



STEERING THE COURSE IN TURBULENT TIMES
2009 Annual Report

© 2010 **Bundesagentur für Arbeit (BA)**, Regensburger Straße 104, 90478 Nürnberg

Mail address: Postfach, 90327 Nürnberg

Telephone +49(0)911 179-0, Fax +49(0)911 179-2123

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2009 ANNUAL REPORT

The Fifty-Eighth Annual Report of the Bundesagentur für Arbeit

In compliance with Section 393 Subsection 2 SGB III (Book III of the Social Code), the Executive Board hereby submits the following Annual Report, approved by the Board of Governors, for the period from 1 January to 31 December 2009.*

*Discussions of matters relating to SGB II (Book II of the Social Code) are not subject to approval by the Board of Governors of the BA.

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FOREWORD FROM THE EXECUTIVE BOARD

Dear Readers,

one word dominated the year 2009: crisis. This also heavily affected the Bundesagentur für Arbeit (Federal Employment Agency - BA). We felt the effects of this until now unheard-of economic slump in the operative business as well as regarding our financial situation, and we mastered the challenges of this situation well.

The outlook for the year 2009 was more than bleak: Experts forecast a shrinking of the economy of up to 6.5 percent and an almost explosive increase in unemployment. These fears did not prove true. The overall labour market turned out to be surprisingly resilient despite the economic development. This mainly owes to the labour policy instrument of short-time work, which was and still is heavily used by enterprises. However, there is no reason for an all-clear. The structure of the labour market has worsened: Lost full-time positions have been replaced by part-time positions, working time accounts have been used up and employment is decreasing.

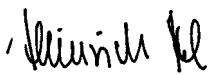
The rise in unemployment remained moderate mostly due to the political decision to improve the modalities of short-time work and particularly to extend the benefit duration. However, a price had to be paid for this. Expenditures for short-time allowance were over EUR five billion. Major expenditures of the BA due to the recession coincided with an again reduced contribution fee at the beginning of the year. Consequently, the financial reserves of the BA, which still were almost EUR 17 billion at the end of 2008, are almost exhausted.

All in all, there is still a positive outcome. The BA made its contribution in fighting the worst economic crisis since the Second World War and proved to be valuable and indispensable. The BA's right to exist was therefore never really up for discussion in the coalition negotiations of the new government.

For this achievement, we thank all our employees who had to master these unexpected challenges. Likewise, we are extremely grateful to all our partners in the political, economic and social spheres, especially to our Board of Governors and to the Federal Ministry of Labour and Social Affairs (Bundesministerium für Arbeit und Soziales - BMAS).

In the field of basic benefits, the close cooperation with local authorities proved to be of value. The implementation up to now has proven the importance of connecting local assistance with the BA's labour market policies to achieve social stabilisation. This constructive path will be followed also in the future.

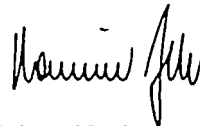
In 2010, the pressure on the BA will remain high. The consequences of the downturn will take its full effect on the labour market and cost the reorganisation of SGB II time and effort. Against this background, it is important that politics decided to balance the BA's financial consequences of the crisis with a non-recurring grant. Thus, the BA remains capable of acting and a strong partner for the people.



Heinrich Alt
Head of Basic Benefits



Frank-J. Weise
Chairman of the Executive Board



Raimund Becker
Head of Unemployment Insurance



FOREWORD FROM THE BOARD OF GOVERNORS

The BA started into the fiscal year of 2009 under difficult conditions: The most severe financial crisis in the history of the Federal Republic, which broke out in 2008 and caused massive order and sales slumps for German companies, increasingly threatened to spread to the labour market.

The BA's Board of Governors and the Executive Board reacted in time and provided the basis for the public employment service to face the challenges on the labour market well prepared and endowed with sufficient resources. With the Act for Employment and Stability in Germany (Gesetz zur Sicherung von Beschäftigung und Stabilität in Deutschland) (economic stimulus package II), the German government set the essential future directions. This legislative package considerably simplified the entry requirements for short-time allowance and lowered the operational costs of short-time work. Additionally, the Federal Government and the Board of Governors expanded the possibilities for qualification while receiving short-time allowance. The BA supported the economic stimulus package II with information, consultation and promotion and communicated the additionally created measures of employment security to enterprises via various channels of information. For example, the employer service, which has been continually improved over the past years on initiative of the Board of Governors, advised enterprises purposefully on the use of short-time allowance and additional possibilities of qualification. The enormous efforts of the public employment service supported by the Executive Board and Board of Governors substantially contributed to the broad implementation of the instrument of short-time allowance and its swift and unbureaucratic payment. This helped many companies to secure as many jobs as possible despite massive order and sales slumps. Also with this contribution of the BA in the fight against the effects of the economic crisis, the Board of Governors feels vindicated in its efforts to reshape the employment service through a comprehensive process of reforms into an efficient institution of social insurance.

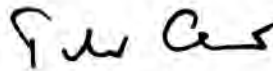
The steering of labour market policy measures according to effect and efficiency established as part of the reforms was a major basis for the targeted implementation of the promotion instruments. Today, job-seekers receive better support and the contributions to unemployment insurance are used more effectively and efficiently. Not least this allowed the BA to face the economic crisis with a financial reserve of EUR 17 billion despite significant decreases in the contribution rate to the unemployment insurance. The BA used the major part of these reserves in 2009 to overcome the consequences for the labour market and thus made a disproportionate contribution to crisis management. The Board of Governors made clear early on that further special charges for managing the crisis on the labour market cannot solely be financed from the funds of the unemployment insurance. Therefore, the Board of Governors explicitly appreciates that the German government has taken up on the Board of Governor's initiative to balance the deficit in the BA's budget with expected EUR 16 billion, thus absorbing the crisis-related additional financial burden, if only for a year. However, this will not avoid deficits in the next budget years. The large majority of the Board of Governors renews its criticism on the integration contribution of annual EUR 5.5

billion as of 2010 and sees this as an unconstitutional interference of the government in the contribution-financed system.

Since especially in the current crisis situation people with low qualification are having severe problems finding new employment, the Board of Governors in cooperation with the Executive Board initiated a targeted initiative to support the structural change. Within this initiative, additional budgetary means are available to guide more unemployed persons without vocational qualification towards such a qualification. Furthermore, the Board of Governors will continue to urge the BA to continuously improve its general service offer.



Annelie Buntensch
Chairwoman of the Board of Governors



Peter Clever
Deputy Chairman of the Board of Governors



MAJOR EVENTS IN THE FISCAL YEAR 2009

13 FEBRUARY 2009

Board of Governors determines additional budget 2009 for the implementation of the economic stimulus package of the Federal Government; in particular increase of the integration item and expansion of short-time allowance

FEBRUARY

APRIL

JUNE

JANUARY

MARCH

MAY

1 JANUARY 2009

The Act on the Reorientation of Labour Market Policy Instruments (Gesetz zur Neuausrichtung arbeitsmarktpolitischer Instrumente) comes into force

31 MARCH 2009

BA and "Welt der Wunder" launch Internet TV format www.wdwip-jobxl.tv

14 MAY 2009

Job Training Day – offering training also in times of crisis and securing the supply of young specialised workers

31 AUGUST 2009

BA and Deutsche Telekom launch nationwide model project for the integration of disadvantaged young people into the training market

9 OCTOBER 2009

Board of Governors issues the first amendment to the directive on the promotion of preliminary qualification

13 OCTOBER 2009

Positive outcome at the end of the vocational guidance year 2008/2009 despite the economic crisis - fewer applicants not helped and numerous open training positions

17 DECEMBER 2009

Board of Governors issues a directive on the determination of the performance-related allowance for the placement in vocational in-house training of participants in training preparation measures

Board of Governors reconfirms 2010 budget in due consideration of approval requirements by the Federal Government

AUGUST

OCTOBER

DECEMBER

JULY

SEPTEMBER

NOVEMBER

1 JULY 2009

Increase of the standard rates of basic benefits for job-seekers from EUR 351 to EUR 359

Annelie Buntenbach becomes the new chairwoman of the BA's Board of Governors

17 JULY 2009

Board of Governors determines the BA's new business policy goals 2010 in the field of unemployment insurance

Board of Governors agrees to more than planned expenditures and commitment appropriations, in particular for short-time allowance, unemployment benefit and insolvency payments

2 SEPTEMBER 2009

Introduction of the BA's new job exchange JOBBÖRSE – improved operation and more service

16 SEPTEMBER 2009

The BA's Family Benefits Office (Familienkasse) offers the new Internet-based service "Kindergeld Online" (Child Benefit Online)

From now on, parents can access their application for child benefit at the BA's web pages, fill it in on the monitor and send it online

11 NOVEMBER 2009

BA respects data protection: The adherence to data protection in JOBBÖRSE is regularly checked in close cooperation with the Federal Commissioner for Data Protection – process in JOBBÖRSE is safe and meets the legal specifications of data protection

13 NOVEMBER 2009

Board of Governors discharges the BA's Executive Board from liability in respect of the financial year 2008

Board of Governors agrees to more than planned expenditures for insolvency payments

Board of Governors adopts the Budget of 2010

BRIEF REPORT ON FISCAL YEAR 2009

Global Economic Crisis Challenges Labour Market Actors

Short-time work avoids increase in unemployment

The global crisis of the finance and banking sector captured the whole economy in 2009. The effects on the German labour market were, however, moderate. Contributing factors were the foresighted business policy of the BA and farsighted personnel policies of the enterprises. The demographic development of the labour force potential brought further relief. Furthermore, short-time work proved to be especially absorbing; the claiming of short-time work was simplified by legal changes. After the number of unemployed persons had decreased to an annual average of 3.268 million in 2008, it increased to 3.423 million in 2009, which is comparably low on the background of the extent of the economic crisis. Whereas the number of reported vacancies decreased significantly. At the same time, individual industries are having increasing difficulties filling vacancies, which can be seen as a first signal of a threatening shortage of skilled workers.

The employment of women in less cyclically sensitive occupational fields led to them being less affected by unemployment and short-time work. They benefit from the continuously high demand of skilled workers in the services sector.

Despite recession: easing of tension on the training market

The situation on the training market further relaxed in 2009 despite the difficult economic framework. Contributing factors were the demographic decrease in applicant numbers, the relatively stable offer of in-house training positions (-5.6 percent of positions reported to the joint agencies (ARGE) compared to the previous year) and the promotion measures of the BA. According to the BA's vocational guidance statistics, there were again more reported unfilled training positions than applicants without training at the employment agencies and ARGE at the end of the vocational guidance year. The number of applicants from former school-leaving years could be reduced. The share was 45.7 percent in 2009. Regional and structural differences make it difficult to fill numerous positions and make continued targeted efforts for effective training placement necessary.

Good Services through Motivated and Qualified Staff Combined with Up-to-Date eGovernment

Reinforcement in fields of placement and benefits

Securing employment in enterprises through timely and correct granting of short-time allowance, but also numerous other increased demands resulting from the crisis could be met with short-term staff increase of the placement and benefit departments in the employment agencies and in basic benefits for job-seekers. New employees were systematically selected and qualified so they could soon handle their complex tasks in high quality. On a technical level, the revision of JOBBÖRSE made its contribution. Germany's biggest online job portal is now up to date.

Another central role was the consultation of employers and employees on the subject of short-time work to create employment potentials for the time after the crisis. Here, the consultation on further training during short-time work was in the fore.

Despite a significant workload, essential service standards like availability, quality of consultation and granting of benefits etc. could be maintained on a high level within the framework of customer orientation.

Continuously high service standards

Improvements in the Legal Sphere of SGB II

The field of basic benefits for job-seekers has seen a continuous improvement in integrating people into the labour market. The crucial factors were professionalised assistance and placement processes and the labour market. Especially the nationwide introduction of the 4-phase model (4-PM) was an important foundation in improving the cooperation over legal spheres between unemployment insurance and basic benefits for job-seekers as well as the integration benefits within basic benefits. The model describes the process of employee-oriented integration work in an ideal way and therefore serves as a reference model for placement and consultation. Particularly supported are the compliance with legal minimum requirements and a high quality of task execution which can be compared nationwide. The regularly conducted quarterly survey also shows how satisfied customers are with the quality of service in basic benefits for job-seekers. Almost 40 percent awarded grades of 1 or 2.

4-phase model introduced nationwide

International Relations

The EU Commission and the World Association of Public Employment Services had the German answers to the crisis presented on international platforms. Thus, short-time work was adopted with changes in many countries as a German model. Furthermore, the BA was confirmed for further three years in the function as vice president for the European Region.

New and Further Development of Innovative Courses of Action

The approaches from the action programmes "Innovation" and "Prävention" (innovation and prevention) developed in 2008 are increasingly incorporated in the operative business. Besides various initiatives on prevention of low qualification and youth and long-term unemployment, the subject of "migration" was important in the past fiscal year. Here, the focus was on young people with a migration background who received support with holistic integration coaching at the transition between school and employment. A new field of activity was the development of innovative ideas and approaches to face future challenges on the labour market well prepared.

New approaches in active labour market policies

*Effects analysis as
constant duty and source
of information*

The deep understanding of the effects of labour market instruments is an important prerequisite for the requirement-oriented and effective support of customers. To live up to this demand, the BA's effects analysis TrEffeR (Treatment Effects and Prediction) was developed. This reporting system shows the regulation instruments of active employment promotion in a highly differentiated way.

Marketing

The BA's business policy goals were supported actively in 2009. "Aktiv für Arbeit" (Active for Labour) was established as core message for the marketing activities and as connecting element for communication with all target groups. The economic situation in Germany also determined the subjects of the campaigns. Consequently, the joint campaign with the Federal Ministry of Labour and Social Affairs (Bundesministerium für Arbeit und Soziales - BMAS) on short-time work "Einsatz für Arbeit" (Commitment for Labour) and resulting from that the qualification initiative "Stärke in Zeiten der Krise entfalten" (Development of Strengths in Times of Crisis) were focal points in the employer area. Also the campaign for the new start of the JOBBÖRSE was of high priority: "Jetzt einfach für alle" (Now Easy for Everyone). Young people were further supported in their professional orientation with the online campaign www.planet-beruf.de and the activities within the campaign "JobAttacke" (Job Attack) by the BRAVO magazine. Furthermore, for the first time an employer-oriented campaign named "Hilfreiche Hände" (Helping Hands) for beneficiaries of basic benefits was conducted.

Outlook on the Fiscal Year 2010

*Increased transparency
with regional labour market
monitor*

To create transparency on local employment risks and chances, the BA will launch the regional labour market monitor nationwide in 2010. It is based on national estimations of different industries which are scaled down to regional employment structures, checked locally and adapted. Complemented with the analysis of the structural condition of each region, which is important for the ability of short-time compensation of the employment risk, it offers local protagonists a decision-making aid for setting priorities.

*New SGB II organisation
necessary*

In 2010, the challenge will remain to find a solution for the fast development and implementation of a SGB II organisation structure. Here, not only the new organisation of responsibilities but also meeting the special needs of the persons concerned has to be considered.

