



European  
Commission

INTEGRATING HARD-TO-PLACE  
UNEMPLOYED PEOPLE INTO  
EMPLOYMENT

# Community service jobs providing additional costs (§ 16d SGB II)

Information review: October 2015

## GERMANY

The practice targets hardest to place unemployed. The instruments in the area of basic social security benefits are therefore directly aimed at integrating them into the labour market. Before the entry into force of the Social Code Book II in 2005, German benefit recipients served by social assistance were not necessarily registered as unemployed nor did they have access to most types of active labour market policies (ALMPs).

The practice has proved to be an effective tool for participants who have been out of work for several years but ineffective for participants who were recently employed.

Name of the PES

Bundesagentur für Arbeit  
Federal Employment Agency

When was the practice implemented?

2005 – on-going

Which organisation was involved in its implementation?

- ▶ ARGE/ Authorised Local Authorities (zugelassene kommunale Träger, zKT)
- ▶ External bodies: non-profit organisations and welfare organisations

Which social groups were targeted by the practice?

- ▶ Jobseekers: Hard to place unemployed
- ▶ Employers: Bodies and organisations providing measures offering additional work in the public interest and neutral in terms of effect on competition.

What were the practice's main objectives?

The practice aims to provide job opportunities in the community service sector for the hardest to place unemployed who cannot access other services like regular employment, further training, vocational training, or other programmes.

What activities were carried out?

The work-based opportunities must be performed in a sector of public interest (care work for the elderly, street and park cleaning, and so forth). Organisations hosting beneficiaries are refunded the direct expenses stemming from the performance including the expenses for supervisors arising due to special instruction requirements. The beneficiary is assigned a working opportunity (maximum of 30 hours per week) for a limited period of time. If the beneficiary works for more than 15 hours a week, they are no longer considered unemployed by PES. During the practice, beneficiaries top up their welfare benefits with 'additional cost compensation'; which is not considered a wage but rather a top up allowance. Participation in the practice is only temporary and should only be applied if no other opportunity, like regular employment, further training, vocational training, or other programmes, is available or suitable.

What resources and other relevant organisational aspects were involved?

Due to the decentralised implementation responsibility in accordance with Social Code II (SGB II), there are no standardised processes and defined organisational responsibilities in the practice management. In most cases, on the beneficiaries' side management is carried out by the integration counsellor (Integrationsfachkraft, IFK), and the case managers of local PES.

Source(s) of funding

National budget (tax revenue)

What were the outputs of the practice: people reached and products?

**People reached:**

The number of participants involved in the practice in the years covered by the evaluations were:

- ▶ 603 900 in 2005. Of which: in East Germany 287 900 (of which 44.9% women), in West Germany 316 000 (of which 34.2% women).
- ▶ 704 500 in 2006. Of which: in East Germany 298 000 (of which 44.6% women), in West Germany 406 500 (of which 35% women).
- ▶ 667 100 in 2007. Of which: 265 900 in East Germany (of which 44.6% women), and 401 200 in West Germany (of which 36.9% women).
- ▶ 643 700 in 2008. Of which: 263 700 in East Germany (of which 45.1% women), and 401 200 in West Germany (of which 36.9% women).
- ▶ 596 100 in 2009. Of which: 241 500 in East Germany (of which 43.8% women), and 354 600 in West Germany (of which 37.3% women).

**Products:**

Guidance and business directives and the job opportunity tools

What outcomes have been identified?

Since its introduction in 2005, AGH has become an important ALMP measure in the Social Code II.

In 2005, approximately 25% of all Social Code II recipients were on AGH. The proportion rose to almost 33% in 2008. No quantitative outcomes were planned.

What are the lessons learnt and success factors?

For welfare recipients under 25, the medium-term employment effects were insignificant, and for short-term non-employed people the effects were negative. These results are not surprising, since the programme is targeted at meeting the needs of people who are no longer used to working and face social exclusion.

Based on a large sample of welfare recipients accessed through administrative data using propensity score matching, the main evaluation findings are summarised as follows:

- ▶ Participation slightly improved the medium-term employment prospects for women but not for men.
- ▶ Participation raised the employment rate of for some of the older participant groups but actually reduced employment rate of participants younger than 25 years.
- ▶ Participation helped raise the chances of getting back into the open labour for people who had not worked in unsubsidised work for more than a year.

The evaluation of the practice concludes that the practice is an effective instrument for participants who have been out of work for several years but ineffective for participants who were recently employed.

More information on the practice

[http://ec.europa.eu/employment\\_social/empl\\_portal/weesp/DE-6.pdf](http://ec.europa.eu/employment_social/empl_portal/weesp/DE-6.pdf)



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