

2023

Annual Report
by the Federal
Employment
Agency



Bundesagentur für Arbeit
bringt weiter.

© **Federal Employment Agency (BA)**, Regensburger Straße 104, 90478 Nuremberg

Postal address: P.O. Box, 90327 Nuremberg

Telephone 0911 179-0, Fax 0911 179-2123

Reprinting permitted with source citation. Specimen copies to the Federal Employment Agency.

Editorial deadline: 24 March, 2024

Annual Report
by the Federal
Employment
Agency (BA)

MISSION

**FEDERAL
EMPLOYMENT AGENCY –
MOVES FORWARD.**

The BA has a social mission. In this respect, customer and employee guidance is not an end in itself; rather, it supports and complements this mission. The BA also sees itself as a digital, sustainable and learning service provider.

Organisation chart



Executive Board

- ... Chairperson of the Executive Board
- ... Board Member for Services and International Affairs
- ... Board Member for Resources
- ... Board Member for Regions

- ... Central office in Nuremberg (Central personnel council)
- ... 10 regional directorates (District personnel councils)
- ... 150 employment agencies and around 600 branches
- ... 301 job centres operated jointly with districts and independent towns or cities
- ... International and specialised services (ZAV) in Bonn
- ... Institute for employment research (IAB) in Nuremberg
- ... BA management academy (FBA)
- ... BA university (HDBA) – university of applied sciences
- ... IT system house – BA information technology
- ... BA service house – BA service provider

Each department has a personnel council which deals with the following issues:

- ensuring compliance with employee rights
- employee complaints and suggestions
- integration of the severely disabled and foreign employees, as well as equal opportunities management



Contents

BA Executive Board	10
Foreword by the Executive Board	12
Foreword by the alternating Chairperson of the Board of Governors	13
Interim report on the work programme of the Executive Board for 2023/24	14
Legally compliant implementation of laws	14
Resilient positioning of the BA through organisational decisions	15
Resilient positioning through digital services and automated processes	16
Developing the training and labour market in the financial year 2023	17
Employment and labour demand subject to social security contributions	17
Unemployment and underemployment	20
Short-time working allowance payments for cyclical reasons	20
Active labour market policy	20
Contribution of the BA to balancing the labour market	21
2022/23 vocational training year	21
Contribution of the BA to balancing the training market	23
Vocational rehabilitation and participation in working life	23
Labour migration from abroad	23

Active labour market policy	24
Scope of active labour market policy in SGB III	24
Effect of active labour market policy in SGB III	25
Financial results in SGB III including performance of reserves as well as performance of the pension fund	28
Personnel at the Federal Employment Agency	31
Corporate Governance	32
Executive Board	32
Board of Governors	32
Budget and auditing	33
Internal audit	33
Risk management	33
Compliance organisation	33
Equality and inclusion	33

BA Executive Board

The Executive Board manages the Federal Employment Agency and conducts its business. It consists of the Chairperson and three other members.

Andrea Nahles

Chairperson of the Executive Board
Born in 1970



- **since 1 August, 2022:** Chairperson of the BA Executive Board
- **July 2020–March 2022:** European Commission Special Representative for Social Dialogue
- **2020–2022:** President of the Federal Post and Telecommunications Agency
- **2018–2019:** Chairperson of the SPD
- **2017–2019:** Chairperson of the SPD parliamentary group in the Bundestag (German Parliament)
- **2013–2017:** Federal Minister for Labour and Social Affairs
- **2009–2013:** General Secretary of the SPD
- **2007–2009:** Labour market policy spokesperson and Deputy Chairperson of the SPD parliamentary group in the Bundestag
- **2005–2019:** Member of the German Bundestag

Daniel Terzenbach

Board Member for Regions
Born in 1980



- **since 14 March, 2019:** BA Executive Board Member for Regions
- **2017–2019:** Managing Director for Quality, Implementation, Consultancy (QUB) at the BA head office
- **2015–2018:** Representative of the BA Executive Board for Operational Refugee Management
- **2012–2017:** Management tasks in the operational control areas of the BA head office
- **2009–2012:** Project management at the BA head office
- **2006–2009:** Manager at the Märkischer Kreis Job Centre

Vanessa Ahuja

Executive Board Member for Services and International Affairs Born in 1968



- **since 1 May, 2022:** BA Executive Board Member for Services and International Affairs
- **2019–April 2022:** Head of the “Labour Market Policy, Employment of Foreigners, Unemployment Insurance Scheme, Basic Income Support for Job Seekers” department at the Federal Ministry of Labour and Social Affairs (BMAS), also member and spokesperson of the public bodies on the Board of Governors of the BA
- **2018–2019:** Head of the “Participation, Concerns of People with Disabilities, Social Compensation and Social Assistance” department at the BMAS
- **2014–2018:** Head of the “Labour Market Policy and Unemployment Insurance Scheme” sub-department at the BMAS, also Head of the Refugees Project Group (2015–2017)
- **2007–2014:** Head of various units at the BMAS
- **1999–2007:** Consultant in various federal ministries, also a member of the office of the “Modern Services on the Labour Market” commission (so-called “Hartz Commission”) in 2002
- **1995–1999:** Consultant on labour policy for the Bündnis 90/Die Grünen parliamentary group in the Bundestag

Dr Katrin Krömer

Executive Board Member for Resources Born in 1973



- **since 1 October, 2022:** BA Executive Board Member for Resources
- **2018–2022:** Head of Personnel and Management Development at Deutsche Bahn AG
- **2015–2018:** Chairperson of the Board of Governors at DB JobService GmbH
- **2009–2015:** Managing Director for Personnel, Finance, Controlling and Infrastructure at the BA regional directorate for Berlin-Brandenburg
- **2000–2009:** Management consultant at McKinsey & Company



Foreword by the Executive Board

2023 was the first year since 2020 in which the coronavirus pandemic no longer dominated the agency's operational work and required increased management attention. It was a year in which the BA was once again able to raise its profile as an advisor and facilitator in the training sector and on the labour market, as well as in its role as a pillar of the welfare state.

The question of how to meet the demand for workers and skilled workers was one of the dominant questions in labour market policy and in the economy. In this context, the legislator passed two laws, which the BA started to implement in 2023. Internally, we would still like to position ourselves in a future-oriented manner. With this in mind, we and the Board of Governors made organisational decisions on international orientation, infrastructure management and adaptation of the management structures in the employment agencies. These decisions are designed to help us to position the BA to be resilient and modern.

In our role as the Executive Board, we published our work programme for 2023 and 2024 at the start of the year. With this, we wanted to provide orientation for the organisation on which projects we consider to be a priority in the implementation of the BA strategy. At a time when the challenges are becoming increasingly complex, the BA must also utilise its limited resources efficiently and effectively. With this annual report, we want to take stock of our interim position with regard to implementation of the work programme.

In addition, with this report, we provide an account of the results for the fiscal year and accounting to the legal supervisory authority at the Federal Ministry of Labour and Social Affairs (BMAS). The contents of the annual report – after the interim assessment – are therefore based on the supervisory role of BMAS for the legal sphere of social code (SGB) III.

We hope you enjoy reading the report.

Warm regards

ANDREA NAHLES
Chairperson of the
Executive Board

VANESSA AHUJA
Executive Board Member for
Services and International Affairs

DR. KATRIN KRÖMER
Executive Board Member
for Resources

DANIEL TERZENBACH
Executive Board Member
for Regions

Foreword

by the alternating Chairperson of the Board of Governors

Dear Sir or Madam,

The BA plays a key role in supporting economic structural change with ever new skills requirements, and in securing the supply of skilled workers by exploiting domestic potential and integrating foreign experts. At the same time, the legislator has assigned new tasks to the BA, which also have to be performed at the interfaces to be administered between the job centres and the employment agencies. The dynamics of change on the labour market require a flexible and service-oriented BA. The BA Board of Governors supports and advises the Executive Board on this path.

