



# **Mutual Learning Programme**

DG Employment, Social Affairs and Inclusion

**Peer Country Comments Paper- Germany**

## **Employer services for an inclusive labour market: approaches of the German Public Employment Service**

**Peer Review on "Employment Service Delivery"**

**26-28 October 2020**

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## 1 Introduction

This paper has been prepared for a Peer Review on "Employer Service delivery" within the framework of the Mutual Learning Programme. It provides information on Germany's comments on the policy example of the Netherlands, the Host Country for the Peer Review. For information on the policy example, please refer to the Host Country Discussion Paper.

## 2 Situation in the peer country Germany

### 2.1 Background labour market trends

In 2019, the unemployment rate was 3.2% according to the ILO definition and 5% according to administrative data of the Federal Employment Agency.<sup>1</sup> Like in the Netherlands labour market participation rate is high. Over the past decade employment grew and unemployment fell. Between 2009 and 2019 the unemployment rate was more than halved during a long period of sustained growth.

Despite the good overall shape of the German labour market, some vulnerable groups have not improved their chances to access the labour market. This concerns in particular unemployed with severe placement barriers. The proportion of long-term unemployment is still important. About 70% of long-term unemployed were aged 55 or older or worked in helping occupations, requiring a low skills level.<sup>2</sup>

The most vulnerable groups in the labour market include long-term unemployed, in particular very long-term unemployed, older workers, low-skilled, early school leavers and people with disabilities. While recently the number of young unemployed with severe disabilities has decreased, the number of older unemployed increased.<sup>3</sup> Although employment rates of older workers have risen considerably, their hiring rates are very low.<sup>4</sup>

Early 2018, there were 1,073,600 people with severe disabilities employed in the regular labour market, an increase by 22,000 people in comparison to 2017. People with severe disabilities represented 4.1% of all employed in the private sector and 6.5% of employed in the public sector. About 312,000 were employed in sheltered workshops. 157,000 people with severe disabilities were registered as unemployed.<sup>5</sup> According to data of the Federal Employment Agency (BA), there was on average a stock 180,000 participants in a vocational rehabilitation measure of the BA. This includes all people with disabilities or at risk of becoming disabled. Among new entrants in November 2019 nearly 25% had a mental health problem (*psychische Behinderung*) and 23% a learning disability. In November 2019, among 185,600 participants in vocational rehabilitation, 117,000 were less than 25 years old. 42,000 were people with severe disabilities. 26,000 were unemployed.<sup>6</sup>

Like in the Netherlands, one of the major labour market policy challenges relates to skills shortages. In 2011, the Federal Ministry of Labour and Social Affairs declared its strategy to overcome skills shortages, based on 5 pillars: (i) activation of unemployed, sustaining employment and increasing employment rates of older workers; (ii) improved reconciliation of family and working life; (iii) improved access to training and education;

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<sup>1</sup> BA, Der Arbeitsmarkt in Zahlen, Dezember 2019

<sup>2</sup> BA, Arbeitsmarktsituation von lang-zeitarbeitslosen Menschen, June 2019

<sup>3</sup> BA 02.12.2019 | Presseinfo Nr. 36

<sup>4</sup> [https://www.oecd.org/els/emp/Germany%20Key%20policies\\_Final.pdf](https://www.oecd.org/els/emp/Germany%20Key%20policies_Final.pdf)

<sup>5</sup> BIH (2019), *Aufgaben der Integrationsämter*, ZB Info 4/2019.

<sup>6</sup>

[https://statistik.arbeitsagentur.de/nn\\_31922/SiteGlobals/Forms/Rubrikensuche/Rubrikensuche\\_Form.html?view=processForm&resourceId=210368&input\\_=&pageLocale=de&topicId=939264&year\\_month=201911&year\\_month.GROUP=1&search=Suchen](https://statistik.arbeitsagentur.de/nn_31922/SiteGlobals/Forms/Rubrikensuche/Rubrikensuche_Form.html?view=processForm&resourceId=210368&input_=&pageLocale=de&topicId=939264&year_month=201911&year_month.GROUP=1&search=Suchen)

(iv) promoting VET and continuous training; (v) immigration and integration of immigrants.<sup>7</sup>

This strategy in principle opens the possibility for supporting vulnerable groups, including older workers or people with disabilities into work. However, labour market integration of some of these groups has proven to be difficult and better outcomes should be achieved.

