and the chance to improve people's employment prospects. The coalition partners have expressed their firm commitment to the Skilled Labour Concept of the Federal Government and its five skilled-labour paths, with the focus on domestic potential, particularly youth and persons with an immigrant background, but also women and older people as target groups. The government is also looking to promote a culture of recognition and welcome for qualified foreign personnel.

With the support of policymakers, social partners and trade associations, ensuring a reliable supply of skilled labour is primarily the task of businesses. The coalition agreement advocates close cooperation among stakeholders. Companies are also aware of the importance of securing skilled-labour supply. Thirty-six per cent see their growth potential jeopardised by a shortage of skilled labour.¹ According to a survey, 64% of small and medium-sized enterprises are already in the process of securing their supply of skilled labour or training them further and another 25% report they plan to do so. Measures for securing skilled-labour supply are most common among SMEs seeking to ensure their medium-term and long-term competitiveness.² About two-thirds also indicate that they have already incurred losses in turnover due to a shortage of skilled personnel, 9% substantial and 55% only slight.³

Human resource managers in companies also cite securing the supply of skilled labour as the most important trend they have to deal with in their field of work.⁴ Contrary to the importance enterprises ascribe to securing skilled-labour supply, they still take

¹ Association of German Chambers of Industry and Commerce (2013) Business Survey, autumn

² Federation of Germany Industries (2013) SME Panel

³ Ernst & Young (2013) SME Business Survey, August

⁴ Federal Association of Human Resource Managers (2013) HR Trend Study

too few purposeful measures to better harness the potential that is also available among women, older people, low-qualified persons and those with an immigrant background. As a survey of management and works council members has shown, human resource managers are still not pursuing a clear strategy for securing skilled-labour supply.⁵ The survey shows again that businesses are not yet doing enough to ensure the sustainable supply of skilled labour. Small and medium-sized enterprises in particular are currently reluctant to carry out personnel policy measures and rarely adopt a far-sighted approach.

With its Skilled Labour Concept and the related five skilled-labour paths, since 2011 the Federal Government has adopted a systematic and comprehensive approach to securing the supply of skilled labour. This ranges from early childhood education to activating less employable groups to facilitating the immigration of highly-skilled personnel and has met with broad social acceptance. The first progress report on the Skilled Labour Concept reviewed initial achievements and future tasks. The present progress report for 2013 will appraise objective achievement with results-based indicators and discuss and propose relevant future measures.

As part of its demographic strategy, the Federal Government has been conducting a multi-level dialogue with other partners involved in securing skilled-labour supply, which it will continue. Besides the social partners, federal states and municipal federations, especially trade associations and chambers are also engaged. Moreover, these partners cooperate with the Qualified Professionals Initiative sponsored by the Federal Ministry of Labour and Social Affairs, the Federal Ministry of Economic Affairs and Energy and the Federal Employment Agency. More can also be done to step up exchange with and among the federal states, which have now all developed their own initiatives and measures for securing skilled-labour.⁶ This entails communication on effective instruments with the Federal Government and among the federal states and on their individual economic strengths and support measures for prospective immigrants.

Based on expert discussions with scientists, social partners and trade associations, an appraisal has been made of the strategic alignment of the Skilled Labour Concept. The systematic approach and the related five skilled-labour paths were found to be generally effective. Experts from the Netherlands also gave credit to the conceptual design, because in addition to addressing current constraints it takes long-term educational outcomes and employment opportunities for all potential groups into account. Proposed changes in reporting have been adopted in the present publication.

⁵ Federal Ministry of Labour and Social Affairs (2013) Business Survey on Skilled Labour

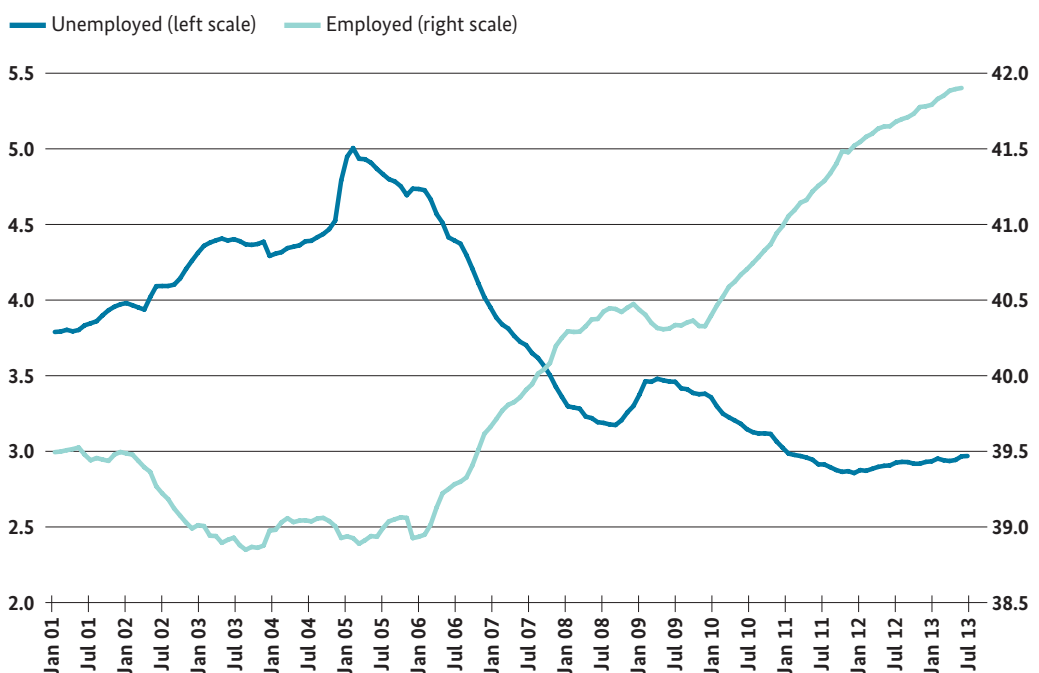
⁶ Centre for European Economic Research (2013) Kurzexpertise zur Fachkräftesicherung in den Ländern (Research brief on securing the supply of skilled labour in the federal states)

The report will place a particular focus on low-qualified personnel and mothers with an immigrant background. The Skilled Labour Concept indicators will therefore be broken down in more detail, by immigrant background and age group, for example, and supplemented with new ones to include additional aspects of securing skilled-labour supply. After outlining the framework and the current and forecast shortages, we shall look at labour-force participation among individual domestic cohorts and their additional potential. In the Outlook, we shall summarise the main developments and the need for future action.

2. Economic framework and shortages of skilled labour

German economic performance in 2013 was overshadowed by the economic crisis in the eurozone and the uncertain developments in the world economy. Despite this adverse climate, the number of gainfully employed continued to rise at a steady rate. According to estimates by the Federal Statistical Office in November 2013, 42.3 million people were employed (seasonally adjusted: 41.9 million) - a record figure, with women and older people in particular finding employment. Employment rates for women from 2006 to 2012 rose slightly above the average for the population, 60 to 64-year-olds even well above. Since 2006, the unemployment rate has meanwhile declined distinctly, now ranging at the lowest level since reunification.

Unemployed and employed persons (seasonally adjusted, in millions)



Source: Federal Statistical Office and Federal Employment Agency 2013

Economic and labour-market developments

Last year, the German economy underwent a phase of weaker growth that extended up into the first quarter of 2013. It has been on the uptrend again since spring. Economic performance in the European Union (EU) as a whole was on the decline almost throughout between autumn 2011 and spring 2013, largely due to the recessions in the eurozone crisis countries, and developments in the world economy and global trade have recently been distinctly weaker than in previous years. Despite the adverse economic climate, few workers were made redundant in Germany in 2012 and businesses are currently optimistic about the future: Twenty-four per cent expect to do better and another 63% at least the same business.⁷ Socially-insured employment has increased further – reaching 29.3 million in mid-2013.

Despite the favourable trend in employment, the German labour market still faces major challenges. The situation is by no means satisfactory for all groups. Researchers at the Federal Institute of Employment Research indicate that too many people are still unemployed for too long and have to make do with an insecure job, poor pay and no opportunities for advancement.⁸ Besides the contributions the integration of immigrants into the German labour market can make, plans for a sustainable supply of skilled labour must therefore focus first of all on the domestic labour force.

There has been a favourable development recently in types of employment relationships. The number of atypical employment relationships declined from 8.04 million in the previous year to 7.89 million in 2012,⁹ while normal employment relationships rose by 500,000 to 24.2 million. The reasons for the slight fall in atypical employment include lower marginal employment and a recent drop in the number of fixed-term jobs. Trends in atypical employment are an indication of the improved quality of work. This is also of benefit for securing skilled-labour supply.

This favourable development on the labour market has, however, also contributed to perpetuating shortages of skilled labour in some regions or industries. Rates of unemployment also show that it is particularly difficult to attract highly-qualified personnel: Altogether only 5% of skilled labour with occupational training were unemployed in 2012 and only 2.5% of persons with a degree from a university (of applied science). In addition to the indicators for the Skilled Labour Concept, the main general data are appended in the Annex.

⁷ Association of German Chambers of Industry and Commerce (2013) Business Survey, autumn

⁸ Research Institute of the Federal Employment Agency (2013) Ausbau auf solidem Fundament - was am Arbeitsmarkt angepackt werden muß (Building on a solid foundation - What needs to be tackled on the labour market)

⁹ Federal Statistical Office (2013) Press release no. 285

Current findings on demographic trends

In 2012, Germany was able to record the highest net migration since 1995, with the number of immigrants exceeding emigrants by about 369,000. After a net migration of 128,000 in 2010 and 279,000 in 2011, it has thus continued to record higher net migration gains. According to the figures obtained so far, this trend has also continued in 2013: In the first months of the year, net migration has again slightly exceeded the figure for the same period in the previous year.

Together with increasing labour-force participation, the number of employed persons rose by more than 200,000 in 2012 due to immigration. As in previous years, the East European states have also been the main area of origin of immigration to Germany 2012. The eight EU member states that acceded in 2004 (particularly Poland and Hungary) and the two in 2007 (Bulgaria, Romania) accounted for over half of net migration amounting to 369,000 in 2012. Besides this, in recent years there has been a particular increase in emigration from the southern euro countries affected by the economic crisis.¹⁰ Almost a fifth of the net migration gain originates from Greece, Italy, Portugal and Spain. Given the favourable economic and labour-market climate in Germany by European standards, higher net migration gains are also expected in future, at least for the short to medium term.

According to the present findings of the 2011 Census, the size of the population in Germany has been overestimated till now, which, however, detracts little from the basic assessments on demographic change and securing skilled labour supply. At 80.2 million in 2011, there were about 1.5 million or almost 2% fewer inhabitants than previously thought, with the previous overestimation being more pronounced for older than younger people. An updated estimate of the long-term trend will be made in the 13th coordinated population projection scheduled for 2014.

Shortages and forecasts in skilled-labour trends

There is no nationwide shortage of skilled personnel in Germany. Shortages estimated by the Federal Employment Agency in December 2013, indicate, however, that 20 groups lack skilled personnel in technical, health care and nursing occupations. Besides physicians and trained nurses, these include engineers, energy technicians and computer science and software specialists. The situation has eased somewhat in individual shortage occupational groups in the course of weaker economic growth in 2013, but problems remain. The number of shortage occupations has even

¹⁰ Research Institute of the Federal Employment Agency (2013) *Ausbau auf solidem Fundament - was am Arbeitsmarkt angepackt werden muß* (Building on a solid foundation - What needs to be tackled on the labour market)

20 shortage occupational groups

Occupational group	Level of qualification sought
Metal construction and welding engineering	At least four-year course of study in higher education or equivalent qualification
Mechanical and industrial engineering	At least four-year course of study in higher education or equivalent qualification
Automotive, aerospace and shipbuilding technology	At least four-year course of study in higher education or equivalent qualification
Mechatronics and automation technology	a) Completion of at least two-year occupational training or equivalent qualification
	b) Master craftsman/Technician training or technical college/higher education qualification or equivalent qualification
	c) At least four-year course of study in higher education or equivalent qualification
Energy technology	Completion of at least two-year occupational training or equivalent qualification
Electrical engineering	At least four-year course of study in higher education or equivalent qualification
Technical research and development	At least four-year course of study in higher education or equivalent qualification
Technical drawing, construction, modelmaking	At least four-year course of study in higher education or equivalent qualification
Plumbing, sanitary installation, heating and air conditioning technology	a) Completion of at least two-year occupational training or equivalent qualification
	b) Master craftsman/Technician training or technical college/higher education qualification or equivalent qualification
Supply and disposal technology	At least four-year course of study in higher education or equivalent qualification
Computer science	At least four-year course of study in higher education or equivalent qualification
Software development, programming	At least four-year course of study in higher education or equivalent qualification
Technical operations in rail, air and shipping transport	Master craftsman/Technician training or technical college/higher education qualification or equivalent qualification
Supervision and maintenance in transport infrastructure	Completion of at least two-year occupational training or equivalent qualification
Supervision and control of transport operations	Completion of at least two-year occupational training or equivalent qualification
Train driver	Completion of at least two-year occupational training or equivalent qualification
Health care, nursing, emergency rescue service, obstetrics	a) Completion of at least two-year occupational training or equivalent qualification
	b) Master craftsman/Technician training or technical college/higher education qualification or equivalent qualification
Human medicine	At least four-year course of study in higher education or equivalent qualification
Elderly care	Completion of at least two-year occupational training or equivalent qualification
Medical, orthopaedic and rehabilitation technology	Master craftsman/Technician training or technical college/higher education qualification or equivalent qualification

Source: Skilled-labour shortage assessment by the Federal Employment Agency, December 2013

increased slightly compared with earlier assessments. Notably, this applies to all levels of occupational qualification, both persons with higher education and those with vocational training.

Besides findings on current shortages, forecasts on future labour-market developments in the face of demographic change are helpful for planning the Skilled Labour Concept. The Federal Ministry of Labour and Social Affairs has commissioned an international consortium of scientists with a labour-market projection up to the year 2030.¹¹ According to the mid-term report already published, the largest bottlenecks are anticipated in educational and social care occupations, health care, among managers and executives and in technical occupations. The report shows that unless businesses and policymakers take effective measures, there is a danger of skilled labour gaps inhibiting growth in parallel with high underemployment in other subsectors.

Trade associations, foundations and federal state governments have also submitted assessments of future labour-market development. Relevant studies by the Hamburg Institute of International Economics, the Cologne Institute for Economic Research and consultancy firms, such as Prognos AG, document that challenges will also remain in future and further efforts are needed.

Efforts to secure skilled-labour supply are worthwhile: The Centre for European Economic Research has forecast an additional increase in GDP of altogether EUR 57 billion if 100,000 additional personnel are employed every year until 2016.¹² At the same time, the steps already taken and planned are clearly taking effect and can offset much of the demographic impact. Various forecast studies document that future challenges in securing skilled-labour supply will persist and additional efforts are needed. This should act as an incentive for all stakeholders to step up efforts in securing skilled labour and pursue a long-term and systematic strategy.

¹¹ The international consortium headed by Economix Research & Consulting (Munich) has published forecasts and expert reports at www.economix.org.

¹² Centre for European Economic Research and Kiel Institute for the World Economy (2012) *Kurzexpertise zu Konjunkturimpulsen durch Fachkräftesicherung* (Research brief on promoting economic development through securing skilled-labour supply)

3. Focus on potential groups

In 2011, the Skilled Labour Concept already identified women and older people as domestic groups with large potential for securing skilled labour. There are additional major potential groups, such as persons with an immigrant background or low-skilled people. To plan future measures for securing skilled-labour supply, it needs to be ascertained how far their mobilisation has already been successful and what potential is still available. In this chapter, we shall first review the labour-market participation of the individual potential groups and assess the remaining potential, by drawing a comparison with Sweden, for example. We shall then look at the Federal Government's multisectoral measures for securing skilled-labour supply and the potential groups of low-qualified persons and mothers with an immigrant background as a particular focus of this year's progress report. In Chapter 4.5, we shall examine more closely the significant potential afforded by qualified immigrants.

3.1 Outline of potential groups

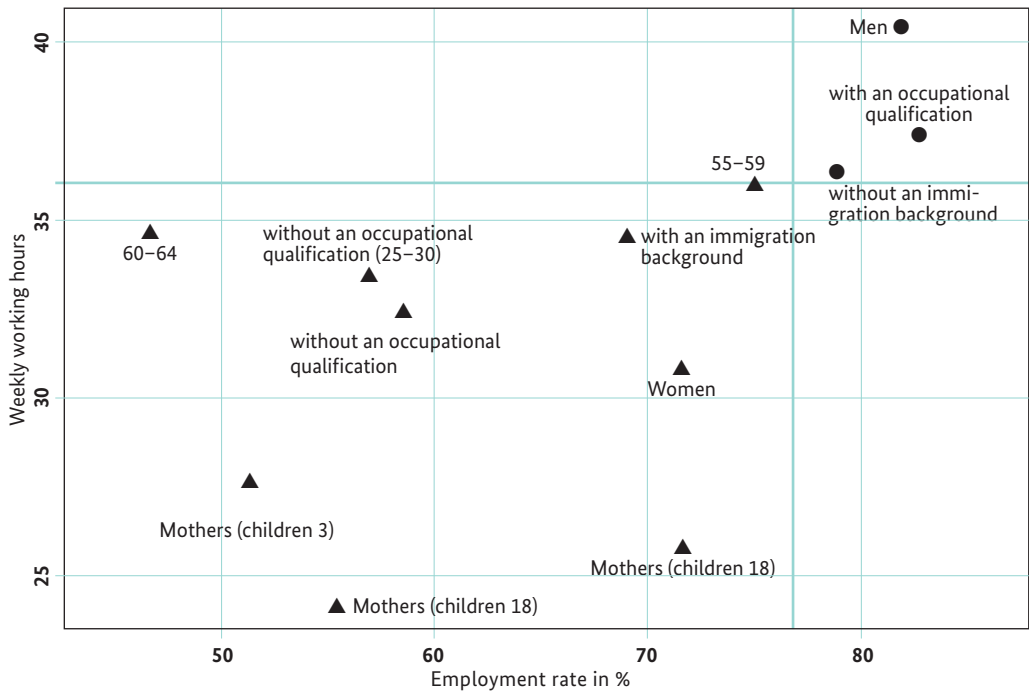
Progress in mobilising the available potential differs greatly. To gain a general picture of the situation of domestic potential groups, we shall first describe current labour-market participation. Then we shall assess past developments since 2005 and the future potential of individual groups of persons.

Current labour-market participation

Labour-market participation of potential groups can be depicted with the employment rate and average weekly working hours. The figure below contains the figures for the two indicators in 2012 in a scatter chart. The average population of working age is depicted as a standard of comparison with a horizontal and a vertical line. The figures for potential groups are marked with a triangle and those for the reference group with a circle.¹³

¹³ Although the individual groups in this chapter are depicted separately, they also overlap.