Each new task also requires changes in the organisation and further development of the IT. We support the Executive Board in identifying risks to policy when drafting legislation, in order to achieve practical solutions for the clients and employees of the BA. To do this, the BA must be provided with the necessary budgetary resources and the time required for implementation and successful integration.

Under the budget law of the Board of Governors we are obliged to guarantee that the contributions to unemployment insurance are used appropriately for insurance purposes and to support the BA in establishing reserves. We therefore reject any interference in the contribution fund to finance tasks for society as a whole.

In view of the demographic situation, it is becoming more and more difficult for the BA to secure the necessary human resources. This is why, following initiation of the 2023 strategic human resources planning process, we have now added a further focus with a solid and transparent personnel budget. At the beginning of 2023, we intensified our role as a strategic supervisory and monitoring body in line with the legal mandate and linked it with corresponding objectives in our collaboration with the Executive Board.

We support the Executive Board in setting the objectives for future projects, both internally and operationally, so that the processes for BA clients are designed as end-to-end in their entirety, and the digitalisation and automation of services continue to progress. At the same time, personal contact must always be ensured in the employment agencies. We will provide constructive and critical support for the projects. If approvals are required, we will use our leeway in control and codetermination. Our key objectives are to protect people from unemployment, to integrate them into training and employment, to recruit skilled workers and to support them in their transformation.

It is also important to us that our local clients can continue to have face-to-face meetings with the advisory experts. We therefore remain committed to the principle that "the BA will always remain actively engaged nationwide with the services it offers." Together with the Executive Board, we will set up the necessary future-proof administrative structures for this, on the basis of the organisational principles we have adopted.



ANJA PIEL

Chairperson of the Board of Governors



CHRISTINA RAMB

Deputy Chairperson of the Board of Governors



Interim report on the work programme of the Executive Board for 2023/24

The Federal Employment Agency occupies a key position in the German labour market and social policy. A decentralised organisational structure combined with centralised control provides the legislature with good leverage for reliable implementation of proposed legislation. Furthermore, economic developments have a virtually direct impact on the operational business of the BA. At the same time, clients' expectations for a modern range of services from public authorities remain high. In order to work efficiently and effectively between these conflicting priorities with the resources of the Federal Employment Agency and to be able to provide our own organisation with direction, the Executive Board published a work programme for 2023 and 2024 at the start of the year.

Legally compliant implementation of laws

The Citizens' Benefit Act was implemented at the beginning of the year. This was more than simply the application of new legal standards. The twelfth act amending the second book of the German Social Code – the so-called Citizens' Benefit Act (Bürgergeldgesetz) – represents an enhanced form of collaboration between employees and the people who are considered to be eligible for benefits. Cooperation, short paths and reduced bureaucracy are the watchwords that define future collaboration in the job centres. This law is therefore the biggest reform package in labour market and social policy since the legislation on modern labour market services. As a result, its implementation also requires a change process, which the job centres launched in 2023.

In addition, the armed conflicts in Ukraine and worldwide, together with the associated migration movements, left their mark on the operational work in the basic social security offices. By the end of the year, an estimated 200,000 refugees had successfully completed an integration course – a group of people with whom we have been working more intensively, especially from the last quarter of 2023.

The German Training and Further Education Act, which came into force on 21 July 2023, additionally strengthened the opportunities for training and further education in Germany. The German economy has been in a process of transformation for many years now. For companies and employees alike, continuing vocational development is the means of choice for keeping up with this process. Yet the scope of the legal possibilities has not been utilised to the extent that either the legislator or we had hoped. Based on the experience of the past three years – since the last reform of the training regulations, as part of the law on the funding of vocational training in structural transition and on the further development of funding for training – access to funding for companies, employees and apprentices has been further simplified. The staff in employer services at the employment agencies advise companies, careers advisers, training candidates and employees in person and on the telephone about the funding options developed.

Germany needs the immigration of qualified skilled workers from abroad, in order to overcome its own shortage of skilled workers. This is already slowing down the economy and thus putting overall social welfare at risk. Hence, the law on skilled labour immigration has been revised. It will come into force gradually in three steps by June 2024 and will therefore reflect the three-pillar model on which the immigration of skilled workers should be based: the pillar of expertise, the pillar of experience, and the pillar of potential. The initial regulations, which came into force on 1 November 2023, among other things, meant that the salary thresholds for the EU Blue Card were lowered and the flexibility in selection of the target occupation of recognised experts were increased. The second stage in March 2024 will include easier immigration for people with relevant professional experience and a degree that is recognised in their country of origin. Temporary, quota-based employment will create another option to meet seasonal demand, e.g. at airports during the holiday period. The third stage in June 2024 specifically includes introduction of the opportunities map and doubling of the Western Balkans quota.

The amendment to the law will not only lead to a change in the role of the Federal Employment Agency in the immigration process; the dismantling of legal obstacles will also entail high expectations in terms of the international business of the BA. The Federal Employment Agency has therefore strategically repositioned itself, adapted processes and sectoral directives, launched several digitalisation projects and increased its staff in international business.

Resilient positioning of the BA through organisational decisions

Immigration from other foreign countries is becoming increasingly important and is therefore a priority in business policy. As a result of the new law on the immigration of skilled workers, significantly higher numbers of cases are expected in the area of labour market admission. The Federal Employment Agency and international and specialised services (ZAV) will have to advise a lot more people who are interested in immigration, support them in the immigration process and ultimately place them in employment. Because of this, international recruitment and placement was established in 2023 as a standard task of the overall BA organisation with a clear and transparent division of roles and tasks, and it was assigned a corresponding target vision. The three cornerstones of the target vision are the monitoring of compliance with fair recruitment and working conditions (“gatekeeper”), the provision of foreign language digital platforms in order to support job searches from abroad (“provider”) and the opening up of corridors for orderly labour migration (“trailblazer”). The country potential analysis for foreign countries has additionally been updated, so that the limited resources can be utilised specifically for the recruitment and immigration of skilled workers. The Board of Governors and the participating federal ministries (Ministry of Labour and Social Affairs and the Ministry of the Interior) have supported and accepted this process. In addition, increasing advice is required for employers with regard to the recruitment and employment of foreign employees and skilled workers and the dovetailing of employer services with ZAV, from labour market admission through to placement.

The international business area was expanded in 2019 (internal organisational review) and systematically evaluated in 2022 (external evaluation). In addition, Germany's supreme audit institution (Bundesrechnungshof) and the audit committee of the German Bundestag also pointed out the need for consistent alignment of the international

processes and structures of the BA with a view to creating greater transparency and controllability. In response, the Federal Employment Agency developed the rudiments of a system of objectives and control in 2023. For every sub-strategy, operational steering objectives are identified, which are then evaluated by means of qualitatively and quantitatively identified indicators. The rudiments of the new system were approved by the Board of Governors at the end of 2023, so that the new system of objectives can be consistently defined and operationalised in line with the three sub-strategies.

However, it was not only in the international focus of the Federal Employment Agency that forward-looking decisions were made in 2023. This year, we also agreed a fundamental restructuring of property and infrastructure management with the Board of Governors. The three cornerstones of the new target vision are: establishment of the infrastructure organisation's core tasks in line with standard market criteria, the pooling of tasks and the restructuring of external services, as well as efficient, transparent processes and better advice in line with practical business partnership. As part of this restructuring, Gebäude, Bau- und Immobilienmanagement GmbH – a wholly-owned subsidiary of BA – will be liquidated and its tasks will be transferred to the new infrastructure organisation of the Federal Employment Agency. Work on implementing this target vision will begin in 2024.