Experts fear that the consequences of the economic and financial crisis will affect the labour market more significantly in 2010. To meet these consequences, the subject of short-time work will continue to play an important role.

The economic situation in individual industries and regions will lead to structural adaptations. Against this background, the BA will launch an initiative to support the structural change in 2010. The budget planned for this will primarily be used for practice-oriented qualification of low-skilled workers.

BUSINESS POLICY OBJECTIVES

Framework Conditions for 2009

The fiscal year 2009 was marked by a significant downturn of the total economic performance. Through stabilising measures of the Federal Government, employer-oriented personnel policies of enterprises and proactive business policies of the BA, the negative dimension for the labour market presented itself far less significant than forecasted at the beginning of the year.

Framework conditions in a year of economic crisis

Key framework conditions of the labour market

Annual results

	2005	2006	2007	2008	2009
Gross domestic product, changes against the previous year in percent	0.8	3.2	2.5	1.3	-5.0
Persons in employment, changes against the previous year in percent	-0.6	0.6	1.7	1.5	-0.2
Annual average of unemployed persons (in thousands)	4,861	4,487	3,776	3,268	3,423
of that SGB III	2,091	1,664	1,253	1,011	1,194
of that SGB II	2,770	2,823	2,523	2,257	2,229
Annual average of reported vacancies (in thousands)	413	564	621	568	486

Steering and Achievement of Goals in SGB III

In principle, the direction of the BA's business policies set in accordance with the Board of Governors remained unchanged in 2009 compared to the previous years: preventing unemployment, integrating people into work quickly, attaining a high degree of customer satisfaction, and working with funds received through contributions in a way that is both effect-oriented and cost-effective.

The 2009 labour market was marked by a lower capacity and an increased employment risk for employees compared to the previous year. Thus, the main activities of the BA in the field of benefits financed by contributions were the integration process and securing employment. Against this background, the original objectives were adapted through expected values in the spring of 2009 after publishing of the Annual Economic Report of the Federal Government.

Preventing and ending unemployment remains in the fore

Preventing Unemployment

The economic crisis presented the BA with special challenges in 2009. The labour market had to be stabilised by use of the following preventive approaches:

- Effective and fast support in securing employment to avoid unemployment from arising in the first place,
- Further training of low-skilled and elderly employees in enterprises (WeGebAU) as well as
- Promotion of further vocational training during short-time work.

Thus, despite the difficult circumstances in 2009, 260,000 employees whose employment contract was due to expire in the near future managed to find a new employment with a seamless transition. That was 31,350 less than the year before.

Especially the adoption of short-time work, which helps companies in Germany to avoid dismissals and hence to bridge the economic downturn without massive staff cuts, contributed to the stabilisation of the labour market. For example, 63,900 companies adopted this possibility for 1,415,800 short-time workers in June 2009; in the same month of the previous year there were only 5,100 companies with 39,300 short-time workers.

Further training of employees to reduce the danger of unemployment

The economic crisis emphasises that a sound level of education reduces the risk of unemployment. This was another reason for the BA to again intensify the activities in the field of qualification and further training of employees in 2009. Including the additional budget within the framework of the economic stimulus package II and ESF funds of the Federal Government, certified further training measures for securing employment for almost 173,600 employees were promoted in 2009. The funds planned for securing employment in 2009 amounted to a total budget of EUR 750 million, further training of low-skilled workers and older employees in employment (WeGebAU) constituting the biggest part with EUR 400 million. The newly introduced instrument for the qualification of reemployed temporary workers was barely used during the financial and economic crisis.

To keep financial losses for employees and enterprises as low as possible during further vocational training, the BA granted wage subsidies of roughly EUR 185 million in addition to the expenses of qualification.

Integration Work

Further development of employer service

The economic crisis was reflected on the labour market most strongly in an increase in unemployment and a decrease of reported vacancies. Until the end of the year, the BA received 1,455,200 job offers for jobs covered by social security. Compared to the year before, the job offers decreased by about 19 percent (1,793,300). To still allow a sustainable transition of unemployed customers into employment, the BA met these changed conditions in close cooperation with the ARGE. For example, the guiding concept for a joint employer service spanning both legal spheres in order to increase synergy effects was implemented consistently and the high performance orientation was expanded through ambitious agreements on objectives and an increased sales orientation.

Steering through effect indicators in the business field "vocational rehabilitation"

The BA could also further develop the system of objectives for steering through effect indicators in the strategic business area of "vocational rehabilitation". 37 percent of the persons leaving main rehabilitation measures could be reintegrated into the regular labour market within six months. This is an increase of +7.3 percent compared to the previous year.

If unemployment could not be avoided, the duration of the placement process could be held at approximately the same level as in the previous year, despite the economic crisis. The average duration of unemployment increased only by six days. In 2009, 1.74 million people who had previously been out of work found new employment, + 36,630 more than the year before. In relation to the customer potential, which rose by 10.4 percent compared to the year before, this is a level of integration of 38.8 percent.

*Steering impulses
proved to be effective*

Regarding the integration balance this shows two facets: On the one hand, the decrease in job offers affects the increase in unemployment; on the other hand, the measures and instruments used by the BA absorb the negative effects of the economic crisis on the labour market.

Training Market

Due to the efforts of the labour market actors as well as the continuing demographic change, the situation on the training market further relaxed through an improved relation of reported training positions to applicants compared to the previous year. Furthermore, the promotion of 40,500 disadvantaged young people within the framework of off-the-job vocational training at external institutions through the BA and ARGE contributed to the good condition of the training market. 120,500 persons participated in pre-training courses (previous year: 124,100) to prepare for regular vocational training.

Further Improvement of Customer Satisfaction

The BA could reach a significant improvement in customer satisfaction especially with young people of up to 25 years. With an overall grade of "good" (2.2) for the vocational guidance – previous year (2.5) – it emphasised its claim to be a reliable and trustworthy service provider on the training market. Employees graded the overall performance of the BA despite difficult conditions on the labour market on a similarly high level (2.3) – previous year (2.4). Also employers valued the continuous improvement processes and acknowledged them with high trust in the BA's achievement potential. With a particularly positive overall result (2.2), the value of the previous year (2.3) could be improved once again.

*Customer satisfaction
remains on a high level
despite the crisis*

Steering and Achievement of Objectives in SGB II

Business Policy Objectives

Management and steering in the sphere of basic benefits for job-seekers is based on an agreement on objectives between the Federal Ministry of Labour and Social Affairs (BMAS) and the BA. The federal budget and the benchmark figures of the Federal Government form the foundation for the agreement on objectives in the sphere of basic benefits for job-seekers. The uncertain prognosis situation was accounted for in 2009 by the determination of corrected expectation values for both objectives, decrease of need of assistance and improvement of integration in employment, on the basis of the spring forecast (GDP 2009: – 6 percent) and the balance sheet of the first quarter:

*Demanding objectives for
the implementation of basic
benefits*

- Increase of passive benefits by 4.0 percent, i.e. excess expenditures of EUR 530 million (expectation value) as well as
- decrease of the integration rate by 22.1 percent to 16.2 percent (expectation value).
- Another objective for 2009 was to avoid an increase in the share of clients with a customer contact of more than 24 months. This objective emphasised an increased focus on those in need of assistance who had been unemployed or in measures for longer periods or had a risk of remaining unemployed for a longer period. No corrected expectation value was agreed on for this objective.

At the same time, these expectations were linked to the aspiration of utilising the budget resources earmarked for integration benefits effectively to achieve the goals set. With a budget of EUR 5.52 billion (including the funds from the economic pact II), the ARGE and agencies with separate duties (Agenturen mit getrennter Aufgabenwahrnehmung - AAgAw) had roughly EUR 422.9 million (+ 8.8 percent) more funds available for integration benefits after deduction of the regrouping to the budget for costs of administration (EUR 308.5 million) than were spent in 2008.

Achievements of Objectives in SGB II¹

Target expectations of BMAS met entirely

The objectives for 2009 agreed upon together with the BMAS on the basis of the expectation values could be achieved completely. However, the results of the target indicators sum of passive benefits and integration ratio worsened due to the economic situation compared to the previous year.

The cumulated expenditures for the sum of passive benefits were EUR 13.43 billion in 2009. Therefore, the expenditures were EUR 328 million below the nationwide target expectation. However, EUR 193.9 million or 1.5 percent more were spent on passive benefits compared to the year before. The excess expenditures can be traced back mainly to two developments:

- a) increase of the legal standard rates as of 01 July 2009 (inclusively increase of standard rates for children between 6 and 13 years);
- b) increase of recipients of the limited allowance in accordance with Section 24 SGB II as well as the increase in the amount of allowance.

Integration into paid employment significantly below the level of the previous year

The nationwide expectation of not letting the integration rate slip below 16.2 percent could nevertheless be fulfilled. The integration rate was 17.4 percent. However, the integration rate decreased by 17.1 percent against the previous year (20.9 percent). This development corresponds with the worsened development of the labour market, which is reflected in the decrease of unfilled unsubsidised jobs (- 24 percent) and especially also in the decrease of unfilled jobs with personnel service providers.

¹ The final results for 2009 will not be available until mid February 2010.

Also the objective of avoiding long-term receipt was reached. In 2009, an annual average of 949,561 clients with a customer contact of more than 24 months was registered at the ARGE and agencies with separate duties. This is roughly 72,500 or 7.1 percent less than in the previous year. Here, the favourable labour market situation of the years 2007/2008 still had a positive effect through little increase in the group of long-term unemployed persons.

Active employment promotion is supposed to contribute to reaching the objectives of SGB II. With a total of EUR 5.09 billion for integration benefits in 2009, approximately 6.1 percent (or +EUR 293.6 million) more were spent than in the year before. The ARGE and agencies with separate duties largely banked on the continuity of promotion. However, the improvement of integration chances through vocational qualification gained in importance in 2009. The number of entries in further vocational training measures was 214,500, which is an increase of 18,900 (or +9.7 percent) against the previous year.

With a view to the deficits identified by the control bodies, the activities aimed at the setting up of structured quality management were continued in the area of quality control and optimisation in order to further improve the processes and quality of the work in the ARGE and agencies with separate duties.

Compliance with operative minimum standards improved significantly

To ensure that the legal provision of services and use of funds were adhered to, the BA had already implemented a process for compliance with minimum standards in 2007, the adherence to which has been presented transparently nationwide since 2008. Since early activation is important for overcoming the need of assistance, the focus of the steering activities in 2009 was increasingly on the optimisation of business processes in the ARGE and in the agencies with separate duties. In 2009, good progress could be made in the establishment of smooth, efficient processes for new customers, which shows itself in the continuous improvement of the adherence to operative minimum standards.

REPORT OF THE BOARD OF GOVERNORS

The BA's fiscal year 2009 was all about the financial and economic crisis. Owing to the enormous cooperative efforts of enterprises, work councils and employees together with the Federal Government and not least the BA, the German labour market proved to be extremely stable in European comparison and unexpectedly few dismissals were reported. The simplified use of short-time work brought about by the Federal Government (economic stimulus package II) and the unbureaucratic granting of benefits and counselling by the employment agencies were important supporting measures. The Board of Governors implemented the changes in the labour market policy instruments swiftly and worked towards early and comprehensive information especially of small- and medium-sized enterprises on the possibilities of short-time work and qualification through the employment agencies. Parallel to these measures, the BA significantly simplified the notification procedure of short-time work for companies. Through the possibility of granting short-time allowance for trainee graduates pushed by the Board of Governors, further employment of trainees in enterprises could be simplified.

The Board of Governors campaigned for continued improvement of targeted further training of low-skilled unemployed persons also during the crisis. Due to the special conditions on the labour market, the Board of Governors was unanimous that delays in the onset of effects must be accepted for the measurement of success during the crisis. This does, however, not mean a digression from the maxim of an effect-oriented and economic utilisation of funds at the promotion of further vocational training. In cooperation with the Executive Board, the Board of Governors launched a targeted initiative to support structural change. The initiative will commence in 2010. Within this initiative, additional budgetary means will be available to guide more unemployed persons without vocational qualification towards such a qualification. The 2006 special programme of Further Education of Low-skilled and Elderly Employees in Enterprises (Weiterbildung geringqualifizierter und beschäftigter Älterer in Unternehmen - WeGebAU) initiated by the Board of Governors has been supplemented financially within the framework of the economic stimulus package II. Hence, in-company further training of far more employees could be supported within the first year of the crisis and therefore a contribution to the expansion of in-company further training could be made.

In the area of preventive measures to avoid unemployment, the BA, on the urging of the Board of Governors, pushed the cooperation of the Federal States in (extended) deepened vocational orientation. Although this is originally the task of the Federal States, the Board of Governors decided to support the Federal States in this task for a limited period of time in order to launch such measures nationwide and to prove their efficiency in a cross-society context. This will be made through an evaluation of the model projects conducted in cooperation between the BA and the Federal States. In the future, the Board of Governors will increasingly work towards cofinancing of the Federal States of new measures through the use of funds and not by providing personnel resources. The Board of Governors emphasised early on that the Federal States must increasingly comply with their education policy responsibility for vocational orientation.

To improve the prerequisites for the still necessary continuous improvement of the BA's service quality, the Board of Governors determined a new counselling concept. This is supposed to lead to an increase in the quality of counselling. The counselling concept offers a joint basis for counselling and placement efforts in the teams U25/Berufsberatung (Below 25/vocational guidance), Arbeitsvermittlung (job placement) and Reha/SB (rehabilitation/severe disability) and can also be implemented within the framework of SGB II. For the implementation and introduction of the counselling concept, the Board of Governors commissioned an accompanying evaluation, the results of which are supposed to determine further strategic approaches.

The Board of Governors decided the nationwide introduction of the 4-phase model after intensive analysis of the results from the pilot projects. In the future, profiling will not only record professional but also comprehensive competences of job-seekers. This perspective expansion in the placement process is a transition and further development of the concept of "Kundengruppen" (customer groups) in SGB III and the concept of "Betreuungsstufen" (assistance levels) in SGB II in a joint approach spanning both legal spheres. At the same time, the new system makes decentralised further development of regional placement strategies possible. The Board of Governors expects that the placement performance will be further increased with the 4-phase model. In which way the model will be integrated into the steering process of the BA is still unclear. The Board of Governors is expecting an appropriate concept for this from the Executive Board in a timely manner.

The objective for the upcoming year is to continue the success of 2009 in preserving jobs in the joint interaction of companies, employees, politics and the BA, and to meet the continuously noticeable effects of the economic crisis as far as possible. Furthermore, also in a difficult labour environment, existing job perspectives must be consequently developed and utilised.