Promoting inclusive labour markets, with a focus on people with disabilities, as well as a social labour market for very long-term unemployed, facing multiple employment barriers, have recently been on the labour market policy agenda. The treatment of other vulnerable groups who are neither disabled nor very long-term unemployed have been questioned.

## **2.2 Target groups and institutional setting for vocational rehabilitation**

### **Target groups**

Vocational rehabilitation encompasses measures to support the labour market integration of people with disabilities, regulated by Social Code IX. The group of workers and unemployed who would in principle need to access services for vocational rehabilitation and for whom employers would need support is highly heterogeneous. In addition to the great diversity of physical and mental health issues, the delineation between health-related employment barriers and other socio-demographic employment barriers is blurred. Research shows that long periods of unemployment may engender illness. Moreover, the most difficult to place often show a multiplicity of employment barriers.

Major groups who show specific characteristics that are linked to health-related issues and disabilities include:

- Young people with learning disabilities
- Low-skilled in general. Some of them, although not all of them, have learning disabilities
- (Long-term) unemployed with complex multiple employment barriers, who overtime add health and mental health problems to their employment barriers.
- Older unemployed find it particularly difficult to re-enter the labour market. While health-related problems may play a role as a labour market barrier (e.g. long-term illness patterns and occupational diseases tend to increase with age), skills mismatch and age discrimination are other factors that explain their difficulties to find employment.
- Severely disabled (mostly defined as persons with a recognized disability degree of at least 50%).

### **Key stakeholders for vocational rehabilitation**

There are a variety of actors in charge of vocational rehabilitation. These include mainly: the *Bundesagentur für Arbeit* BA (Federal Employment Agency); the jobcenters (for means-tested Minimum Income Recipients, often referred to unemployment benefit II recipients); municipal welfare agencies (for social assistance recipients); Gesetzliche Unfallversicherung (the statutory accident insurance); Gesetzliche Rentenversicherung (the statutory pension insurance), and the youth welfare institutions (until age 27)<sup>8</sup>.

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<sup>7</sup> [http://www.bmas.de/SharedDocs/Downloads/DE/fachkraeftesicherung-ziele-massnahmen.pdf?\\_\\_blob=publicationFile](http://www.bmas.de/SharedDocs/Downloads/DE/fachkraeftesicherung-ziele-massnahmen.pdf?__blob=publicationFile)

<sup>8</sup> <https://www.familienratgeber.de/rechte-leistungen/reha-therapie/rehatraeger.php>;  
<https://www.betanet.de/rehabilitation-und-teilhabe-von-menschen-mit-behinderungen.html>

Whether one of the above mentioned agencies is responsible for vocational rehabilitation is determined mainly by (i) the type of and reasons for disability is essential (e.g. disability since birth, injury at work, occupational disease, chronic diseases, etc); (ii) the labour market status and welfare benefit receipt; (iii) number of years of contributions to the public pension scheme.

The Federal Employment Agency (BA) is responsible for all cases that are not covered by the other responsible agencies and include registered jobseekers of both the local offices of the BA and the jobcenters.