In addition to the organisational focus decisions, the target system for unemployment insurance was developed further in 2023. In 2024/24, with the substantive amendments adopted by the Executive Board and the Board of Governors, the system of objectives will be better aligned with the focuses of the BA strategy and the work programme of the Executive Board and thus determine the actions of the employment agencies. It retains its two-pillar structure, although greater emphasis has been placed on the pillar of “quality and organisational culture” (increase in the proportion from 35 to 40 percent). Two new indicators have been added to the “effects and efficiency” pillar, with the qualification and rehabilitation index. At the same time, the two target indicators of “avoidance rate” and “sustainable integration” have been moved to the monitoring level, which is also relevant for control, and will no longer be planned from 2024. Under the “quality and organisational culture” pillar, the quality of customer surveys will be improved and in some cases expanded. The OS service index – “feedback on the granting of benefits” – will be merged in the consultation index until the redesign of the operational services are redesigned. The alterations in the area of transition



from school to career, as a result of the further technical development of careers advice before working life, will be incorporated into the system of objectives in 2025. The academic year 2023/24 will serve as a monitoring year, in order to gain experience of the planned alterations, particularly with regard to the actions of careers advisers before working life. The next review of the orientation and adaptation of the system of objectives will be based on the strategy process.

On 20 April 2023, it was proposed to the Board of Governors that the operational future project, which began before the coronavirus pandemic in order to reorganise the BA into a client-oriented and resilient public service provider, should be wound up. There is little time left for it – demographic trends as well as technological progress are unwavering. The expectations of clients for a modern range of services from public authorities also still remain high. In addition to the lessons learned from pandemic management, the conceptual preparatory work must now be implemented in a public authority structure with 150 employment agencies and 600 branches. This affects dovetailed collaboration between careers advice during working life and employer services to provide advice and funding for employees and employers on training topics. It also affects the consideration of employer services, client access and operational services.

Resilient positioning through digital services and automated processes

At the same time, the digitalisation and automation of the range of services of the Federal Employment Agency continue to advance. The digitalisation of around 70 services within the scope of the online access act as well as the start of implementation of the register modernisation act form the basis for further automation of the services, as this is essential for the Federal Employment Agency. Demographic trends and the reduction of the working population are also leaving their mark on the BA. Consequently, the organisational structure of the employment agencies is being reviewed. This includes the management structures, particularly for whether minimum sizes for technically specialist teams and effective manager-to-staff ratios can be maintained. This year we have begun to involve the regional stakeholders and the staff concerned. The mergers of the first eight employment agencies into four are planned for 2026.

Adaptation of the management structures is an approach that will enable the BA to adapt to the changed market conditions and to ensure efficient task fulfilment. This will not affect the range of services per se or the agency's presence on the ground. At the same time, we are also seeing changes in client behaviour. The level of use of BA's online services is increasing slowly but steadily. In 2023, one in ten registrations of unemployment and 57.6 percent of all unemployment benefit applications were submitted or made online, even though this requires the use of an electronic ID card, which is not yet a matter of course. However, owing to regulatory restrictions, the additional process cannot be continued automatically after the application has been made.

Some arrangements, such as the principle of dual control for processing applications, can be resolved at federal policy level. The Federal Employment Agency advises the German government on these issues, for example on the IT council of the Federal Ministry of the Interior. Other arrangements, such as the use of cloud services, need to be resolved at European level. Shortly before the turn of the year, there was movement in the process with the provisional agreement between the EU Council Presidency and the European Parliament negotiators on AI law. Both sides agreed on rules for AI models with a high impact on general purposes that could cause systemic risks in the future. A revised system of governance, with some enforcement powers at EU level, more rights and the list of bans, have also been extended. The Federal Employment Agency is examining the options opened up by this AI law for progress on implementation of the BA automation agenda.

For the Federal Employment Agency, the securing of skilled workers and digitalisation go hand in hand. In 2023, the Executive Board and the trade unions reached an agreement for the first time on a digitalisation collective bargaining agreement for employees of the Federal Employment Agency. The parties to the collective bargaining agreement thus acknowledge that digitalisation does not lead to job losses but rather makes jobs safe for the future. It is essential to develop the skills of employees in a way that is forward-looking and oriented towards future developments and accompanied by training measures. Lifelong learning is also a normal part of working life at the Federal Employment Agency.

2023 has shown everyone that working in a volatile environment is becoming increasingly commonplace. It is important here to have a plan that can provide a focus. As the Executive Board of the Federal Employment Agency, we

have tried to provide a focus with the work programme. At the beginning of 2024, the operational and internal projects for the future will be initiated both operationally and internally, which will implement parts of the other focus areas of the Executive Board work programme. In addition, we began to develop the strategy of the BA in 2023 with broad participation. By the end of the year, almost 1,400 employees from all departments had taken part in various formats.

This process will be continued in 2024 with the Federal Employment Agency managers and Board of Governors. At the end of the debate, we hope that a BA strategy derived from a vision and implemented with a programme of work will provide most of the staff with a focus in at least a large part of their everyday work, in increasingly volatile times.

Developing the training and labour market in the financial year 2023

Employment and labour demand subject to social security contributions

Economic development in Germany was diminished by high inflation, rising interest rates and weak foreign demand in 2023. The weak economy left its mark on the labour market. However, it continued to perform well in relation to the level of stress and uncertainty. Average employment for the year increased by 333,000 to 45.93 million in 2023. According to the statistics provided by the Federal Employment Agency, employment subject to social security contributions increased by 264,000 to 34.71 million from June 2022 to June 2023. While this more than halved the increase in comparison with the previous year, the number of jobs subject to social security contributions nevertheless rose to over 35 million for the first time in the autumn of 2023. However, the growth in employment subject to social security contributions compared with the previous year is no longer across the board. Employment continued to grow in most service sectors but declined in cyclical sectors such as parts of manufacturing industry, temporary work and trade. Different developments can be seen in the employee structure, particularly with regard to age and nationality. Employment decreased slightly among younger employees under 25, whereas it continued to increase more than average among older employees over 55. The number of German employees also declined when

compared with the previous year, whereas the increase is exclusively attributable to a rise in the employment of foreign nationals. This is further evidence of how important labour migration now is for economic growth and therefore for sustained prosperity in Germany. There was also an increase in low-paid employment; in June 2023 this rose by 250,000 to 7.61 million compared with the same month in the previous year.

Reported demand for new employees was already noticeably weaker in the second half of 2022. This trend continued in 2023. An annual average of 761,000 job vacancies were registered, 84,000 or 10 percent fewer than one year previously. In 2023, there were 343 unemployed people for every 100 registered jobs. This was considerably more than in 2022, when the figure was 286. At first glance, the annual average indicators show less strain for companies looking for personnel on the labour market than in the previous year. However, even though we cannot talk about a general shortage of skilled workers or staff, there are still shortages, including in nursing, in the area of medical occupations, in childcare, in construction and trades and in IT occupations. Job placements, which are a better indicator of the willingness of businesses to recruit, also declined owing to the weak economic climate. In total, with 1,633,000 jobs, 251,000 fewer than in 2022 were reported in 2023.



2023 labour market*

↑ +0.3%

24.28 mln

employees liable to social security contributions in **full-time** work

(As of June 2023)

↑ +0.8%

34.71 mln

employees subject to mandatory social security contributions

(As of June 2023)

↑ +1.8%

10.43 mln

employees subject to mandatory social security contributions in **part-time** work

(As of June 2023)

↑ +6.8%

627,000

unemployed Aged 55 and older

↑ +12.7%

229,000

unemployed under 25

↑ +1.4%

166,000

Unemployed severely disabled persons

↑ +7.9%

2.61 mln

unemployed

↑ +7.6%

1.41 mln

unemployed men

↑ +18.4%

967,000

unemployed foreigners

↑ +8.2%

1.20 mln

unemployed women

↑ +7.7%

1.73 mln

unemployed receiving basic income support for job seekers

↑ +8.2%

875,000

unemployed covered by unemployment insurance scheme

Figures based on annual average for 2023 unless otherwise stated and changes compared with the previous year.