Employment rate and working hours in 2012 by potential groups



Source: Federal Statistical Office, Microcensus 2012

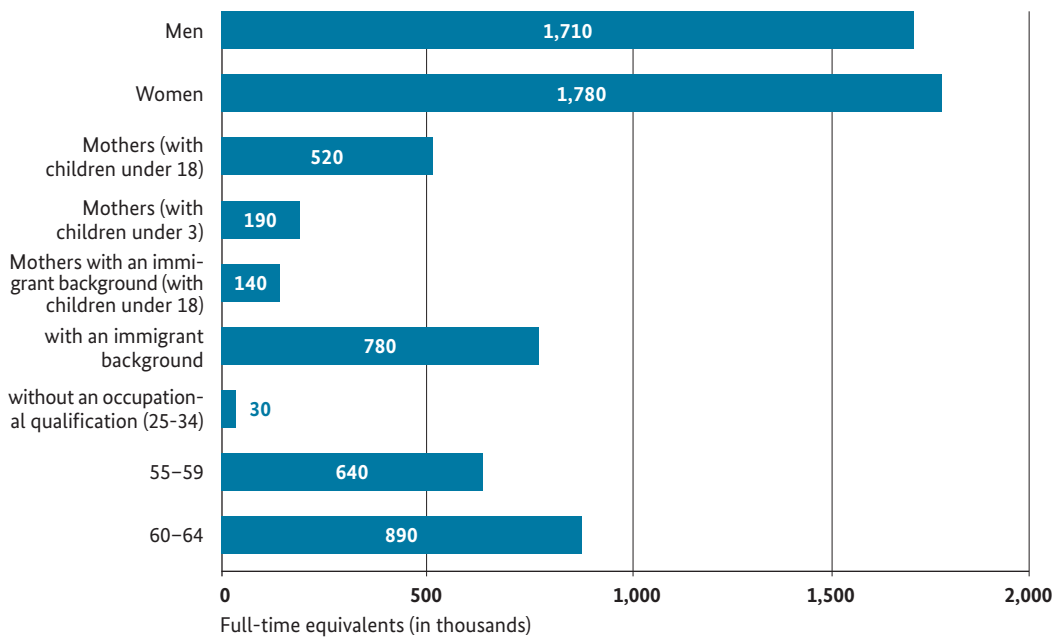
At about 47%, 60 to 64-year-olds recorded the lowest employment rate of all potential groups in 2012, and mothers with an immigrant background recorded the shortest working week - 24 hours. The reference group of men, persons with an occupational qualification and those without an immigrant background each recorded higher labour-force participation and working hours than average.

The figure attests to the considerable potential in working hours and labour-force participation among women, particularly mothers. There is still potential for participation among older people of 60 and older, while 55 to 59-year-olds have already almost reached the average.

Developments since 2005 and contributions to securing skilled labour

Although labour-market participation is still below average among women and older people, particular progress has been made in these cohorts in recent years.¹⁴

Changes in gainful employment among individual groups from 2005 to 2012



Source: Federal Statistical Office, Microcensus 2005 and 2012, estimates of the Federal Ministry of Labour and Social Affairs

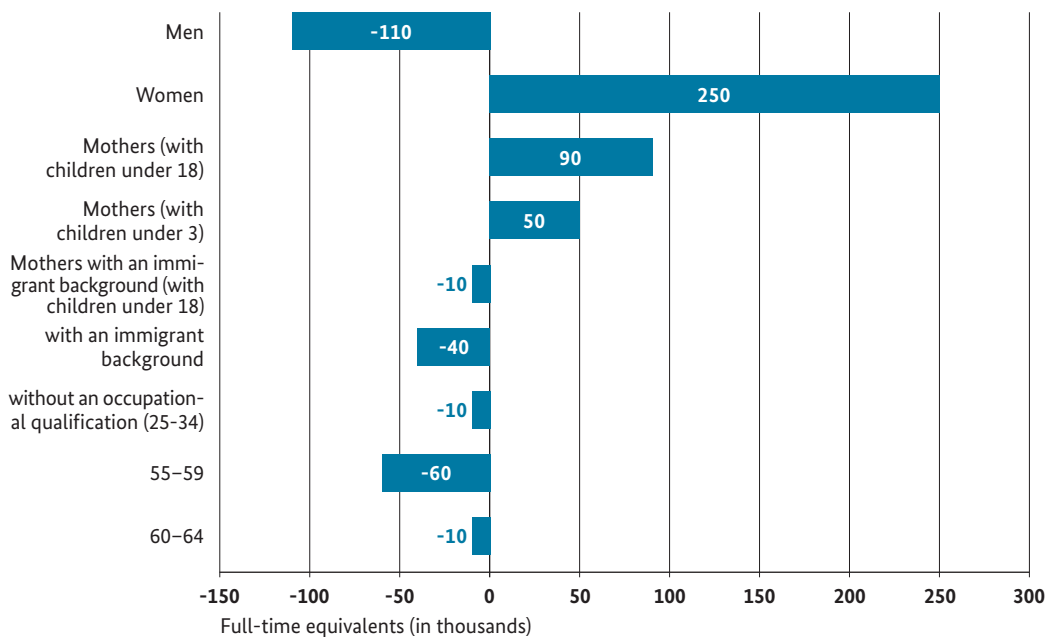
The contributions made to securing skilled labour can be depicted by considering the changes in the number of gainfully employed persons and average hours worked. From 2005 to 2012, the number of gainfully employed women rose substantially, amounting to 1.78 million full-time equivalents.¹⁵ Almost every third of these women was a working mother (520,000). With an increase in 640,000 full-time equivalents in the 55 to 59 age range and 890,000 full-time equivalents in the 60 to 64 age group, older people also made a major contribution to securing skilled labour.

¹⁴ The following estimates are based on evaluations of the 2005 and 2012 Microcensus by the Federal Statistical Office.

¹⁵ Related to 36 working hours a week (average working week in 2012)

Account must also be taken in this connection of the findings of the study on demographic change in different occupational fields sponsored by the Federal Ministry of Labour and Social Affairs as part of the New Quality of Work Initiative.¹⁶ Comparing the gainful employment of older employees in individual occupations from 1993 to 2011, an analysis was conducted to determine occupations in which older people remain employed for longer. An interesting finding here is that in 2011 seven times more 61-year-olds were engaged as nurses than even in 1993. The average age of employees had increased in all the occupations reviewed, which is not solely attributable to demographic but also structural factors.

Effect of changes in the working week of individual cohorts from 2005 to 2012



Source: Federal Statistical Office, Microcensus 2005 and 2012, estimates of the Federal Ministry of Labour and Social Affairs

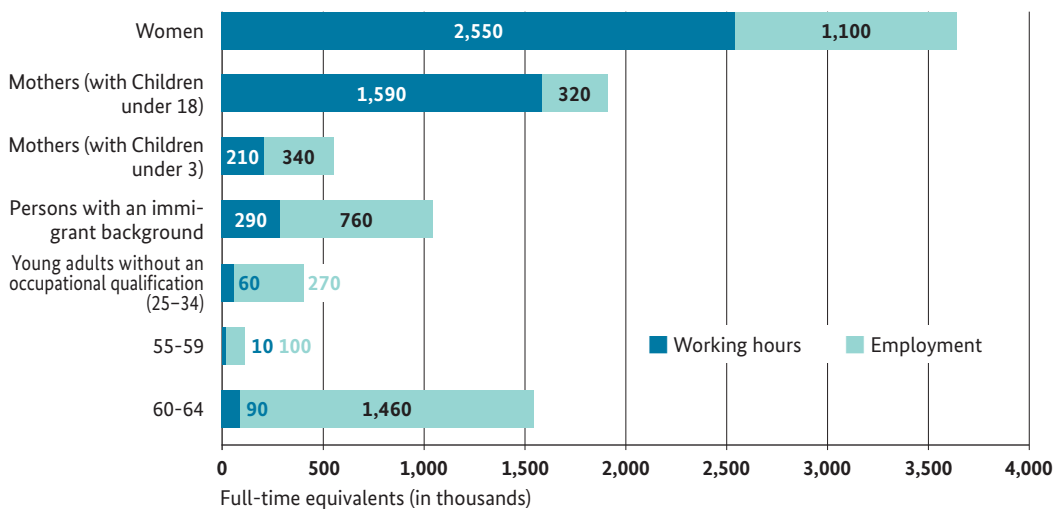
In the period under review from 2005 to 2012, women were able to contribute with 250,000 full-time equivalents to securing skilled labour due to a longer working week. Working hours among men, persons with an immigrant background and older people, however, made no comparable progress in this period. However, viewed overall, the contribution of these groups also increased considerably, as the higher number of gainfully employed persons more than offset the decline in working hours.

¹⁶ Tivig, Henseke and Neuhaus (2013) Berufe im Demografischen Wandel - Alterstrends und Fachkräfteangebot (Occupations in demographic change - age trends and skilled-labour supply)

Additional domestic potential

Despite this favourable development in recent years, there is still considerable potential for labour-market participation among individual groups of persons. The statistical potential can be depicted by comparing the respective potential group with the average for the population of working age.

Potential of individual groups compared with the population average (20–64 years)



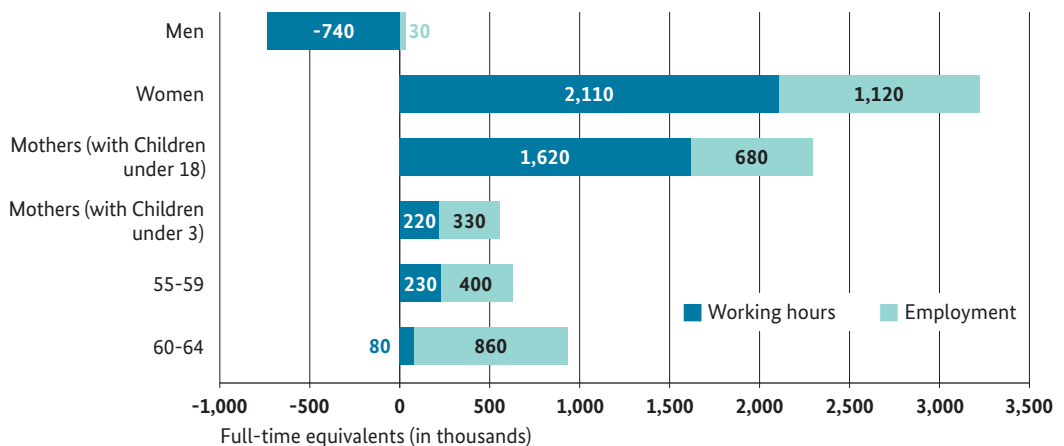
Source: Federal Statistical Office, Microcensus 2005 and 2012, estimates of the Federal Ministry of Labour and Social Affairs

If women were to reach the average working hours and employment rate for the population as a whole, this would amount to more than 3.6 million full-time equivalents, with longer working hours accounting for 2.5 million and a higher number of gainfully employed persons for 1.1 million. By analogy with this estimated potential, the amount of hours worked could be increased by about 1.5 million full-time equivalents, if gainful employment in the 60 to 64 age group reached the present average of the population. This would, however, be an ambitious figure for cohorts approaching retirement.

Potential in comparison with Sweden

Since Sweden records the highest employment rate overall in the EU (79.4%) and among women (76.8%) and 60 to 64-year-olds (64.2%), it can serve here as an additional standard of comparison.

Potential in comparison with Sweden



Source: Eurostat, Labour Force Survey 2012, estimates by the Federal Ministry of Labour and Social Affairs

If women in Germany were to attain the average working hours and employment rate of Swedish women, this would amount to an additional potential of 3.2 million full-time equivalents,¹⁷ with 2.1 million accounted for by the increase in working hours and 1.1 million by the higher number of gainfully employed persons. At about 2.3 million, mothers with children under 18 account for the largest potential for women. Men, however, work more in Germany than in Sweden. The 60 to 64 age group affords an additional potential of 930,000 full-time equivalents, if it were to reach an equivalent level of employment to that in Sweden.

These model calculations demonstrate that women and particularly mothers with underage children still afford the largest statistical potential. Extending working hours in this group would make the largest contribution. Persons with an immigrant background have a particular potential for raising labour-force participation.

¹⁷ The estimated potential based on comparisons between Sweden and Germany is based on the evaluations of European labour market statistics by the Federal Statistical Office.

3.2 Multisectoral measures to secure skilled-labour supply

The Federal Government has taken various multisectoral measures to be able to mobilise all the identified skilled labour potential. These comprise the campaign, Qualified Professionals Initiative, the Innovation Office - Skilled Labour for the Region and the Centre of Excellence for Securing Skilled Labour.

3.2.1 A good place for skilled labour - Qualified Professionals Initiative one year on

Jointly run by the Federal Ministry of Labour and Social Affairs, the Federal Ministry for Economic Affairs and Energy and the Federal Employment Agency, the Qualified Professionals Initiative has been successfully continued in 2013 after its launch in June 2012. It supports and complements the Skilled-labour Concept with a broad, public-relations, multimedia, information and mobilisation campaign and provides it with a long-term communication platform that bundles specific information for the various target groups and broadens awareness of the skilled labour issue.

The information sources and services on the two Internet portals, www.fachkräfte-offensive.de for domestic skilled labour and businesses and www.make-it-in-germany.com for international specialists, have been upgraded and given a broader scope. Both portals compile the relevant initial information for the various target groups and via a navigation function provide central access to ongoing projects and programmes and the specialised web portals and regional networks available.

A broad campaign under the motto, 'A good place for skilled labour', has communicated the key messages to a wide audience at home and abroad. Specific target groups, such as single parents and international specialists, have been addressed directly via their preferred print and online media and made aware of the relevant services offered by the Qualified Professionals Initiative. This outreach is supplemented with editorial reporting: About 20,762 articles on the Qualified Professionals Initiative have been published in regional and national press since the start. The initiative has become widely known in a very short time and proved effective as a communication platform. Every third German resident is familiar with it (online survey 2013). Make it in Germany stands for an open welcoming culture and communicates to international skilled labour the advantages of Germany as a place to work and live, has established itself worldwide as a welcome portal and has been well received by business and industry and expert bodies (including the Council of Experts, OECD).¹⁸ Eighty-three per cent of visitors indicate that their interest in Germany has been raised through the portal (user survey at the end of 2013).

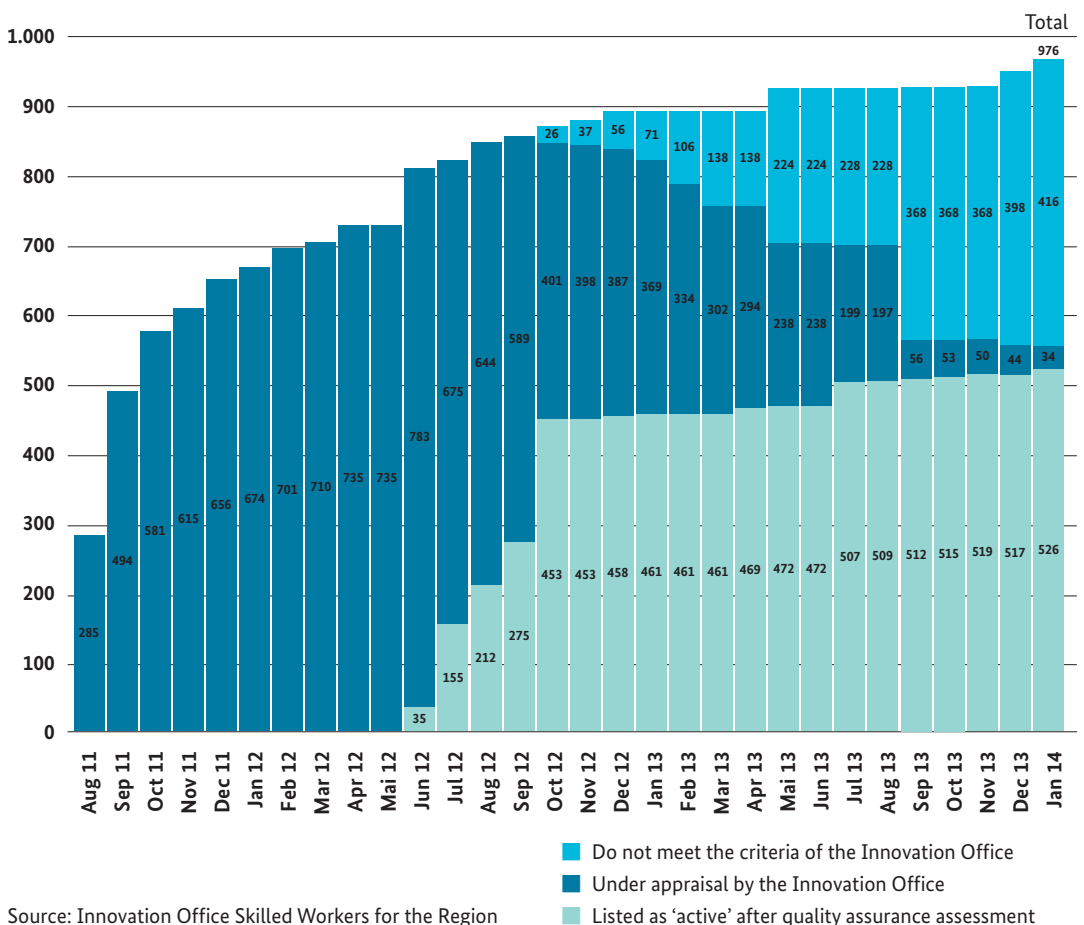
¹⁸ For details on Make it in Germany, see 4.5.4.

3.2.2 Innovation Office - Skilled Workers for the Region

Through networking and support for local labour-market actors, specific regional approaches can make a decisive contribution to securing skilled labour. The Innovation Office - Skilled Workers for the Region was founded in March 2011 on behalf of the Federal Ministry of Labour and Social Affairs as a service point for regional networks engaged in securing skilled labour.

The main tasks of the Innovation Office include the identification and systematisation of regional skilled labour networks and advice and support for local actors. The networks are published on the website of the Innovation Office (www.fachkraeftebuero.de). The aim is to professionalise and upgrade them. For this, the staff advise network actors on all issues to do with organisational and substantive work.

To date, over 500 active networks operate in keeping with the criteria of the Innovation Office



Source: Innovation Office Skilled Workers for the Region

The Innovation Office has now identified 936 regional networks, projects and initiatives. After a detailed quality assessment, a growing number, presently 512, have been classified as 'active' in securing the supply of skilled labour. These networks generally operate in keeping with the criteria of the Innovation Office.

The Innovation Office also develops materials specially for the target group of network actors as part of its services. These include, for example, a guideline on good practices with ideas and proposals for securing skilled-labour supply in the region. Other guidelines, including one on defining joint objectives and measures in a network, are planned for 2014. To promote mutual learning and the exchange of innovative ideas, the Innovation Office invites network members twice a year to nationwide specialist events (the Innovation Day in spring and a specialist conference in autumn). Where there is a demand, it also holds regional event formats, such as workshops on founding or upgrading networks and meetings for exchanging experience among networks and actors from certain regions.

3.2.3 New Quality of Work Initiative

In the New Quality of Work Initiative initiated by the Federal Ministry of Labour and Social Affairs, the social partners and chambers come together with representatives from policymaking, the scientific community and society to discuss new approaches for a modern human resource policy. They are all committed to raising the quality of work and improving working conditions for employees in businesses and administrative authorities. The main aim of the activities is to raise awareness about the challenges of the changing world of work and, equally importantly, to make direct proposals for practical solutions and planning approaches to companies, particularly small and medium-sized enterprises. Via low-threshold advisory services, support programmes or exchange on good practices, as part of business networks, for example, the initiative instigates and supports processes of change at operational level. The activities of the New Quality of Work Initiative have already reached more than 3,000 firms with over 3 million employees.

3.2.4 Centre of Excellence for Securing Skilled Labour

Securing the supply of skilled labour poses a special challenge for small and medium-sized enterprises. This is why the Federal Ministry for Economic Affairs and Energy promotes the Centre of Excellence for Securing Skilled Labour, which raises awareness particularly among small and medium-sized enterprises of human resource strategy issues and supports the introduction and implementation of individually tailored measures to secure the supply of skilled labour. With its website and at regional events and workshops, the Centre of Excellence for Securing Skilled Labour has established itself as the contact partner for small and medium-sized enterprises.