### **The role of the Public Employment Service**

Similar to the Netherlands, in addition to the Federal Labour Agency, municipalities play a role in providing employment services for means-tested minimum income recipients. The organisation of the PES follows a dual organizational structure: (1) the *Agenturen für Arbeit* (labour agency), which are local offices of the Federal Employment Agency and serve mainly unemployment benefit I recipients and rules by Social Code III (2) the jobcenters that are responsible for means-tested minimum income recipients ruled by Social Code II (also known as "unemployment benefit II" or "Hartz IV"). There are two options in place for organizing jobcenters: service delivery through jointly managed jobcenters (300 jobcenters) or through mandated co-operation between municipal welfare agencies and *Agenturen für Arbeit* (municipal option, 104 job centers). Like the situation in the Netherlands there has been cuts in budgets for jobcenters, however, in contrast, this has in general not affected individualized guidance. In Germany, new models for intensive guidance for people with high placement barriers have been tested at the PES. Nevertheless, jobcenters have not performed as well as labour agencies in detecting the need for vocational rehabilitation (see below, section 2.1).

Specific teams at the local agencies of the BA or the jobcenters are dedicated to counselling jobseekers with a disability, severe disability or at risk of becoming disabled.

Participants in vocational rehabilitation measures and placement of people with a recognised disability can be referred to the BA by other agencies, e.g. by the statutory public pension insurance.

In 2016 a new law, the *Bundesteilhabegesetz* (Federal inclusion act) was announced, which strengthens the cooperation between jobcenters and other responsible agencies for vocational rehabilitation. In particular the cooperation for the identification for a need of vocational rehabilitation has been strengthened in 2018 (§22 (4) Social Code IX).<sup>9</sup>

### **Employer Services of the PES**

The proportion of vacancies registered at the PES is around 50% of all vacancies (OECD 2015<sup>10</sup>). The German PES offers a specific Employers Service in 176 locations all over Germany. In total, there are 400 teams of Employers Services working with around 5,000 experts in placement services and consulting.<sup>11</sup> The PES has dedicated employer relationship staff. Employers are divided into target (high potential for creating jobs) and standard clients. PES staff may actively solicit employers for job offers or apply reverse-marketing techniques (individual jobseeker is actively marketed to a targeted employer by "cold calling").<sup>12</sup> Services to employers include pre-selection of candidates and counselling. The role of the PES consists also in brokering apprenticeship places. With respect to placing disadvantaged young and other vulnerable groups it is important that the PES has a trustful relationship with employers and that they have a network of employers at the local level who they can pro-actively reach out.

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<sup>9</sup> Deutscher Bundestag, Drucksache 19/14798 – 2 – Deutscher Bundestag – 19. Wahlperiode, <https://dip21.bundestag.de/dip21/btd/19/147/1914798.pdf>.

<sup>10</sup> OECD (2015), OECD Employment Outlook 2015, OECD Publishing, Paris. [http://dx.doi.org/10.1787/empl\\_outlook-2015-en](http://dx.doi.org/10.1787/empl_outlook-2015-en).

<sup>11</sup> See MLP Database: <http://ec.europa.eu/social/PDFServlet?mode=mlpPractice&practiceId=8>.

<sup>12</sup> OECD (2015), Employment Outlook, OECD publishing.



Nearly all co-operating jobcenters are involved in a "joint employer unit" together with the local Labour Agency. Municipal jobcenters have their own employer services unit. The joint employer units pool all contacts to employers. Case study evidence indicates that many Jobcenters are dissatisfied with this system because they believe that employer units in the Labour Agencies predominantly acquire jobs for which short-term unemployed (i.e. typically unemployment benefit recipients) represent "best matches".<sup>13</sup> Thus, many co-operating jobcenters started to implement teams which contact employers with the explicit aim to acquire vacancies for low-skilled or inexperienced jobseekers. The Federal Program for reducing very long-term unemployment, launched in 2015 and co-financed by ESF, have been supporting own job hunters at the jobcenters in order to place very long-term unemployed.<sup>14</sup>

With regard to people with disabilities no specific teams for contacting employers have been set up. Mainly the joint employer services located at the local Labour Agencies are responsible for unemployed people with disabilities or those unemployed in need for vocational rehabilitation. Developing strategies to reach out and convince employers to train and employ workers with disabilities and related vulnerable groups is a major challenge.