* Data across legal purviews and all providers (employment agencies and job centres in joint institutions and job centres of approved municipal providers)

↑ +0.7%

45.93 mln

employed

↑ +0.4 pp

5.7%

unemployment rate
amongst the entire civilian
labour force

↓ -10.0%

761,000

registered labour market vacancies

3.45 mln

underemployed without
short-time work

↑
+8.3%

↓
-2.4%

698,000

participants in active labour market
policy measures

2.24 mln

entrants into unemployment from
employment in the primary labour market
(Annual total in 2023)

↑
+5.4%

↑
+0.6%

1.73 mln

exits from unemployment due to
commencement of employment in
the primary labour market
(Annual total in 2023)

↓ -1.2 WEEKS

23 weeks

average completed period of
receiving unemployment benefit
(Rolling annual average, October 2023)

↑ +9.5%

0.80 mln

recipients of unemployment benefit

↑ +4.2%

1,190 €

average entitlement to
unemployment benefit
(October 2023)

Unemployment and underemployment

As a result, weak economic performance meant that average unemployment and underemployment rose significantly year on year. Nonetheless, 2023 was one of the years with the lowest unemployment rate since German reunification. An annual average of, 2.61 million people were registered as unemployed in Germany in 2023, 191,000 or 8 percent more than in the previous year. One third of these unemployed people were looked after within the legal sphere of SGB III; their number likewise increased by 8 percent, to 875,000. More than half of the significant increase in the annual average was attributable to the tense economic situation and about 45 percent can be traced to support for Ukrainian refugees. The refugee effect at the end of the year was virtually negligible, whereas the weak economy had a gradually stronger effect during the course of the year. Employees continued to be at very low risk of losing their job. The unemployed found it increasingly difficult to find a new job. Underemployment rose by 264,000 to 3,449,000 in comparison with 2022.

Since 24 February 2022, more than a million people have fled from Ukraine to Germany alone. Since 1 June 2022, Ukrainian refugees have been able to receive basic social security benefits for job seekers in accordance with German social code (SGB) II if they need help. At the end of 2023, 700,000 Ukrainian nationals were registered in the job centres, of which 514,000 were of working age. Of these, 197,000 people were unemployed. 317,000 people who were available for work were not classified as unemployed, for example, because they were attending integration courses (128,000), completing school, vocational training and/or university education (58,000) or looking after children or relatives (24,000). Meanwhile, many Ukrainians who have fled to Germany have found employment. According to preliminary extrapolated data – later results are not yet available – 168,000 Ukrainians were in employment subject to mandatory social security contributions in October 2023 and 43,000 were in solely marginal employment.

Higher unemployment will result in a higher burden in the entry zones and service centres and over the year, in a shift in processing priorities in the operational services. At the beginning of 2023, resources in operational services were concentrated on the processing of audits for the short-time work allowance as a result of the coronavirus pandemic. By the end of 2023, 803,000 final audits – 358,000 of which were in 2023 – had been completed on expenditure amounting to 37.7 billion euros. As a result of the ongoing economic downturn, personnel allocation became neces-

sary from September 2023; backlogs in the processing of unemployment benefit applications were rising rapidly. As a result of the personnel and support measures implemented, the average processing time for an unemployment benefit application submitted in full was reduced again to under eight calendar days at the end of 2023.

Short-time working allowance payments for cyclical reasons

The development of short-time work over the course of the year is determined primarily by cyclical short-time work, the level of which increased slightly on average over the year in 2023. However, in light of the weak economic situation and owing to the burdens on businesses as a result of higher energy prices, the number of people in short-time work for cyclical reasons was moderate. In July, the use of cyclical short-time work fell significantly; expiry of the relaxed eligibility criteria may have played a role in this. Claims increased significantly again in September and October. As in the second half of 2022, employees in the manufacturing sector in particular worked short time for cyclical reasons in 2023; their proportion varied between three quarters and four fifths over the course of the year.

According to an initial estimate of Federal Employment Agency statistics, the total annual average number of short-term employees in 2023 was around 220,000 compared with 426,000 in the previous year. As a result, 0.6 percent of employees subject to mandatory social security contributions received short-time work allowance for cyclical, seasonal or transfer work in 2023.

Active labour market policy

In 2023, an average of 368,000 people received support from the employment agencies through active labour market policy measures within the legal sphere of SGB III. Compared with the average of the previous year, their number rose slightly (+2 percent), although compared with 2019 – and therefore before the outbreak of the coronavirus pandemic – the number was appreciably lower (-17 percent). With 140,000 participants, the main instrument of active labour market policy in 2023 was the funding of vocational training. As an annual average, this represented more than one third of all participants in the cost unit of SGB III. With 99,000 participants, a good quarter of the funding in SGB III fell to instruments for the funding of career choice and vocational training.

Contribution of the BA to balancing the labour market

After overcoming the coronavirus pandemic, it was important for us to get back in touch with unemployed people more often. Our findings show that the chance of ending the receipt of benefits increases with the number of face-to-face advisory contacts. Across Germany, this was achieved well in 2023: all over Germany, the employment agencies are once again open for at least 20 hours a week, to resolve problems with no appointment and for pre-arranged consultations. Three out of four consultations were held either in person or via video. That is 15 percent more than a year ago. A total of 4.9 million consultations were conducted.

A consultation is the means to achieve the objective of market balance through eventual placement in work. This has also been more successful in the last twelve months: 1.3 million unemployed people with unemployment insurance were able to end their unemployment by taking up employment in the last year – 4.5 percent more than in the previous year. The proportion of placements after selection and recommendation was 6 percent here, after 7 percent in 2022. This proportion is relatively low, partly because much of the work supported by colleagues at the employment agencies is not statistically counted as active placement. For example, if unemployed people take up employment liable to social security (EU Commission) after vocational training, this is not statistically counted as active placement by the employment agency. The same applies if the job search is successful after potential analysis and the preparation of a vocational integration plan at the employment agency, or in the case of use of the digital services that the BA provides for all customers.

At the same time, the balance on the labour market is becoming increasingly demanding, as the mismatch between supply and demand in terms of qualifications has been on the increase for many years. In 2023, 1.37 million people looking for a job as an assistant were registered as unemployed – 310,000 of them in unemployment insurance. At the same time, there were only 157,000 job vacancies in the assistant sector that were registered with the BA. Arithmetically there were therefore almost nine unemployed people for each registered assistant position. By contrast, there were just two unemployed people for every registered job for a specialist with vocational training. The Federal Employment Agency is therefore under increasing pressure to support unemployed people with obtaining the necessary vocational qualifications and (adaptive) qualifications before placing them in employment.

The alterations in demographics and the labour market are increasing the demand for personnel and presenting companies with increasingly major challenges. Competition for workers and skilled workers is becoming significantly more intense. Even though traditional recruitment by selection and recommendation is becoming increasingly difficult, position-based placement is and remains an important, employer-led task. If personnel requirements cannot be met through placement, the company's personnel situation must be considered as a whole and any need for action must be identified. This is where labour market consultation – advising employers on alternative strategies to secure workers and skilled workers, e.g. through operational personnel development and support services – come in.

2022/23 vocational training year

On the training market, the matching problems of the 2022/23 training year have intensified. Although the number of young people advised throughout Germany increased to just under 1.04 million, the number of registered applicants was 422,000, as in the previous year. Compared with this figure, there were 529,000 registered training positions in companies. There were therefore over 100,000 more registered training positions in companies than applicants. Arithmetically, there were 80 registered applicants per 100 registered training positions in companies – as in the previous year.

It is becoming increasingly challenging to bring together training candidates and businesses. On 30 September 2023, there were 26,000 applicants not provided with a placement. 26,000 applicants were not placed. Despite the more favourable market situation from the applicant perspective, the number of those not placed is higher than in the previous year. In addition, 37,000 applicants who had switched to an alternative occupation were still looking for a training position. The number of unfilled training positions increased to 73,000. For years, balancing the training market has been hampered by considerable regional, occupational and qualification disparities. The fact that the numbers both of applicants not provided with a place and of unfilled training positions have increased can be seen as an indication that matching problems have increased.