On its website (www.kompetenzzentrum-fachkräftesicherung.de), the Centre of Excellence for Securing Skilled Labour provides tips and information on securing skilled labour tailored to the needs of small and medium-sized enterprises. Firms can download proposals for individual measures some free of charge, with practical directions for the respective procedure and checklists. This is supplemented with information on good practices by other small and medium-sized enterprises in finding, retaining and qualifying skilled labour.

In addition, the Centre of Excellence for Securing Skilled Labour campaigns for the potential of groups that have so far been neglected in recruitment, such as older and unemployed persons or skilled labour from abroad, and highlights certain topics every month. For example, it has prepared recommendations for small and medium-sized enterprises on how to better harness the career potential of female personnel and featured this skilled-labour potential as topic of the month in October 2013. In its topic of the month in May 2013, Every age counts – in business as well, it stressed the potential of older employees and how mixed-age teams can contribute to a company's success. On the new website of the Centre of Excellence for Securing Skilled Labour, topics and services have been arranged and interlinked even more closely.

To make small and medium-sized enterprises more amenable to international specialists and promote a corporate culture of welcome, the Centre of Excellence for Securing Skilled Labour introduced about 185 advisers of the support programme, Tailored Placement of Trainees in Companies, to this issue. The advisers of this funding programme are available nationwide to support SMEs.

3.3 Focal topic: Low-qualified personnel

Skilled labour is in demand in many areas, but the many low-skilled jobseekers are ignored. These are also at particularly high risk of unemployment. In the following, we shall first provide a general statistical picture of developments in this group.

3.3.1 Database

Almost every seventh person (14.9%) aged between 20 and 64 in Germany lacked an occupational qualification in 2012. Far fewer employment opportunities are available for low-qualified people than for skilled labour. In the course of structural adjustment towards a service and knowledge society, the employment of low-skilled persons has declined by more than 20% in the last ten years. Low-skilled people are also at far greater risk of unemployment than other groups. In 2012, the employment rate in this group amounted to 19% (2011: 19.6% and 2010: 20.7%). Among skilled labour with occupational training, in contrast, the unemployment rate amounted to 5%, and 2.5% among university graduates.

The cohort of young low-qualified persons in particular faces high labour-market risks and poorer employment opportunities. More than half a million employees aged 25 to 34 have no occupational qualification. Among the unemployed in the 25 to 34 group, almost every second person lacks an occupational qualification, almost 330,000 young adults on annual average in 2013. An encouraging development is the declining percentage of persons without a vocational training certificate in the 25 to 34 age group in recent years (2005: 17.8% and 2012: 14.5%). Low-skilled people have also found work through job creation in Germany,¹⁹ but higher-qualified persons benefit far more from increased employment and young people without an occupational qualification are much more frequently engaged in mini-jobs and part-time work than those with. The 1.4 million young adults still without a vocational training certificate also underscore the need for renewed efforts.

The foremost remedy for the adverse effects of low qualifications is specific continuing education/training. Efforts by the Federal Government are already having an effect here. In 2013, about 319,000 people took up continuing vocational training promoted by employment agencies and job centres, about 6.5% more than in the previous year. The percentage of measures leading to a qualification in an approved training occupation also rose further to 14.5% from January to August 2013 (2012: 13.2% and 2011: 11.4%).

¹⁹ Cologne Institute for Economic Research (2013) *Junge Menschen ohne beruflichen Abschluß* (Young people with no occupational qualification)

3.3.2 Measures

To cope with the considerable difficulties of low-qualified persons on the labour market on the one hand and meet the special need for skilled labour on the other, the prime concern is to motivate low-skilled personnel to take up and employers to provide continuing education/training. This is why the Federal Government is stepping up its promotion of training for low-qualified persons.

Promoting dual training

Dual training is a cornerstone of German vocational qualification. To help young people in making the transition to occupational training, the employment agencies and job centres provide nationwide occupational guidance and counselling and training placement services. They provide additional support to young people who after completing general education still lack some of the necessary skills to begin vocational training directly. Assistance instruments include prevocational measures, training assistance and introductory training. Disadvantaged youth that fail to enter in-company training despite this assistance can undergo full or partial vocational training at an external training centre. Additional assistance is available to disabled and severely disabled young people. Over 170,000 young people were supported with help in choosing their occupation and with vocational retraining in July 2013.

Initiative: Training works – late starters wanted

In February 2013, the Federal Ministry of Labour and Social Affairs and the Federal Employment Agency started the joint initiative, Training works – late starters wanted. The aim is to motivate young people aged 25 to 35 with no occupational qualification to take up training leading to a vocational certificate. The group of unskilled youth is of special importance, because qualified vocational training means a better start and career prospects for them in a long future working life 30 to 40 years. The target in the next three years is to enable 100,000 young adults under the jurisdictions of the Second and Third Books of the Social Code to take part in further training leading to an occupational qualification. The focus is on the specific, individualised promotion of further occupational training geared to a qualification (full and part-time qualifications in an approved training occupation, external examination and modular partial qualifications). The initiative does not just address unemployed but also employed workers who have still not completed vocational training. Young adults with disabilities can also benefit from the initiative. In 2013 (period under review to August), 19,800 young adults began a measure leading to a qualification. This amounts to an increase of 30% on the year-earlier period, when the initiative

had not yet started. It thus makes a contribution to effective long-term integration into employment and to meeting skilled labour needs.

Continuing in-company training for low-qualified personnel

More than anyone else, it is enterprises and employees themselves that need to contribute to raising participation in continuing occupational training. To set incentives for this, the Federal Employment Agency supports engagement in continuing occupational training by specifically promoting on-the-job courses. For this purpose, the Special Programme for the Further Training of Low-skilled and Older Workers (WeGebAU) financed by funds from the budget item for integration has been conducted since 2006. It focuses on unskilled and older employees in small and medium-sized enterprises. The special programme particularly promotes the post-qualification of employees who still lack an occupational qualification. Besides course, travelling and child care costs, the benefits can also include pay supplements. Altogether 18,000 support measures were conducted in 2012. Some EUR 280 million was made available for the programme in 2013 and the same amount will again be provided in 2014.

With its Initiative for Flanking Structural Adjustment since 2010, the Federal Employment Agency has also assisted low-skilled unemployed persons in obtaining an approved occupational qualification or partial qualifications. The initiative pursues two objectives: improving the employment prospects of low-qualified persons by enabling them to obtain an approved occupational qualification and preventing regional and sectoral skilled labour shortages. Besides the unemployed, the initiative also specifically addresses people returning to work or re-entering the labour market. A total of 30,000 support measures were carried out in 2012. About EUR 400 million was made available for the programme in 2013 and same amount will be provided in 2014.

With its project, Optimising Training for Low-qualified Unemployed Persons, the Federal Employment Agency has developed and tested partial qualifications for selected occupations. They have proved to be effective for employment and thanks to their modular compatibility they enable participants to obtain additional partial qualifications leading to an occupational certificate. It has succeeded in allaying the misgivings of participants against longer-term measures and attracting new groups of people for continuing training leading to a qualification.

Qualification advice for businesses

Strategic human resource planning and development poses special challenges for small and medium-sized enterprises in particular. After the successful completion of pilot projects for qualification advice, enterprises have since 1 July 2013 been able to avail themselves of an employer service provided by the Federal Employment Agency. The modular qualification advice primarily addresses small and medium-sized enterprises and offers them support in developing and implementing strategies for meeting their own skilled labour needs. The advisory service comprises an assessment of demographics, personnel structure and needs, support in planning training, the initiation of qualification networks and advice on issues of education/training controlling.

Qualify and Connect - educational chains leading to an occupational qualification

Some young people need special support in the transition from school to vocational training. The Federal Education Ministry's initiative, Qualify and Connect - educational chains leading to an occupational qualification, aims at providing early individual support and guidance for youth in need of assistance to find their occupational bearings and choose an occupation. Through training, the measures of the initiative help young people to improve their individual occupational prospects and gain a foothold on the labour market with good qualifications. They can obtain a school-leaving qualification more easily and are better able to enter vocational training. Under the related special programme, Career Entry Support, altogether 1,000 full-time career entry coaches provided advice in 2013. About another 1,700 voluntary senior experts, who are practitioners with occupational experience, were assigned to supervise the young people during vocational training and prevent training dropouts.

They complement the work of more than 1,000 career entry coaches sponsored by the Federal Employment Agency who have supervised over 20,000 pupils since 2009. Career entry support has been made into a permanent measure as of 1 April 2012 and has been adopted as a standard instrument in employment promotion law. As of the 2014 ESF funding period, cofinance for career entry support is planned under the available ESF federal funds. Besides the previous pilot schools, those of the Federal Education Ministry's Educational Chains Initiative will also be included in ESF federal support as of 2015.

Basic Education Pact

In many cases, increased literacy is a prerequisite for more economic participation and can be a decisive step on the way to a more successful working life. With the National Strategy for **Literacy** and Basic Education of Adults under the joint auspices of the Federal Education Ministry and the Standing Conference of the Ministers of Education and Cultural Affairs, together with other partners central and federal state governments seek to reduce illiteracy, which affects about 14% of the labour force, about 7.5 million people in Germany. With EUR 20 million in funding, the Federal Education Ministry initiated the campaign, Workplace Literacy and Basic Education of Adults at the Workplace in 2012. The objective here is to raise the interest of labour-market actors in setting up and carrying out literacy and basic education measures at the workplace. Besides this, since 2012 the Federal Education Ministry has conducted a public relations campaign, My Key to the World, which raises awareness of the issue of literacy.

Encouraging Youth: Young entrepreneurs help out

Young people from deprived social backgrounds and with individual impairments frequently face particular problems in planning their occupational future, making contacts with firms and convincing prospective employers of their abilities. Since November 2011, young German entrepreneurs in the project, Encouraging Youth: Young entrepreneurs help out (www.1000-chancen.de), have been engaged nationwide at local level in helping these young people: In close cooperation with youth social work agencies, the voluntary entrepreneurs help young people with low-threshold, practical measures to think about their occupational future and take initial steps towards entering the world of work. For example, they show them how their enterprises operate, inform them about prospects and bring them into contact with trainees or conduct job application training. Altogether about 1,500 disadvantaged youth have been reached by the end of 2013. The project will also be continued in 2014 and 2015 under the title, Encouraging Youth: 1,000 chances.

3.4 Focal theme: Mothers with an immigrant background

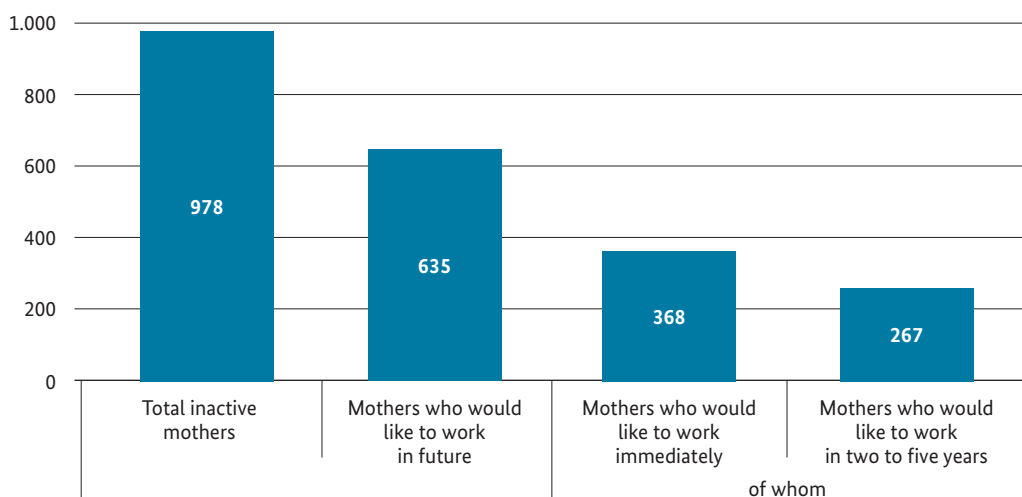
The Federal Government supports mothers with an immigrant background²⁰ on their way to entering the labour market, which can make a major contribution to securing skilled-labour supply. Their labour-market integration also entails additional beneficial effects: It improves the chances of their family to participate in material improvements, but it is frequently also attended by improved social integration and better prospects for the children.

3.4.1 Database

Every fourth woman (2 million) with at least one child under 18 has an immigrant background. Almost 1.1 million of them are employed.²¹ Mothers with an immigrant background are employed much less frequently and work fewer hours than mothers without.²² According to the 2011 Microcensus, only 52% of mothers with an immigrant background are employed, while the figure for mothers without is 73%.

About 980,000 mothers with an immigrant background were not engaged in gainful employment in 2011, with clear differences between individual origin cohorts: For example, mothers with a Turkish immigrant background are employed much less frequently than those of South or East European origin.

Inactive mothers with an immigrant background and number who wish to work (in thousands)



Source: SOEP and special evaluation of 2011 Microcensus 2011, estimates by Prognos

²⁰ Persons with an immigrant background are defined here as people with foreign nationality, persons with German nationality through naturalisation, emigrants of German origin from East European states and persons with one immigrant parent.

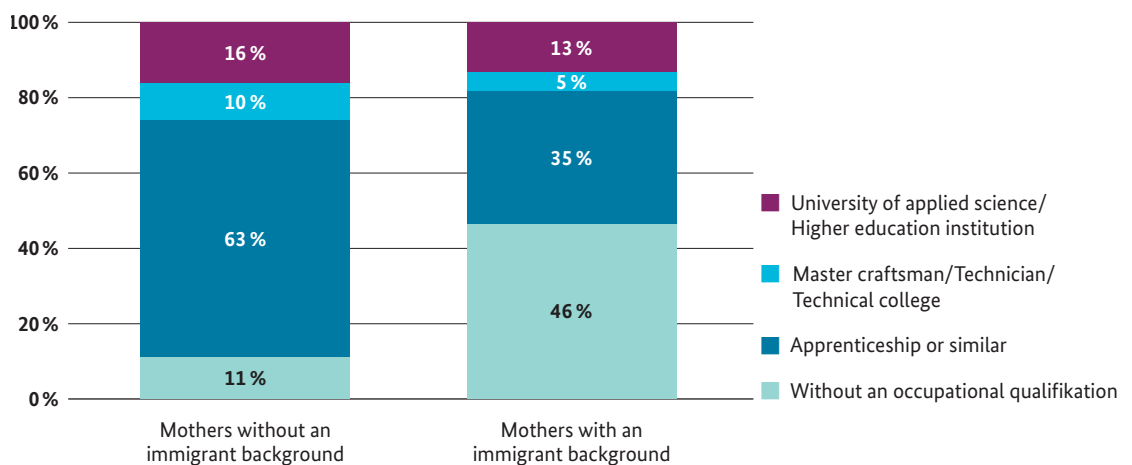
²¹ The figures are based on active gainful employment as a measurement yardstick (Chapter 4.2.1).

²² Federal Family Ministry (2013) Monitor Familienforschung, Ausgabe 31 (Family research monitor, issue 31)

Many mothers with an immigrant background have a pronounced desire to work. The evaluations of the German Socio-Economic Panel 2011 reveal the following picture: Three-quarters of inactive mothers with an immigrant background wish to work, more than every third wishes to pursue a quite specific line of work and would like to take up gainful employment either immediately or in the next year. Related to the total number of inactive mothers with an immigrant background, this points to an additional potential of about 370,000 mothers with a desire to begin work immediately and almost 270,000 additional mothers wishing to work in the next two to five years. Most (70%) envisage part-time employment.

Of working mothers with an immigrant background, a large number are only engaged in employment with reduced working hours. Out of a total of over 1 million working female immigrants with children under 18, about 290,000 mothers work under 15 hours a week, about 450,000 between 15 and 32 hours. According to the German Socio-Economic Panel in 2011, about half of mothers with an immigrant background who actually work up to 32 hours a week have an interest in gainful employment with longer working hours. Related to the total number of working mothers with an immigrant background in part-time employment according to the 2011 Microcensus, this amounts to about 376,000 mothers who would like to work more hours. On average, they would like to work about 12 hours more.

Highest (approved) occupational qualification of mothers with and without an immigrant background



Besides the above-mentioned motivation, of particular importance for successful integration on the labour market is the respective occupational qualification. Over half of mothers with an immigrant background have obtained relevant qualifications: Among mothers with an immigrant background, the number with academic qualifications is similar to that of mothers without an immigrant background (13% compared with 16%). On the other hand, the ratio of mothers with an immigrant background with no (or approved) occupational qualification, is above average (46% compared with 11% for mothers without an immigrant background). Low standards of education also mean worse employment opportunities: Mothers with an immigrant background and low occupational qualification (39%) perform an occupation far less frequently than mothers with an immigrant background and a medium (60%) or high standard of education (63%).

Despite a high propensity to work and an increasing demand for labour, many women with an immigrant background do not manage to enter into gainful employment. They only benefit to a limited extent from the favourable development on the labour market, as also evident from the figures on new immigrants: While the employment rate among new immigrants from third countries rose in 2010/2011 to 53%, it stagnated for new women immigrants, at about 20% despite equivalent qualification.²³ The reasons for this are seen among other things in the institutional framework and problems with balancing the commitments of family and working life. Finally, when they come into contact with public institutions, such as job centres and employment agencies, some people with an immigrant background have to put up with discriminatory remarks about their language, pronunciation difficulties, inability to understand forms, lack of comprehension or difficulties with writing.²⁴ The experience of mothers with an immigrant background under Social Code II indicates that they are currently still not being reached as well as possible by employment promotion instruments. Nevertheless, three-quarters of female migrants report that they have already conducted a detailed conversation at the job centre about their private and occupational situation. Their ratio is therefore slightly under that for mothers without an immigrant background, which amounts to 83%.²⁵

²³ Ette, Andreas et al. (2013) Ein neues Bild der Migration: Sozioökonomische Struktur und Arbeitsmarktintegration von Neuzuwanderern aus Drittstaaten in Deutschland (2013) (A new picture of migration: the socio-economic structure and labour-market integration of new immigrants from third countries in Germany)

²⁴ Federal Anti-Discrimination Agency et al (2013) Diskriminierung im Bildungsbereich und im Arbeitsleben (Discrimination in education and working life)

²⁵ Prognos/FIT based on the Panel Study, Labour Market and Social Security (PASS) by the Federal Institute of Employment Research (5th wave 2012)

3.4.2 Measures

Approaches here must cater for the diversity in the cohort of mothers with an immigrant background. They have various occupational qualifications and different numbers of children and live in couples or as single parents. What they share in common, however, is the migration experience, either themselves or through their parents. This has a large influence on the many factors that are decisive for labour-market integration, including school or occupational qualifications obtained abroad, language requirements, obstacles to accessing child care and the lack of networks for balancing work and family commitments. In response to this, the initiative, Strengthening Resources - Securing the Future: employment prospects for mothers with an immigrant background, was launched at the end of 2012.

Strengthening Resources - Securing the Future: employment prospects for mothers with an immigrant background

As part of a one-year pilot project since October 2012, the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth has promoted altogether 16 locations in the Federal Republic aimed at the following:

- Creating, building up and pursuing employment avenues for mothers with an immigrant background
- Bridging the gaps between the available support services for mothers with an immigrant background and linking these better with each other
- Raising awareness among employers and other actors of the potential of this target group.

The projects differed as to their institutional attachment, organisational form, specific objectives, target groups and practical approach. The implementing agencies were classical and migrant education providers or job centres carrying out projects at the locations under the initiative. The projects set different priorities. Some adopted a predominantly low-threshold approach to pave the way towards considering employment, some focused on providing help and support in occupational guidance and other were concerned with preparing for and/or supporting integration into employment.