FURTHER DEVELOPMENT OF THE BA

Further Development of Business Processes

The 4-Phase Model of Integration Work

*For all customers:
a reference process
for integration work*

With the 4-phase model of integration work, the BA advances the previous integration concepts of SGB II (concept of assistance levels/integration strategies) and of SGB III (programmes for action) and creates a consistent platform for employee-oriented integration work in the employment agencies and agencies for basic benefits. The four phases of "profiling", "defining a goal", "choosing a strategy or bundle of strategies" and "implementing and follow-up" are oriented on the core elements of placement or counselling work and offer the following improvements: establishment of a consistent process and identical terms for all activities, advancement of profiling through focusing on strengths analysis and adding of so far missing aspects, improved IT-support in the creation of integration schedules, counselling notes and integration agreements as well as preparation of reference strategies, which can be complemented and extended locally. The model has been utilised in the legal sphere of SGB II since August 2009. In December 2009, the 4-phase model was also launched in the legal sphere of SGB III and explicitly in the fields of training placement and vocational rehabilitation. Hence, a reference framework for integration work was established, which is valid nationwide and spans the legal spheres and which guarantees a continuous and smooth continuation of integration efforts for customers on the threshold to the legal sphere of SGB II. With the introduction of the 4-phase model, the professionalisation of integration work for customers in the labour and training market is consequently continued and the services for employer and employee customers are further improved.

Further Developments in the Employer Service through Professionalisation of Sales-Oriented

The introduction of the guiding concept for the joint employer service (AG-S) spanning both legal spheres was finished on 31 March 2009 and contains the holistic view on employer-orientation as well as the comprehensive consideration of the interests and needs of both legal spheres. 80 percent, this is 279 ARGEs, have decided in favour of the joint AG-S with the employment agencies and thus for the intensification of fair cooperation and joint responsibility for results. At the same time the "Geschäftsprozesse Arbeitgeber" (business processes employers) were reorganised and the standards of employee assistance adjusted to the current needs and demands of employers for a professional, sales-oriented provision of services.

One focal point during the tense economic and labour market situation in the activity of the (joint) AG-S was to actively consult employers on the possibilities of securing jobs. Through the utilisation of assistance instruments, e.g. granting of short-time allowance or qualification of employees, job losses due to economic reasons and thus unemployment could be prevented in a remarkable scale.

To further stabilise the BA's position as a reliable partner on the labour market, the focus was on the qualification of employees in sales-oriented acting. The basic trainings on the subject of customer loyalty were finished in September 2009. This will be followed by consolidation modules on customer development and deepening modules by the end of 2010. Practical simulations are used to further improve customer satisfaction.

The following are the key points of the further development of AG-S: Qualification of employees towards a sales-orientation as well as the expansion of the counselling offer of the BA by qualification counselling

Within the framework of the project "Qualifizierung von Mitarbeitern in Unternehmen" (qualification of employees in enterprises), which will pilot as of December 2009 in two employment agencies, the consultation of small- and medium-sized companies on the systematic and foresighted planning of further training of employees is intensified. The objective is to increase employer sensitivity on the subjects of securing the demand of skilled workers and maintaining competitiveness through in-company qualification of employees and to consult them on this issue in a targeted way.

The New JOBBÖRSE - Now Easy for Everyone

Within the scope of its eGovernment strategy, the BA banks on the intensive use of electronic channels of access. With the reorganisation of JOBBÖRSE, this aim was followed consistently and a modern eGovernment application was created, which orients itself towards the needs of different user groups and can be used easily and intuitively. Important and frequently used business processes are displayed completely electronically from the notification through the customer to the processing in the employment agency to fulfilling the customer request. Especially in times of the crisis, the BA's customers need easy and fast access to the employment agency. JOBBÖRSE offers comprehensive and transparent online processes between job- and training-seekers, employers and employees.

The new JOBBÖRSE is more than just a search engine for jobs: It is the online channel to our customers and opens new ways of cooperation

Furthermore, the new self-service offer of JOBBÖRSE for employers and job-seekers was improved and expanded by new functions.

With the new JOBBÖRSE, the BA can implement one of its most important objectives even more effectively, i.e. to unite demand and supply as fast as possible. The figures speak for themselves. 586,000 published jobs are available at the moment. At the same time, 3.8 million applicant profiles are published. JOBBÖRSE counts an average of 665,000 visitors and 10 million page views per day. Hence, it is one of the biggest eGovernment applications.

Compared to other platforms which can be edited, the BA ensures to a much greater degree that JOBBÖRSE makes only those customer details available which the customer really wants to be available. JOBBÖRSE does not publish sensitive data in terms of data protection. The data published is checked for topicality.

Developments at the Family Benefits Office

The measures for the consolidation of the family benefits office were continued also in 2009. Special attention was paid to reaching a good processing state as well as to strengthening of expertise. Preparative conceptual considerations and examinations for various areas were made for the further development of the existing organisation. Topics of discussion were in particular the combination of bodies of appeal as well as a separated task processing of child benefit (Kindergeld) and family allowance (Kinderzuschlag).

The increase in child benefit on 1 January 2009 could be implemented smoothly and timely. The families therefore benefited without delay from the improvement in benefits stipulated by the legislation. The same applies to the payment of the non-recurring child bonus (Kinderbonus) as of April 2009 determined by the Federal Government within the scope of the economic stimulus package II.

The number of beneficiaries of family assistance had risen already in 2008 due to a more favourable legal situation. As of January 2009, this increase further strengthened due to benefit improvements in the housing allowance benefit. Despite comparatively time-consuming processing, the additional volume of applications could be processed to a large extent without delay. The change of Section 6a of the Federal Child Benefits Act (Bundeskindergeldgesetz) on the payment of an additional benefit for school of non-recurring EUR 100 per calendar year for the beneficiaries of family assistance with school-age children was implemented swiftly as of August 2009.

Child benefit online

The application Kindergeld Online (child benefit online) is part of the eGovernment strategy of the BA and will be realised in three project steps. The aim is to give beneficiaries of child benefit the possibility to fill in the forms online and send them to the Family Benefits Office. Additionally, status information on the individual case of child benefit is offered.

The first project step was finished in August 2009 and the basic version of the application is available online. At the same time, the efforts for the second project step began.

Child Benefit and Family Allowance

At the end of December 2009, the Family Allowance Offices (Familienkassen) of the BA had roughly 8.87 million eligible persons on their books to deal with (2008: 8.95 million) with 14.60 million children (2008: 14.77 million) and paid roughly EUR 31.74 billion child benefit in 2009 (2008: EUR 28.74 billion) and about EUR 369 million family allowance (2008: EUR 146 million) per year.

Customer Response Management

Number of customer requests slightly increased

The BA's customer response management received a total of roughly 117,000 requests in 2009. This represents a slight rise in requests compared to the pre-

vious year (111,000). This shows that the efforts of the BA with regard to customer feedback continue to be successful. Roughly 75 percent of the requests were complaints and 20 percent positive feedback. Roughly 30 percent of the complaints were legitimate. This corresponds to the percentage of the previous year.

The issues raised by clients are strewn over the entire service palette of the BA.

As in the previous year, and in correspondence with the spectrum of tasks of the BA, the following issues were central:

In the legal sphere of SGB III

- unemployment benefit (especially duration of processing, counselling and suspension of benefits),
- duration of processing of applications for support from the placement budget and the rejection of applications for further vocational training,
- the customer portal (especially availability by phone of the service centre or the waiting times on the phone and the quality of information),
- job placement and the offers of promotion measures, and
- behaviour of staff (especially communication, commitment and professional competence).

*Contents of
customer requests*

In the legal sphere of SGB II

- basic benefits for job-seekers (especially the duration of processing, the amount of benefit, payment and the income to be taken into account),
- job placement (especially placement process),
- offers of promotion measures, and
- the duration of the objection proceedings and the behaviour of staff (especially communication, professional competence and commitment).

In the field of the family benefits office

- the duration of processing of applications for child benefit and family assistance as well as
- the quality of information.

Internal Auditing

Internal auditing is a major part of the process-independent monitoring system in the BA. Organisationally, it is directly responsible to the chairman of the Executive Board and reports independently to the Executive Board and the Board of Governors.

Internal auditors regularly audit all divisions of the BA on the basis of internationally recognised auditing standards. This fulfils the statutory controlling requirements in accordance with SGB II and SGB III. Along with its statutory controlling requirements, internal auditing is also responsible for the prevention and combating of corruption.

The audit schedule is prepared on the basis of a process which has been established and further developed for several years. For each auditing object, a specific risk is calculated each year. The risk evaluations are prepared on the basis of audits made or on the basis of current changes in the business field. The audit schedule for the next calendar year, which is subject of approval by the supervisory bodies, results from this. Regular audits are system audits and audits of compliance. Furthermore, internal auditors conduct special event-driven audits and act as an accompanying organ of control at the introduction and implementation of important projects. The auditing model is continuously adjusted to current changes in the BA and the legal situation. For example, changes in the internal control system or changes in organisation are considered as well as changes within the legal framework.

In the field of prevention and combating of corruption, employees received among others an internal control system framework concept as assistance for the minimisation of risks of the own position. Furthermore, a danger map for the determination of processes particularly endangered by corruption was implemented.

Creative Management of Ideas with "creativ ideenmanagement"

Suggestion system is further developed

The BA's suggestion system is being further developed into "creativ ideenmanagement", a creative system for the management of ideas. While conventional suggestion systems are marked by a passive orientation with strictly regulated bureaucratic processes, "creativ ideenmanagement" supports the creativity of all employees within a guided process. The further development focuses particularly on the following objectives:

- Making use of the creative potential of all employees of the legal spheres of SGB III and SGB II including managers,
- increasing the percentage of implementation, and
- making a recognisable contribution towards reaching operational objectives through an increase in efficiency and effectiveness of services.

Significant increase in savings

First successes of the further development could be recorded. For example, the share of implemented "creativ" proposals of 6 percent (in 2008) rose to currently 10 percent. This results in an increase of budgetary savings of EUR 4.7 million in the whole fiscal year 2008 to EUR 5.0 million for the period between January and September 2009. For the whole year 2009, the savings potential is expected to be over EUR 6 million.

PERSONNEL/ORGANISATIONAL DEVELOPMENT

Personnel Policy of the BA

The personnel policy concepts to overcome the challenges of the demographic change have been promoted in all fields of action. The promotion of employees with a migration background as well as the awareness raising of executives and employees towards diversity, intercultural competences and valuing of potentials of ageing personnel accommodate the negotiated agreement of the BA in the national integration plan as well as the charter of diversity. Among others, expanded possibilities for alternating teleworking and support when organising caretaking of children and relatives in need of care were introduced for the improved promotion of compatibility of work and private life – and therefore the securing of the employability of employees. Company health management (BMG) has been further developed within the scope of a decentralised approach. Among others, a showcase project on company health management is conducted in a deepened cooperation with the accident insurance of the Federal Government. The interconnection of directorates, learning from and with each other, and the exchange of good examples in the implementation of the BA's personnel policy is actively supported with the new intranet platforms "Diversity in der Praxis" (Diversity in Practice) and "Betriebliches Gesundheitsmanagement" (Company Health Management). Also the executive feedback, which will be conducted nationwide for the second time this year, serves the continuous improvement of quality of leadership and cooperation within the BA.

Demographic change and diversity

Compatibility of work and private life

Company health management

Exchange and dialogue

Performance and Development Dialogue

In 2009, the performance and development dialogue was expanded to all employees as a system of personnel development and evaluation. In a structured appraisal interview on expectations, performance and competences, potentials are identified and possibilities for development discussed. On the basis of these results, employees can be furthered and motivated in a targeted way.

Executives discuss performance and development with all employees

Academic Education within the BA

On 1 September 2009 about 400 students began their academic education at the BA university (Hochschule der BA - HdBA), a state-certified university of applied sciences for labour market management. Meanwhile, 909 students are acquiring the scientific basis for a professional activity within the BA in bachelor courses of study, designed according to European university standards. Thus, the capacities of the HdBA are utilised to the full. At the beginning of their studies, the young students had for the first time the possibility to approach the complex study demands realistically in a very demanding week-long management game.

Academic education is strengthened

Qualification of Executives

Management ability of team leaders and district leaders is strengthened

In addition to the BA's general executive development, roughly 1,600 employees were qualified in 2009 within the scope of a programme for strengthening the management ability of team leaders. Thus, a significant contribution was made to anchor the reform of the BA even more effectively in thinking and acting and to further strengthen operative capacity. The successful concept will now be expanded to the level of district leaders. After the piloting phase in 2009, the nationwide introduction will begin in March 2010.

Introduction of Long-Term Working Hours Accounts

Higher flexibility regarding working times

The negotiation of a service agreement of 24 November 2009 (issued with HEGA 12/09 – No. 18) with the main staff council makes long-term working hours accounts for employees in the BA possible. This is voluntary for employees and independent of the short-term working account. The duration of long-term working hours accounts is designed for several years and allows "saving" and "withdrawing" of working hours and therefore a flexible organisation of working time, which is adapted to the life situation.

Performance-Related Remuneration Agreement for Executives

Result-oriented remuneration

Within the scope of the performance-related remuneration agreement for executives, it was agreed that executives can receive an additional performance-related remuneration as of 2010 with regard to the individual responsibility for reaching goals with regard to the business policy objectives of the BA. For this, an additional result-oriented, annual performance premium is paid, which reflects the individual contribution of the individual executive to reaching the agreed objectives within the framework of the annual performance and development dialogue (Leistungs- und Entwicklungsdialog - LEDI-FK).

Service Quality in the Internal Service (IS) Personnel

IS personnel takes an important position in the provision of internal services within the BA. Quality and efficiency of services are measured continuously with the help of the effect on internal customers. As a result, a manual with standards on information, communication and service-orientation in IS personnel was published in 2009. Also the optimisation of business processes and improvement potentials from the departments personnel budget, personnel consulting and qualification were taken up as main focuses.

Personnel Concepts for Basic Benefits and Unemployment Insurance

By taking over temporary employees in long-term employment relationships, a significant stabilisation could be reached in both legal spheres in 2009. In the area of basic benefits for job-seekers, a total of 5,800 additional employment possibilities for permanently employed persons were created; of these 1,900 for placement agents. Additionally, further employment possibilities for temporary employees could be made available to meet the increased number of customers. For the core tasks in the field of unemployment insurance, 3,980 additional employment possibilities for permanent personnel were created; with the help of these, a stabilisation especially of job placement could be achieved. Furthermore, there was temporary support by temporary employees to overcome the consequences of the economic crisis.

FINANCES

Unemployment Insurance with High Compulsory Expenditures due to the Financial and Economic Crisis

Budget deficit rose to EUR 13.8 billion in 2009

With high compulsory expenditures in the past year 2009, the BA generated revenues of EUR 34.25 billion and spent EUR 48.06 billion. This makes a funding deficit of EUR 13.80 billion. To balance the deficit, funds from the BA's reserves were withdrawn. At the beginning of the year, the BA had a remarkable volume of reserves of EUR 16.74 billion. This reserve could be accumulated especially in the years of the economic upturn in 2006 and 2007.

Contribution rate lowered to 2.8 percent

The budget for 2009 for the essential items of income from contributions and expenditures for unemployment benefit was based on the Federal Government's forecasts on the macroeconomic development of October 2008. Furthermore, the contribution rate to the unemployment insurance was lowered as of 1 January 2009 for a further two years to 2.8 percent (as of 2011 3.0 percent).