Training market 2023

Increasing matching problems with a stable overall situation

422,000
registered applicants for
training places

↓
-0.1%

↑
+0.1%

529,000
registered company training
vacancies

Applicants had good chances of finding a training placement in the following German states:

- Bavaria,
- Thuringia,
- Hamburg,
- Mecklenburg – Western Pomerania,
- Saarland,
- Baden-Württemberg,
- Schleswig-Holstein,
- Saxony-Anhalt.

Regional differences

There were fewer opportunities for an apprenticeship position for applicants in:

- Berlin.

For every 100 in-company training placements registered with the BA, there were 80 registered applicants.

↓ 100
—
80 ↑

There were relatively few applicants per training position in the following sectors:

- Food industry occupations,
- Construction and construction-related industries,
- Hotel and restaurant occupations,
- Mechatronics, automation technology,
- Sales,
- Warehouse logistics.

Occupational differences

There were relatively few applicants in the following occupations:

- Real estate industry,
- Hairdressing trade,
- Software development,
- Joinery,
- Motor vehicle occupations
- Horticulture,
- Painting and decorating,
- Administrative occupations.

Summary at the end of consultation year (30 September, 2023)

↑
+16.3%

26,000
unplaced applicants

↓
-1.1%

37,000
applicants with alternatives

↑
+6.6%

73,000
unfilled training market
vacancies

Contribution of the BA to balancing the training market

Careers advice prior to working life and, if required, the initial integration of rehabilitation counselling services provide young people with early and continuous support in their career and study selection process and with the start of their career, helping them to make independent decisions. The guiding principle is “to help people to help themselves”, according to which an overview of the various options enables young people to select and implement an appropriate option for themselves. Young people who have no specific vocational prospects at the end of their school career can be provided with career guidance and advice through the possibility of data transmission between the states and/or secondary schools and the Federal Employment Agency. By the end of the year, 15 of the 16 federal states had adopted the so-called student data standard in accordance with § 31a paragraph 1 SGB III in their respective state laws. This data transmission option has been used in seven federal states; six more have specific plans to commence initial data transmission to the BA in the current 2023/24 school year. Based on the necessary trials, it remains unlikely that the student data standard in accordance with a § 31a paragraph 1 SGB III will be implemented across the board in all federal states in the coming reporting year. By the end of 2023, the state regulations on data transmission in accordance with § 31a paragraph 2 SGB III were in place in only three federal states.

No young person should ever be lost. In line with this principle, young people with difficult starting conditions must be given special attention with careers advice before working life. With the targeted use of funding, the objective is to support them in completing vocational training.

Vocational rehabilitation and participation in working life

In addition to balancing of the training and labour market, the Federal Employment Agency is also responsible for vocational rehabilitation and participation in working life. In this context, an average of 128,000 people undergoing rehabilitation were looked after by the employment agencies in 2023, more than three quarters of whom will be assigned to initial integration. The main reason for this is that the primary focus of the task is initial occupational integration of school leavers with disabilities. On average, two thirds of the people undergoing rehabilitation were in receipt of funding from the employment agencies. The granting of

funding follows the principle of being “as general as possible and as specific as necessary”. The aim is to achieve occupational integration or training through general funding as far as possible.

Since the beginning of the year, the one-on-one advice consultations have been supported by the online provision from ELOS-Reha. This means rehabilitation applications can be submitted digital, and that forms and information about benefits for occupational rehabilitation can be accessed online. This minimises visits to the authorities, speeds up the transmission of documents and represents a huge simplification for clients.

Labour migration from abroad

Discussion and reporting regarding further development of the law on the immigration of skilled workers have already increased the interest of people from abroad in finding employment in Germany, as well as demand from employers for international workers and skilled workers, even before the regulations have come into force. This is also reflected in the business of the International Placement Services. 233,224 people were advised at the customer centre – an increase of 41 percent on the previous year (165,430 contacts). 15,948 new entrants from abroad were included in the pool of applicants – an increase of 60 percent on the previous year (9,976 applicants). Over the course of the year, 3,746 new employment and training admissions by international employees were supported in Germany. This represents an increase of 27 percent in comparison with the previous year (2022: 2,942 employment and training admissions). There was also a significant increase in demand for admission to the labour market, with 451,385 applications for admission to the labour market – an increase of 32 percent on the previous year – and 383,622 approvals (an increase of 35 percent on the previous year).



Active labour market policy

The instruments of active labour market policy are intended to counteract the rise of unemployment, to shorten the duration of unemployment and to support the balancing of supply and demand on the training and labour market. Within the legal sphere of the third book of the German Social Code (SGB III), the central categories are:

- Measures intended to promote vocational training in accordance with §§ 81 et seq. SGB III can be broadly subdivided into adaptive qualifications for occupation-related and inter-occupational training, funding with the objective of a qualification in a recognised occupation (retraining, preparatory courses for so-called “external examinations” or partial-qualifications to connect occupations) and other measures to enhance qualifications, such as advanced vocational training. These can take from a few weeks to a maximum of three and a half years.
- Measures for activation and occupational integration with a provider in accordance with § 45 SGB III (MAT) can be purchased as a procurement measure from the employment agency, or job-seekers can alternatively obtain an activation and placement voucher, which they can utilise to select a provider for themselves. These measures can take up to three months.
- Measures for activation and occupational integration with an employer in accordance with § 45 SGB III (MAG) are essentially company internships, during which the beneficiaries continue to receive unemployment benefit. They must not exceed a period of six weeks.
- Integration allowances in accordance with §§ 88 et seq. SGB III (EGZ) are wage cost subsidies that employers can receive for a limited period of time when they recruit unemployed people who are experiencing obstacles to finding employment. They are intended to compensate financially for initially lower productivity in the new workplace. The monthly subsidy can amount to up to 50 percent of the regular paid salary and the lump-sum employer’s share of the total social security contribution, and it can be paid for a maximum of twelve months. A maximum funding period of up to 36 months is possible for unemployed people who are over the age of 50.

Scope of active labour market policy in SGB III

The funding statistics of the Federal Employment Agency indicate, among other things, how many people have started one of these support measures. The following figures refer to the 2023 annual value within the legal sphere of SGB III. In cases where information was not yet available by the end of the year, the respective rolling annual value for the period from October 2022 to September 2023 is shown.

In total, 207,100 client of the unemployment insurance started a training measure in 2023, which was funded in accordance with § 81 et seq. SGB III. This is nearly 19 percent more than in 2022. From October 2022 to September 2023, 199,700 participants began to receive funding, 28,100 of whom were seeking a vocational qualification.

Up to September 2023, 44,000 of these admissions had commenced within the framework of funding for employee training (rolling annual value). This was 8,100 or 22 percent more than in the comparable period of the previous year.

A total of 401,900 participants commenced an activation and professional integration measure in 2023. This is a good three percent more than in the previous year. Up to September 2023, the number of new participants starting was at a comparable level (401,100) based on the rolling annual value. Of these, 235,500 started a measure with a provider. This was 3,800 or 2 percent more than in the comparable period in 2022. A further 165,600 unemployed people completed a measure with an employer (+7,400 or +5 percent).

Almost 41,900 people received funding with an integration allowance in 2023, 4 percent fewer than in 2022. Furthermore, almost 4,300 severely disabled people received an integration allowance for the particularly affected severely disabled people in 2023 (–2 percent).

Effect of active labour market policy in SGB III

In accordance with SGB III, the labour market policy services should pursue a social and economic policy mandate, as well as being used effectively and efficiently. With the “Treatment Effects and Predictions” (TrEffeR) procedure, the head office of the Federal Employment Agency continuously examines how participation in active labour market policy measures affects prospects on the labour market for the unemployed in receipt of funding. In order to determine the enhancement impact of a measure, TrEffeR compares the results of unemployed people in receipt of funding with those of “statistical twins” who have received no funding or who have received funding only at a later stage.¹ For the analyses of the remainder, a certain period of time must initially have elapsed after completion of the measure. In addition, the registration of employees for social security is available only with a certain delay. The focus below is therefore on people who completed a measure in 2022. It examines the impact of the funding on the proportion of people who had received funding and were in unsubsidised employment subject to social security contributions 180 days after leaving the measure – and therefore partly in 2023.