### **Integration services Integrationsfachdienste for people with severe disabilities.**

*Integrationsämter*<sup>15</sup> (integration offices) are offices which are run by the *Länder* or municipalities with the aim to facilitate the integration of people with severe disabilities into working life. They mainly provide advice to people with severe disabilities as well as to employers. They cooperate closely with the different agencies responsible for vocational rehabilitation and labour market integration of people with disabilities, employer organisations, trade unions, associations of people with disabilities and the company-based integration teams (*betriebliche Integrationsteams*).

Integration offices, regulated by Social Code IX, are tasked with supporting and helping severely disabled people with their integration into working life and for maintaining severely disabled people into work; and to organize seminars for company-based integration teams.

They also collect the compensatory payments of companies that do not comply with reserving a certain share of posts for people with disabilities. The level of compensation payment is in general quite low. It is allocated to a compensation payment fund, used for financing some of the vocational rehabilitation measures and is managed by the Federal Ministry of Labour and Social Affairs.

*Integrationsfachdienste* (integration services, regulated by Social Code IX), mostly run by NGOs, are cooperating with the BA. They offer their services to people with a disability, severely disabled, and employers.<sup>16</sup> The intensive counselling and follow-up offered by the integration services to both people with disabilities and employers have been recognised as good practice.<sup>17</sup>

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<sup>13</sup> Fertig, M. (2016), "Host Country Discussion Paper – Germany. Networking and coaching to success? The new German approach to long-term unemployed", Peer Review on "Approaches to integrate long-term unemployed persons", Germany, 13-14 October 2016.

<sup>14</sup> <https://www.esf.de/portal/DE/Foerderperiode-2014-2020/ESF-Programme/bmas/2014-11-19-abbau-Langzeitarbeitslosigkeit.html>

<sup>15</sup> In some *Länder* they are called inclusion offices.

<sup>16</sup> <https://www.integrationsaemter.de/druckversion/Aufgaben/53c8/index.html>

<sup>17</sup> Knuth, M. and T. Tenamberg (2015), „Inklusiver Arbeitsmarkt“ Vereinheitlichung der öffentlich geförderten Beschäftigung für behinderte und nicht behinderte Menschen? Gutachten für die Fraktion BÜNDNIS 90/DIE GRÜNEN im Landtag NRW, Arbeitsforschung und Transfer e.V.

### **3 National policies and measures**

#### **3.1 Overview of measures for vocational rehabilitation**

In principle, people with disabilities or jobseekers in need for vocational rehabilitation have access to general ALMPs. In case these instruments and programs are not sufficient, additional measures are being used (*besondere Maßnahmen zur Teilhabe von Menschen mit Behinderungen*).

For those with a severe disability, they have also access to specific measures; such as long-term training measures for re-training more easily (in the case of severely disabled); or more generous wage subsidies and of longer duration (*Eingliederungszuschüsse*). Places in sheltered employment are also available (depending on the disability). Therefore, the assessment of the degree of disability and the assessment of the need for vocational rehabilitation is key.

Young people with disabilities have in general good access to vocational rehabilitation measures, in particular if they are just leaving school, VET or tertiary education. Measures focus on early school leavers with less than 3 years of work experience and support their transition into VET and/or accessing a first job. In many cases disadvantaged young people may have first participated in regular measures of the BA such as preparatory measures for vocational education and training before their need for vocational rehabilitation has been recognised. Half of participants in these vocational rehabilitation measures had a learning disability, 21% had a mental disability due to psychological problems (*psychische Behinderung*), 17% another mental disorders (*geistige Behinderung*), and the remaining had physical and other disabilities.<sup>18</sup>

Overall, in 2018, 10.3% of all unemployed participating in active labour market measures were involved in specific vocational rehabilitation measures. However, among long-term unemployed, which are in general registered at jobcenters, only 2% participated in specific vocational rehabilitation measures.<sup>19</sup> In general, jobcenters focus more on activation measures as well as job creation measures, while the BA sets a stronger focus on training measures and vocational rehabilitation (see Annex Table 1).