Additional budget 2009: EUR 4.93 billion more funds to overcome the economic crisis

Due to the severe global financial and economic crisis, these expectations soon proved to be outdated. The BA's Board of Governors determined an additional budget on 13 February 2009 on the basis of the annual economic report (Jahreswirtschaftsbericht - JWB) of January 2009 on the implementation of the parts of the economic stimulus package II belonging to the duties of the BA. The additional budget contained a recurring volume of contribution earnings as well as an increase of various expenditure items by a total of EUR 4.93 billion, especially in the integration item by EUR 810 million and in unemployment insurance by EUR 1.80 billion. The additional budget created the financial prerequisites for the implementation of the economic stimulus package II. Among the core issues were regulations to make short-time work more attractive for employers through easier eligibility criteria. Moreover, now half of the employees' contributions to the social security insurance could be absorbed, for in-house qualification even the full amount.

Basic values fo April 2009: massive decrease of economic performance to be expected

Just a few weeks after the determination of the additional budget, the Federal Government had to assess the economic development much more negatively. In the estimations of basic values of April 2009, a drastic reduction of the economic performance in Germany of 6.0 percent compared to the previous year was assumed; however, it was expected that this would not affect the labour market with full intensity in 2009 but lead to a rise in the annual average unemployment rate to 3.72 million (annual economic report: 3.52 million).

Unbudgeted EUR 5.78 billion approved

Parallel to that, the development of running costs in the BA budget showed more and more clearly that the funds accommodated in the additional budget would not suffice for the benefits of short-time work, insolvency payments and unemployment benefit. Against this background, the BA's Board of Governors approved further unbudgeted expenses of approximately EUR 5.38 billion in July 2009. Thus, the estimated budget deficit for 2009 rose to EUR 16.31 billion on the debit side. Following this, the expenses for insolvency payments further grew inproportionately due to various large insolvencies. A particular peak in expenditures came in September due to the insolvency of the Arcandor group. Therefore, the unbudgeted expenditures for insolvency payments were increased by another EUR 400 million

in November with the corresponding consequences for the deficit to be expected.

In the difficult situation of 2009, the unemployment insurance benefited from the intensive utilisation of the instrument of short-time work. It significantly slowed down the increase in unemployment figures. On annual average for 2009, 3.42 million people were registered as unemployed. The increase by 4.8 percent compared to the annual average of 2008 (3.27 million) concerned predominantly the area of unemployment insurance (annual average 1.19 million, + 18.1 percent compared to the year before), while the area of basic benefits for job-seekers was comparably less affected by the economic crisis (annual average 2.23 million) measured on the amount of unemployed people. With – 1,2 percent, unemployment remained slightly below the level of the previous year.

*Short-time work prevents
increase in unemployment*

The major results of the financial statement of the BA's budget in 2009 are:

- The annual revenues of EUR 34.25 billion are roughly EUR 453 million (1.3 percent) lower than expected.
- The BA accumulated EUR 22.05 billion from unemployment insurance contributions. This is EUR 401 billion less than originally expected. As a consequence of having lowered the contribution rate to 2.8 percent and the difficult economic situation, the contribution revenues were under increasing pressure over the course of the year. The number of persons covered by social insurance stagnated for the first time since almost three years of continuous increase and then decreased by trend since spring 2009. The annual average of persons covered by social insurance within the unemployment insurance is still above the originally estimated annual average of 26.71 million, but the per capita contribution remained significantly below the estimated annual rate of EUR 827.10.
- The total unbudgeted spendings estimated in the additional budget 2009 of EUR 45.64 billion were raised for different compulsory expenditures by EUR 5.78 billion to EUR 51.42 billion. However, only EUR 3.94 billion of the unbudgeted funds were used. Furthermore, reduced expenditures in the administration budget, in integration items and in further benefits of active employment promotion limited the total expenditures to EUR 48.06 billion.
- For benefits of active employment promotion (integration item and other benefits) EUR 16.81 billion were spent. The budget originally planned was EUR 14.96 billion. In this segment, especially the extreme rise of short-time work caused significantly higher expenditures than estimated. For short-time allowance and the refund of social insurance contributions to employers EUR 4.57 billion were used; this is more than twice as much than originally estimated. For the promotion of all-year employment (seasonal short-time allowance including refund of social insurance contributions and winter allowance) used with EUR 620 million also significantly more funds and also the expenditures for transfer measures and transfer short-time allowance surpassed the original estimations.

- The discretionary benefits of active employment promotion contained in the integration item summed up to EUR 3.63 billion at the employment agencies. This surpassed the result from the previous year by EUR 740 million. The available funds of the integration item remained unused by almost EUR 600 million. There was very little demand for the promotion of further training of short-time and temporary workers. This constitutes more than half of the reduced expenditures. Only EUR 32 million of the funds of EUR 150 million estimated for the promotion of further training during short-time work were used; the funds for the vocational qualification of re-employed temporary workers (EUR 200 million) remained almost untouched (actual < EUR 0.1 million).
- The expenditures for unemployment benefit were EUR 17.28 billion, EUR 3.43 billion more than 2008 and EUR 117 million (0.7 percent) more than estimated in the additional budget. The relative increase of expenditures compared to the year before was with +24.7 percent higher than the increase in the unemployment rate in the legal sphere of SGB III (+18.1 percent). The reason for this is that the monthly average per capita rate of EUR 1,255 per month increased significantly in the annual average of 2008 to EUR 1,282 per month. The average per capita rate contains besides support benefits to recipients of unemployment benefit also the contributions to other social insurance systems. After years of continuous decline, the expenditures for insolvency payments reached with EUR 1.62 billion the third highest result in the last 35 years after 2002 and 2003.
- For the expenditures of contribution collection, administration within the legal sphere of SGB III as well as in the scope of the implementation of basic benefits for job-seekers, the additional budget 2009 provided additional EUR 200 million for the administrative handling of the expected increase in unemployment. Thus, the budget was EUR 7.80 billion, including EUR 250 million from the integration item for additional temporary employees especially in placement services. With EUR 7.30 billion, annual spending was EUR 497 million (6.5 percent) below the target.
- Instead of the deficit of EUR 10.93 billion estimated in the additional budget, EUR 13.80 billion of the expenditures were not covered by revenues at the end of the year. The deficit could be balanced completely by withdrawals from reserves. Thus, a reserve of EUR 2.94 billion remains for 2010. It will be used for financing the 2010 deficit.

On 16 December 2009, the budget plan for 2010 was approved. It encompasses a volume of EUR 54.08 billion. The estimated expenditures of this amount are countered by revenues of EUR 36.14 billion. For covering this deficit of EUR 17.95 billion, preferentially the remaining reserves will be used. To balance the further expected deficit (EUR 14.98 billion), the Federal Government will award successive liquidity assistance in accordance with Section 364 SGB III in the form of interest-free loans. A loan debt still existing at the end of the year will generally remain in existence. The Federal Government, however, plans among others a regulation with the Social Insurance Stabilisation Act (Sozialversicherungs-Stabilisierungsgesetz) according to which a loan debit will be changed into a subsidy at the end of 2010.

Budget 2010 came into effect

The budget plan 2010 is based on the macroeconomic basic values of the Federal Government of 15 October 2009:

- Gross domestic product (real) + 1.2 percent
- Gross wages and salaries per dependent employee + 0.7 percent
- Total number of dependent employees – 2.0 percent
- Number of unemployed persons on annual average: 4.098 million

Moreover, a projection of the Institut für Arbeitsmarkt- und Berufsforschung (Institute for Employment Research - IAB) on the development of the labour market and the extent of short-time work in 2010 was used.

For the assessment of the expected contribution revenues (EUR 21.63 billion), an annual average value of 26.17 million persons liable to compulsory insurance deductions was assumed. The revenues from the insolvency payments levy will increase significantly from EUR 710 million to EUR 2.8 billion in 2009, because the insolvency payments spent by the BA will flow back into the BA budget through the levy process. Through the increased levy volume both the higher costs and expenditures for insolvency payments of 2010 and shares of expenditures and costs must be financed, which were not covered by levy revenues in 2009. An adaptation of the levy is planned for each year retrospectively.

Fewer persons liable to contributions

The planning of expenditures was based on the following guidelines:

- Continuity of labour market policies on a continuously high level of effect-oriented and economic use of funds for instruments of labour market policies.
- The BA makes a contribution to the decrease of the lack of skilled workers through adequate support of the structural change.
- The programmes for vocational qualification in companies are continued on an adapted level.
- Concentration of the utilisation of resources on the core business and organisation of the third phase of reform of the BA (Innovation im Markt - innovation on the market) with regard to the special conditions of the financial and economic crisis.

*Employment promotion
remains on a high level*

EUR 16.42 billion of all estimated expenditures for 2010 are allotted to benefits of active employment promotion; EUR 4.01 billion to discretionary benefits within the integration item. Compared to the respective budget plan of 2010 and 2009, the funds of the integration item decreased slightly by EUR 221 million. With this, the employment agencies have EUR 377 million more at their disposal in the integration item than they spent in the previous year. The budget for the integration item contains among others EUR 350 million for the new “Initiative zur Flankierung des Strukturwandels“ (Initiative to Support Structural Change). It replaces the “Initiative zur Qualifizierung Geringqualifizierter“ (Initiative for the Qualification of Low-Skilled Workers) in 2009 and takes on its goal in a modified way: Promotion of further vocational training is supposed to allow for the acquisition of recognised training qualifications or of partial qualification for low-skilled workers.

The estimated expenditures for other benefits of active labour market promotion of EUR 12.42 billion nominally decrease by EUR 764 million compared to the actual figures of 2009. If the very high expenses for benefits of short-time work due to the economic situation in 2009 are not considered, which were EUR 4.75 billion, EUR 755 million more funds for the rest of active labour market promotion are available than were spent in the previous year.

*Significant rise in
expenditures for
unemployment benefit*

The rising unemployment rate directly affects the demand for unemployment benefit. Expenses of EUR 22.32 billion (+ EUR 5.03 billion compared to actual 2009) can be expected for 2010. EUR 5.40 billion will have to be spent for the integration contribution with which the BA contributes half of the expenses of the Federal Government for integration benefits and administration in the basic benefits for job-seekers. The budget again expects maximum values in company insolvencies as in the previous year and does not expect a significant decrease. EUR 1.6 billion are estimated for insolvency payments.

EUR 7.66 billion (+ 12.1 percent compared to actual 2009) are available for personnel and other administration expenses (without remuneration for cost of collection), including EUR 250 billion covering funds from the integration item. The administration budget 2010 is marked by the effects of the economic crisis. To overcome the crisis, a concentration of operative task handling on essential issues is necessary, without threatening the improvements in service quality. The stabilisation of staff in the field of basic benefits for job-seekers reached in 2009 is to be further secured. Due to the temporary character of the effects of the economic crisis, no permanent increase in staff is planned.

*Temporarily higher
administration expenses*

The year 2010 must also be marked by the implementation of political decisions for a new form of organisation in the field of basic benefits for job-seekers.

SGB II

Positive Results of the First Customer Survey SGB II

BA conducts survey on customer satisfaction

Overall satisfaction: 2.8 (following German school grading system)

As of 2010 integration in SGB II system of objectives

The BA commissions an external company to conduct regular customer surveys following scientific methods on the satisfaction with the BA's services. Here, more than 40 questions from the fields of consulting and placement, monetary benefits, on employees and on framework conditions of counselling (business hours, waiting times for appointments, etc.) are asked. In the last survey, beneficiaries awarded the service in the field of basic benefits for job-seekers the overall grade of "satisfactory" (overall satisfaction: 2.8 following German school grading system). Almost 40 percent of the participants awarded the service quality of the ARGE even the grades 1 or 2. For the questions on monetary benefits, consulting on the application procedure received the best individual grade (2.5). 65 percent of the participants awarded the grades 1 or 2 here. The overall grade on the satisfaction with staff was 2.5. Roughly 65 percent of the participants graded the trust they had in the staff with 1 or 2. To add even more authority to customer satisfaction, it will be incorporated in the Federal Government's system of objectives for basic benefits for job-seekers as of 2010, which was agreed upon between the BMAS and the BA.

Quality Management within Basic Benefits

The objective: to provide services of high quality

Supervisory control: basis of quality assurance

In May 2009, the concept of quality assurance was introduced in SGB II; it is based on the experiences with good examples and considers the local implementation responsibility. The objective is to provide good quality service for our customers, i.e. service that is rightful, economic and effective as well as customer-friendly. The qualification of employees, the guarantee of a functional internal control system as well as the consequent assumption of supervisory control are important elements of decentralised quality assurance and the responsibility of the local executives. Computer-based tools have been provided to support the implementation, evaluation and documentation of regular supervisory control checks. Since July 2009, the follow-up of the deficits recorded by internal auditing has also been computer-based. To live up to the expectations of the BA as a competent service provider on the labour market, employees and executives must convince with competence, reliability, service mentality as well as with quality of services. Therefore, the subject of quality assurance is increasingly anchored within qualification measures. Hence, modules on quality assurance were integrated in the seminars "Führen über Ziele im SGB II" (Leading through Objectives in SGB II) and "Fachaufsichtliche Führung SGB II" (Supervisory Control Leadership in SGB II). In 2010, the initiated process must be steadied and the effect of the decentralised quality assurance must be increased further.

Combating Abuse of Benefits

I. Data Verification

Detecting abuse of benefits through data verification

The most important source for detecting abuse of benefits is the automated data verification in accordance with Section 52 SGB II. In the fiscal year 2009, the ARGE and agencies with separate duties detected with the help

of information from this roughly 136,900 cases of excess payments. The extent of the damage came to roughly EUR 72.2 million.

II. Pursuing Administrative Offences and Criminal Offences

In connection with abuse of benefits, the agencies for basic benefits pursue administrative offences and transfer cases with suspicion of undeclared employment to the customs administration and cases with reasonable suspicion of criminal offence to the public prosecution department. Moreover, they also process administrative offences of infringing the duty of disclosure and obligation to cooperate.

Criminal and summary proceedings

In 2009, the agencies for basic benefits initiated roughly 224,700 (164,600)¹ proceedings on account of suspicion of an administrative offence or of a criminal offence. Roughly 216,300 (126,100)¹ proceedings (96.3 percent and 76.6 percent¹) were processed to a conclusion. Roughly 49,200 (39,100)¹ cases were passed on to the customs authorities because there was suspicion of undeclared employment; a further roughly 15,700 (12,900)¹ cases were passed on to the public prosecution department with substantiated indication that a criminal offence had occurred. On account of the existence of an administrative offence, the support institutions took action in 77,800 (52,200)¹ cases of violation and laid down administrative penalties or fines to the total value of EUR 9.7 million (3.7)¹.

III. Penalty Rate

Because of behaviour contrary to obligations, a total of roughly 489,100 cases of sanction were applied by September 2009. This means that on average 2.6 percent of all persons capable of work in need of support received at least one penalty.