The projects adopted different concepts and methods:

- **Mentoring:** Mothers with an immigrant background who have successfully integrated into the labour market advise project participants in a tandem arrangement.
- **Modular setup:** Over a longer period, a fixed group of female participants undergo the various modules, with the possible inclusion of traineeship phases. The modular group lessons can be flanked with individual or group coaching.
- **Established cooperation projects:** These are specialised in an occupational field and place the female participants solely in this area. They cooperate with specific partners.

Initial experience with the pilot project has shown that activating mothers with an immigrant background only succeeds with a set of instruments tailored to their needs and conditions. About 40% of the targeted mothers with an immigrant background took part in the measures conducted. Only approx. 16% of female participants broke off their participation early, partly because they had taken up training or work.

Besides personal interviews and individual guidance, e.g. through mentoring, a success factor for integration into employment is close networking with labour-market actors. An ESF programme with funding beginning at the end of 2014 is in planning to pursue the approaches developed in the pilot project. The aim is to improve support measures for these persons through concerted activities by the main actors on the labour market.

Apart from activating women, the initiative will strengthen cooperation with major actors, particularly businesses, chambers, job centres and employment agencies. Flanking this, an information platform will be set up to support networking among other actors, such as migrant self-help organisations, migration counselling, providers of integration courses, associations and other organisations.



4. Progress in skilled-labour paths

The Skilled Labour Concept of the Federal Government adopts a comprehensive approach to securing the medium-term and long-term supply of skilled personnel by way of five skilled-labour paths. To be able to measure progress in objective achievement, there is a comprehensive set of indicators for each skilled-labour path that is regularly assessed to see whether changed conditions call for the inclusion supplementary indicators. The indicators ensure an ongoing and systematic appraisal of objective achievement. Following an analysis of developments in these indicators to measure progress, we shall describe the various quantifiable aspects of measures for each of the skilled-labour paths. The efforts already made will be outlined in the process.

4.1 Skilled-labour path 1: Activation and securing employment

The skilled-labour path, Activation and securing employment, is aimed at better harnessing potential for securing the skilled-labour base in the long term. To initially ascertain objective achievement with the results-based indicators of the Skilled Labour Concept we shall outline overall developments in gainful employment and the employment integration of specific potential groups and then look at the broad range of measures for mobilising potential.

4.1.1 Progress in meeting indicators

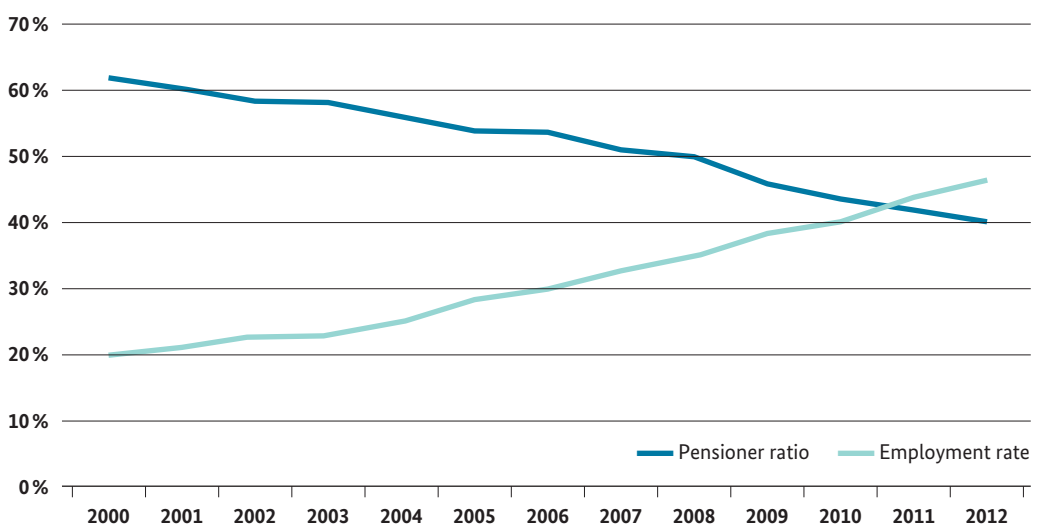
The employment rate²⁶ in Germany has risen further in recent years and well exceeds the figure for the EU as a whole. In the third quarter of 2013, the ratio of employed persons among 20 to 64-year-olds in Germany amounted to slightly more than the national EU 2020 target of 77%. Average employment in EU-28 amounted in 2012, however, to 68.4%, remaining almost unchanged compared with the previous year.

²⁶ The employment rate measures the share of gainfully employed (including self-employed) in the population.

Particularly older people (55 to 64) have contributed to the favourable trend in gainful employment overall, their employment rate having risen in 2012 by 1.6 percentage points to 61.5% and recently to 64.1% in the third quarter of 2013. For the first time on annual average in 2012, Germany thus reached its national EU 2020 target employment rate for older people of at least 60%. While 55 to 59-year-olds already record an employment rate of 74.9%, that of the 60 to 64 age group is well below this at 46.5%.

Since 2000, the ratio of gainfully employed persons in the 60 to 64 age group has increased steadily, while the ratio of pensioners has continuously declined. For the first time, the ratio of 60 to 64-year-olds engaged in employment exceeded that of those already in receipt of a pension in 2011.

Ratio of pensioners and employed persons among 60 to 64-year-olds (in per cent)



Source: Federal Statistical Office

The employment rate for 20 to 64-year-old women has improved distinctly in recent years from 65.0% (2006) to 71.5% (2012). It is continuing to approach the national EU 2020 target of 73%. Nevertheless, there is still considerable potential for greater participation of women in working life. For example, at 45% the part-time ratio is still high among women, with a comparatively low average working week of 18.6 hours. Only Portugal (16.4 hours) records a lower figure by EU standards. Many part-time employed women in Germany, however, would like to work longer hours. As the reason for their part-time employment, almost one woman in six reports that she was not able to find another job and about every fifth working mother in part-time employment would like to work more hours.²⁷

²⁷ Microcensus (2011) findings of the Labour Force Survey and Allensbach (2012) Monitor Familienleben (Allensbach family life survey)

Returning to the labour market is frequently particularly difficult for the long-term unemployed.²⁸ The large decline in the number of long-term unemployed from 2.36 million in 2005 to 1.04 million in 2012 is therefore particularly encouraging. The latest figures from the Eurostat Labour Force Survey also reveal a favourable trend. In 2012, the number of long-term unemployed fell in Germany on the previous year by more than 12%. Nevertheless, current studies indicate that re-entry into employment remains difficult for many unemployed people, as their profiles frequently fail to match vacancy requirements.²⁹ There is therefore a need to take action early on to prevent the structural perpetuation of long-term unemployment and reduce it by a large margin.

The favourable development on the labour market in recent years will also benefit persons with severe disabilities. The number of unemployed in this cohort declined on annual average from 2011 to 2012 by about 4,000 (2%) to roughly 176,000. Despite the better average qualification of severely disabled unemployed persons, these have not benefited as much from the favourable economic development as non-severely disabled unemployed persons. Considerable potential can still be mobilised here.

4.1.2 Measures

To be able to harness the potential among the various cohorts, the Federal Government also made efforts last year to reduce long-term unemployment, strengthen the regional skilled-labour networks and improve the framework in health care and the inclusion of persons with disabilities.

Labour-market policy priorities

The Act for Improving Labour-Market Integration Opportunities in 2012 has given labour-market policy the necessary flexible legal framework to be able to respond to the challenges of demographic change and the changing world of work with an effective and efficient set of instruments. The planning scope for placement specialists in providing integration services has also been enlarged in the process. In 2013, measures focused on practical application in the employment agencies and job centres. The main task of labour-market policy in particular has been the reduction of long-term unemployment.

²⁸ ILO defines unemployed persons as those who have been unemployed for at least twelve months.

²⁹ Research Institute of the Federal Employment Agency Discussion Paper (2013) Mismatch Unemployment - Evidence from Germany 2000-2010

Based on the principles already defined, central and federal state governments have developed a scheme that pinpoints strategically viable approaches for the sustainable integration of long-term unemployment benefit claimants. Practitioners in the job centres tasked with carrying out activation and integration strategies, harmonising local labour-market programmes and planning funding have been given a working paper to help them. It contains practical directions for assistance and finance options and compiles experience already gained by job centres, federal states and the Federal Employment Agency in reducing long-term unemployment.

Corporate values: people matter

The New Quality of Work Initiative initiated by the Federal Ministry of Labour and Social Affairs networks associations and private-sector institutions, trade unions, the Federal Employment Agency, central and federal state governments, enterprises and foundations engaged in improving the quality of working conditions to strengthen the competitiveness and innovative power of companies in Germany as a business location.³⁰

The services of the initiative are closely flanked by the ESF programme, Corporate values: people matter, being implemented since October 2012 nationwide in 30 pilot regions. Until the end of 2014, small and medium-sized enterprises can obtain advice in how to carry out an age-appropriate and sustainable human resource policy. In an initial advisory phase free of charge, an assessment is first made of the need for in-company measures. On their premises, firms can then avail themselves of local advice from authorised consultants on issues such as balancing family and work, occupational health or flexible working hours. Particularly encouraging is that the assistance has succeeded in motivating largely micro and small enterprises to give thought to modern human resource management strategies.

Mental health

The significance of mental health in working life is receiving growing attention. Increasing cases of mental disorders are being diagnosed both in absenteeism due to illness and in early retirement. The reasons for this are by no means confined to working life. Private factors play a role, but also improved diagnostics that can better distinguish between physical and mental stress and the diminishing stigma attached to mental illness among those affected and in public opinion. Changes in the modern working world have caused new forms of mental stress. Globalisation, keener international competition and technological progress increasingly influence in-company operations and affect

³⁰ For a detailed description of the New Quality of Work Initiative, see Chapter 3.2.

employees. Pressure of time and performance, having to cope with different tasks at the same time and the narrow or also excessive range of tasks are the sort of factors employees cite most frequently when asked about workplace stress. Mental illnesses cause both individual suffering for those affected and incur considerable costs for the individual enterprises, social insurance agencies and the whole economy.

The Federal Government has therefore set itself the goal of focusing occupational health and safety in particular on mental strain and raising awareness about this issue among in-company occupational health managers. The demography strategy also attaches central importance to health promotion and prevention, early diagnosis and rehabilitative care for the sick. In 2013, the Joint Declaration on Occupational Mental Health was signed by the social partners and the Federal Ministry of Labour and Social Affairs, which specifies the importance of mental health, the need for appropriate workplace arrangements and prevention and joint fields of activity. All these measures aim at motivating enterprises to adopt a comprehensive occupational health and safety approach. This will ensure employees can stay healthy and motivated for longer at their workplace, which will also alleviate the risk of skilled-labour shortages.

Securing skilled-labour supply for medical and nursing care

To meet the demand for skilled medical personnel, the Federal Government has initiated and supported various measures to ensure universal care in future also. The provisions for assuring needs-based medical care as close to the place of residence as possible under the Health Insurance Modernisation Act in force as of 1 January 2012 have been implemented. This applies in particular to the new version of the Joint Federal Committee's Needs Planning Directive for Authorised Physicians. New remuneration incentives have also been set to encourage physicians to establish practices in certain regions. Some associations of statutory health-insurance physicians have also since taken up the option of establishing a structural fund to be able to provide flexible and untied finance for specific measures to promote the establishment of physicians and set financial incentives.

To ensure nationwide health care delivery in future as well, the incentives for establishment in underserved areas must also be improved. The role of the general practitioner needs to be promoted and related medical care strengthened. To relieve the workload on established physicians, arrangements should also be made nationwide to deploy qualified non-medical health personnel to provide delegated medical services. Pilot projects will be conducted and evaluated to try out new ways of providing secondary medical care. Nursing occupations must be upgraded and the Federal Government will advocate minimum staff standards in the nursing sector within the scope of present legislation. Documentation requirements and bureaucracy must be kept to a minimum.

Inclusion Initiative

To be able to harness the full skilled labour potential among persons with severe disabilities, specific assistance is needed in addition to the existing general and special labour policy instruments and statutory assistance for individual cohorts of this group of persons. Under the Inclusion Initiative, altogether EUR 140 million has been earmarked from the National Rehabilitation Fund. The Inclusion Initiative aims at the following persons:

- Up to 40,000 severely disabled pupils with special educational needs will be thoroughly prepared for transition to working life.
- At least 1,300 new training vacancies will be created for severely disabled young people. For severely disabled unemployed persons or jobseekers over 50, at least 4,000 permanent socially insured employment relationships will be created.
- Crafts chambers and chambers of industry and commerce and agriculture can receive special support to improve their inclusion competency. In particular, the employment potential for persons with severe disabilities in small and medium-sized enterprises will be mobilised through increased counselling and support capacities in chambers.

The Inclusion Initiative will be implemented in close cooperation between the Federal Ministry of Labour and Social Affairs and the competent federal state ministries from 2011 to 2018. Both the federal states and the chambers have begun implementing measures.

Inclusion Initiative for Training and Employment

The Inclusion Initiative for Training and Employment was agreed on in collaboration with the labour-market partners (including employers' federations, the Federation of German Trade Unions (DGB), the Federal Employment Agency, the federal states and municipalities). The package of measures aim at expanding in-company training, training in close cooperation with local firms and the socially-insured employment of persons with disabilities. Persons with disabilities often have above-average qualifications. The skilled labour ratio among severely disabled unemployed persons is higher than for those without severe disabilities.³¹ The aim is to harness this potential better by means of a programme to step up integration measures and advice by employment services for persons with severe disabilities from the National Rehabilitation Fund and a nationwide campaign by the federations of business and industry to raise awareness among employers.

Companies for Inclusive Work

The nationwide series of conferences organised by the Federal Government Commissioner for Matters Relating to Disabled Persons entitled, Companies for inclusive work – adding value by employing persons with disabilities, aims at directing the attention of companies, chambers and trade associations more towards skilled labour with disabilities. The series of meetings informs participants about funding facilities and local contact persons and cites good practices of businesses in successfully and profitably integrating persons with disabilities in their operations.³² In five events for almost a year since 2012, the conference series focused on ways of improving the employment integration of persons with disabilities.

4.2 Skilled-labour path 2: Improved family-work balance

Making arrangements for striking a better balance between work and family makes up a major component of a sustainable policy for securing the supply of skilled personnel. Gainful employment must not be allowed to stand in the way of establishing a family. Based on a statistical analysis of developments in this sector, we shall outline the efforts undertaken by the Federal Government to help balance family and work commitments.

³¹ Federal Employment Agency labour-market reporting (2013) on the labour market for persons with severe disabilities

³² For a summary and best practices, see www.behindertenbeauftragter.de.

4.2.1 Progress in meeting indicators

Progress has been made in improving employment among mothers. Total working hours of mothers with underage children increased in the period between 2010 and 2012 by 137 million to 144 million. Compared with the previous year, working hours increased by more than 2 million in 2012. The employment rate among mothers has risen every year from 64.1% in 2006 to 67.9% more recently in 2010 and 71.0% in 2012.

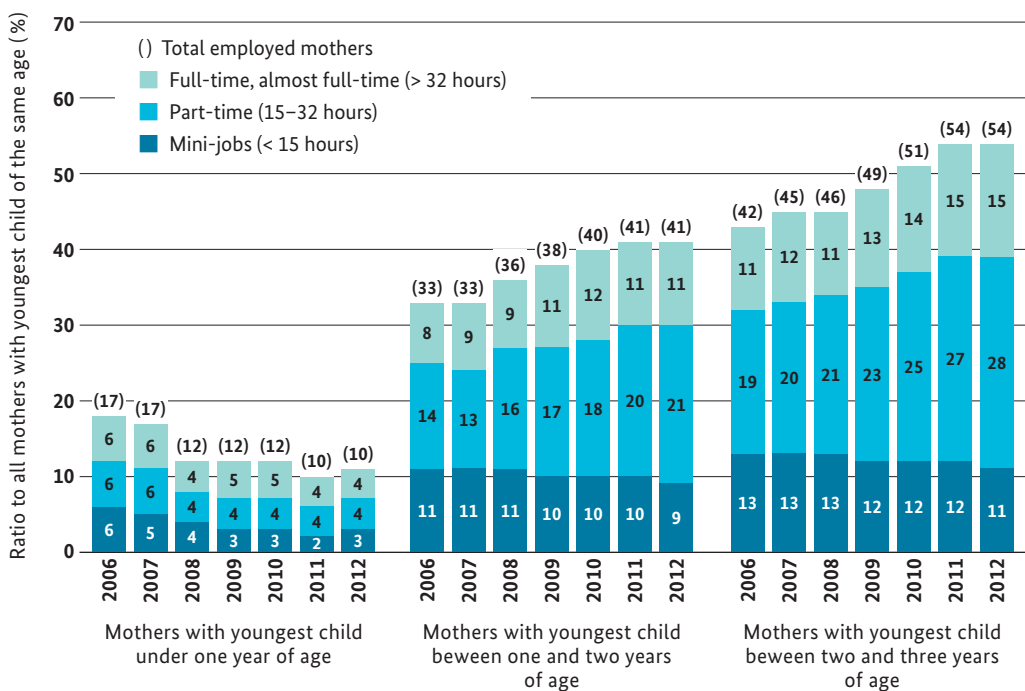
More exact findings on whether a mother is engaged in an employment relationship but is not performing the activity at the time of the Microcensus survey can be ascertained, if - departing from the usual Microcensus recording method - those who have not worked in the reporting week due to maternity protection, parental leave or personal and family obligations are not counted as employed, while employed persons who have not worked in the reporting week due to holidays, illness or for other, primarily operational reasons are included. The following information is based on this more realistic notion of active gainful employment.³³

After a previous decline, hours worked by mothers in Germany have risen since 2006. In western Germany, hours worked by mothers are higher than twelve years ago, but lower in eastern Germany. Also due to parental allowances, gainful employment among mothers with children of one and two years of age in particular has risen as of 2007, while in the first year of life of the child use is made of the protection afforded by the parental allowance. If the youngest child is in its second year, 41% of mothers are already at work. As of the third year of life, the employment rate already amounts to about 54%. These rates were respectively lower by eight and twelve percentage points in 2006. More mothers are also returning to almost full-time or medium part-time work. Moreover, many part-time employed mothers want to work longer, while many fathers would like to spend more time with their children. Sixty per cent of parents with children between one and three years of age would like to see a division of labour between partners in family and work commitments (Socio-Economic Panel/Families in Germany 2013).

³³ Federal Family Ministry (2014) Dossier Müttererwerbstätigkeit 2012 (Report on working mothers)

To support parents as partners in balancing family and work, parental allowance will be upgraded to the so-called parental allowance plus. This will enable parents to make the best use of the parental allowance in combination with part-time employment not classified as a mini-job to facilitate re-entry for single parents in particular. A new partnership bonus will also support cooperation between mothers and fathers in two-parent families to balance family and work.