#### *Detecting the need for vocational rehabilitation and referral to ALMPs*

Recent evidence shows that there are differences in implementing ALMPs between local labour agencies and jobcenters. An internal monitoring report of the BA indeed shows, that the BA is more often implementing vocational rehabilitation than job centers.<sup>20</sup>

A study by the Deutscher Gewerkschaftsbund DGB (the German trade union confederation) revealed that jobseekers registered with the BA in 2018 were twice as often recognized as cases for vocational rehabilitation (one out of 32) as compared to those registered with Jobcenters (1 out of 69). There was thus the suspicion, that Jobcenters did not screen their jobseekers adequately and may have underestimated the need for vocational rehabilitation in many cases.

#### **3.2 Services and support for employers provided by the BA for training or employing vulnerable groups with disabilities or health-related issues**

In the following an overview is given of ALMPs and other support available to employers who train or employ people with disabilities or people in need of vocational rehabilitation:<sup>21</sup>

##### (i) Support for VET

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<sup>18</sup> Data refer to 2014. Reims, N., Tisch, A. and S.Tophoven (2016), „Junge Menschen mit Behinderung Reha-Verfahren helfen beim Berufseinstieg“, IAB Kurzbericht 7/2016.

<sup>19</sup> BA Langzeitarbeitslose, Juni 2019.

<sup>20</sup> Deutscher Bundestag (2019), Drucksache 19/14798 – 10 – Deutscher Bundestag – 19. Wahlperiode

<sup>21</sup> BA (2017), Schwerbehinderte Menschen im Betrieb. Ein Ratgeber für Arbeitgeber.

- Employers can get a subsidy if they take up apprentices with severe disabilities within the dual VET scheme. Depending on the degree of disability, up to 80 per cent of the apprenticeship wage can be subsidized (to be claimed at the BA or jobcenters).
- Financial aid to cover specific costs related to VET of a young people with disabilities is available (up to EUR 2,000 per year) (applications to be made at the integration offices).
- Support provided by the BA or jobcenter during VET to remedy for specific deficits (e.g. literacy skills), support the acquisition of technical skills and socio-pedagogic guidance for up to 8 hours a week (*Ausbildungsbegleitende Hilfe*). If needed additional support for VET can be claimed at the responsible agency (*Ausbildungsassistenz*). For disadvantaged young people (including young people with learning disabilities) support is available through the "assisted vocational training" program. Socio-pedagogic guidance is available for employers and apprentices. All these measures are reducing the burden for employers to take up apprentices with disabilities. Support for apprentices with disabilities is financed by the BA or other agencies responsible for vocational rehabilitation and provided by specialized institutions.
- Employer-based continuous training measures
- Financial support for the creation of new VET apprenticeship places for severely disabled.

(ii) Employment incentives

- Wage subsidies (*Eingliederungszuschuss*) are in principle regular ALMPs of the BA and jobcenters. However, the level of the subsidy and length are higher than for employing regular unemployed, depending on the degree of disability. Wage subsidies can be granted for up to 70% of wages, are degressive over time and can last for a maximum duration of 24 months.
- Trial employment is a general ALMP of the BA and jobcenters, available also to people with severe disabilities. (BA/Job Center)
- *Arbeitsassistenz*: On-the job support to help people with severe disabilities is provided by the responsible agency and decided by the integration office.
- Financial support for creating workplaces for severely disabled.

(iii) Support for employed workers

- For employed workers, subsidies, financial assistance and counselling is available through the *Integrationsämter* ("integration offices"). This includes specific support in the workplace. Also, continuous training can be supported by the responsible agency or the Integrationsämter.
- Financial support for technical equipment
- Support provided by the *Integrationsämter* is available for preventive measures as well as for the stabilization of employment conditions of people with severe disabilities (*Betriebliche Eingliederungsmanagement*).