Objections and Legal Action

The agencies for basic benefits prepared approximately 24,850,000 official notifications in 2009. Of that approximately 805,200 were appealed against with objection (3.2 percent) and roughly 142,700 with legal actions (0.6 percent). Within the framework of processing the objections and legal actions, roughly 301,500 objections were granted (1.2 percent of all notifications), among that 162,300 cases (0.7 percent) due to inaccurate work of the agency for basic benefits. Approximately 55,800 notifications were overridden or changed during the proceedings (0.2 percent).

Compared to the previous year, the number of objections filed increased by approximately 16,600 or 2.1 percent. Most of the time, objections concerned benefits for accommodation and heating (17.8 percent), followed by decisions on cancellation and refund (17.6 percent). In 15.5 percent of the objections, a decision on income to be considered and in 7.2 percent a decision on penalty was objected to. Approximately 830,200 objections were processed to a conclusion in 2009. In 36.3 percent of the cases, the objection was accepted either completely or partially.

¹ Cases with abuse of benefits

In approximately 142,700 cases, legal action was initiated in 2009; this is 10,300 or 7.8 percent more than in the same period of the year before. Almost half (48.8 percent) of the legal proceedings concluded in this period were decided in favour of the claimant; this, however, also includes legal actions based on failure to act.

This remains one of the focal points of supervisory control in order to further improve the situation for objections and legal actions. Various federal state governments also take part in this within the framework of their oversight duties with respect to local communities.

New Customer Process

The ARGEs and agencies with separate duties record an inflow of approximately 100,000 new customers on average per month. Qualified and timely assistance of these applicants calls for an efficiently structured inflow regulation which does justice to local conditions. Usually, various organisational units are integrated in the new customer process. Due to various interfaces, it is prone to friction losses. Analyses of new customer processes showed that there often exist reserve capacities at the ARGEs and agencies with separate duties (among others optimisation of process interfaces and acceleration of processes through "process assistants").

The "Handbuch Neukundenprozess SGB II" (Manual New Customer Process SGB II) published in April this year assists the ARGEs and agencies with separate duties in the identification of needs for action within their processes and process contents and in taking optimisation actions if required. Important characteristics of the manual for the evaluation of the quality of the new customer process are the legitimacy of the application process, the compliance with operative minimum standards as well as the quality of the integration process. Possible organisational alternatives and their pros and cons are presented for the individual stages of the new customer process. Concrete clues are given on how weak points can be eliminated or at least attenuated. The manual was supplemented with the self-analysis sheet "Neukundenprozess" (New Customer Process), which allows the responsible executives to get an overview in a short time on the strengths and weaknesses of the new customer process in their ARGE and agency with separate duties. The introduction of the manual was supported to a great deal by internal counselling SGB II (Interne Beratung SGB II - IB SGB II) with workshops and information events for business managers of ARGEs and the chair persons of the management board of the agencies with separate duties as well as with individual counselling offers. In the first three quarters of 2009, IB SGB II conducted 83 consultations on the subject "new customer process"

Active Network Management in SGB II

Strategic Partnership with the German Olympic Association

On 6 July 2009, the German Olympic Association and the BA signed a cooperation agreement. In a joint declaration named "Sport baut Brücken zur Integration in den Arbeitsmarkt" (Sports is Building Bridges for Integration in the Labour Market) the challenges and objectives of a close cooperation were determined.

The objective of the cooperation is first of all the integration of socially disadvantaged persons, especially young people without training in the legal sphere of SGB II. A special focus is on the improvement of the situation of young persons with a migration background, whose social background is heavily limited by own unemployment or the parents' unemployment.

LABOUR MARKET

Economy and Labour Market

The economic framework conditions were unfavourable in 2009. The price-adjusted gross domestic product decreased by an annual average of 5.0 percent according to initial calculations of the Federal Statistical Office (Statistisches Bundesamt). However, the development was more positive than initially expected, because slight growth began after a significant slump in the first quarter. The labour market proved to be comparably robust despite the difficult framework conditions. Gainful employment and employment decreased on an annual average in 2009. The unemployment rate rose compared to the year before, however, a lot less than originally expected.

Gainful Employment

According to preliminary figures of the Federal Statistical Office, gainful employment declined by 37,000 or 0.1 percent to 40.24 million on an annual average in 2009. Employment covered by social security decreased slightly more. In June 2009, 27.38 million persons were employed in jobs covered by social security, 78,000 or 0.3 percent less than in June 2008. The decrease in employment spread across all Federal States. Except for some northern Federal States, employment in June 2009 was below the level of the previous year. Structural changes in employment are the reason for the still moderate decline in employment despite the economic crisis. For example, compared to the year 2008, 277,000 full-time jobs were cut; this decline was compensated in part by the creation of 199,000 part-time jobs. There was also a shift between individual industries. Employment was especially cut in the manufacturing industry (– 159,000) and in temporary employment (– 179,000). In comparison, employment grew e.g. by 125,000 and 43,000 in the sectors for health and social services as well as in those for education and teaching. The shifts in the industry structure also affect the employment of men and women. Due to the fact that the decreases in employment were mainly concentrated on industries dominated by men, the employment of men declined from 2008 to 2009 by 234,000. The number of female employees increased, however, by 157,000, alone 99,000 of this in the health sector. According to preliminary figures of the Federal Statistical Office, the number of self-employed persons in 2009 decreased on an annual average by 23,000 or 0.5 percent to 4.41 million. Minor employment has seen a continuous increase since the reform of mini jobs; 2009 by 144,000 to 7.19 million. However, the growth was almost entirely due to employees already in jobs covered by social security who decided to take on additional minor employment. Their number grew by 64,000 or 2.9 percent to 2.26 million. The number of persons solely employed in minor employment rose by 50,000 or 1.0 percent to 4.93 million. Only those employees exclusively in minor employment are taken into account in calculating the number of persons in gainful employment because persons with a second job have already been accounted for under their main position of employment. Minor employment is still dominated by women: Of the 7.19 million persons in minor employment, 63.9 percent are female, of the 4.93 million persons solely in minor employment these are 66.8 percent. On the whole, employment assisted by labour market

policy measures decreased. One reason for this was the decline in assistance to self-employed persons, which had risen vigorously from 2003 through 2005 but then declined substantially because of changes in legislation, from 2008 to 2009 again by 35,000 to 145,000. The number of employment opportunities involving additional government expense, which are accounted as a separate legal relationship (no employment relationship in the sense of labour legislation) in calculating the number of employed persons, decreased slightly by 12,000 to 279,000. A total of 59,000 employees, i.e. 5,000 less than in the previous year, were employed in job-creation programmes covered by social security and in subsidised employment (Entgeltvariante).

Labour Supply

According to estimates by the Institute for Employment Research (IAB), the labour supply in Germany decreased again slightly on an annual average; it declined from 2008 to 2009 by 135,000 to 44.22 million. Before then, the potential workforce had climbed steadily since the Reunification. Since 2006, the demographic trend has been prevailing; more seniors leave the workforce than young people join it, and the workforce is gradually aging. Effects that would increase the supply of workers – such as a growing inclination to take work, or immigration – were unable to compensate for this change in the last years.

Demographic trend causes decrease in labour supply

Unemployment

After a significant decrease in unemployment in the previous years, the economic crisis became noticeable on the labour market in 2009. An average of 3,423,000 persons were registered as unemployed in Germany during the year, 155,000 or 4.8 percent more than the year before. Compared to 2005, when unemployment reached a historic high because of the pooling of unemployment assistance and social welfare benefits, there is nevertheless still a significant minus of 1,438,000. The increase in unemployment hit the individual regions with different severity. A remarkable increase compared to 2008 was recorded in the south west. Recession affected the areas of unemployment insurance faster and more significantly than the area of basic benefits for job-seekers. Thus, SGB III had an annual average increase in unemployment of 18.2 percent, while a decrease of 1.3 percent can be recorded for SGB II. Because the effects of the economic crisis showed most remarkably in the manufacturing industry, the increase in unemployment is allotted only to men. Their unemployment increased in 2009 by 200,000 to 1,868,000, while the unemployment of women decreased by 44,000 to 1,556,000. The unfavourable economic framework conditions affected the unemployment rate less strongly than expected. Reasons for this are among others the consumption of working time accounts, changes between full time and part time employment, a decrease of productivity, but also the decrease of the labour supply. Not least the strong utilisation of short-time work due to the economic situation – in 2009 an average of 1.06 million persons worked short-time – stabilised the number of employees and prevented a stronger increase in unemployment. Moreover, a statistical special effect dampened the rise in

Relatively moderate increase in unemployment figures

unemployment significantly, because due to a reorientation of labour market instruments, participants in measures for qualification and integration do not count as unemployed anymore.

The year's average unemployment rate, applied to the whole civilian labour force, was 8.2 percent in 2009, in 2008 it was still 7.8 percent. The proportional SGB III unemployment rate amounted in 2009 to 2.8 percent as a yearly average while the proportional SGB II unemployment rate equalled 5.3 percent. These rates were up by 0.4 and down by 0.1 percentage points against the previous year.

Jobs Known to the BA and BA-X

Significant decrease in job-openings. Slight recovery to the end of the year

The number of registered job openings decreased significantly in 2009. On an annual average, 486,000 jobs (including subsidised jobs) were registered, 83,000 or 15 percent less than the year before. Of all registered jobs, 273,000 or 56 percent were accounted for on an annual average by unsubsidised jobs for "normal" employment relationships covered by social security which reflect the development of the market in a better way¹. That was 85,000 or 24 percent less than a year before. Thus, the number of job openings is slightly above the level of 2005. The number of job openings is no monolithic block, it changes relatively quickly, even in times of recession. For example, over the course of the year, 2.24 million job openings were registered and at the same time 2.27 million were taken off the rolls. Along with the registered job openings, the BA knows of other additional jobs for freelancers, self-employed and from private recruitment agencies (8,000), from the JOBBÖRSE (200,000) and from the Job Robot (158,000). According to studies by the IAB, the overall economic availability of jobs in the third quarter 2009 was 832,000 job openings. This is 166,000 less than a year before. Among that were 647,000 job openings for the regular labour market, which declined by 182,000 or 22 percent compared to the year before. Of all job openings, 58 percent were reported to the BA, of job openings on the regular labour market 46 percent. The reporting rate remained unchanged against the previous year. On the regular labour market it declined compared to the third quarter of 2008 by 4 percentage points.

The BA Vacancy Index (BA-X) measures the demand for labour on the regular labour market. Based on concrete registered job openings from companies registered at the BA, it functions as an early indicator of economic trends and as a yardstick of the actual willingness of enterprises to fill jobs. The job barometer showed a significant decrease in the course of the year 2009. In the last quarter of 2009, the downwards trend could be stopped and the demand for employees increased again slightly. In December, the BA-X closed with 129 points.

¹ Subsidised positions include jobs for personnel service agencies (PSA), job-creation measures (ABM), development of job-creating infrastructural measures (BSI) and occasional work. "Normal" employment relationships covered by social security do neither cover minor employment nor occasional jobs, seasonal, tele-, foreign worker and personnel service agency jobs or special jobs for domestic help for care recipients.

Training Market

The final figures at the end of the vocational guidance year 2008/2009 on 30 September 2009 showed that the situation on the training market continued to ease despite the recession. The number of registered applicants was significantly lower than the year before, not least for demographic reasons. The number of young people left looking for a training after the training year had already begun remained relatively small. The number of registered training positions is below the level of the year before although the decrease is moderate considering the crisis. This development is connected to a minus of 8.2 percent in training contracts concluded against the previous year.

Positive outcome at the end of the vocational guidance year despite economic crisis

From October 2008 until September 2009, a total of 475,400 training vacancies were registered with the training placement unit of the BA and the ARGE, this is 36,200 or 7.1 percent less than during the same period the year before but despite the severe recession only 6.9 percent less than in the boom period 2006/2007. Slight decreases compared to the year before were recorded for in-house training positions. With 408,400 vacancies this is 24,200 or 5.6 percent below the offer of the year before. At off-the-job positions, with 67,000 positions a significant minus of 11,900 positions or 15.1 percent is recorded. Here, significant differences between the western and eastern Federal States could be observed. The recurring number of reported training positions corresponds with the development of new training contracts concluded. In the course of the year under review, 533,400 applicants contacted the training placement unit of the BA and ARGE for help in finding a training position, 86,700 or 14.0 percent less than one year before and more than a quarter less than in the consulting year of 2006/2007. With this, the number of applicants declined for the third time running in both western and in eastern Germany.

Slight decreases in in-company positions, significant decreases in off-the-job positions and applicants

The arithmetical difference between registered training positions (475,400) at the BA and ARGE and registered applicants (533,400) amounted to 58,000. One year ago the difference was 108,500. If the number of applicants without training registered at the BA and ARGE (9,600) is compared with the year before, this shows a decrease of 4,900 or 33.8 percent.

Arithmetic gap between job openings and applicants clearly smaller

2009 was the first year to transmit data for training placement from authorised local authorities (zugelassene kommunale Träger - zKT). According to zKT, 22,300 training applicants were registered there. According to BA intelligence, there were approximately 1,800 double registrations (applicants that were registered at the agencies/ARGE as well as at zKT). On 30 September, 6,800 applicants were still registered at the zKT as not having a training position. There is no information on reported training positions at zKT. Across Germany, approximately 16,400 young persons not having a training position were thus counted.

Statistically, this means that in Germany 1.8 percent of the applicants registered with the BA or ARGE remained without training or an alternative offer or replacing measure. The share of applicants who took up or remained in a training position after information and assistance from the BA was with 51 percent almost the same as in the year before. 16 percent of the applicants decided for further

school or academic education, further 4 percent took on employment. Additionally, the BA supports the transition on the first threshold with various measures. 7 percent of the reported applicants started with further qualification (e.g. vocational preparation education measures, entry qualifications or finishing their lower secondary education). The future challenge will be to reduce the number of participants in the so-called transitional system. In 2009, the employment agencies and ARGE spent a total of approximately EUR 3.4 billion for young people at the transition from school to training system.

More unfilled vacancies than applicants without training

The number of training openings not filled at the BA at the end of September was with 17,300 2,300 or 11.5 percent below the level of the previous year. The arithmetic difference between the number of applicants registered at the BA and ARGE not having training (9,600) and the training positions not filled (17,300) was +7,650. This is a surplus of vacancies for the second time running at the end of the vocational guidance year. This, however, applies only to western Germany. The difference here is +7,600. In eastern Germany, there are 50 applicants without training more than training positions available. Young people from opting local authorities without a training position are not included.

The previous experience gained with the "Nationaler Pakt für Ausbildung" (National Pact for Training) suggests that, in the so-called "fifth" quarter from October to the December, a large number of the currently non-filled positions will be filled with trainees and, in return, that applicants who have not yet found a training position will either find one or an alternative. Furthermore, it also became apparent that the late placement activities of the pact will extend into the first months of the new calendar year.