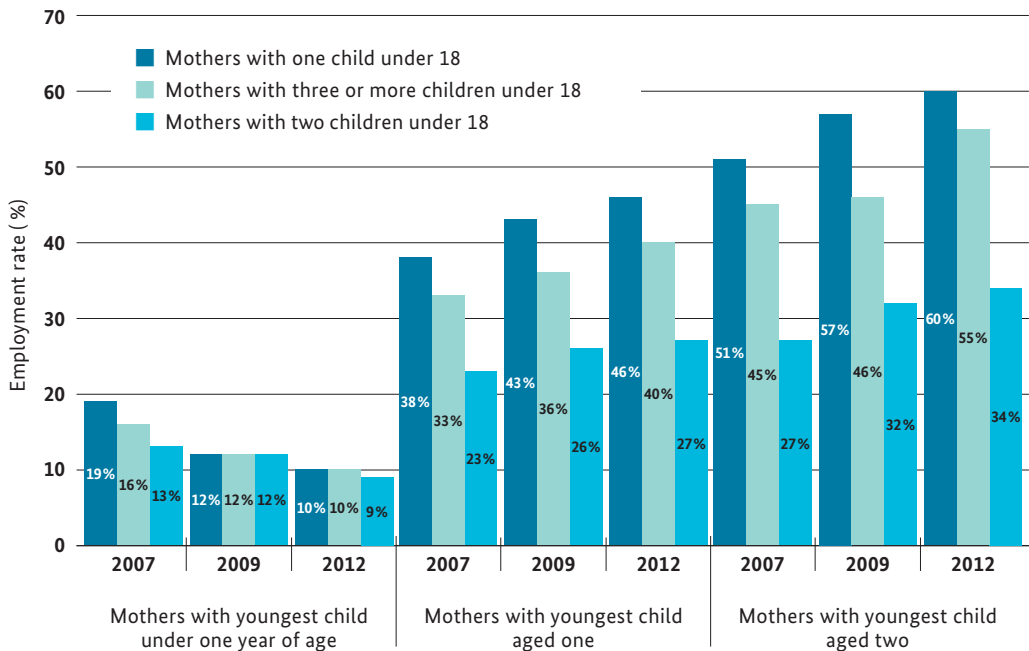
Employment rate trends (active employment) and working-hour patterns of mothers with children under three



Source: Microcensus - special evaluation by Prognos 2012

The trend towards increased gainful employment among mothers with small children also encompasses mothers with three or more underage children: The employment rate of mothers with the youngest child aged one has risen between 2009 and 2012 by four percentage points, that of mothers with the youngest child aged two by six percentage points. In the youngest child's first year, in contrast, intensive use is also made by families with several children of the scope for flexibility afforded by the parental allowance.

Employment rates (active employment) of mothers with children under three



Source: Microcensus - special evaluation by Prognos 2012

Still conspicuous here - also by international standards - is that mothers frequently work a small number of hours. Over 70% of all gainfully employed mothers work part-time, one in five works in a mini-job with fewer than 15 hours a week and only 29% work full-time. Mini-jobs are also common among mothers with older children. Over two-thirds of employed women without children work full-time, however. The propensity to work among mothers is more pronounced in eastern Germany than in the West, as evidenced by both the higher employment rate - among mothers with smaller children - and the much higher number of working hours regardless of the age of the children.

Current surveys show that over half of the economically inactive mothers would like to work, if suitable child care facilities were available.³⁴ Expanding child-care facilities is therefore of special relevance. Care centres for children under three have expanded considerably from a low level in recent years, particularly in western Germany. For example, the care ratio for children under three nationwide increased from 13.6% in 2006 to 29.3% in 2013 (East: 49.8%, West: 24.2%). The number of children of this age range in day care has risen from 286,000 to about 597,000.

³⁴ Allensbach (2013) Die Generation Mitte (Middle generation)

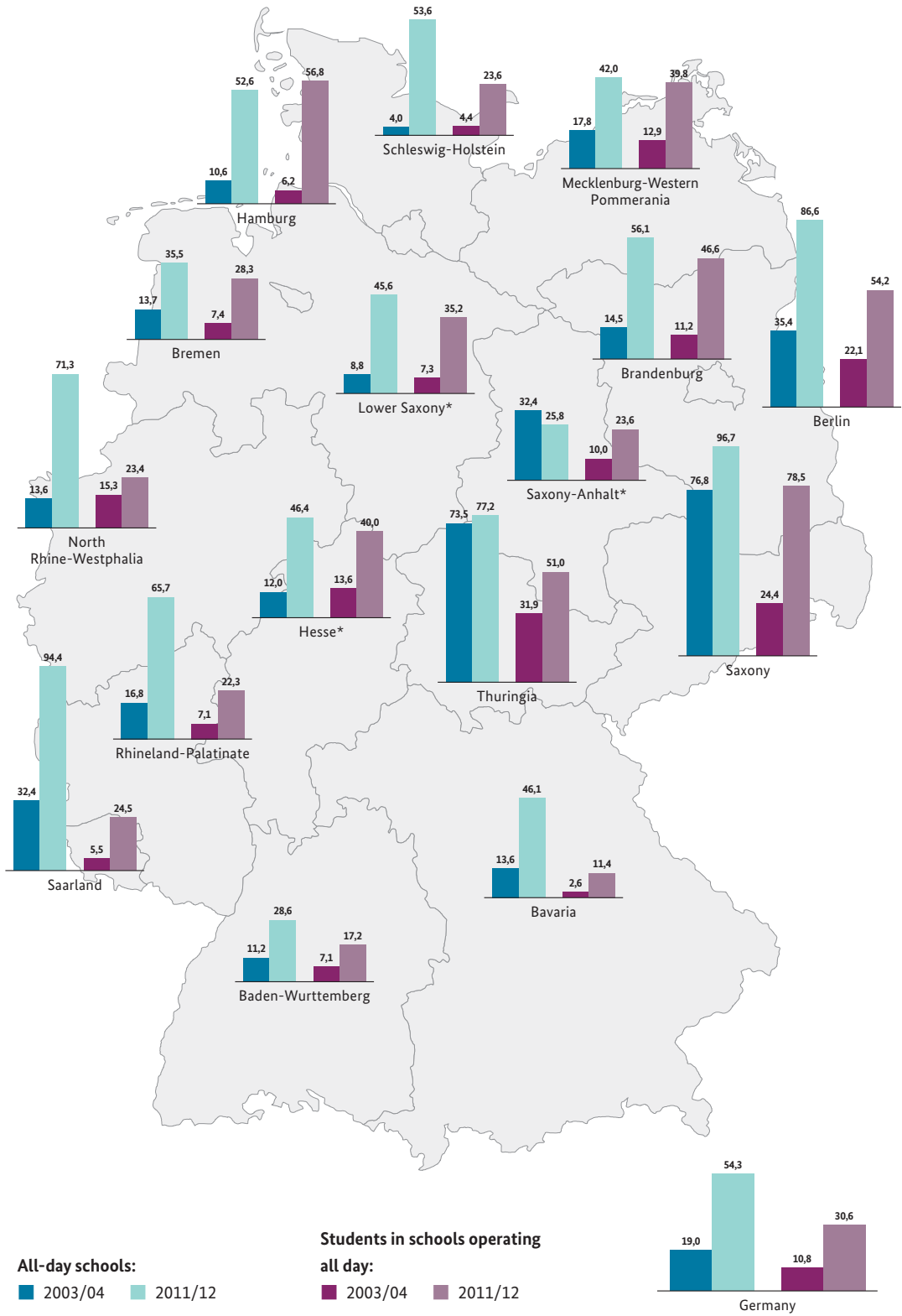
Besides extending child-care facilities, the nationwide expansion of all-day schools will contribute to improving the family-work balance. A comparison of federal states reveals a considerable backlog. In the school year 2011/12, as many as 2.3 million children and youth, or 30.6% of all pupils, made use of all-day facilities nationwide, but while in Saxony almost 80% of pupils attend school all day, only 22% do so in Schleswig-Holstein, in Baden-Württemberg, slightly more than 17%, and in Bavaria as few as slightly more than 11%.

The labour-market potential afforded by all-day care of schoolchildren is often still underestimated. A current study³⁵ on the labour-force potential that could be mobilised by expanding all-day care of schoolchildren nationwide shows, however, that similar effects could be achieved to those of enlarging day care facilities for children of pre-school age.

For example, a nationwide expansion of care would raise the employment rate of mothers with schoolchildren under 15 in western Germany by an estimated average of 5.2 percentage points. It would increase hours worked among employed mothers in western Germany by almost 16%. This comes to an estimated 3.4 hours a week, totalling about 150,000 full-time equivalents. In eastern Germany, however, these effects would be considerably less and statistically insignificant.

³⁵ Tobsch (2013) (Caring for schoolchildren - another key for activating unharnessed labour force potential?)

Public and private all-day schools and students (primary and lower secondary school; in per cent)



* Information is only available in these federal states on public schools for the school year 2012.

Source: Standing Conference of Ministers of Education and Cultural Affairs, general-education schools in all-day operation in the federal states of the Federal Republic of Germany, Bonn 2009 and Berlin 2013

For single parents in particular, it is very important to make general provisions to meet the needs of balancing working life with bringing up children. The joint efforts of the Federal Government, the Federal Employment Agency and the federal states to integrate this cohort more into the labour market with results-based support measures are bearing fruit. On annual average in 2012, 578,000 single mothers claimed benefits under Social Code II, already 5,000 fewer than in 2011. Of the total of 1.6 million single-parent households in Germany (fathers and mothers), the ratio claiming basic income support for jobseekers has declined slightly to about 39%.

The Federal Government also seeks to support and promote this positive development with its fiscal policy. In the coalition agreement, it has agreed to raise tax relief for single parents, graduated by the number of children.

4.2.2 Measures

Pro-family working conditions are an essential instrument for attracting qualified women with children as skilled labour into the labour market. A pro-family approach is emerging as a decisive factor in the choice of employer: For 90% of employees with children, pro-family working conditions are just as important as or even more important than pay when choosing an employer.³⁶ Surveys show that this is a very important issue particularly for qualified junior personnel. Flexible and pro-family working time arrangements are coming to be a core element in strategic human resource management.

Success Factor Family

In close cooperation with trade associations and trade unions, the Federal Government is continuing its efforts towards a pro-family working world with its corporate programme, Success Factor Family. It maintains a corporate network of the same name, which is conceived as a central platform for businesses interested or already engaged in pursuing a pro-family human resource policy. It aims at bringing the commitment and experience of pro-family enterprises more to public attention.

Enterprises have responded well: The corporate network now comprises over 5,000 members that can benefit from the mutual exchange of experience. The network office of the Success Factor Family supports and advises small and medium-sized enterprises in

³⁶ Federal Family Ministry and Society for Consumer Research (2012) (Human resource marketing study: Family awareness does not depend on the economic climate)

particular as well as multipliers in conducting in-company, pro-family measures. Depending on scale of enterprise and industry, employers and employees find different solutions tailored to the specific situation.

The Success Factor Family network office has held regional information events at numerous chambers of industry and commerce on working time management, where interested companies were able to inform themselves about various schemes and specific ways of putting flexitime into practice. At the corporate conference, Success Factor Family 2012, principles were drawn up as proposals and guidance for enterprises. Eighty per cent of company executives now consider a pro-family approach to be important,³⁷ far more than in 2006 (72%), let alone 2003 (46%).

Flexible working hours

Flexitime schemes are crucial for a successful family-work balance. By signing the Charter for Pro-family Working Hours in 2011, the Federal Government, trade associations and the Confederation of German Trade Unions made a societal commitment to pro-family working hours as an instrument for improving the family-work balance and for securing skilled labour. It set in motion an ongoing, broad process of change. In dialogue platforms with the private sector, the Federal Family Ministry has prepared innovative measures for working time management and devised solutions. The main focus here was on issues that pose particular challenges for companies in everyday operations, such as pro-family arrangements in shift work, a culture of presence or part-time management.

Expanding day care for children under three

As of August 2013, early childhood support in a day-care centre or by childminders is a legal right: From the age of one, every child is entitled to this support. The Federal Government has provided substantial assistance to finance and assure the quality of the additional places needed to meet the legal entitlement for under 3-year-olds. Until 2014, it has earmarked a total of EUR 5.4 billion for this and will then allocate an annual EUR 845 million to the federal states to supplement operating costs for the maintenance and quality improvement of child day care centres and childminding. Expanding public child day care facilities will help people who would like to work find a job and thus also contribute to securing skilled labour.

³⁷ Cologne Institute for Economic Research (2013) (Pro-family business survey)

Family support services

Family support services can make a particularly effective contribution to helping parents balance work and family commitments and free resources for families to spend time together. They primarily help mothers, who bear responsibility for most of the household chores, in returning to work and in their occupational advancement. Studies show that mothers today are not engaged in gainful employment as much as they would like because they lack support in the household. The majority of family support services are currently provided in the shadow of the regular labour market, also because tax benefits only reach a small fraction of working parents.

With the specific aim of helping more families to balance family and work commitments in future, measures will therefore be taken to promote the regular use of family support services. Working parents in particular will be able to draw on these services more easily and at the same time more people will be able to engage in socially insured and fairly paid employment in private households. A nationwide service platform for enterprises, jobseekers and households will make services more accessible for all families and advise and inform clients and providers of family support services. It will disseminate information about the advantages of making use of legal and professional family support services and together with the providers improve the image of the sector. Agreement has also been reached in the Federal Government's demographic strategy on strengthening and professionalising the sector by conducting suitable qualification measures and setting quality standards.

Support in returning to work

An aim of promoting equal opportunities in life for women and men is to increase the labour-market participation of women and raise the quality of their employment throughout the whole of working life. A key component is support in returning to work after an interruption due to family commitments, such as caring for children or nursing relatives. With the action programme under the leadership of the Federal Family Ministry and the Federal Employment Agency, Job Prospects - Returning to Work, the Federal Government aims to help women and men find employment again. The centrepiece is an ESF-sponsored pilot programme. An initial programme phase at 20 pilot locations nationwide targeted approx. 18,000 women from the so-called reserve labour force looking to return to work. Of the participants who completed the project, 69% were integrated and three of four participants were satisfied or very satisfied with the programme.³⁸

³⁸ Research Institute of the Federal Employment Agency (2013) (Women returning to work after an interruption due to family commitments)

Successful modules of the pilot programme, Job Prospects - Returning to Work, have been continued as of 2013 as permanent employment promotion measures. Employment agencies and job centres can thus draw on a tried and tested set of instruments to provide support from the outset, that is, already before registration as a jobseeker. To facilitate re-entry into the labour market, various measures were taken as part of the action programme:

- The ESF programme, Job Prospects - Returning to Work, was upgraded in the second phase with two modules, Time for Returning to Work and Time for Qualification. Since the start in March 2012, 66% of the programme clients have been placed.
- The navigation portal, www.perspektive-wiedereinstieg.de, will be continued as an information platform. As of May 2011, a special calculator is available to help visitors better assess the different ways of returning to work. For the first time, the relaunched navigation portal (November 2013) will also address entrepreneurs to make them aware of the potential of female returnees for meeting their skilled-labour needs.
- In cooperation with the Federal Employment Agency, the Federal Family Ministry has developed blended-learning scenarios especially to help female university graduates re-enter the labour market. This pilot project (PWE Online) provides qualification modules with a combination of self-study, webinars and a virtual classroom supported by tutors.

As of 2014, the ESF pilot programme will be continued and upgraded with specific new focal themes (re-entry and care, developing the potential of women in mini-jobs, scope for personal and household services, expanding online qualifications and reaching more employers).

Single parents

Good practices have set an example in specifically addressing employers and raising their awareness of the group of single parents. The Federal Employment Agency and Federal Ministry of Labour and Social Affairs provided a special impetus with the competition, Job Opportunities for Single Parents, in which employment agencies and job centres at twenty project locations took part from mid-2012 to mid-2013. The competition was held under the motto, 'A good place for single parents'. Five labour-market regions were given awards for setting a good example.

Creating employment opportunities for single parents is a corporate policy priority of the Federal Employment Agency as of 2010 and forms part of target agreements it has made with the Federal Ministry of Labour and Social Affairs and the federal states under Social Code II. At over 100 locations nationwide until mid-2013, the ESF-financed federal programme, Networks for Effective Assistance to Single Parents, developed and implemented pilot approaches for effectively linking support measures for single parents. In many places, equal opportunities officers in job centres are working at institutionalising better cooperation arrangements with municipalities, child and youth welfare agencies, employers and other actors on the local labour market. The Federal Ministry of Labour and Social Affairs, the Federal Employment Agency and the federal states will continue to attach importance to labour-market policy for single parents in their measures for basic income support for jobseekers and employment promotion.

Women in leading positions

Helping more women to take up leading positions is a major equal-opportunity policy concern of the Federal Government.

One of the goals set in the coalition agreement is to increase the share of female executives in Germany. As of 2016, reappointed supervisory boards of listed companies or those with obligatory employee representation will have to assure a gender quota of at least 30%. Beginning in 2015, these companies will be legally bound to set and publish binding targets for raising the percentage of women in supervisory and management boards and in top executive positions and issue transparent reports on this.

Statutory provisions are required, because the ratio of women in executive positions has been unsatisfactory in recent years, despite individual progress, particularly among DAX 30 companies.

Of particular importance also is progressing towards a world of work where both genders are equally able to strike a balance between family and work. The Federal Government supports the necessary processes of change with projects and support measures:

- Complementing the DAX 30 Initiative of 2011, ten regional equal opportunity alliances were launched in March 2012.
- The Women-on-Board Index monitors the 160 companies listed in DAX, MDAX, SDAX and TecDAX and regularly determines the ratio of women in management and supervisory boards.

- In collaboration with nine large-scale enterprises, the Fraunhofer Institute initiative, Changing Corporate Cultures - avoiding career breaks, assessed the impacts of corporate culture on career breaks among women.

These measures will help pave the way for the necessary cultural shift in working life to enable more women to take up leading positions.

Female start-up entrepreneurs

The number of women engaged in self-employment has risen in recent years and is playing a growing role in securing a reliable supply of skilled labour, particularly in services, knowledge management and the creative industry. According to the Microcensus, about 4.4 million people were self-employed in 2012, some 1.4 million of whom women (31.6%). About a third of business start-ups in Germany are carried out by women. The women's ratio in start-up teams is lower altogether in innovative and technology-based businesses. Women start up businesses more frequently in secondary employment or part-time.

To strengthen the start-up momentum among women, the Federal Government has established the nationwide Agency for Women Entrepreneurs. As a Germany-wide competency and service centre for all industries, it provides special information, advisory services and facts and figures on all phases of business start-ups, expansion and succession. The portal also offers a comprehensive network with local contacts. As an awareness initiative, the project, Be Your Own Boss, primarily seeks to motivate qualified women with specialist and management experience to take up self-employment. An interactive roadshow promotes the occupation of skilled crafts entrepreneur as a career option among women and multipliers.

4.3 Skilled-labour path 3: Educational opportunities for all from the outset

The Federal Government is seeking to equalise opportunities in access to education. This will enhance social participation and help boost innovative power and prosperity in Germany as a knowledge-based society over the long term.

4.3.1 Progress in meeting indicators

Obtaining a school qualification is essential for making the transition to vocational training or taking up a course of study. In the Qualification Initiative for Germany in autumn 2008, central and federal state governments agreed on the target of halving the number of school leavers without a certificate to 4% by 2015.

The measures adopted and conducted in the Qualification Initiative are having an effect. The ratio of school leavers without a certificate declined from 7.9% in 2006 to 5.9% in 2012. More needs to be done, however, to meet the targets set. This holds particularly for pupils with an immigrant background, where the ratio even rose slightly from 9.5% in 2006 to 10.4% in 2011.

As part of the national EU 2020 targets, another aim is to reduce the share of early school leavers (18 to 24-year-olds without an upper secondary school certificate) to under 10%. The trend from 2006 (14.1%) to 2011 (11.6%) shows that the foundation laid by central and federal state governments is bearing fruit.

4.3.2 Measures

After outlining progress in meeting the targets in the Skilled-labour path 3 - Educational opportunities for all from the outset, in the following we shall describe developments in the Federal Government's set of policy instruments.