Figure 1 shows the proportion of the comparison group of “statistical twins” in employment, as well as the enhancement impact. In the case of funding for vocational training, the results of the two options with the greatest access to funding are shown. Because of the differing participant structure, the people in receipt of funding in different measures – and therefore also the effects of the measures – are not directly comparable.

In the group of those in receipt of funding, after adaptive qualifications for occupation-related and inter-occupational training, 15 percentage points more were employed 180 days after leaving the measure than in the comparison group of “statistical twins” – where the figure was 47 percent. In the case of group measures with a vocational qualification, 54 percent were employed in the comparison group, and it was only 13 percentage points more among those who had received funding.

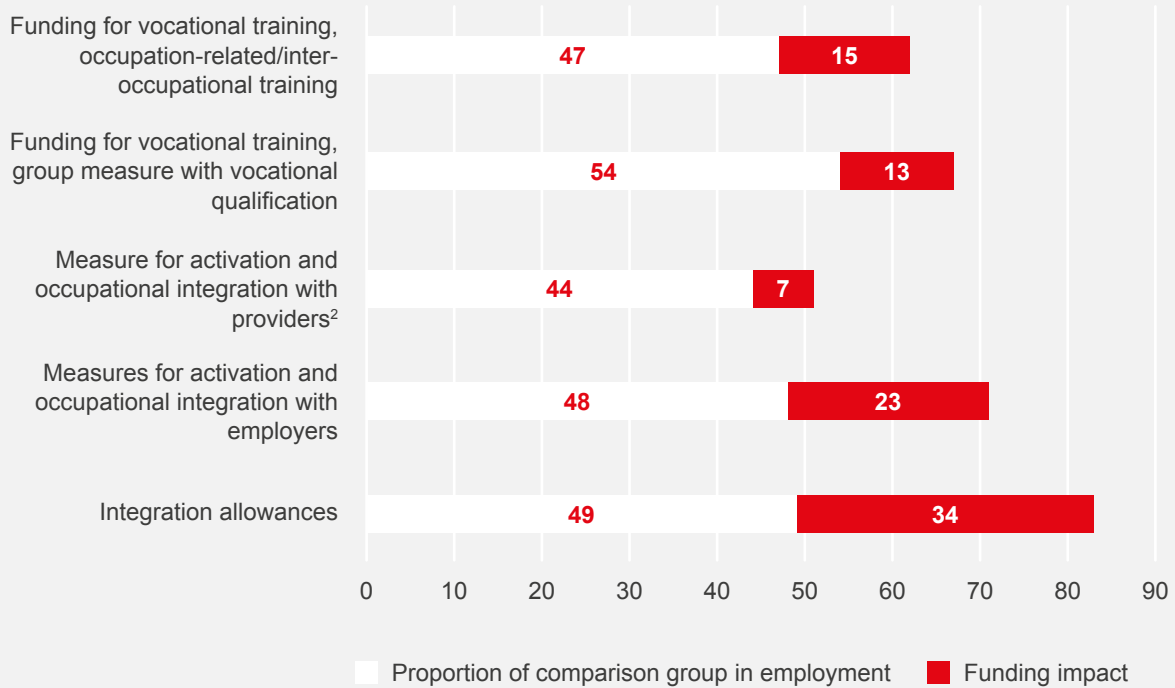
Funding with a measure for activation and occupational integration with a provider – without introduction to self-employment and stabilisation of the start of employment, and without purely results-based placement – increases the employment rate slightly among funding recipients one year after the start of funding by about 7 percentage points, compared with 44 percent in the comparison group. Supplementary analyses show that whether participants were assigned directly by the employment agency or whether they selected a provider for themselves by using a voucher has no significant impact on effect.

Funding with a measure for activation and occupational integration with an employer increased the employment rate by 23 percentage points 180 days after leaving the measure among those in receipt of funding, whereas 48 percent of the “statistical twins” were in employment.

After 180 days, the proportion of employees among those who received an integration allowance is around 34 percentage points higher than those without the funding (49 percent).

¹ For calculation of the remaining results, the twins in receipt of funding are assigned the measure start and end date of their unfunded twin.

Figure 1: Funding impact of labour market policy measures on unemployed people in receipt of funding



Proportion of the comparison group in unfunded employment subject to social security contributions and funding impact on unemployed people in receipt of funding within the legal sphere of SGB III 180 days after leaving a labour market policy measure that ended in 2022 (in percentage points or percent); source: TrEffer; own evaluation.

Observations: 90,581 (funding of vocational training, occupation-related/inter-occupational training), 13,859 (funding of vocational training, group measure with a vocational qualification), 192,564 (measures for activation and occupational integration with providers), 148,697 (measures for activation and occupational integration with employers) and 34,883 (integration allowances).

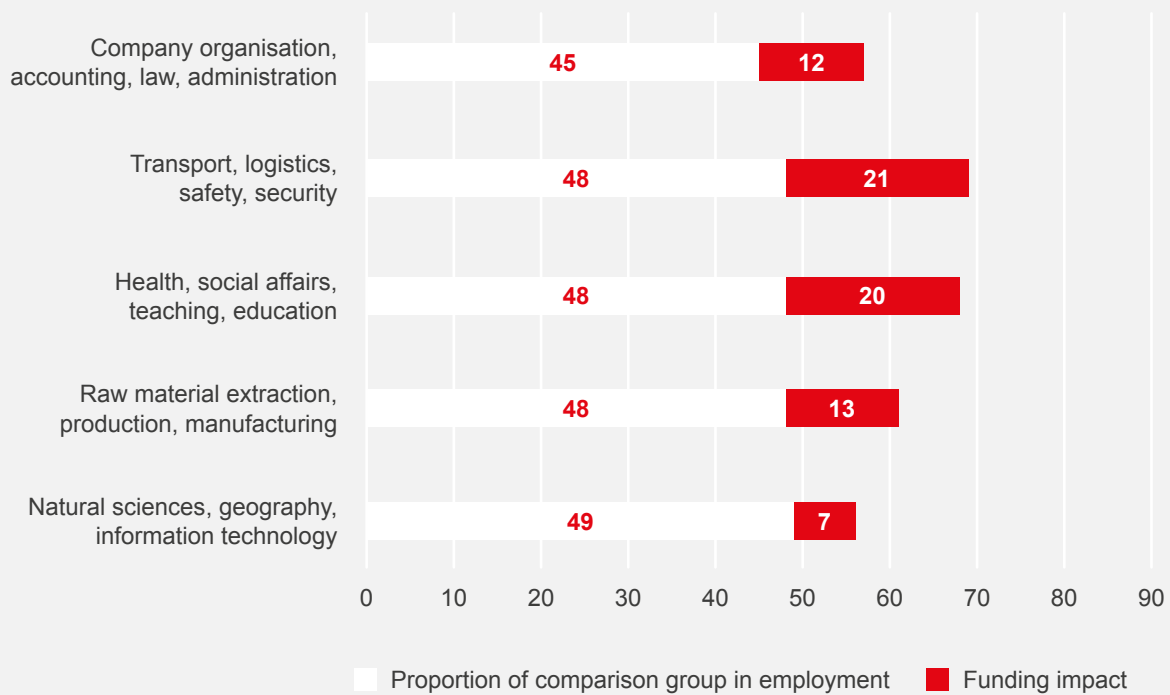
The estimated funding impact therefore appears to be particularly high among people who have received funding with company-based measures. However, a company has already decided to hire and/or offer them a trial period, which could indicate that these people in receipt of funding demonstrate positive attributes that may not be fully reflected in the data. In addition, there may be side effects that cannot be measured with the methodology used here, particularly with regard to company-based measures: if a company had hired someone even without a funding measure and had continued to employ that person for this period

it would be called a pick-up at company level. Substitution and displacement would occur if the funded employment displaced unfunded employment – either in the same company or in other companies, for example, because their production would necessarily be more expensive without funding.