International Relations

Economic crisis international

The economic and financial crisis was also at the centre of numerous discussions on an international level, and the regulations of German short-time work were adapted with modifications in many countries. Also the EU Commission had the German reactions to the crisis presented in conferences and workshops as good example. The BA was given the leadership of the working group "New Skills for New Jobs" for the public employment services, a broad initiative of the Commission to make the economy of the member states more stable against crises in the long term and give them the possibility to work more successfully on overcoming unemployment. Also in the High Level Expert Group of this initiative, the BA is the only public employment service represented.

European representation after European election

The BA's European representation established networks with the new members of the European Parliament and will do the same as of 2010 in the new commission. The further development of the Lisbon Strategy for education and the labour market will be one of the major challenges.

Vice presidency WAPES for further three years

At the world congress of the World Association of Public Employment Services (WAPES), the BA was reelected in the function of vice president for the European region for further three years.

The EU twinning project for the modernisation of the Serbian employment service will be concluded successfully under the leadership of the BA at the beginning of 2010 and has left a very positive picture with international funders on the performance ability of the BA through the good cooperation of all participants.

Serbia project concluded successfully

International Placement Service (Zentrale Auslands- und Fachvermittlung - ZAV)

In 2009, the ZAV further strengthened its position as a special service provider for special customer groups and markets and at the same time as an internal service provider of the BA, and contributed in its special fields of business to reaching the BA's business policy goals.

The ZAV offers in its international placement job perspectives – at least for a limited period of time – for people interested in working abroad. Also occupational groups which at the moment do not find adequate employment on the German labour market profit from this. In 2009, 10,605 German employees took this chance, 12.6 percent more than the year before (9.413). Major integration chances existed for qualified skilled workers from main or semi constructional professions as well as from the hotel and restaurant sector.

Expansion of international placement

The ZAV International Placements Service took over its duty as a supporting advisory office for the recognition of the degrees of highly qualified customers from abroad in 2009. At the same time, the recognition advisory office supports integration accompanying consulting and placement in the employment agencies and agencies for basic benefits. It also assumes a guiding function for case-related assistance of customers in recognition questions. The objective is to make a contribution to Germany's competitiveness in international competition by ensuring that highly qualified immigrants are increasingly employed at a level adequate to their level of qualifications. The advisory offer to this was built in 2009 and utilised by 424 customers.

In the field of management placement, the ZAV places senior executives in German companies. Furthermore, it takes on nationwide BA placement projects. In 2009, employers could once again be supported in recruiting executives and skilled workers with the “engineer project” and its job exchanges for engineers. Despite the economic crisis there was still demand for especially qualified experts in mechanical and electrical engineering and other key industries, so that the ZAV could integrate in this industry a total of 2,240 persons in employment (including engineer project) in 2009. This represents an increase of 24.2 percent in comparison to the year before.

Skilled workers in mechanical and electrical engineering still in demand

To make supra-regional employment more easily accessible for particularly affected severely disabled applicants with an academic degree, the ZAV has offered in co-operation with local employment agencies placement services for this group of persons since autumn 2009.

Moreover, through the artist placement section, it was possible to integrate 54,945 artists in the German labour market for performing arts, music and entertainment, of whom 51,783 (94.2 percent) took on engagements of up to seven days' duration as is usual in the trade, and 3,162 employments of more than 7 days' duration. The market balance on the labour market for artists gained in 2009 an increasingly international component, because 201 artists from abroad could be convinced to take on employment in Germany and 131 German artists found work abroad with support of the artist placement section.

Decline in work permits

In the area of labour market permit procedures, the ZAV noted a significant reduction. All in all, 342,794 work permits were issued, that is 33.9 percent less than the year before.

Institute for Employment Research (Institut für Arbeitsmarkt- und Berufsforschung - IAB)

The Institute for Employment Research (IAB) conducts research on the labour market in order to offer competent advice to the BA, the Federal Ministry of Labour and Social Affairs and other public experts on the basis of modern methods and substantiated research findings. Organisational proximity to the BA ensures that research results can be incorporated directly into the BA's decision making processes. Freedom of research and publication guarantee that independent and with that also from time to time critical advice can be offered.

The IAB analyses the effects of the crisis and checks the instruments to create and secure employment

One of the IAB's publications, which was met with great interest in 2009, is the volume "Aktivierung, Erwerbstätigkeit und Teilhabe – vier Jahre Grundsicherung für Arbeitsuchende" (Activation, Employment and Participation - Four Years of Basic Benefits for Job-Seekers). In this volume, the IAB researchers present a "mixed picture with positive tendencies". The reform shows positive effects and contributed to the decrease of structural unemployment.

The economic crisis also presents new challenges for labour market research. An inter-divisional task force at the IAB analyses the effects of the crisis on the labour market, diagnoses future development tendencies and checks the efficiency of instruments which are intended to create or secure employment in this situation.

Equal Opportunity on the Labour Market

Through the demographic change and the further increase in the demand for skilled workers in the future resulting from it, the employment potential of women is gaining increased importance. Among others this is valid for women wanting to return into their jobs after family leave.

Against this background, the representatives for equal opportunities on the labour market (Beauftragte für Chancengleichheit am Arbeitsmarkt - BCA) advised an increasing number of women on returning into employment and at the same time informed employers on the chances and possibilities of family friendly personnel policy. For this, the BCA developed the master plan "Beschäftigungspotenziale von Frauen nutzen – moderne Personalpolitik unterstützen" (Using Employment Potentials of Women – Supporting Modern Personnel Policy) with modular counselling offers, which were implemented successfully.

Intensive efforts to utilise the employment potential as well as the activation and promotion of women

The participation of the BA in the action programme "Perspektive Wiedereinstieg" (Perspectives for Re-entering the Workforce) of the Bundesministerium für Familie, Senioren, Frauen und Jugend (Federal Ministry of Family Affairs, Senior Citizens, Women and Youth - BMFSFJ) also aims at raising the level of participation of women in gainful employment. The interactive guiding portal for women re-entering the labour market guides through a variety of counselling offers. It introduces other women who tell about their re-entry and can offer support with their experience. With the re-entry check, users receive an information package adjusted to their personal needs. Since its launch in early March 2009, the portal has counted roughly 175,000 visits. In addition, the employment policy model programme "Perspektive Wiedereinstieg" serves the development and testing of practice-oriented and effective forms of re-entering the workforce. It is conducted exemplarily on 20 locations in Germany and cofinanced by the BA within the framework of individual integration benefits.

The employment of women in fields of industry which are by trend less cyclically sensitive led to the fact that women were less affected by unemployment and short-time work than men in 2009. In contrast, the share of women solely in minor employment rose.

The percentage of women participating in labour market policy measures increased within the legal sphere of SGB III to 44.8 percent in 2008. The statutory promotion rate of women (53.2 percent) was, however, not reached in 2008. As a consequence of the developments on the labour market and the efforts of the BA to increase the share of women in labour market policy measures, the rates converged steadily. According to current data of a 12 months average until September 2009, the target promotion rate of currently 40.4 percent is surpassed by 2.7 percentage points.

Expert conference "Perspektiven für Alleinerziehende" (Perspectives for Single Parents)

As part of the strategic partnership with single parents between the BMFSFJ, the BMAS and the BA, the expert conference "Perspektiven für Alleinerziehende" (Perspectives for Single Parents) took place in Berlin on 26 May 2009. At the centre point of the congress was the further development of existing approaches for the activation and improvements of the integration potential of single parents. The event furthermore served the 500 experts, practitioners and scientists as a platform for professional exchange but also as an incentive for optimising integration work.

REORIENTATION OF LABOUR MARKET SERVICES

Selected Labour Market Policy Instruments and Special Programmes

The Act on the Reorientation of Labour Market Policy Instruments (Gesetz zur Neuaustrichtung der arbeitsmarktpolitischen Instrumente) came into force on 1 January 2009. The reconception of labour market policy instruments reduces the complexity of the product portfolio and increases local scopes of action. Related to this, the following must be emphasised:

Placement Budget (Section 45 SGB III)

In the placement budget, benefits were combined which had by then been regulated in individual regulations and supported the taking up of employment with different employee benefits. Not the question of which benefits can be applied for, but if and which needs for action must be compensated, is in the fore in the placement budget. Here, decentralised approaches of labour market policy were strengthened intentionally and the possibilities of individual promotion expanded.

Measures for the Activation of Vocational Integration (Section 46 SGB III)

The reorganisation adopts the positive elements of the instruments placement services outsourced to third parties in accordance with Section 37 SGB III, personnel service agencies in accordance with Section 37c SGB III, training measures in accordance with Sections 48 et seq. SGB III, measures in accordance with Section 421i SGB III as well as activation assistance in accordance with Section 241 Subsection 3a SGB III. Measures or parts of measures for the determination, diminishing or elimination of placement obstacles can also be conducted with an employer with a duration of up to four weeks in accordance with Section 46 Subsection 1 Sentence 1 No. 2 SGB III. The imparting of professional knowledge is limited to a duration of eight weeks.

Promotion of Further Vocational Training

Significant rise of entries in further vocational training

Promotion of further vocational training can be seen as one of the essential elements of active employment promotion. It is intended to contribute to balance the discrepancy between requirements for qualifications on the demand side and the actual qualifications of those looking for work. With this, the BA makes a significant contribution to meeting the demand for skilled workers.

In the year under review, 380,725¹ (2008: 251,539) employees began a measure of further vocational training within the legal sphere of SGB III. Against the previous year, the number of entries rose by more than 50 percent. The average number of participants in further training in 2009 was roughly 105,659.

Expenditures for further vocational training

Last year, about EUR 1.262 billion (2008: EUR 788.3 million) from the integration item were spent on further vocational training costs (course fees, travel costs, childcare costs, costs for accommodation away from home and meals) within the framework of the promotion of participation in further vocational training

¹ Due to no selective separation between promotion of further vocational training and rehabilitation data, under-recording of further vocational training in the nationwide entries was approximately 12,700 cases of assistance in 2009.

measures. A further addition to this amount is some EUR 1.135 billion (2008: EUR 738.7 million) for the payment of unemployment benefit during further training. For the year under review, this results in a sum of EUR 2.297 billion (2008: EUR 1.53 billion) of total expenditures in the legal sphere of SGB III for the promotion of participation in further vocational training measures.

Transition from School to Work

The successful entry into profession of all customers is one important objective of the BA. As first service provider on the training market, the BA carries out its task of vocational orientation through various recipient-oriented activities.

*Business policy objective:
successful entry into employment of all customers*

As part of the transition management from school to work, successful vocational orientation induces young people to think thoroughly about the subject of choice of profession and creates the basis for a successful entry into professional life. Therefore, the BA starts its orientation efforts preventively a long time before the actual transition from school to work. Professional vocational orientation offers group events with medial applications and self-information facilities in the Berufsinformationszentrum (Vocational Guidance Centre - BIZ) and BIZmobil to inform comprehensively on questions of choice of occupation and studies, on occupations, their requirements as well as occupational chances.

*First service provider on
the labour market*

The guidance counsellors of the employment agencies advise schools as neutral experts for choice of occupation on the development of school-specific and target-group-adequate vocational orientation concepts. The BA sets itself the target to improve the cooperation of the different regional actors and consequently to provide higher transparency about the offer structure for schools, pupils and parents.

*Strengthening networks -
coordinating offers*

The BA supported a significant volume of preventive measures for pupils before their actual transition to working life also in 2009. The BA used EUR 67 million in 2009 for measures of (expanded) deepened vocational orientation in accordance with Section 33 Sentence 3 to 5 or 421q SGB III, which already begin one year before graduation. These measures need a minimum of 50 percent cofinancing through third parties (especially by the Federal States). With this, the BA wants to give impulses to support the Federal States in their efforts to make the transition to training more successful than in the past, especially for weaker pupils.

*Expansion of preventive
offers*

In February began the newly introduced measures of guidance for young people entering professional life in accordance with Section 421s SGB III. The exemplary test is intended to offer individual support to pupils of 1,000 selected schools for the transition from comprehensive school to training. The BA spent EUR 35 million on this project in 2009.

The range of information on "planet-beruf.de" and "abi.de" was expanded successively on the Internet as well as in print. One focus lay on the expansion in the form of class material for teachers as well as parent magazines. Furthermore, the BIZs were provided with a new media series, the BIZ information folders "Ausbildung" (Training), "Erwachsene" (Adults) and "Studium" (Studies).

*Expansion of the target
group-specific information
offer*

<i>Activities on the subject of MINT professions</i>	The BA supported the efforts of politics and economy to interest more women in MINT professions (Mathematik (mathematics), Informatik (information science), Naturwissenschaften (sciences), Technik (technology)). Two special issues on this subject in the series "planet-beruf" and "abi" support the activities related to the Girls' Day.
<i>Vocational guidance and training placement</i>	To support the individual decision for and realisation of a profession, a personal appointment with vocational guidance counsellors was of an outstanding importance. In a customer survey, 93 percent called this "very important" or "important". The overall satisfaction as well as the rate of recommendation is high. With an advancement of its guidance concept – first qualifications began in 2009 –, the BA strengthens the guidance competence of guidance and placement professionals and optimises personal counselling and integration assistance.
<i>Provision of additional qualification offers by the BA</i>	<p>In addition to the increased commitment of the BA in the field of preventive offers, the BA also offered additional measures of a substantial scope to support young people during their transition from school to training. In 2009 (not counting expenditures for the disabled), a total of EUR 2.18 million was spent; of this in the legal sphere of SGB III EUR 1.74 million (2008: EUR 2.03 million; of this SGB III EUR 1.65 million).</p> <p>Thus, 109,713 persons in search of vocational guidance participated in a training preparation measure (not counting special measures for disabled persons) during the vocational guidance year 2008/2009 (October 2008 to September 2009). The expenditures for this amounted to a total of EUR 521 million in 2009, EUR 333 million of this for course fees and EUR 188 million for vocational training grants of the participants (2008: in total EUR 513 million, of that EUR 337 million for course fees and EUR 176 million for vocational training grants). The integration rate of participants who completed the measures (only SGB III) in 2008 equalled 48.6 percent (those in training covered by social security 41.9 percent).</p> <p>Within the framework of preliminary vocational qualification, a total of 27,996 young people were given support during the last vocational guidance year; of these 7,170 persons were in the legal sphere of SGB II. In 2009, the amounts spent totalled EUR 71 million (SGB III: EUR 55 million); (2008: EUR 72.0 million in total, SGB III: EUR 59 million). The integration rate of participants who completed the measures (only SGB III) in 2008 equalled 68.9 percent (those in training covered by social security 61.3 percent).</p> <p>All in all, 42,547 persons began training at off-the-job institutions in the vocational guidance year 2008/2009, of these 16,880 persons were from the legal sphere of SGB II. EUR 1.01 million were spent on this benefit in 2009; of this EUR 638 million in the legal sphere of SGB III (2008: a total of EUR 978 million, of which EUR 639 million were in the legal sphere of SGB III). The integration rate of participants who completed the measures (only SGB III) in 2008 equalled 39.6 percent (those in training covered by social security 18.2 percent).</p> <p>In order to stabilise training relationships and prevent training being discontinued, 69,267 persons, and of these 4,306 persons from the legal sphere of SGB II, were supported during in-house training with assistance grants in the course of the voca-</p>

tional guidance year. Expenditures for this were EUR 95 million in 2009; of this EUR 88 million in the legal sphere of SGB III (2008: a total of EUR 104 million, of which EUR 95 million were in the legal sphere of SGB III).