House of Little Scientists

Children need to be familiarised early on with technical and scientific topics in age-appropriate ways. In the programme sponsored by the Federal Education Ministry and carried out together with the federal states and local networks, the House of Little Scientists, pre-school teachers are given practical training in imparting scientific subjects to children and provided with easy-to-use teaching materials. Efforts are being made to reach 80% of child day care centres nationwide. So far, more than 30,000 pre-school teachers have been given further training. Over 230 networks have been set up for local support. The long-term aim is to enable all interested child care centres in Germany to take part in the programme's further training measures. The programme has already developed into the largest early childhood education initiative to date in Germany. With considerable success since 2011, the programme has been expanded to also include all-day schools, after-school care and leisure activities and educators have also been further trained in these institutions.

Culture is Strength. Education Alliances

According to the National Education Report 2012, about 29% of children and youth in Germany grow up at risk in at least one area (unemployment, low income or low education of parents) that jeopardises their long-term educational achievement. Educationally disadvantaged children and youth need special support. Cultural education is key for human resource development, because it can make a large contribution to the self-confidence of children and youth and their ability to express themselves. Because it affords particular scope for personal development, cultural education is also necessary outside the school and teaching environment. This why in the programme, Culture is Strength. Education Alliances, the Federal Education Ministry has since 2013 been promoting out-of-school cultural education measures carried out by local alliances and aimed at educationally disadvantaged children and youth to promote reading ability, organise dance or theatre workshops and try out innovative approaches in museum education, for example. So far, almost 1,500 measures are offered by about 1,000 local education alliances. In the coming five years, the Federal Education Ministry will provide altogether about EUR 230 million for the programme - EUR 30 million in 2013 and a planned increase of up to EUR 50 million for the subsequent years.

Teacher Training Quality Initiative

Good teachers are essential for the successful educational careers of young people. Teacher training plays a key role in this. Central and federal state governments therefore decided in April 2013 on the Teacher Training Quality Initiative. As of 2014, the Federal Education Ministry plans to support higher education institutions over a period of ten years with up to EUR 500 million in developing innovative schemes for teacher training in Germany and to continue to improve its quality. The programme will upgrade the status and sharpen the profile of teacher training at higher education institutions.

Expanding child-care facilities for children under three

Scientific studies confirm the central importance of public child-care facilities, particularly for families in the lowest income quartile.³⁹ Early childhood support and early educational achievements are extremely important for success in subsequent working life. Besides a better family-work balance, the legal right to early childhood support in a day-care centre since August 2013 is also aimed at ensuring that children have the opportunity to participate in education

³⁹ German Institute for Economic Research, Centre for Economic Studies and Centre for European Economic Research (2013) (Main findings from a general evaluation of family benefits)

at an early age.⁴⁰ Guaranteeing high-quality care facilities in early childhood can alleviate inequalities in access to education and lay the foundation for achieving the goal of equal educational opportunities already at an early age.

Early Chances

The Early Chances Initiative from March 2011 to December 2014 aims at assisting more than 4,000 priority child day care centres. The Federal Government has earmarked about EUR 400 million for this, of which EUR 25,000 is allocated each year to every promoted facility. Pre-school teachers in the assisted child day care centres are supported by language specialists who make a major contribution to language education, cooperation with parents and the qualification of the team. This fosters language acquisition in early childhood, which also contributes to long-term success in education and work.

Education Package

The Act on Determining Basic Needs Assistance and Amending the Second and Twelfth Books of the Social Code of March 2011 introduced education and participation benefits (Education Package) for youth and young adults (children in the following). This individual welfare assistance meets the specific socio-cultural subsistence minimum for children in need. Those entitled to benefits include in particular children who fall under basic income support for jobseekers in keeping with Social Code II (SGB II), social assistance in Social Code XII and children whose parents have a claim to children's allowance or housing benefit under the Federal Child Benefits Act. Here, the Education Package caters for the following needs up to the age of 25:

- Costs of one or several days for school and child day care excursions
- Benefits for personal school needs totalling EUR 100 per school year
- Costs of school transport, where necessary and not already borne by third parties
- Costs of learning support for schoolchildren under certain conditions
- Additional costs for a group mid-day meal at school, child day care centres and childminding facilities.

⁴⁰ For more details, see Skilled-labour path 2 (Chapter 4.2).

In addition, up to EUR 10 a month is made available to meet the needs of social and cultural participation in the community up to the age of 18 (e.g. membership subscription in a sports club, lessons in artistic subjects, taking part in leisure activities). To facilitate the implementation of the Education Package, the related legal provisions were amended with effect as of 1 August 2013.

Municipal associations have come to a favourable assessment of the outreach of the Education Package, which was also confirmed by the findings of a representative survey of claimant families in 2013. Most beneficiary families (75%) are familiar with the benefits of the Education Package. Two years after the introduction of the Education and Participation Package, 73% of entitled children and youth from families in receipt of benefits under Social Code II had actually already received housing benefit and children's allowance from the Education Package. The survey found that the Education Package has been generally well received by families who make use of it. An overwhelming majority of 92% of parents who have applied for benefits gauged the cost-benefit ratio of the Education Package to be worthwhile. Eighty per cent of applicants report that the procedure is easy, already up from 65% in 2012. The figures show that the administrative outlay is much smaller than is often assumed.⁴¹

4.4 Skilled-labour path 4: Qualification: initial and continuing training/education

Both academic education at institutions of higher education and vocational training in the dual and school system secure the supply of junior skilled personnel and thus make a major contribution to German economic success. In Skilled-labour path 4, we shall assess progress in achieving the objectives set for qualification through initial and continuing training/education.⁴² We shall also look at the measures of the Federal Government in vocational training that aim at improving qualification in occupational fields with skilled-labour needs.

4.4.1 Progress in meeting indicators

In the Qualification Initiative for Germany, central and federal state governments agreed in 2008 on halving the number of young people aged 20 to 29 with no occupational qualification and not undergoing training to 8.5% by 2015. Initial success has been achieved. The relevant ratio declined between 2008 and 2012 from 17.2% to 14.9%. For young people with an immigrant background, it fell in the same period from 30.7% to 26.5%.

⁴¹ Institute for Social Research and Policy (2013) Befragung im Auftrag des BMAS bei mehr als 2.300 anspruchsberechtigten Familien, die Grundsicherung für Arbeitsuchende, Kinderzuschlag oder Wohngeld beziehen (Survey on behalf of the Federal Ministry of Labour and Social Affairs of more than 2,300 entitled families claiming basic income support for jobseekers, children's allowance or housing benefit)

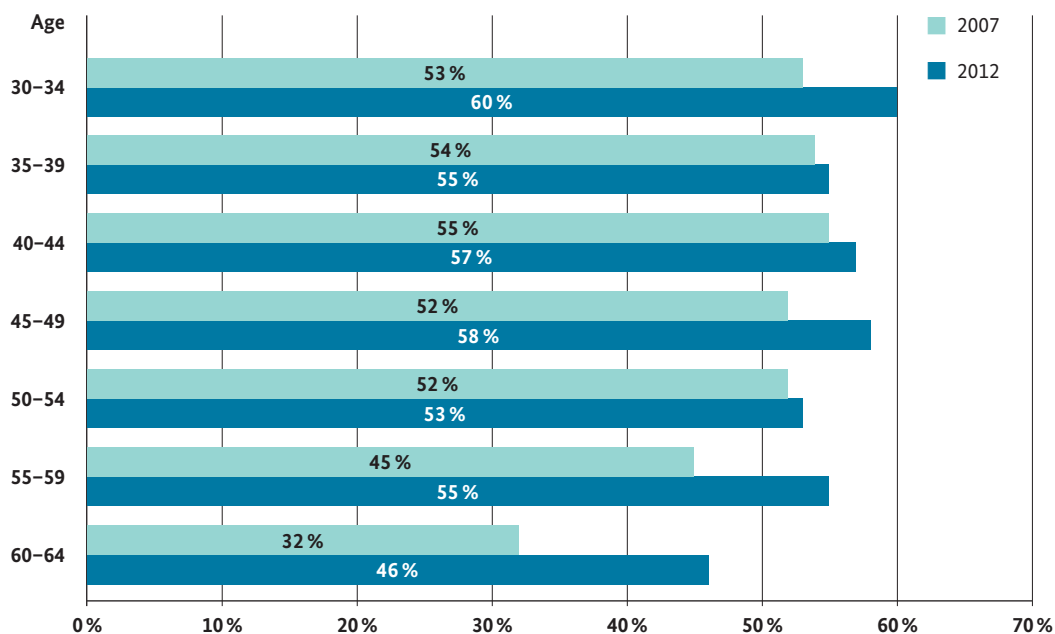
⁴² For information on low-qualified people, see Focal theme: Low-qualified personnel (Chapter 3.3).

Qualification requirements for skilled labour will continue to rise. That is why the target was agreed in the Qualification Initiative for Germany to raise the ratio of new students by 2015 to at least 40% of a year. This target was met early on: From 2007 to 2011, the ratio of new students rose from 36.8% to 51%. This was made possible by the Higher Education Pact 2020 and the Quality Pact for Teaching, which have made a major contribution to both increasing the number of study places and improving the quality of teaching at higher education institutions.

The qualification of skilled labour does not only depend on initial education at higher education institutes or in vocational training, but also on the readiness for continuous education/training. Germany is also making very good progress here. In 2012, the continuing education/training ratio rose to over 49%, so that the target of the Qualification Initiative to raise participation in continuing training/education, which amounted to 43% in 2006, to 50% by 2015, has almost been met. Particularly participation by older employees has risen: From 2007 to 2012, the continuing education/training ratio of 55 to 59-year-olds increased from 45% to 55% and from 18% to 32% for the 60 to 64 age group.

Ratio of gainfully employed persons engaged in continuing education/training in the previous year, in per cent

- This percentage of employed persons has taken part in seminars and training in the previous twelve months.
- Response of about 7,000 employed persons in the Adult Education Survey March – Juli 2007 and March – July 2012.



Source: AES 2007 and 2012

4.4.2 Measures

To sustain the progress made in initial and continuing training/ education, the package of measures in this sector was upgraded last year. The Federal Government is undertaking various efforts to harness the available potential even better by tailoring qualification to the needs for skilled labour.

Dovetailing vocational training and higher education

Good preparation for an occupation makes a foremost contribution to securing skilled labour. Vocational training and higher education have their own specific strengths, such as the combination of on-the-job and vocational school training in the dual system or the recognised high standards of academic education at universities. To meet the higher theoretical demands in the world of work and to improve the permeability of the educational system overall, measures will be promoted to dovetail vocational training and higher education. On behalf of the Federal Education Ministry since the end of 2013, chambers and higher education institutes have been preparing continuing education/training curricula for persons with an occupational qualification in two pilot projects. These measures are flanked by an advisory scheme to cater for target-group needs and conditions. In addition, another project by the Federal Education Ministry aims at improving the integration of student drop-outs in vocational training.

Elderly Care Training and Skills Development Initiative

The Federal Employment Agency is also engaged in promoting retraining in elderly care. Between January to September 2013, about 5,200 retrainees have already been assisted in qualifying for the occupation of elderly care nurse, more than twice as many as in the comparable period of the previous year. As in most cases the training year begins in autumn, another increase is expected for the last quarter of 2013. Increased retraining support is based on an agreement in the Elderly Care Training and Skills Development Initiative implemented by central and federal state governments and associations. Under the Act on Expanding Initial and Continuing Vocational Training in Elderly Care that entered force on March 2013, continuing vocational training in elderly care (retraining) starting between April 2013 and March 2016 can again be assisted for three years by job centres. With this, the Federal Government has implemented a central measure of the Elderly Care Training and Skills Development Initiative. A binding, long-term arrangement for fully financing the costs of retraining measures must be agreed by the central and federal state governments.

Besides assisting unemployed workers, the Federal Employment Agency also supports on-the-job retraining nursing assistants to elderly care nurses as part of the Special Programme for the Further Training of Low-skilled and Older Workers. The Federal Office of Family Affairs and Civil Society Functions appointed an advisory team for elderly care training on 13 December 2012, another measure agreed under the Elderly Care Training and Skills Development Initiative. In all regions of Germany since then, about 30 personnel have been providing local advice and information to care facilities, training schools for elderly care and all those interested in elderly care training on questions of central and federal state government regulations on training in this sector. The advisory team also organises training associations and networks.

Extension of Tailored Placement of Trainees in Companies

In the programme, Tailored Placement of Trainees in Companies, the Federal Ministry of Labour and Social Affairs promotes advisory and placement services to small and medium-sized enterprises in finding suitable candidates for training vacancies. The aim is to bring together enterprises looking for trainees and suitable youth. About 185 advisers are employed in chambers and competent agencies to support this matching procedure. In response to its favourable reception by enterprises and trainees, the funding programme has been prolonged by the Federal Ministry of Labour and Social Affairs.

Reform and modernisation of training for qualified nurses

To meet the challenges of the changing institutional landscape in care and future nursing requirements, there is a need to prepare the nursing professions for the future and reform nursing training. Nurses must be able to switch more easily between individual fields of activity. Training in elderly care, general nursing and children's nursing must therefore be amalgamated into one occupational profile with joint basic training and subsequent specialisation in elderly, general and children's nursing. Training courses at state full-time vocational schools will be enlarged and made free of charge for trainees. The federal states must assure cofinance for training at the schools. The benchmarks defined by the Central-Federal State Government Working Group on Reforming Nursing Occupations in March 2012 remain the basis for drafting the new Nursing Act. Account will also be taken here of findings from the related responses and the subsequent expert discussions as well as the outcomes of the expert report on financing future training in elderly care published in November 2013.

National Pact for Training and Young Skilled Labour 2010 - 2014

Ensuring adequate training and qualification facilities for all willing and able young people is the declared aim of the partners in the National Pact for Training and Young Skilled Labour. This holds for both high-achievement and lower-achievement youth alike. This is the only way to meet the need for skilled labour in Germany. The pact aims at harnessing all the potential for occupational training. Overall, training market performance in 2013 was slightly weaker than in the previous year: At 33,500, slightly more apprenticeship vacancies were unoccupied at the end of September than in the previous year. There were also more unplaced applicants - 21,000. For the sixth year in a row, the number of unfilled vacancies exceeded that of unplaced applicants. Excess vacancies (12,500) declined somewhat on the previous year (excess vacancies in 2012: 17,600). On completion of subsequent placement efforts at the end of January 2014, the number of unplaced applicants was reduced to 11,800 (previous year: 7,700). Together with business and industry, altogether 251 subsequent placement campaigns, such as training exchanges and fairs were organised by mid-January 2014. Developments are largely due to regional, occupational skills and qualification discrepancies on the training market. They confirm the continued need for the Pact partners to maintain their heavy involvement in matching supply and demand on the training market. This is why in a press release on 30 Oct. 2013 at the end of the training year they stressed their intention to provide intensive advice and support in future for both applicants and enterprises in occupational guidance and individualised placement in training or in pre-vocational introductory training. In their review of 5 February 2014, the Pact partners noted that the situation on the training market calls for renewed joint action by all actors to continue highlighting the attractiveness of dual training for enterprises and youth and emphasise the corporate strategy significance of dual training for securing skilled labour. Priority must also be attached to enabling young people with poorer initial chances to make a smooth transition from school to training.

Germany Scholarship

To secure the supply of young specialist and executive personnel, support talented and high-achievement students and link higher education institutions more closely with their economic and social environment, the Federal Government initiated the Germany Scholarship in 2011. This is awarded by the higher education institutions and amounts to EUR 300 a month, one half financed by the Federal Government and the other by private sponsors. Two

years after programme start, higher education institutions have been able to grant almost 14,000 Germany scholarships and solicit about EUR 30 million in additional private subsidies for financing studies.

Upgrading the Higher Education Pact

There has been a considerable increase in the demand for courses of study in Germany due to the higher number of young people with higher education entrance qualifications, a general higher propensity to study and the keen interest of prospective foreign students in German higher education institutions. Central and federal state governments therefore replenished the Higher Education Pact in June 2013 and in the second programme phase will finance more than twice as many additional new students than originally agreed. To admit additional new students, the Federal Education Ministry will provide a total of EUR 10 billion for the first two programme phases.

Attracting and qualifying skilled personnel for early childhood education and care

With its initiative, Additional Qualification of Pre-school Teachers, the Federal Employment Agency makes a contribution to securing the supply of skilled labour in child day care facilities. If the statutory requirements for assistance have been met, employment agencies and job centres can promote retraining to the occupation of pre-school teacher. Many federal states are also already in the process of soliciting other groups for child day care, such as unemployed persons and occupational switchers, including men and persons with an immigrant background or educational qualifications obtained abroad, to qualify them as skilled personnel, provided they meet the necessary aptitude requirements. Besides traditional educational paths, they also provide new ways of gaining a qualification, such as in-service continuing education/training.

The Working Group for Soliciting and Qualifying Skilled Personnel in Child Day Care Centres established as part of the Federal Family Ministry's 10-point programme, Child Day Care Expansion 2013 enables federal states to exchange their experience with successful measures and learn from each other. Citing good practices from the federal states, the working group has so far made recommendations for all the competent actors on recruiting skilled personnel in child day care facilities and published these in 2012. The recommendations address four fields of activity:

- Expanding and deploying available human resources (e.g. with longer working hours for part-time staff or higher qualification of children's nurses)

- Making elementary education accessible for qualified women and men in comparable occupational groups (e.g. by soliciting persons from allied occupational areas or recognising pre-school teachers)
- Harnessing existing and creating additional training opportunities (e.g. through retraining or updated qualification of persons with relevant previous education/training, including qualifications obtained abroad)
- Facilitating financially viable training courses for persons with greater occupational and life experience and raising the attractiveness of pre-school teacher training for pupils with an entrance qualification for applied science universities or general institutions of higher education (e.g. by way of in-service part-time training or paid training with integrated traineeships).

In a next step, recommendations are in preparation on retaining skilled staff in child day care centres.

Raising the skilled labour potential of men in child day care

The priority of the federal programme sponsored by the Federal Family Ministry and ESF from 2011 to 2013, More Men in Day Care, focused on broadening the gender-based choice of occupation by youth and men. Besides research, information and networking, it comprised 16 pilot projects in 13 federal states which devised and tested specific strategies for soliciting and retaining male skilled personnel in the occupational field of child day care. It revealed the large potential among men for recruiting additional skilled labour in pre-school education. The programme has contributed to raising the number of qualified male staff in child-care facilities by 5,000 to over 15,000. Parallel with employment growth in child day care due to the expansion of care for under-threes, the ratio of men has consequently risen by one percentage point to 3.6%. Primarily through consistent public relations, the programme has succeeded in raising the attractiveness of this occupation among new graduates of social education colleges. Also in the face of demographic trends, the skilled labour needs for the necessary future expansion of child-care facilities in Germany cannot, however, be met solely by training school leavers. There is also unharnessed skilled labour potential among persons interested in changing their occupation. Almost 3,000 citizen enquiries on the federal programme and the related discussion and working outcomes of the Working Group on Soliciting and Qualifying Skilled Personnel in Child Day Care Centres headed by the Federal Government have shown that middle-aged persons - particularly also men - can well imagine switching their occupation to pre-school teacher. Maintaining a livelihood remains an issue, however. Setting up training facilities that enable those interested to make

the change to government-approved child-care worker with fair pay for adults to secure their livelihood (see the last field of activity in the recommendation above) will be a focus of the planned ESF-funded federal programme in the coming investment phase, Switching Occupation - Men and Women in Child Care.