Additionally, for occupation-related/inter-occupational training – i.e. adaptive qualifications with a duration of up to six months – in the five occupations with the most participants in which training took place, figure 2 shows that the

² Only pre-accession to the markers provided for training and, identification/reduction/elimination of obstacles related to placement, combined benefits

Figure 2: Funding impact of occupation-related/inter-occupational training on unemployed people in receipt of funding



Proportion of the comparison group in unfunded employment subject to social security contributions and funding impact on unemployed people in receipt of funding within the legal sphere of SGB III 180 days after leaving occupation-related/inter-occupational training that ended in 2022, by training occupation (in percentage points or percent); source: TrEffeR; own evaluation.

Observations: 90,581 in total and in the occupations (from the top downwards) 26,127, 22,732, 14,647, 11,048 and 10,166.

greatest impact was achieved among those who received funding in the areas of transport, logistics and security as well as in health and social affairs.

Overall, the results are consistent with the findings of the institute for employment research (IAB) for earlier funding cohorts. According to this, most measures improved the employment prospects of certain – albeit not all – groups of people. Targeted funding is therefore important. Moreover, for funded training, the impact research of the IAB has shown: the worse the employment prospects of par-

ticipants were before starting the measure, the more they benefited from funding. Shorter measures here are associated with lower costs and lead to faster reintegration into the labour market. However, the higher and more sustainable results were observed in measures that led to a recognised training qualification (retraining).



Financial results in SGB III including performance of reserves as well as performance of the pension fund

For the first time since the coronavirus pandemic, the budget of the Federal Employment Agency included a small surplus of 2.1 billion euros for 2023, after use of the reserves of almost 26 billion euros owing to the extreme additional expenditure, particularly for the short-time work allowance. At the time of preparation in Autumn 2022, however, there were strong economic uncertainties owing to possible energy supply and price trends and their effects on the labour market.

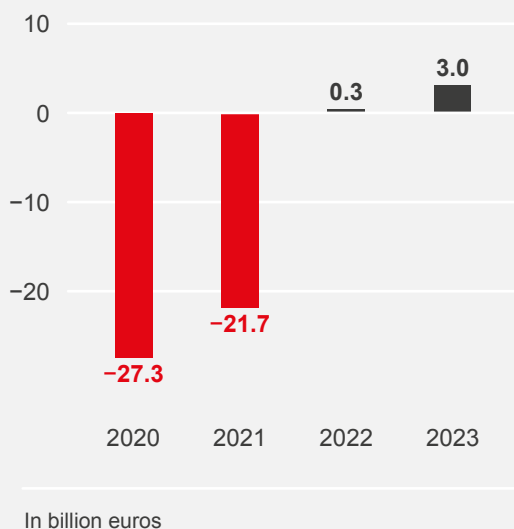
Ultimately, a surplus of 3.0 billion euros was achieved, as short-time work in companies was reduced more quickly than expected. Expenditure for core business (active employment assistance) increased significantly for the first time since the pandemic.

Last year, the BA generated income of 42.24 billion euros. The result of the previous year was exceeded by 4.41 billion euros or 11.7 percent. Income from contributions to unemployment insurance amounted to 36.06 billion euros in 2023. This is 4.41 billion euros or 13.9 percent more than was collected in 2022. The main reason for this is the return to the statutory contribution rate, from 2.4 to 2.6 percent from 2023. When adjusted, this represents an increase of 5.2 percent compared with the previous year. An average amount of around 1,060 euros per person liable for contributions was collected. The number of employees subject to social insurance reached a new record value – as an annual average – of 33.35 million people (growth of 0.7 percent).

For expenses and services provided by the BA for tasks related to basic social security for job seekers, the federal government reimbursed 3.90 billion euros as administrative costs last year (+219 million euros or +5.9 percent compared with the previous year).

Additional reimbursements and administrative income (including for the implementation of family benefit compensation and income from funds from the compensation charge) amounted to 1.03 billion euros in 2023 and were 83 million euros or 8.8 percent higher than the comparable result of the previous year. Meanwhile, another reason for the higher income is notably achievable interest, in particular on the reserves for insolvency and/or winter employment.

Figure 3:
BA budget balance



Income and expenditure

In billion euros

	2020	2021	2022	2023	2023 Compared with 2022
Total income	33.7	35.8	37.8	42.2	+4.4
Of which contributions to unemployment insurance for permanent employees	28.2	29.6	31.7	36.1	+4.4
Total expenditure	61.0	57.6	37.5	39.2	+1.7
Of which cyclical short-time work allowance	22.1	20.2	3.2	0.5	-2.7
Of which active employment assistance (excluding cyclical short-time work allowance)	8.2	8.4	7.9	8.6	+0.6
Of which unemployment benefit	20.6	19.4	16.5	18.8	+2.2
Of which insolvency benefit	1.2	0.5	0.5	1.2	+0.7
Of which administrative expenses including basic social security and family benefit	8.8	8.8	9.1	10.0	+0.9
Result (balance of income and expenditure)	-27.3	-21.7	0.3	3.0	+2.7
General reserves	6.0	0.0	0.0	3.0	+3.0

In 2023, the BA received income amounting to 748 million euros from the insolvency fund, 315 million euros less than in the previous year. It must be taken into account here that the respective applicable contribution rate was reduced from 0.09 percent to 0.06 percent with effect from 2023.

Income from the winter employment levy amounted to 514 million euros (+20 million euros in comparison with the actual figure for 2023).

Expenditure amounted to 39.23 billion euros in 2023 and was 1.70 billion euros lower than the result in the previous year. This decrease is mainly due to lower expenditure on the cyclical short-time work allowance.

In the reporting year, 478 million euros were spent on the cyclical short-time work allowance. From the second quarter of 2022, social security contributions are no longer reimbursed for receipt periods. Compared with 2.27 billion



euros for the short-time work allowance (plus 953 million euros for social security contributions) in the previous year, expenditure decreased significantly by 2.75 billion euros or 85.2 percent. However, the pre-crisis level has not yet been fully achieved.

The 12-month average number of short-term employees for cyclical reasons was 145,000 from November 2022 to October 2023 (extrapolated from July 2023). In the same period of the previous year, an average of 439,000 people were still receiving the short-time work allowance. The 2023 budget assumed an annual average of 253,000 short-time employees for 2023. The actual figure was 1.20 billion euros lower than the target of 1.68 billion euros planned in the 2023 budget.

The number of benefit recipients rose to an annual average of 799,000 in 2023, following 730,000 in the previous year. At the time of budget preparation for 2023, 735,000 benefit recipients were still expected. This assumption was significantly exceeded, such that expenditure on unemployment benefit in the case of unemployment amounted to 18.76 billion euros by the end of the year. Compared with the previous year, this represents additional expenditure of 2.24 billion euros or 13.5 percent. At 1,976 euros, average per capita expenditure in 2023 was significantly higher than in the previous year (1,890 euros).

The initially budgeted expenditure of 17.96 billion euros was exceeded by 801 million euros, mainly because of the higher than planned number of people in receipt of benefits. The BA accordingly applied for higher-than-planned expenditure, which was approved in November 2023 by the Federal Ministry of Labour and Social Affairs in consultation with the Federal Ministry of Finance.

Owing to an unforeseeable major insolvency, among other things, the 900 million euros of planned expenditure in the budget were exceeded by 336 million euros or 37.4 percent. Expenditure at the end of the year amounted to 1.24 billion euros. At the same time as the unscheduled expenditure on unemployment benefit, the BA applied for unscheduled expenditure of 500 million euros on insolvency benefit. Approval was granted in line with the higher-than-planned expenditure on unemployment benefit.

The BA spent 8.56 billion euros last year (+7.9 percent or 627 million euros in comparison with the previous year) on active employment assistance (to improve comparability without the cyclical short-time allowance). The actual figure was 1.07 billion euros or 11.2 percent lower than the target.