Within the framework of Section 421r SGB III, employers can be granted a training bonus for additional training, especially of young people who had already been looking for a training position the year before as well as for taking on trainees whose training company had to discontinue training due to insolvency, discontinuation or closure. The training bonus was granted in a total of 16,694 cases while the expenditures for this equalled EUR 34 million in total in 2009.

European Social Fund (ESF)

To counter the far-reaching consequences of the economic crisis, the BMAS issued another promotion regulation at short notice on 18 December 2008, effective as of 1 January 2009, for securing the employment of employees who are temporarily affected by work shortage. This integrated besides the beneficiaries of transfer short-time allowance also the beneficiaries of short-time allowance due to the economic situation and seasonal short-time allowance into the ESF promotion. In the fiscal year of 2009, a total of 9,819 recipients of transfer short-time allowance participating in qualification measures received assistance (expenditure 2009: EUR 7.98 million). In the past fiscal year, EUR 27.76 million were spent on the promotion of employees receiving short-time allowance due to the economic situation. A total of 89,706 employees took the opportunity to participate in further training during their time off.

Qualification offers for all recipients of short-time allowance

European Globalisation Adjustment Fund (EGF)

A positive accounting check of the EGF project BenQ was conducted by the EU Commission in the fiscal year 2009. In the first completed project, BenQ Mobile, employment for over 80 percent of the participants could be reached. In February, the promotion application was filed for the former NOKIA employees and in August for the employees of Karmann in Brussels. With the revision of the Fund in June 2009 and its extension to the consequences of the economic and financial crisis, a significant relief and expansion of access requirements has been reached. The BA's consultations concerning the labour market are utilised far more heavily.

Implementation of EGF by the BA

“WeGebAU” Programme

It is the intention of this programme commenced in 2006 to provide startup financing for the further training of low-skilled and older persons in employment, especially in small and middle-sized enterprises, and thus to strengthen awareness for the challenges of life-long learning in all persons concerned. Through participation in further training, employment opportunities and employability are to be retained or extended. At the same time, these qualification measures can make a contribution to meeting the need for skilled staff. Within the framework of the economic stimulus package II, the new legal regulation of Section 412t Subsection 4 SGB III introduced an expansion of the group of persons eligible for support to all skilled workers who have not participated in publicly promoted further training within the past four years. In 2009, a total of 95,402 instances

Further training of low-skilled and older persons

Increase of utilisation of the programme

of support took place with an expenditure volume at the amount of EUR 332.3 million. Of these, 10.551 were older persons from 45 years of age in enterprises with less than 250 employees. Employers received wage subsidies for 34,930 employees.

Qualification during short-time work – Programme "FbW während Kug" (Promotion of Further Vocational Training while Receiving Short-Time Allowance)

Further training of short-time workers

In 2009, the BA supported for the first time the further training of recipients of short-time allowance (Kug) with expenses for further training within the framework of the programme "FbW während Kug" (Promotion of Further Vocational Training while Receiving Short-Time Allowance) initiated by the Board of Governors, as far as it concerns the group of persons of low-skilled workers in the sense of Section 77 Subsection 2 SGB III. This promotion is supposed to utilise idle times due to economic reasons for further vocational training. In 2009, a total of 23,700¹ instances of support took place with a nationwide expenditure volume at the amount of EUR 31.6 million.

Support of the Participation of Disabled and Severely Disabled Persons in Working Life

The BA defines its role as institution responsible for vocational rehabilitation not only in the implementation of its legal duty but sees itself as a trigger for innovations and companion at the (further) development of participation assistance regarding disabled persons.

Supported employment

With supported employment (unterstützte Beschäftigung – UB), which was introduced in 2009, the legislature introduced an integrative promotion instrument which offers new opportunities for the participation of disabled persons in the labour market. With the integration of UB in SGB IX, a group of persons was brought to the centre of attention, for which integration into employment on the general labour market have not been achieved by then with general benefits for the participation in the labour market. For this group, often the integration in sheltered workshops for disabled people (Werkstätten für behinderte Menschen – WfbM) was seen as the only way left for the participation in working life. In the sense of modern disability policy, more disabled persons are to be integrated in the general labour market also without formal degrees, respecting their right to choose (Wunsch- und Wahlrecht). This also corresponds with the objectives of the Convention of the United Nations on the Rights of People with Disabilities. As the first and up to now only institution of rehabilitation, the BA created a nationwide offer of supported employment of disabled persons in 2009, which can support approximately 2,300 persons.

Focus: initial professional integration

The BA is the leading institution of rehabilitation for initial vocational integration of young disabled persons. Of the total of 71,931 (2008: 69,018) persons to be rehabilitated who were accepted for assistance in 2009, roughly 68 percent (2008: 67.6 percent) can be ascribed to the area of initial integration.

¹ Estimates, with data information of December 2009

On an annual average for 2009, a total of 42,234 disabled persons participated in an employment promotion measure with the aim of gaining vocational qualification (2008: 42,686) within the framework of initial vocational integration. Further 17,406 young persons (2008: 17,278) participated in vocational preparation measures.

Within the framework of vocational reintegration, on an annual average for 2009, 13,479 disabled persons (2008: 13,860) gained qualification through further training measures.

Promotion of reintegration

On an annual average for 2009, a total of 23,075 persons was assisted in the entry procedure and vocational training stage of a sheltered workshop. These are disabled persons who on account of their capacities were not or not yet capable of undertaking an activity on the general labour market.

Sheltered workshop for disabled persons and alternatives

As institution providing rehabilitation, the BA is also responsible for those capable of work but in need of support in the legal sphere of SGB II; the promotional funds earmarked in the budget of the BA are also utilised for this group of persons. In the case of measures of initial vocational training and in sheltered workshops for disabled persons, the BA is generally expected to provide benefits for both legal spheres. In the field of reintegration, generally the providers of basic benefits for persons capable of work but in need of support are originally responsible for providing benefits.

In 2009, the BA invested EUR 2.39 billion (2008: EUR 2.30 billion) from the SGB III budget for the participation of disabled persons in working life. The expenditures for rehabilitation benefits in the area of SGB II came to EUR 116 million in 2009 (2008: EUR 109 million).

Financial contribution

For the special support of severely disabled persons – primarily integration subsidies to employers when they hire a severely disabled person – a total of EUR 125 million (2008: EUR 122 million) was spent for persons within the legal sphere of SGB III, for persons within the legal sphere of SGB II EUR 40 million (2008: EUR 36 million) was spent.

Short-Time Work

Employees are paid short-time allowance due to the economic situation in accordance with Sections 169 et seqq. SGB III if there is an unavoidable, temporary interruption of work resulting from economic causes or unavoidable circumstances. Short-time allowance is partially a replacement of wages and is intended to contribute to retaining jobs for the employees, and experienced staff for the enterprises.

Short-time allowance is granted to employees and is intended to retain jobs for the employees and experienced staff for the enterprises

Due to the global financial and economic crisis in 2009, the instrument of short-time allowance became an important guarantee for securing employment. For the increase of attractiveness, the economic stimulus package II and the "Kug-Plus" regulation created significant improvements for short-time allowance between 1 February 2009 and 31 December 2010:

- Refund of half the contributions to social insurance on short-time allowance in generalised form in the first six months of receiving short-time allowance.
- Possible full payment of social insurance contributions as of the first month of receiving short-time allowance in case of further education of employees.
- Refund of the total social insurance contributions as of the 7th month of receiving short-time allowance.
- Alternative minimum requirement that 10 percent of work loss of an employee suffice to fulfil the basic requirements for short-time allowance.
- Fictitious increase of planned remuneration if collective employment security agreements are valid.
- Granting of short-time allowance also to temporary workers.
- Simplification of the administration procedure for application and calculation.

On an estimated annual average for 2009, 1.11 million employees worked short-time (2008: 101,540); this equals the preservation of approximately 300,000 to 400,000 jobs. The number of enterprises affected increased from 10,052 to estimated 50,000. The expenditures for short-time allowance due to the economic situation amounted to EUR 4.573 billion in 2009 (2008: EUR 110 million); from that EUR 2.975 billion short-time allowance due to the economic situation and EUR 1.598 billion refunded contributions to social insurance.

Winter Construction/Seasonal Short-Time Allowance

Seasonal short-time allowance contributes to the stabilisation of employment relationships in the construction industry

With the granting of seasonal short-time allowance (Saison-Kug), employees from the construction industry can remain employed also during economic and seasonal work stops during times of bad weather and do not have to be dismissed into unemployment. Besides seasonal short-time allowance, the employer is refunded the full amount of the social insurance contributions born solely by him/her, the lost hour is therefore almost cost-neutral for the construction employer. Commercial construction workers receive winter added-expense reimbursements and winter bonus allowances on a pay-as-you-go basis which are not subject to tax or social security contributions.

In 2009, 123,390 applications for benefits (seasonal short-time allowances and supplementary allowances) were paid for 1,224,402 employees.

For contribution-financed seasonal short-time allowance, a total of EUR 350 million including payment of half the contributions to social insurance as of February 2009 (2008: EUR 177 million) were spent in 2009. The pay-as-you-go expenditures for winter added-expense reimbursements, winter bonus allowances and reimbursement of social security contributions to employers came to EUR 269 million (2008: EUR 267 million).

Gradual Transition of Elderly Workers into Retirement

Gradual transition into retirement that begins after 31 December 2009 can no longer be assisted by the BA

Benefits under the Act to Promote a Gradual Transition of Elderly Workers into Retirement (Altersteilzeitgesetz) are granted to employers for employees who have completed their 55th year of age and have agreed on part-time work with their employer. Support benefits from unemployment insurance can only be provided for the period as of 1 January 2010 if the gradual transition into retire-

ment started before that point of time. Agreements on gradual transition into retirement signed after 31 December 2009 are permitted by law but will no longer receive assistance from the BA. In the year under review, roughly 49,000 applications for approval of eligibility criteria were authorised nationwide (2008 in total: 46,000). On 31 December 2009 about 95,500 employees were taking advantage of assisted gradual transition into retirement (on 31 December 2008 the figure was still roughly 100,000). In approximately 33,800 cases, previously unemployed employees took over the vacated positions and in roughly 55,350 cases individuals who had completed their training did so. In the remaining cases (about 6,350), small businesses hired a trainee or recipients of unemployment benefit II as replacement.

The BA supported the gradual transition into retirement to the amount of EUR 1.32 billion in 2009 (2008 a total of EUR 1.36 billion). EUR 174 million (2008 also EUR 174 million) of this were allotted to eastern Germany.

Reorientation of Labour Market Services in SGB II

The recently introduced regulation on free promotion (Section 16f SGB II) gives the agencies for basic benefits the opportunity to expand the legally regulated offer of measures with free benefits for the integration into employment. With a determined package of measures usually not all imaginable assistance needs can be sorted out exhaustively. This applies especially to persons capable of work but in need of support. Therefore, the legislation gave the opportunity to develop free integration benefits and thus add to the bundle of regular/basic benefits in an employment-oriented and innovative way.

On this basis, existing benefits but also innovative individual concepts can be developed and supported into fitting courses of action. The setting up of a business is often connected to expenses for operational plants and equipment as well as for the acquisition of a fleet of vehicles. Through the contribution to necessary expenditures for investment and material in the start-up period, assistance in accordance with Section 16c SGB II eliminates existing financial shortages, which can impede promising start-up plans. In the field of publicly assisted employment, the variety of products was tightened. The discontinuation of job-creation measures is covered by occasional work (AGH in additional expenses and subsidised employment) which can be arranged in different ways.

Reorientation of labour market instruments in the legal sphere of SGB II

EARNINGS REPLACEMENT BENEFITS

Insolvency payments granted to the amount of owed net wages

Insolvency Payments

Insolvency insurance covers owed wages of employees for the last three months of the employment relationship prior to the insolvency event. The insolvency event is usually the inception of insolvency proceedings against the employer's assets, or the rejection of an application for such proceedings because the assets would not cover court costs. Insolvency benefits are granted to the amount of the owed net wages (allowing for a monthly benefit ceiling). Along with this, the BA pays total owed social security contributions for the past three months to the applicable collection offices (the public health insurance funds).

In 2009, the expenditures for insolvency payments equalled EUR 1.62 billion (2008 a total of EUR 654 million). EUR 220 million (2008: EUR 124 million) of this were allotted to eastern Germany.

BA spends EUR 17.28 billion on unemployment benefit and partial unemployment benefit

Unemployment Benefit/Partial Unemployment Benefit

In 2009, the BA spent EUR 17.29 billion (2008: EUR 13.86 billion) on unemployment benefit and partial unemployment benefit (including reimbursements to foreign insurance institutions). The total sum included EUR 2.9 billion for health insurance contributions, EUR 3.9 billion for pension insurance contributions and EUR 0.4 billion for nursing care contributions.

In the year under review, the average monthly entitlement (without social security contributions) of a recipient of unemployment benefit amounted to EUR 746.43 (2008: EUR 733).

Voluntary Extended Insurance Coverage

Since 1 February 2006, family caregivers, self-employed persons, and individuals employed in countries outside the EU have been able to voluntarily continue their enrolment for unemployment insurance. Periods of voluntarily continued insurance count towards entitlement to unemployment benefit.

A total of roughly 98,121 applications (2008: 76,323) for voluntarily continued insurance were filed, roughly 5,918 (2008: 5,158) were denied. Revenues from these contributions amounted to approximately EUR 33.9 million (2008: EUR 30.1 million).

A total of 843,071 cases of suspension of benefits

Periods of Suspension of Benefits

Periods of suspension of benefits arise if clients of SGB III behave in a way which is not in accordance with the insurance conditions. In the year under review, a total of 843,071 periods of suspension of benefits (2008: 741,115) were recorded, of which 206,922 (2008: 181,824) were because of giving up work or behaviour contrary to the contract and 40,312 (2008: 27,409) because of refusal to take up reasonable employment or training measures or because such measures were abandoned, and 242,870 (2008: 213,129) because of failure to report. 10,888 (2008: 10,507) periods of suspension of benefits occurred because of inadequate own efforts and 342,079 (2008: 294,015) because of late registration as seeking employment. Unemployment benefits were not paid during periods of suspension of benefits. The period of eligibility was reduced by the number of days of sus-

pension of benefits, in the case of a 12-week period of suspension of benefits due to giving up work at least by a quarter of the duration of eligibility. In addition to this, eligibility for benefits was discontinued in a further 6,650 cases (2008: 6,625) because the job-seeker had given cause for periods of suspension of benefits totalling at least 21 weeks.

Objections and Legal Actions¹

The number of objections raised against decisions made by the offices of the BA in 2009 was significantly more than the year before. It was 357,331 (2008: 327,507). The main reason is the increase in unemployment, which also leads to an increased number of objections.