4.5 Skilled-labour path 5: Integration and immigration of qualified personnel

Successful labour-market integration does not just bring economic benefits to alleviate the diminishing labour force potential in Germany, it also means social participation and economic independence for migrants. In addition to this, immigration also plays a significant role in meeting skilled-labour needs. We shall first look here at progress made in integration and the immigration of qualified personnel based on relevant indicators.

4.5.1 Progress in meeting indicators - Integration

According to the Microcensus, over 16 million persons with an immigrant background lived in Germany in 2012.⁴³ Out of a total of about 40 million gainfully employed persons (15 to 64 age group) in Germany, about 7.2 million had an immigrant background. The rate of unemployment among foreigners averaged an annual 14.3% in 2012 as compared with 6.2% for German nationals. In June 2013, more than every third unemployed person (36%) had an immigrant background, so that this cohort is distinctly overrepresented, because only every fifth (20%) member of the resident population has an immigrant background. Some of the reasons for these persistently large differences are structural, partly insufficient proficiency in the German language, lower educational and occupational qualifications and the lack of recognition of foreign occupational qualifications. On annual average in 2012, for example, 72.3% of all foreigners registered as unemployed had no (recognised) occupational qualification. Particularly the considerable improvements in the recognition of qualifications obtained abroad mark a major milestone in the measures taken by the Federal Government to improve the integration of persons with an immigrant background on the labour market.

Encouragingly, the occupational integration of persons with an immigrant background is developing well overall. The employment rate for 20 to 64-year-old persons with an immigrant background has risen from 2006 (61.6%) to 2012 (68.7%) by almost seven percentage points and by almost 3 in comparison with 2010 (65.8%). There have been favourable developments both among men and women with an immigrant background, but the large discrepancies in employment remain. For example, the ratio of employed women

⁴³ Population with an immigrant background: immigrants to the present territory of the Federal Republic of Germany after 1949, foreigners born in Germany and all those born in Germany with German nationality and at least one foreign parent born in Germany

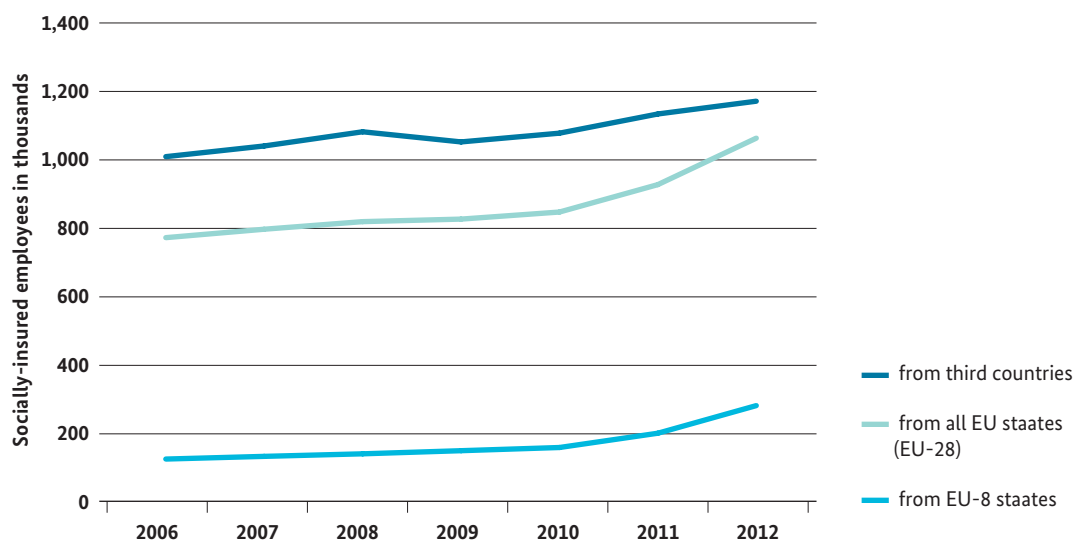
increased from 52.7% in 2006 to 60.4% in 2012, that of men from 70.4% (2006) to 77.0% (2012). The figures also indicate the remaining potential, however, particularly among women with an immigrant background.

After the Assessment and Recognition of Foreign Professional Qualifications Act entered force, about 11,000 applications were made for the recognition of occupational qualifications obtained abroad in the period from April to December 2012. Of the approx. 8,000 applications decided by then, the large majority (82%) of occupational qualifications were approved as equivalent. Added to this is the potential of foreign students who remain in Germany after obtaining a higher education qualification. Their ratio to all foreign students now amounts to almost half of a respective year.⁴⁴

4.5.2 Progress in meeting indicators - immigration

Since 2011, the free movement of workers applies for eight EU member states, Poland, Hungary, the Czech Republic, Slovakia, Slovenia, Estonia, Latvia and Lithuania. About 277,000 people from these EU countries were engaged in socially-insured employment in Germany in 2012. Compared with 2011, this group has risen by about 80,000 people – far more than between 2010 and 2011, which amounted to 41,000. In previous years, the employment of persons from the 8 EU states had only risen by between 5,000 and 10,000 people at most every year.

Socially insured foreign employees



Source: Employment statistics of the Federal Employment Agency in 2012

⁴⁴ Cologne Institute for Economic Research iw-dienst No. 42 (2013) (Foreign graduates)

Socially-insured employment from all EU states in 2012 has developed in the same direction and has risen compared with the previous year by about 136,000 to 1.06 million persons. With an increase in employees from EU-8 states by about 80,000, this means an increase of about 55,000 people related to the remaining 18 states. This makes for a distinct increase in employment figures from the EU overall compared with previous years.

Socially-insured employees from third countries in 2012 numbered 1.17 million. While year-on-year comparisons indicate slight increases (between 25,000 and 56,000 people every year), the figure declined from 2008 to 2009 by about 29,000. Most recently from 2011 to 2012, the number of socially-insured employees from third countries rose by about 37,000. The favourable development in socially-insured foreign employees conforms with the considerable increase in net migration in recent years. In 2012, net migration amounted to 369,000 people - the highest figure since 1995.⁴⁵ The distinctly positive net migration contributes in many areas to successfully securing skilled-labour supply – but also calls for added efforts for integration into employment.

4.5.3 Measures - Integration

Recent improvements in the recognition of foreign occupational qualifications in particular and steps towards streamlining their approval nationwide have contributed to better migrant integration in Germany. Qualification measures have also been taken to foster integration.

Recognition Act

The Assessment and Recognition of Foreign Professional Qualifications Act (Recognition Act) that entered into force in April 2012 has broadened the scope for assimilating skilled labour with foreign qualifications into the economy and will facilitate the integration of resident migrants into the German labour market. Procedures for assessing and approving qualifications obtained abroad have been expanded, simplified and improved in many respects.

The standardised implementation of the Recognition Act by central and federal state governments is an important and necessary component of attracting and securing skilled labour. Eleven thousand applications for recognition were submitted and about

⁴⁵ Federal Statistical Office (2013) 1.2. (Population and gainful employment - migration)

8,000 of these already decided in the period from April to December 2012. The large majority (82%) of foreign occupational qualifications have been approved as equivalent. The information and advisory services accompanying the legislation financed by the Federal Government also attests to the keen interest in the new procedures:

- Since April 2012, over 620,000 visitors to the Recognition Portal (www.anerkennung-in-deutschland.de) have informed themselves about ways of obtaining approval. The bilingual portal bundles all relevant information on the recognition of foreign occupational qualifications in Germany. On behalf of the Federal Education Ministry, the Federal Office for Migration and Refugees provides a hotline as added help.
- The BQ Portal (www.bq-portal.de) is the central source of detailed information on foreign occupational qualifications in Germany to enable competent agencies and enterprises to better evaluate and assess them. The portal makes these qualifications more transparent for enterprises in particular and the assessment is more standardised and faster. It is visited 6,000 times a month on average. Forty-five country profiles and 610 foreign occupational profiles have already been posted on the BQ Portal, covering more than 86% of the applicants' countries of origin. Thanks to a thorough updating at the end June 2013, the BQ Portal is now more attractive and user-friendly.

Regulations on the recognition of federal health care occupations

Federal health care legislation also makes up a part of the Recognition Act. Beyond the direct improvements that have entered force through the Act, authorisations to issue regulations have been added to the individual health care acts. Nationwide directives on the implementation and contents of the adjustment measures envisaged in the respective occupational laws can be included in the related licensing and training and examination regulations.

With two exceptions, the resultant Regulation on the Implementation and Contents of Adjustment Measures that entered force on 1 January 2014 and the Regulation on Granting and Prolonging Occupational Licences in Federal Health Care Occupations affects all government-approved health care occupations, including physicians, psychotherapists, nurses, physiotherapists and medical-laboratory assistants. The Regulation on Training and Examination of Paramedical Personnel that entered into force on 1 January 2014 has also introduced regulations on this occupational group. Related directives are provided for in the

amendment to the related licensing regulation for dentists. Overall, this improved legal framework makes a major contribution to avoiding personnel shortages in the health service.

Funding programme - Integration through Qualification (IQ)

In recent years, the Integration through Qualification funding programme initiated by the Federal Ministry of Labour and Social Affairs and now conducted together with the Federal Ministry of Education and Research and the Federal Employment Agency has established itself as a central labour-market policy instrument of the Federal Government. This programme has expanded and developed into an efficient nationwide institution with three key priority tasks:

- Setting up regional support capacities for the Assessment and Recognition of Foreign Professional Qualifications Act that entered into force on 1 April 2012
- Supporting the competent statutory institutions for labour-market integration, particularly employment agencies and job centres, in the performance of their tasks – with training measures to raise the intercultural competency of advisory personnel, for example
- Interlinking the various labour-market support measures, e.g. combining general integration courses in a suitable way with occupational language assistance and qualification measures

Networks in all 16 federal states work with 240 sub-projects on the basis of binding arrangements among labour market actors, in particular federal state ministries, local authorities, employment agencies, job centres, migrant organisations, chambers, regional business and industry and education providers.

4.5.4 Measures - Immigration of qualified personnel

Much has also been done in the recent past to dismantle barriers to immigration from third countries. The reform efforts go beyond the EU implementation requirements and have been given explicit credit among other things by the Expert Council of German Foundations on Integration and Migration.⁴⁶ Germany now belongs to the leading OECD countries with liberal immigration regulations.⁴⁷ The EU Blue Card has been introduced, the Regulation on the Admission of Foreigners for the Purpose of Employment has been amended to cater for shortage occupations and many measures have been taken to foster a welcoming culture, as described below.

⁴⁶ Council of Experts of the German Foundations on Integration and Migration (2013) Jahresgutachten 2013 mit Migrationsbarometer (Annual expert report 2013 with migration survey)

⁴⁷ OECD (2013) International Migration Outlook.

Implementation of the Blue Card Directive (EU Blue Card)

With the legal amendments on immigration of highly qualified and skilled personnel, which came into effect as of the summer of 2012, the German labour market has for the most part been deregulated and bureaucracy dismantled. With the EU Blue Card for highly qualified personnel, Germany now numbers among the countries with the most favourable immigration regulations for skilled labour, as confirmed in the related OECD report.⁴⁸

The EU Blue Card has met with broad acceptance. In the first 17 months after entry into force of the act on 1 August 2012, over 500 EU Blue Cards were issued. Over half of these went to foreigners taking up highly qualified employment for the first time, i.e. new immigrants, and to foreigners who had completed a course of study or initial or continuing training/education in Germany. With the low salary threshold geared to the lowest possible limit specified in the directive, particularly job starters and foreign graduates of German higher education institutions are a central target group of the EU Blue Card.

Up to 31 December 2013, 2,200 students have been able to take up employment commensurate with their higher education qualification and have been issued with a EU Blue Card for this. New immigrant academic specialists have received 4,600 EU Blue Cards. More than a third (4,500) of current holders of the EU Blue Card have changed their status from various residence permits for the purpose of employment to take advantage of the favourable provisions.

The EU Blue Card owes its success to the attractive regulations on right of residence and the simplification of procedure. The EU Blue Card is available to highly-qualified personnel who are only required to meet a few, easily understandable criteria: They must provide evidence of a degree and a contract of employment in standard occupations with an annual salary of at least EUR 46,400 a year in 2013 (2014: EUR 47,600), and EUR 36,200 in certain shortage occupations (2014: EUR 37,128).

Regulation on the Admission of Foreigners for the Purpose of Employment

The new Employment Regulation entered force on 1 July 2013. It complements the EU Blue Card by laying the foundation for the immigration of skilled personnel in training occupations to prevent related shortages on the labour market. The admission requirements

⁴⁸ OECD (2013) Recruiting Immigrant Workers: Germany 2013

for these skilled personnel are the equivalence of foreign and German occupational qualifications and the inclusion of the occupation in the shortage list, which is published by the Federal Employment Agency and currently comprises certain types of occupation from the following areas:

- Health care and nursing occupations
- Mechatronics and electrical trades
- Building service and technical maintenance technicians
- Transport and logistics occupations

Fostering a culture of welcome

Institutionalising a social culture of welcome and acceptance is of key importance for making Germany attractive for skilled personnel and their families. Fostering this culture is a task for society as a whole, encompassing many facets of life in Germany, ranging from entry into the country, in-company working conditions, good educational, child care and leisure facilities, public infrastructure, safety and health care to the social proscription of racism and xenophobia and broader scope for social and political participation. Establishing a broad culture of welcome and recognition is therefore as much a task for public authorities as business and industry and society:

- In 2013, the cities of Hamburg, Dresden and Frankfurt am Main opened Welcome Centres as contact points for foreign skilled labour and others are in planning, in Stuttgart, for example. Welcome Centres as contact points for new immigrants are usually organised by local authorities and attached to various regional contact points. The Federal Ministry of Labour and Social Affairs supports the establishment of Welcome Centres in certain areas with start-up finance under the funding programme, Integration through Qualification (IQ).
- Since April 2013, a touring exhibition under the motto, Yes we're open! Welcome to Germany, has been bringing the issues of securing skilled-labour supply, integration and a culture of welcome to public attention. In the first half-year, with the help of interactive installations, exhibits and films over 42,000 visitors have already taken the opportunity to familiarise themselves with the issue of fostering a welcoming culture. The touring exhibition is part of the Qualified Professionals Initiative and will travel throughout Germany for two years.

To support the Qualified Professionals Initiative, the Federal Economics Ministry has launched the Company award for a better culture of welcome. This seeks to foster a welcoming culture in small and medium-sized enterprises and publicise the idea more widely.

Make it in Germany

The multilingual welcome portal for international specialists, Make it in Germany (www.make-it-in-germany.com), is implemented as part of the Qualified Professionals Initiative by the Federal Economics Ministry as lead agency. It promotes Germany worldwide as a place to work and live and stands for an open welcoming culture. The portal services were much enlarged in 2013, the innovations including job listings of vacancies in shortage occupations, a world map called 'Germany local' with information on how to contact German institutions and on their services worldwide, such as foreign missions, Goethe Institutes, the German Academic Exchange Service (DAAD), chambers of commerce and schools abroad, networks and descriptions of federal states and their own skilled-labour initiatives as well as landing pages for relevant destination countries and regions. In the last year, the portal was also publicised among target groups in relevant countries and in German institutions at home and abroad. The response, also from experts and the press, has been very favourable.

To support the Welcome Portal, pilot projects were launched in India, Indonesia and Vietnam in January 2013. Their aim is to promote Germany as a place to work and live, inform the public in these countries about current legal provisions on immigration opportunities and provide personal advice to skilled personnel interested in moving to Germany, particularly those with qualifications in mathematics, information technology, natural sciences and technology (MINT), and help them find employment. This way, the pilot projects send a major message to prospective skilled immigrants that they are welcome in Germany. Altogether, they will enable the programme to glean information on how to successfully attract skilled labour outside Europe in the long term. The projects are carried out by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) on behalf of the Federal Economics Ministry in collaboration with the Federal Employment Agency's International Placement Services. The Welcome Portal is in great demand worldwide, not just in the pilot countries.

Demographic strategy: Working Group on Improving the Immigration of Skilled Foreign Workers and Developing a More Welcoming Culture

As part of the demographic strategy of the Federal Government, the Working Group on Improving the Immigration of Skilled Foreign Workers and Developing a More Welcoming Culture directed by the Federal Economics Ministry and the Association of German Chambers of Industry and Commerce is preparing a number of measures and recommendations together with representatives of business and industry, administrative authorities and society in recruitment, placement and integration. The aim is to attract more skilled personnel from abroad to Germany and support their integration. Among other things, online advice is currently in preparation to help entrepreneurs successfully solicit and integrate foreign skilled personnel and an impact assessment is being conducted on the related legal framework. A guide on German organisations abroad has already been drawn up. On the one hand, these measures aim at raising the long-term willingness of small and medium-sized enterprises to attract and successfully integrate international professionals. On the other, they also address students or young people from abroad who can be trained in Germany.

Dialogue series: Skilled-labour migration from the partner country perspective

What criteria have to be met from the perspective of countries of origin so that they also benefit from skilled labour migration as well as the host nation? How can migration be organised to be of value to development policy? These questions were discussed in a dialogue series held by GIZ on behalf of the Federal Ministry for Economic Cooperation and Development in autumn 2012. In numerous interviews and five dialogue events in selected partner countries, discussion partners from Armenia, Georgia, Colombia, India, Morocco, Tunisia and Vietnam voiced their views, expectations and misgivings about sustainable and development-sensitive skilled-labour migration. The findings were published in spring 2013 in the study entitled, Skilled-labour migration from the partner country perspective – on the way to a pro-development migration policy. The dialogue series has made a major contribution to strengthening the partnership side of international skilled-labour mobility.

Promoting mobility in Europe

A considerable percentage of immigrants employed in Germany originate from the EU. Germany has also eased access to the labour market for accession states that are still subject to restrictions on

freedom of movement for workers. Since Croatia's EU accession in July 2013, for example, its nationals are generally permitted to work in Germany. Restrictions only persist for low-skilled workers. EU citizens that avail themselves of the freedom of movement for workers can contribute to balancing supply and demand on the European labour market.

A major instrument for promoting European mobility are the measures as part of the European Employment Services network (EURES). More than 850 advisers are currently engaged in this network who keep in daily contact with jobseekers and employers throughout Europe and provide information and advisory and placement services. Germany is represented in the EURES network by the Federal Employment Agency's International Placement Services and eight EURES cross-border partnerships. As part of the Europe 2020 Strategy, EURES is being transformed into an employment instrument with a special focus on job placement. The Programme for Employment and Social Innovation, which envisages a EURES axis, was adopted with this in mind in July 2013,

As of January 2013, the special federal government programme, Promotion of vocational mobility of young people interested in vocational training and of unemployed young professionals from Europe (MobiPro-EU), assists youth seeking training and unemployed young adults from EU states in taking up in-company occupational training or qualified employment in Germany. This aims at making a contribution to reducing the high youth unemployment in the EU, securing the supply of skilled labour in Germany and promoting occupational mobility. The special programme is conducted by the International Placement Services.

MobiPro-EU supports placement in in-company occupational training or in qualified employment in a shortage occupation. Assistance includes finance for German language courses in the country of origin and in Germany, fixed travelling and removal expense allowances, benefits for securing a livelihood and training assistance. The programme webpage, www.thejobofmylife.de provides further information.

The advisers of the funding programme, Tailored Placement of Trainees in Companies, support MobiPro-EU by advising small and medium-sized enterprises in fostering a welcoming culture for European trainees.

5. Outlook

The annual progress report is a means of continuously evaluating and upgrading the Federal Government's Skilled Labour Concept based on the five skilled-labour paths. This systematic approach has established itself and made a tangible contribution to focusing societal efforts more on the issue of securing skilled labour.