(iv) Support for sheltered employment in specialized enterprises or units of enterprises are relevant for people with severe disabilities. These are in line with the UN disability convention. Approaches to promote transition to regular employment could be strengthened.<sup>22</sup>

In addition, measures are available to unemployed people with a need for vocational rehabilitation, such as upskilling and re-training, in specific or regular education and

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<sup>22</sup> Knuth et al. 2015 (see above).

training institutions, depending on the type of disabilities. People with severe disabilities in Germany have a higher chance of getting re-training measures financed than other groups of unemployed.

The guiding principle for referral of people with disabilities and people in need for vocational rehabilitation to a specific ALMP, is "as normal as possible, and as specific as necessary". Vocational rehabilitation should be implemented as much as possible in the workplace.<sup>23</sup>

#### *Counselling and advice for employers*

As shown in section 1.2 employers get informed and receive advice and counselling at the employer services of the Employment Agencies, the jobcenter and the integration services. In particular the integration services provide advice on workplace adaptation and financial support.

Guides for employers on recruiting and employing people with disabilities is available at the website of the BA.<sup>24</sup> Information to employers is also given in the area of prevention.<sup>25</sup> Employers can contact the employer services if they need any advice or information on financial support. As stated above, specific job hunters are pro-actively identifying companies that would employ people who have been unemployed for a very long time (and many of these would probably have health-related problems).

The International and Specialized services ZAV (*Zentrale Auslands- und Fachvermittlung*), which is an institution of BA providing mainly international placement services, runs an own employer service for placing high-skilled university-educated workers with a severe disability. There are about 7,500 high-skilled unemployed with a severe disability. The "Initiative 500plus" has been set up to provide wage subsidies to employers with the objective to place 500 high-skilled unemployed with a severe disability. Interested employers would need to get into contact with this specialised employer service. In cooperation with the integration services they provide advice on what measures would be needed to be taken and what support would be available (e.g. measures for technical assistance and workplace adaptation).<sup>26</sup>

The new law on inclusion has also obliged all stakeholders responsible for vocational rehabilitation to make sure that advice is provided. The homepage of the *Bundesrbeitsgemeinschaft Rehabilitation* BAR (Federal working group on rehabilitation) provides respective links ([www.ansprechstellen.de](http://www.ansprechstellen.de); referring e.g. to the employer services of the public pension scheme [www.deutscherentenversicherung.de/firmenservice](http://www.deutscherentenversicherung.de/firmenservice)). In addition, BAR provides guidance on integrating people with disabilities in the workplace (*Betriebliches Eingliederungsmanagement* BEM-Kompass).<sup>27</sup> BAR publishes guidance for employers on prevention as well as on support for sustaining employment and workplace adaptation when workers return to work after a long illness or injury.

#### *Outcome of vocational rehabilitation measures*<sup>28</sup>:

In 2018, 127,000 measures of the BA for vocational rehabilitation were completed, among which 88,000 measures were for new entrants. Among the 44,000 participants in measures for re-integration, 58% were in employment subject to social security contributions 6 months after termination of the measure. Nearly 20% were

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<sup>23</sup> BA (2018), Förderung der Teilhabe für Arbeitnehmerinnen und Arbeitnehmer Dienste und Leistungen am Arbeitsleben, Merkblatt 12.

<sup>24</sup> BA, Menschen mit Behinderungen im Beruf, Information für Arbeitgeber. [https://www.arbeitsagentur.de/datei/dok\\_ba015366.pdf](https://www.arbeitsagentur.de/datei/dok_ba015366.pdf)

<sup>25</sup> E.g. article in the journal for employers, issued by the BA (Arbeitgebermagazin der BA), provides information and guidance on how to prevent and tackle Burn-out. <https://faktor-a.arbeitsagentur.de/arbeitswelt-gestalten/burn-out-wenn-die-arbeit-krank-macht/>