In 2023, spending from the budget under the heading of integration amounted to around 2.77 billion euros, around 219 million euros or 8.6 percent more than in the same period in the previous year. The actual figure was 406 million euros or 12.8 percent lower than the target. In 2023, at 1.94 billion euros, around 278 million euros or 16.8 percent more than in the previous year was spent on funding training (under the heading of integration and other active employment assistance benefits).

Expenditure on further active employment assistance benefits amounted to 5.78 billion euros in the past year and was 408 million euros or 7.6 percent above the result of the previous year. The actual figure was 669 million euros or 10.4 percent lower than the target.

Around 10.58 billion euros were budgeted for 2023 for personnel and administrative expenses within the legal sphere of SGB III, for collection cost reimbursements, for personnel expenses in SGB II and for the provision of services for the legal sphere of SGB II. Expenditure amounted to 10.01 billion euros by the end of the year. The actual figure was 569 million euros or 5.4 percent lower than expected.

In 2023, the BA injected around 0.6 billion euros into the pension fund for pension reserves. The reserve therefore amounts to 8.0 billion euros at the end of 2023. Future pension obligations are currently underfunded, so injections must be increased from 2024.

Personnel at the Federal Employment Agency

The Federal Employment Agency is a diverse employer. Of the 113,000 employees on 31 December 2023, 14.5 percent had a migrant background³ – overall, the BA offices employed people of 103 different nationalities. 11.6 percent of employees have a recognised severe disability or are equivalent to severely disabled employees; the figure for management positions is 5.6 percent. 40.1 percent perform their roles part-time (38.8 percent in 2022). In the previous year, the BA also had 113,000 employees, 11.4 percent with a recognised severe disability or equivalent.

Most of the roles at the Federal Employment Agency are performed by women: 72.0 percent of all employees are female. At the end of the year, more than half of the management positions in the BA offices – specifically 54.7 percent – were held by women. With an unchanged proportion of females across all employees, the Federal Employment Agency was able to fill more management positions with women (53.5 percent in 2022).

Staff capacity of the BA in full-time equivalents

	Total		Unemployment insurance as well as basic social security services		Basic social security		Family benefits	
	Actual value from previous year	Actual	Actual value from previous year	Actual	Actual value from previous year	Actual	Actual value from previous year	Actual
Total	100,700	100,500	55,600	55,000	39,400	39,600	5,600	5,900
Of which permanent employees	93,900	94,700	50,400	50,800	38,400	38,500	5,100	5,400
Of which fixed-term employees	6,800	5,800	5,200	4,200	1,000	1,100	500	500
Proportion of permanent employees	94.2 %							
For information								
Students	1,500	1,500						
Trainees	2,200	2,100						

Status: December 2023 (current actual status; actual value from the previous year transferred from the notification for last year's report for the reporting month of December 2022). Data source: HR report.

³ Data based on voluntary details provided in the context of a staff survey conducted every two years.



Demographic trends in Germany are also affecting the Federal Employment Agency: around 40 percent of employees will leave the authority in the next ten years – either for reasons of age or as a part of regular staff turnover owing to job offers outside the BA. At the same time, the potential labour force available in Germany will decrease by around 6.5 million people.

In terms of personnel policy, the Federal Employment Agency is using various levers to counteract this trend. In 2023, for example, an employer brand was developed which focuses on meaningful work at the BA as a special feature and thereby serves to position the BA as an attractive employer in the public perception. Based on this employer brand, target group-specific personnel marketing is being expanded further and recruitment is receiving targeted support through a cross-media marketing mix and through campaigns. In 2023 alone, 8,100 new employees were recruited, including 490 students and 780 trainees.

In addition to the recruitment of external applicants and the training of junior employees, the Federal Employment Agency meets its staffing requirements through appropriate internal personnel development measures and training courses for those already employed at the BA.

In addition, the optimisation of operational processes and the systematic automation of BA services will have to make an increasingly significant contribution to resolving the demographic challenges of the Federal Employment Agency. These processes are explicitly not set up to reduce jobs but rather to compensate for future labour shortages and to prevent overloading of the remaining labour force. They will be implemented according to the human-friendly automation value basis of the BA Executive Board. In automation, the focus is therefore extended from a purely technological perspective to the effects on employees and customers (human-friendly).

Corporate Governance

The Federal Ministry of Finance has drawn up the Public Corporate Governance Code (PCGK) in connection with the Federal Government's participation policy. The PCGK applies to companies of which the federal government is a majority shareholder, which are not listed on the stock exchange. The PCGK is therefore not directly applicable to the Federal Employment Agency. The following representation of the "corporate governance" of the BA is therefore only on the basis of the PCGK. For the BA, as a federal corporation that is a legal entity, the governance structures are primarily prescribed by statutory provisions (§§ 367 et seq. SGB III). They are substantiated by the constitution of the BA as well as the rules of procedure of the Board of Governors and the Executive Board.

Executive Board

The Executive Board manages the Federal Employment Agency, directs its business and represents the BA in and out of court. It consists of a chairperson and three other

members. According to the rules of procedure of the BA Executive Board, business areas are assigned to each board member. Each member of the Executive Board essentially performs the associated functions independently.

Board of Governors

The Board of Governors, which comprises 21 members and is composed of one third each of representatives of the employees, the employers and the public bodies, is responsible for monitoring and advising the Executive Board with regard to all matters relating to the labour market. The constitution of the BA defines the right of the Board of Governors to reserve approval and authorisation of important decisions, in particular on setting of the strategic direction and business policy objectives of the BA, on important organisational and personnel decisions and on legal transactions of importance for business policy. It also has legislative rights (determining the constitution of the BA, directives in accordance with SGB III).

The Board of Governors proposes the appointment of the Executive Board members to the federal government, and can decide on their dismissal with the approval of the federal government. The members of the Board of Governors perform their role on a voluntary basis. They must not be impeded from taking up or performing the voluntary function or be disadvantaged by taking up or performing such a function. They are not subject to the instructions of the body that has appointed them.

Budget and auditing

The provisions of the federal budget code apply mutatis mutandis to the preparation and execution of the budget, as well as to other budget management of the BA. The general principles of budget management must be observed (§ 77a SGB IV). The Board of Governors adopts the budget of the BA that is set by the Executive Board (§ 71a SGB IV). The Federal Audit Office examines the annual accounts of the BA (§ 111 federal budget code).

Internal audit

In accordance with the statutory provisions in SGB III, the internal audit of the BA examines whether services should have been provided in compliance with the statutory provisions or could have been utilised in a more appropriate or cost-effective manner. The internal audit department reports to the Executive Board and the Board of Governors.

Risk management

In addition to the statutory provisions, the Executive Board has established an institutionalised risk management system through which it regularly receives information about risks that have occurred and possible risks in the future. The aim is to plan preventive actions to protect the organisation. The Board of Governors receives a report every six months.

Compliance organisation

The Executive Board has set up a compliance organisation in line with the statutory requirements for public limited companies. This acts both preemptively, in particular with training on corruption prevention, and repressively in cases of suspected malicious activities by BA employees. It also fulfils the function of the internal reporting office, in accordance with the Whistleblower Protection Act.

Equality and inclusion

The Federal Employment Agency pursues macrosocial objectives, such as equality between women and men within authorities and inclusion with a focus on people with disabilities, both on its own initiative and on the basis of statutory obligations (e.g. the Federal Equal Opportunities Act, the Disability Equality Act, the UN Convention on the Rights of Persons with Disabilities). These interdisciplinary functions are located at the head office and implemented both through consulting and knowledge transfer activities and through support for control and change processes for the purpose of mainstreaming.

Publisher
Federal Employment Agency
90327 Nuremberg
Executive Board
April 2024
www.arbeitsagentur.de

Design
RHEINDENKEN GmbH
Communication Agency
Cologne

The annual report can be
downloaded from:

www.arbeitsagentur.de

- About us
- Our publications
- Reports and budget
- Annual Report 2023



Simply scan the QR code
with your smartphone.