Considerable progress has been made towards securing skilled-labour supply. Labour-force participation is on the rise and the ratio of women and older people on the labour market has increased. The ratio for the older population has already met the German target under the EU 2020 Strategy and the current ratio among women is approaching it. Long-term unemployment has declined in the last five years but at approximately 1 million it still ranges at too high a level, despite the favourable labour-market situation overall. This underlines the need for additional efforts in this sector. Measures for a better work-family balance have already made progress with the increased participation of mothers on the labour market. Additional efforts are, however, needed, particularly in good-quality child and all-day care facilities. In education, the ratio of school-leavers without a qualification has declined, while that for tertiary qualifications has increased. Net immigration increased considerably last year and the employment rate for persons with an immigrant background rose slightly. Foreign citizens, however, are still unemployed more frequently. Women with an immigrant background in particular have so far not been able to benefit in the same measure from the uptrend in labour-force participation. This indicates the large need for further action to improve the integration of this potential group into the labour market.

A recent assessment by the Federal Institute of Employment Research rightly identifies planning for demographic change on the labour market as a central social challenge.⁴⁹ Although economies can adapt to a shrinking population in the medium to long term, this is by no means a smooth transition. There is the risk of value added losses, if major preconditions for growth can no longer be met, such as an adequate number of specialised personnel. Researchers recommend viewing the demographic trend as an opportunity for reducing unemployment. They also argue that the discrepancy is still too wide between the qualifications of the labour force and those required by enterprises.

⁴⁹ Research Institute of the Federal Employment Agency (2013) (Building on a solid foundation – What needs to be tackled on the labour market)

To close this gap, the Federal Government will continue its efforts to raise participation in continuing training/education, reduce school and student dropout rates and improve the quality of higher education and vocational training. To reduce unemployment further, the labour-force participation of long-term unemployed, older people, low-skilled workers and persons with disabilities must be raised. Needs-based and affordable care facilities for children and people in need of nursing care can also reduce the main obstacles to gainful employment, particularly for women.

Skilled-labour path: Activation and securing employment

The employment rate among women has developed very well, falling just short of the national EU 2020 target. A high percentage of women, however, still work part-time and low average weekly hours, which indicates the need for future action. Due to reform efforts, a favourable trend has emerged in activating older people for the labour market. In the last five years, labour-force participation has increased considerably and on annual average Germany met its national EU 2020 target employment rate for older people of 60% for the first time in 2012. Nevertheless, labour-market participation among older persons still declines markedly as they get older and they remain unemployed longer than younger workers, if they have lost their job. The over-60s afford particular additional potential for contributing more to securing skilled-labour supply.

The Federal Government is also placing a growing focus on the activation of long-term unemployed persons. Although long-term unemployment has declined in the last decade, action must be taken to prevent the perpetuation of current core structural unemployment. The Improved Labour-market Integration Opportunities Act provides a flexible legal framework and better support for jobseekers. We must pursue this path and develop it further to bring about an additional, substantial reduction in core unemployment.

Persons with severe disabilities lose their job less frequently, but when unemployed they take longer to find another job than unemployed persons without severe disabilities. Persons with severe disabilities frequently have above-average qualifications, but the potential of this group has not yet been harnessed enough for labour-force participation. The extensive package of measures underway, such as the Inclusion Initiative and Companies for Inclusive Work, is aimed at raising the labour-force participation of persons with severe disabilities and improving the framework for their employment.

Skilled-labour path: Improved family-work balance

The ratio of working mothers with children under 18 has increased further recently. Besides greater participation in working life per capita in recent years, there is also a discernible favourable trend in average weekly working hours among mothers, which attests to improvements in balancing family and working life. This largely also holds for mothers with an immigrant background. Many inactive mothers with an immigrant background would, however, like to take up gainful employment. Employment services and other actors must gear their activities to this specific target group.

Much progress has been made in recent years in expanding child-care facilities and raising the number of children under three in care. To provide adequate care facilities for even more families, central and federal state governments and municipalities must, however, make additional joint efforts.

The many collective bargaining and works agreements already aim today at enabling employees to strike a good balance between work and family. The part-time provisions of the Part-time and Fixed-term Employment Act also provide a major framework for pro-family working hours. To better enable employees to make the transition between full-time and part-time phases, the coalition parties have agreed on updating legislation on part-time employment. Employees who have opted for limited-term part-time employment to bring up children or care for family members will be given an assurance that they can return to their previous working hours. They will be granted an entitlement to limited-term part-time work (right of return). This way, employees will be better able to balance gainful employment and private life and companies will be able to retain qualified personnel.

In March 2013, an initial favourable review was made of the activities in implementing the Charter for Pro-family Working Hours. As a sign of their joint commitment, the Federal Government, the federations of German industry and the Confederation of German Trade Unions have agreed in future to issue a regular report on family and work. As part of the coalition agreement, the report will document progress and deficits in promoting a pro-family working world and make proposals to the Federal Government and business and industry.

Skilled-labour path: Educational opportunities for all from the outset

The measures of central and federal state governments to improve participation in education are having an increasing effect. The educational system has become more efficient and more equitable in recent years, but there is still a need for improvement. Good and

equitable education is the best way to prevent shortages in skilled labour. Measures to bring about a distinct reduction in the school dropout rate as part of the national EU 2020 Strategy are on the right track, but must be pursued further. In collaboration with the federal states, the Federal Government is therefore continuing its efforts to promote individual potential and relieve skilled-labour shortages. With the new initiative under the coalition agreement, Chance to Work, efforts will also be stepped up to ensure every young person obtains a school-leaving certificate followed by a good occupational qualification. These include in particular the initiative, Qualify and Connect - educational chains leading to an occupational qualification.

Considerable progress has been made towards meeting the target of halving the ratio of school leavers without a qualification from 2008 to 2015. So far, pupils with an immigrant background have been unable to benefit to the same extent from the favourable development overall. The current PISA study documents distinct improvements among German pupils in natural science, but renewed efforts are needed as a whole to improve equal opportunities through education and secure a broad basis of well-qualified skilled personnel for the long term.

Efforts in expanding child-care facilities will also contribute to equalising educational opportunities. Progress has been made in expanding all-day schools, though with large disparities among the federal states. The Federal Government will support these in continuing efforts to raise the quality of child care and gradually expand all-day facilities.

Skilled-labour path: Initial and continuing training/education

The ratio of young people without an occupational qualification has declined further recently. Improvements were also achieved here among people with an immigrant background in 2012. Efforts must nevertheless be continued to reach the target of halving the ratio of persons without a qualification by 2015. The target for 2015 of a student ratio of over 40% of a year has been well surpassed already. Progress was also made in 2012 in raising the ratio of tertiary educational qualifications: The current figure now exceeds the target of 42% by a significant margin and people with an immigrant background have also further increased the ratio of their tertiary qualifications. To sustain these improvements, efforts will be continued for improving teaching and raising the number of study places as part of the Higher Education Pact 2020.

While participation in continuing training/education had stagnated until 2010, it increased considerably in 2012, almost already attaining the 2015 target of every or every second person taking part

in related courses. Older persons in particular now record considerably higher continuing education/training rates. The Federal Government continues to attach importance to continuing education/training and lifelong learning as a major supplement to higher education and vocational training. To support this, in negotiations on the Training Pact with the collaboration of the trade unions it is seeking to upgrade it into an alliance for initial and continuing training/education.

Skilled-labour path: Integration and immigration of qualified personnel

The favourable trend in integrating people with an immigrant background continued in 2012. The employment rate in this group, both men and women, increased again from 2011 to 2012, though not as much as from 2010 to 2011. Socially-insured employment among people with an immigrant background has risen considerably recently. Particularly the number of people in employment from EU member states went up by a large margin in 2012 compared with the previous year. The unemployment rate for migrants, however, remains at a far higher level than that among Germans, which underlines the need to do far more in future.

To harness the potential qualifications of migrants and promote their integration into commensurate employment, together with the federal states the Federal Government has also taken measures to recognise foreign occupational qualifications. About 11,000 applications for the recognition of foreign occupational qualifications have been submitted and the bulk approved. With a package of measures, immigration requirements have been simplified and the general conditions improved for the immigration of qualified personnel. Besides the favourable developments in the economy and the labour market, the efforts of the Federal Government have contributed to a better welcoming culture and the recent considerable increase in net immigration.

We need to take these developments further - also in view of demographic change - with the focus kept on activating all the available domestic potential. Efforts must also be continued to promote labour-market immigration, also from third countries, because some other EU countries also face similar demographic challenges to Germany and after an upswing in the European crisis countries, immigrant skilled labour is expected to return home again and/or the number of immigrants to decrease.

Businesses, policymakers and social actors must continue their efforts to foster a welcoming culture. To secure a broad skilled-labour base in the long term and plan for sustainable immigration, people with an immigrant background already living in Germany must be integrated far better into the labour market and society.

Businesses are still optimistic about the future and economic and labour-market developments are favourable. This underlines the need to make even better use of untapped potential. This is why the coalition agreement for 18th legislature attaches great importance to the issue of securing skilled labour. This process will be continued and a training and skilled labour pact will set new priorities for the future.

General data

Indicator	2006	2007	2008	2009	2010	2011	2012	Source
BIP price-adjusted year-on-year	3.7%	3.3%	1.1%	-5.1%	4.0%	3.3%	0.7%	d
Working hours year-on-year	0.1%	1.6%	1.2%	-2.7%	2.2%	1.5%	0.2%	e
Average annual working hours year-on-year	-0.5%	-0.1%	0.0%	-2.8%	1.6%	0.1%	-0.9%	e
20 to 60-year-old population, in thousands	49,812	49,774	49,655	49,561	49,826	50,051	50,029	d
20 to 60-year-old population year-on-year, in thousands	-270	-37	-120	-94	265	225	-22	d
Gainfully employed (domestic concept), in thousands	39,192	39,857	40,348	40,372	40,587	41,152	416,08	d
Gainfully employed (domestic concept), year-on-year, in thousands	216	665	491	24	215	565	456	d
Potential labour force, in thousands	44,981	44,922	44,786	44,781	44,718	45,135	45,334	e
Potential labour force year-on-year, in thousands	-104	-59	-136	-5	-63	417	199	e
Vacancies on the primary labour market, in thousands	939	1,085	913	709	814	1,020	970	e
Unemployed in thousands	4,487	3,760	3,258	3,415	3,238	2,976	2,897	b
Unemployed per vacancy	4.8	3.5	3.6	4.8	4.0	2.9	3.0	e
Unemployed rate for persons without an occupational qualification	24.0%	22.1%	20.1%	21.9%	20.7%	19.6%		e
Unemployed rate for persons with an apprenticeship/technical college certificate	8.5%	7.0%	6.0%	6.6%	5.8%	5.1%		e
Unemployed rate for persons with applied science university of higher education qualification	3.5%	2.9%	2.5%	2.5%	2.4%	2.4%		e

Skilled-labour path 1

Indicator	2006	2007	2008	2009	2010	2011	2012	Source
Total employment rate for 20 to 64 year-olds	71.1%	72.9%	74.0%	74.2%	74.9%	76.3%	76.7%	a
Socially insured employment in June, in millions	26.35	26.85	27.46	27.38	27.71	28.38	28.92	b
Socially-insured employment rate for 20 to 64 year-olds in June	50.5%	51.8%	53.0%	53.0%	53.9%	55.1%	55.9%	b
Socially-insured full-time employment in June, in millions	21.81	22.07	22.44	22.17	22.31	22.68		b
Socially-insured part-time employment in June, in millions	4.53	4.77	5.00	5.20	5.39	5.67		b
Employment rate for 55 to 64-year-olds	48.1%	51.3%	53.7%	56.1%	57.7%	59.9%	61.5%	a
Employment rate for 55 to 59-year-olds	64.3%	66.7%	68.8%	70.1%	71.5%	73.8%	74.9%	a
Socially-insured employment rate for 55 to 59 year-olds in June	45.1%	46.0%	47.5%	48.3%	49.3%	51.0%	52.3%	b
Employment rate for 60 to 64-year-olds	29.7%	32.9%	35.1%	38.6%	41.0%	44.2%	46.5%	a
Socially-insured employment rate for 60 to 64 year-olds in June	15.7%	18.5%	20.5%	23.4%	26.0%	27.5%	29.2%	b
Socially-insured employment rate for 20 to 64 year-old women	65.0%	66.7%	67.8%	68.7%	69.6%	71.1%	71.5%	a
Number of 15 to 64-year-old-long-term unemployed, in millions	2.36	2.01	1.62	1.45	1.38	1.19	1.04	a
Number of registered socially-insured employees with severe disabilities, in thousands	935	950	989	1.019	1.042	1.070		b

Skilled-labour path 2

Indicator	2006	2007	2008	2009	2010	2011	2012	Source
Employment rate for 20 to 64-year-old mothers with at least one underage child	64.1%	65.3%	65.5%	66.8%	67.9%	70.2%	71.0%	c
Employment rate for 20 to 64-year-old mothers with a youngest child under three years of age	43.8%	43.7%	42.1%	44.7%	46.2%	51.4%	51.6%	c
Working mothers with a youngest child of between 1 and 2 years of age	33.0%	33.0%	36.0%	38.0%	40.0%	41.0%	41.0%	c
Working mothers with a youngest child of 2 to 3 years of age	42.0%	45.0%	46.0%	49.0%	51.0%	54.0%	54.0%	c
Total working hours of 20 to 64-year-old working mothers, in millions	137.07	136.60	135.14	135.39	137.01	142.24	144.35	c
Average weekly working hours of 20 to 64-year-old working mothers	25.0	24.9	25.1	25.2	25.4	25.6	25.8	c
Number of employable single mothers claiming SGB II benefits, in thousands		631	623	604	596	583	578	b
Ratio of women in leading positions		27%	27%	29%	30%			c. e. f
Children under three years of age in day care, as at 1 March, in thousands	286	320	362	414	470	514	558	d
Care rate for children under three years of age, as at 1 March	13.6%	15.5%	17.6%	20.2%	23.0%	25.2%	27.6%	d
Children of 3 to 6 years of age in day care, as at 1 March, in thousands	1.955	1.944	1.951	1.927	1.911	1.914	1.930	d
Care rate for children of 3 to 6 years of age, as at 1 March	87.2%	89.4%	91.1%	91.5%	92.1%	92.9%	93.4%	d
6 to 14-year-old children in day care, as at 1 March, in thousands	771	786	783	788	791	797	786	d
Care ratio for 6 to 14-year-olds, as at 1 March	12.0%	12.4%	12.5%	12.7%	12.9%	13.2%	13.3%	d
Schoolchildren in private and public general education schools, in %		20.9%	24.1%	26.9%	28.1%	30.6%		j
Schoolchildren in public and private primary schools, in %		16.2%	18.9%	21.5%	22.8%	26.2%		j

Skilled-labour path 3

Indicator	2006	2007	2008	2009	2010	2011	2012	Source
Ratio of school-leavers without a qualification	7.9%	8.2%	7.5%	7.0%	6.5%	6.2%	5.9%	d
Ratio of school-leavers without a qualification with an immigrant background	9.5%	9.2%	10.6%	10.7%	11.3%	10.4%		d
Ratio of early school-leavers (18 to 24-year-olds without an upper secondary school qualification)	14.1%	12.7%	11.8%	11.1%	11.9%	11.6%		g
Staff/Child ratio for groups with children of 0 to three years of age, children per preschool teacher								h
Eastern Germany					6.1	5.7		h
Western Germany					3.9	3.8		h

Skilled-labour path 4

Indicator	2006	2007	2008	2009	2010	2011	2012	Source
Ratio of young adults aged between 20 and 29 without an occupational qualification and not in training	17.3%	16.5%	17.2%	16.4%	17.2%	15.9%	15.0%	c
Ratio of young adults with an immigrant background aged 20 to 29 without an occupational qualification and not in training	32.0%	30.5%	30.7%		30.0%	28.2%	26.5%	c
Ratio of young adults beginning a higher education course of study (ratio of new students)		36.8%	40.0%	42.7%	44.9%	51.0%		d
Student dropout rate for Bachelor	30.0%		25.0%		28.0%			k
Student dropout rate for Diploma/Master	26.0%		27.0%		23.0%			k
Student dropout rate for State Examination	7.0%		10.0%		11.0%			k
Ratio of higher qualified academics among those with an occupational qualification	0.5%	0.4%	0.5%	0.5%	0.6%	0.6%	2.0%	d
Ratio of 30 to 34-year-olds with tertiary or equivalent educational qualifications	36.4%	37.7%	38.9%	40.6%	41.2%	42.6%	43.5%	c
Ratio of 30 to 34-year-olds with an immigrant background with tertiary or equivalent educational qualifications (ISCED 4, 5 A/B and 6)	25.7%	26.1%	27.1%		29.5%	31.2%	32.8%	c
Participation in continuing education/training in Germany among 18 to 65-year-old	43%	44.0%			42.0%		49%	i
Ratio of 55 to 59-year-olds engaged in continuing education/training		37.0%			40.0%		44%	i
Ratio of 60 to 64-year-olds engaged in continuing education/training		18.0%			27.0%		32%	i
Ratio of low-qualified persons engaged in continuing education/training		28.0%			33.0%		37%	i
Ratio of women in MINT courses of study	30.8%	30.9%	30.5%	30.7%	29.9%	27.3%		d

Skilled-labour path 5

Indicator	2006	2007	2008	2009	2010	2011	2012	Source
Employment rate for 20 to 64-year-olds with an immigrant background	61.6%	63.9%	65.1%	64.7%	65.8%	68.1%	68.7%	c
Employment rate for 20 to 64-year-old men with an immigrant background	70.4%	72.7%	74.5%	73.0%	74.1%	76.5%	77.0%	c
Employment rate for 20 to 64-year-old women with an immigrant background	52.7%	54.8%	55.7%	56.4%	57.6%	59.7%	60.4%	c
Socially insured employment in June, in thousands ⁵⁰								
from EU-8-countries	122	130	137	146	156	197	277	b
from all EU states (EU-28)	772	797	819	826	847	927	1,062	b
from third countries	1,010	1,041	1,082	1,053	1,078	1,134	1,171	b
EU Blue Card for standard occupations (issuance in respective year) ⁵¹							1,328	l
EU Blue Card for shortage occupations (issuance in respective year)							788	l
Applications for recognition of occupational qualifications ⁵²							11,000	m
Approval rate							82%	m
Ratio of 20 to 64-year-old gainfully employed foreigners, who immigrated after the training phase, with a tertiary or equivalent educational qualification	10.1%	10.3%	10.6%	11.8%	11.7%	10.5%		c
Residence permit under Section (1(4) of the Residence Act (graduate jobseekers) - issuance in respective year ⁵³	2,031	2,856	3,753	4,418	5,141	4,875	5,069	l

Sources:

- a Eurostat, Labour Force Survey;
- b Federal Employment Agency;
- c Federal Statistical Office, Microcensus;
- d Federal Statistical Office;
- e Research Institute of the Federal Employment Agency;
- f Socio-Economic Panel;
- g ET 2020, Progress Report of EU Commission EAC;
- h Federal Statistical Office; Dortmund Centre for Statistics on Child and Youth Welfare;
- i Adult Education Survey;
- j Standing Conference of Cultural Ministers;
- k HIS GmbH Project Report;
- l Central Foreigners Register;
- m Federal Ministry of Education and Research

⁵⁰ Time series enlarged to include EU-28⁵¹ Data on the EU Blue Card pertain to the survey period of August to December 2012 (The act came into force on 1 August 2012).⁵² Survey period from April to December 2012 (The act came into force on 1 April 2012).⁵³ Due to changes in survey methodology as of 2010, the figures have been approximated as closely as possible.

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