<sup>26</sup> <https://www.arbeitsagentur.de/vor-ort/zav/content/1533717828980>

<sup>27</sup> [www.bar-frankfurt.de/themen/arbeitsleben/betriebliches-eingliederungsmanagement/bem-kompass.html](http://www.bar-frankfurt.de/themen/arbeitsleben/betriebliches-eingliederungsmanagement/bem-kompass.html)

<sup>28</sup> Deutscher Bundestag (2019) – 19. Wahlperiode – 11 – Drucksache 19/14798

unemployed.<sup>29</sup> According to data analysis by the DGB on the basis of administrative data provided by the BA, wage subsidies were the most successful measures in terms of employment outcomes. This, however, does not mean that they are the most efficient and effective measure, as placement difficulties and type of disabilities also need to be considered. Effectiveness of other measures may be visible in the long-term and would need to be assessed by the degree of disability and distance to the labour market.

In 2017, the Deutsche Rentenversicherung (public pension scheme) financed vocational rehabilitation measures for 115,000 people, of whom, 90,000 were in employment after 6 months. Among those who completed education and training measures, 45% were employed after 6 months and 55% after two years.

### **3.3 Examples of pilot projects „Innovative Wege zur Teilhabe am Arbeitsleben – rehapro“**

The objective of the federal "Innovative Ways to Participate in Working Life – rehapro"<sup>30</sup> is to gain insights by testing innovative services and innovative organizational measures on how the employability of people with health impairments can be maintained or restored even better. Cooperation between the key players in the field of medical and vocational rehabilitation is also to be further improved and access to the disability pension and integration and social assistance is to be reduced on a sustainable basis. One objective is to improve early identification.

The job center and DRV (the statutory pension insurance scheme) are the leading agencies of the model projects. A total of around one billion euros will be available to implement the federal rehapro program by 2026. The program will be evaluated. While most of pilot projects, which have just been approved, focus on counselling jobseekers and workers at risk of becoming disabled, a few projects also seek to improve advice provided to employers<sup>31</sup> or intend to offer company-based counselling for maintaining workers with mental health problems at work.<sup>32</sup> Many of the projects have a specific focus on people with mental health problems and addictions.

## **4 Assessment of the success factors and transferability**

The following factors seem to be important for creating inclusive labour markets:

- In the Netherlands, the 2013 Jobs agreement concluded to create jobs for people with disabilities seems to be an important step forward. In Germany, there has not been a specific agreement between the government and social partners to create jobs for people with disabilities. However, a quota has been agreed, but compensation payments seem to be too low to have an impact. Agreements between key stakeholders were concluded in the past in the area of Vocational Education and Training (VET), the so-called Training Pacts aimed at creating training places. Disadvantaged young people may have benefited from these Pacts.
- The plan to revise wage subsidies in the NL may have an impact. In Germany, wage subsidies are more generous for those unemployed with disabilities. They are an important measure and show promising outcomes to bring unemployed into employment.
- Counselling services and support to employers, including intensive counselling and follow-up has been an important success factor to maintain workers with

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<sup>29</sup> Deutscher Bundestag – 19. Wahlperiode – 11 – Drucksache 19/14798

<sup>30</sup> [https://www.modellvorhaben-rehapro.de/DE/Home/home\\_node.html](https://www.modellvorhaben-rehapro.de/DE/Home/home_node.html)

<sup>31</sup> [https://www.modellvorhaben-rehapro.de/SharedDocs/Downloads/DE/Darstellungen/BEM-Intensiv.pdf?\\_\\_blob=publicationFile&v=2](https://www.modellvorhaben-rehapro.de/SharedDocs/Downloads/DE/Darstellungen/BEM-Intensiv.pdf?__blob=publicationFile&v=2)

<sup>32</sup> [https://www.modellvorhaben-rehapro.de/SharedDocs/Downloads/DE/Darstellungen/BEM-Intensiv.pdf?\\_\\_blob=publicationFile&v=2](https://www.modellvorhaben-rehapro.de/SharedDocs/Downloads/DE/Darstellungen/BEM-Intensiv.pdf?__blob=publicationFile&v=2)

disabilities into company-based and training and employment in the case of Germany.

- Germany could learn from the Dutch approach to improve cooperation with local actors such as recruitment agencies, knowledge centres, in placing people with disabilities. In the past local networks created by jobcenters in the context of the Federal Program Perspektive 50+, aiming at integrating older people in the labour market, had shown promising results. Earlier evaluation of the first phase of the programme conducted in 2007 showed that the success of the programme rested on the combination of individualised counselling and coaching as well as on proactive outreach towards employers.
- The “no-risk” policy in the Dutch case is very interesting, but difficult to implement in the German context, as this would involve the statutory health insurance. In case of long-term illness (longer than six weeks) or a treatment at hospital, the health insurance will pay the workers a compensation amounting to a maximum of 90% of their net wage (*Krankengeld*).
- On-the job-training, wage subsidies as well as workplace adjustment measures are implemented in Germany and are certainly among the success factors.
- In contrast to the Netherlands an important share of the budget of the PES in Germany is spent on training measures. In particular, those people who are severely disabled may be entitled to long re-training courses (according to their capacity, wish and labour market prospects).

## **5 Questions**

- Which strategies to reach out to employers show promising results?
- Which services to employers are proving to be effective?

## Annex 1 Summary table

The main points covered by the paper are summarised below.

### Labour market situation in the Peer Country

- Germany has a high participation rate and low unemployment
- Nevertheless, people with disabilities, including learning disabilities, as well as older workers face difficulties to access the labour market. The situation has improved for young people with disabilities and worsened for older workers
- The PES is split into two different agencies: the Federal Employment Agency, mainly in charge for serving unemployment benefit recipients and jobcentre, in general run jointly with municipalities, mainly in charge of means-tested minimum income recipients. The Federal Employment Agency is more focused on training measures and vocational rehabilitation than jobcenters.
- A wide variety of actors are responsible for providing vocational rehabilitation. Beside the PES, one of the major players is the statutory pension insurance.

### Assessment of the policy measure

- The new law on inclusion aimed at improving cooperation between the various agencies responsible for vocational rehabilitation.
- One focus of vocational rehabilitation has been the integration of young people with learning disabilities and mental health problems in vocational education and training, including in workplace-based training in the context of dual vocational training.
- Wage subsidies for people with disabilities seem to be an important measure for the integration into the regular labour market.
- A wide range of counselling services is offered to employers, including support for apprenticeship training and on-the-job coaching.
- One of the main challenges is to reach out to employers for placing unemployed people with disabilities. There are no specific employer services.

### Assessment of success factors and transferability

- The Dutch 'Jobs agreement' seems to have been key. It could be discussed whether such an agreement would be supported by the government and the social partners. Previous experiences with training Pacts have shown good results of a shared commitment.
- Cooperation and partnerships at the local level are a promising approach that would be relevant for Germany.

### Questions

- Which strategies to reaching out to employers show promising results?
- Which services to employers are proving to be effective?

## Annex 2 Tables and Figures

Table 1 Stock of recognised vocational rehabilitation cases, participating in selected ALMP (in %), by type of Public Employment Service provider, monthly average, 2018

	<b>Agenturen für Arbeit (labour agencies)</b>	<b>Jobcenter (joint agencies)</b>	<b>Jobcenter (municipal agencies)</b>
Maßnahmen zur Aktivierung und beruflichen Eingliederung (activation measure)	9%	11%	21%
Probefbeschäftigung (Trial employment)	2%	1%	1%
Berufliche Weiterbildung (vocational continuous training)	46%	29%	34%
Besondere Maßnahmen zur Weiterbildung (Specific measures for continuous training)	33%	45%	31%
Eingliederungszuschuss (Wage subsidy)	10%	15%	13%
Total in %	100%	100%	100%
Absolute number of participants	9,895	4,522	1,182

Source: DGB, 2019, on the basis of administrative data provided by the BA