The number of actions lodged with the social courts rose slightly to 28,807 (2008: 28,268). In approximately 90 percent of the cases, decisions in reaction to objections were not challenged. The number of unresolved proceedings at the end of the year came to 41,622. The number of appeals to the higher social courts amounted to roughly 2,233 (2008: 2,639) and thus decreased again.

With 394 proceedings (2008: 395), the total number of new proceedings involving the BA pending before the Federal Social Court (Bundessozialgericht) (appeals on matters of law only, summonses to the BA as an interested party, appeals against denial of authorisation to appeal) was almost unchanged.

¹ Matters in accordance with the Social Courts Act (Sozialgerichtsgesetz), area SGB III

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Budget of the BA and Funding from the Federal and State Governments and Other Sources

Revenues and expenditures in the budget year 2009 in EUR

	Budgeted plan figures 2009	Actual figures 2009	more or less (-) against budget
I. BA revenues	34,706,840,000.00	34,253,782,565.09	- 453,057,434.91
Contributions	22,447,000,000.00	22,046,113,696.95	- 400,886,303.05
Funding from the Federal Government for employment promotion	7,777,000,000.00	7,777,000,000.00	0.00
Reimbursement for administrative expenditures SGB II	2,532,490,000.00	2,570,154,907.42	37,664,907.42
Other revenues	1,950,350,000.00	1,860,513,960.72	- 89,836,039.28
Winter employment levy	305,000,000.00	289,026,430.93	- 15,973,569.07
Insolvency payments levy	731,000,000.00	710,615,866.25	- 20,384,133.75
European Social Fund (ESF)	16,000,000.00	0.00	- 16,000,000.00
Reimbursement for administrative expenditures	248,150,000.00	257,190,425.52	9,040,425.52
Funds from the equalisation fund	90,000,000.00	96,853,829.89	6,853,829.89
Yields from reserves	450,000,000.00	400,059,397.55	- 49,940,602.45
Administrative income and other revenues	110,200,000.00	106,768,010.58	- 3,431,989.42
less: total expenditure (total IV)	45,635,670,000.00	48,057,300,119.97	2,421,630,119.97
Funding balance	- 10,928,830,000.00	- 13,803,517,554.88	- 2,874,687,554.88
The funding balance was balanced by withdrawal from reserves		13,803,517,554.88	
II. Revenues of the Federal Government, the Federal States and other sources¹		36,942,465,811.64	
1. Federal Government ¹		36,925,565,465.76	
2. Federal States		799,960.44	
3. Other sources		16,100,385.44	
Total expenditures for other budgets and entities		36,942,465,811.64	
Surplus (+)/Deficit (-)		0.00	
III. Total revenues (totals I and II)		71,196,248,376.73	
Total expenditure (total VI)¹		84,999,765,931.61	
Surplus (+)/Deficit (-)		- 13,803,517,554.88	
IV. Expenditures from the BA budget	45,635,670,000.00	48,057,300,119.97	2,421,630,119.97
1. Integration item in accordance with Section 71b SGB IV	4,478,800,000.00	3,631,191,587.87	- 847,608,412.13
Covering funds for payment of temporary employees	250,000,000.00	Expenditures in chapter 5	
Discretionary benefits of active employment promotion	4,228,800,000.00	3,631,191,587.87	- 597,608,412.13
Effect-oriented budget	3,392,300,000.00	3,206,795,866.26	- 185,504,133.74
Instruments to promote integration		2,226,632,020.17	
Participation costs of further vocational training (FbW)		1,071,366,255.50	
Integration subsidies (EGZ)		608,228,739.89	
Earnings replacement benefits during further vocational training of employees (AEZ-WB)		4,811,658.97	
Activation and professional integration		185,400,860.71	
Placement budget		149,831,322.78	
Travelling expenses of reportings in accordance with Section 309 SGB III		1,515,562.93	
Discontinued instruments (execution of remainder)		205,477,619.39	

Budget of the BA and Funding from the Federal and State Governments and Other Sources

Revenues and expenditures in the budget year 2009 in EUR

	Budgeted plan figures 2009	Actual figures 2009	more or less (-) against budget
Special measures for young people		826,723,943.64	
Promotion of vocational training of disadvantaged trainees		728,333,988.07	
Guidance for young people entering a profession		35,448,268.12	
Preliminary vocational qualification		54,788,802.73	
Deepened vocational orientation		8,152,884.72	
Instruments oriented on the progress of integration		112,434,614.79	
All-round integration assistance for clients requiring guidance (Ganzll)		103,447,604.95	
Special programme IfB 2007 (execution of remainder)		8,987,009.84	
Substitute labour market		41,005,287.66	
Qualification of temporary employees	200,000,000.00	84,075.77	- 199,915,924.23
Qualification during short-time work	150,000,000.00	31,646,453.61	- 118,353,546.39
Testing of innovative approaches	16,500,000.00	0.00	- 16,500,000.00
Special preventive measures for young people	70,000,000.00	60,329,244.85	- 9,670,755.15
Further training of low-skilled and elderly employees in enterprises (WeGebAU)	400,000,000.00	332,335,947.38	- 67,664,052.62
2. Further services of active employment promotion	10,730,350,000.00	13,180,470,629.82	2,450,120,629.82
Promotion of vocational training	1,002,500,000.00	951,676,492.47	- 50,823,507.53
Vocational Training Assistance (Berufsausbildungsbeihilfe)	581,800,000.00	583,981,017.07	2,181,017.07
Participation costs for vocational preparation measures	350,200,000.00	333,425,996.26	- 16,774,003.74
Training bonus	70,500,000.00	34,269,479.14	- 36,230,520.86
Participation of disabled persons in working life Promotion of severely disabled persons	2,546,900,000.00	2,517,332,999.07	- 29,567,000.93
Mandatory services to promote participation in working life	2,333,900,000.00	2,332,331,561.96	- 1,568,438.04
Voluntary services to promote participation in working life	62,600,000.00	60,111,941.41	- 2,488,058.59
Benefits for severely disabled persons	150,400,000.00	124,889,495.70	- 25,510,504.30
Promotion of self-employment	1,675,850,000.00	1,579,496,412.18	- 96,353,587.82
Self-employment grants (Existenzgründungszuschüsse)	19,750,000.00	22,766,306.10	3,016,306.10
Start-up grant	1,656,100,000.00	1,556,730,106.08	- 99,369,893.92
Unemployment benefit during further vocational training	1,072,000,000.00	1,135,647,614.27	63,647,614.27
Other benefits	4,433,100,000.00	6,996,317,111.83	2,563,217,111.83
Late acquisition of lower-secondary education for employees	26,300,000.00	667,889.48	- 25,632,110.52
Short-time allowance due to the economic situation (KuG)	1,544,000,000.00	2,975,430,951.61	1,431,430,951.61
Refund of contributions to social insurance to employers during short-time allowance	556,000,000.00	1,598,435,991.23	1,042,435,991.23
Promotion of all-year employment	461,200,000.00	619,613,740.19	158,413,740.19
Seasonal short-time allowance (Saison-KuG)	190,000,000.00	291,597,760.09	101,597,760.09
Supplementary allowances (winter allowance, refund of social insurance contributions when receiving seasonal short-time allowance)	271,200,000.00	328,015,980.10	56,815,980.10
Transfer services (transfer short-time allowance, transfer measures)	176,800,000.00	308,378,766.63	131,578,766.63
Qualification when receiving transfer short-time allowance (ESF) and ESF promotional period 2000 .. 2006	18,000,000.00	7,856,798.11	- 10,143,201.89

Budget of the BA and Funding from the Federal and State Governments and Other Sources

Revenues and expenditures in the budget year 2009 in EUR

	Budgeted plan figures 2009	Actual figures 2009	more or less (-) against budget
Qualification during short-time allowance or seasonal short-time allowance cofinanced by the EFS	16,500,000.00	27,764,084.64	11,264,084.64
Integration vouchers for older employees (EGG, compulsory and discretionary benefit)	92,100,000.00	39,209,028.65	- 52,890,971.35
Wage subsidies for older employees (EGS)	77,100,000.00	59,418,874.59	- 17,681,125.41
Part-time benefits for older employees	1,400,000,000.00	1,313,109,422.56	- 86,890,577.44
Placement vouchers	60,000,000.00	45,147,917.41	- 14,852,082.59
Benefits of small financial amount and benefits to be discontinued, together	5,100,000.00	1,283,646.73	- 3,816,353.27
3. Benefits to replace earnings in the event of unemployment and insolvency of employer, refunds to pension and nursing care insurance as well as integration contribution of the BA	22,879,560,000.00	23,945,661,122.03	1,066,101,122.03
Integration contribution	4,866,260,000.00	4,866,259,600.88	- 399.12
Refunds to pension and nursing care insurance	190,000,000.00	171,621,153.42	- 18,378,846.58
Unemployment benefit/Refunds to foreign insurance institutions	17,179,300,000.00	17,290,578,205.40	111,278,205.40
Insolvency payments	644,000,000.00	1,617,202,162.33	973,202,162.33
4. Administrative duties and collection of contributions	5,504,470,000.00	5,397,798,325.10	- 106,671,674.90
Remuneration for the cost of collection	465,400,000.00	465,373,888.12	- 26,111.88
Administrative expenditures of the BA for SGB III	5,039,070,000.00	4,932,424,436.98	- 106,645,563.02
For duties of the Family Benefits Office and for the implementation of additional personnel resources	440,320,000.00	0.00	- 440,320,000.00
Personnel costs	3,432,880,000.00	3,781,550,118.51	348,670,118.51
Other administrative expenses	1,165,870,000.00	1,150,874,318.47	- 14,995,681.53
5. Administrative expenditures of the BA within basic benefits for job-seekers	2,042,490,000.00	1,902,178,455.15	- 140,311,544.85
of that: Expenditures for non-local services (üKo)	104,900,000.00	96,094,512.03	- 8,805,487.97
V. Expenditures for the Federal and State Governments and other entities^{1, 2}		36,942,465,811.64	
1. Federal budget funds ¹		36,925,565,465.76	
a) Conducting of integration courses in accordance with the regulations on integration courses (Integrationskursverordnung) (Chapter 0633 Title 684 02)		- 7,962.36	
b) Reimbursement of administrative costs for family benefit adjustments to the BA under the Income Tax Act (Einkommensteuergesetz) (Chapter 0803 Title 636 01)		210,650,000.00	
c) Adapt subsidies (Anpassungsbeihilfen) (Chapter 0902 Title 681 11)		- 140.68	
d) Communicative assistance in the implementation of basic benefits for job-seekers (Chapter 1101 Title 541 01)		97,897.54	

Budget of the BA and Funding from the Federal and State Governments and Other Sources

Revenues and expenditures in the budget year 2009 in EUR

	Budgeted plan figures 2009	Actual figures 2009	more or less (-) against budget
e) Cost of implementing the Job Security Act (Arbeitssicherstellungsgesetz); European Globalisation Adjustment Fund (Chapter 1102 Title 636 01, 686 21)		4,090,644.47	
f) Benefits in accordance with SGB II and SGB III and similar benefits (Chapter 1112)		36,167,957,738.89	
of these benefits from the basic benefits for job-seekers (partial group 01)		28,384,552,911.63 ⁴	
g) Protection of former temporary military personnel against the economic impact of unemployment (Chapter 1403 Title 433 71)		15,296,551.10	
h) Child benefit (not including child benefit under tax law) ¹ (Chapter 1710 Titles 636 11, 681 13, 681 14, 681 18, 681 19)		506,265,999.03	
i) Preparation and training of personnel for activities in the area of development cooperation, allow- ances for integrated and returning specialists, benefits under the Development Assistance Act (Entwicklungshelfergesetz) (Chapter 2302 Titles 681 02, 685 08, 686 13)		21,214,737.77	
2. Budget funds of the Federal States		799,960.44	
3. Funds of other entities ²		16,100,385.44	
VI. Total expenditures (Total IV and V)^{1, 2, 3}		84,999,765,931.61	

¹ Not including expenditures for child benefit (Kindergeld) if these were disbursed by Family Benefit Offices at the expense of the Federal budget at the earmarked funds Chapter 6001 Title 011 01 - income tax. These expenditures came to EUR 31,466,878,550.11 in 2009.

² Not included are the following expenditures realised via the financial systems of the BA:

– Housing and heating costs (KdU) under local authorities (Section 6, Subsection 1, Sentence 1, No. 2 SGB II): EUR 11,923,611,479.62;

– Administrative costs for joint agencies (Arbeitsgemeinschaften - ARGEn) and employment agencies with separate duties (Arbeitsagenturen mit getrennter Aufgabenwahrnehmung - AAgAw) within the framework of basic benefits for job-seekers: EUR 1,721,558,315.66;

– Disbursements of the benefit fund of the BA: 590,411,158.20 EUR, of this EUR 264,400,431.95 for current benefit claims; to finance these expenditures, the benefit fund was added EUR 485,878,925.54 among others from the BA budget.

³ The total volume of all expenditures realised via the financial systems of the BA amounts to EUR 130,702,225,435.20 in 2009.

⁴ The actual result shown in the printed version of the 2009 Annual Report of EUR 36,002,043,186.11 is wrong.

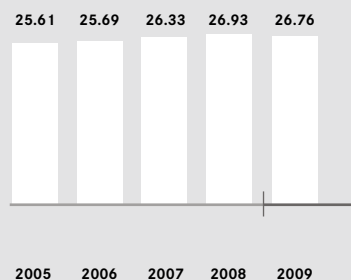
BA Budget

Revenues and expenditures 2007–2009 in EUR

	2007	2008	2009
Revenues	42,838,386,253.69	38,289,175,761.85	34,253,782,565.09
Contributions for employment promotion	32,263,683,050.50	26,451,742,346.85	22,046,113,696.95
Funding from the Federal Government for employment promotion	6,468,000,000.00	7,583,000,000.00	7,777,000,000.00
Reimbursement for administrative expenditures SGB II	2,195,665,292.70	2,261,604,138.80	2,570,154,907.42
Levies and other revenues	1,911,037,910.49	1,992,829,276.20	1,860,513,960.72
Expenditures	36,195,896,601.70	39,407,011,587.22	48,057,300,119.97
Integration item	2,507,110,307.67	2,889,299,425.80	3,631,191,587.87
Further services of active employment promotion	7,916,407,055.20	7,851,982,299.68	13,180,470,629.82
Promotion of vocational training	845,149,204.28	859,887,379.62	951,676,492.47
Promotion of participation in working life of disabled and severely disabled persons	2,291,475,926.34	2,419,330,469.09	2,517,332,999.07
Promotion of self-employment	1,818,191,710.23	1,638,872,650.17	1,579,496,412.18
Unemployment benefit during further vocational training	747,576,497.08	738,749,449.67	1,135,647,614.27
Others (part-time benefits for older employees, short-time allowance, support of all-year employment, etc.)	2,214,013,717.27	2,195,142,351.13	6,996,317,111.83
Benefits to replace earnings during unemployment and during employer insolvency	19,765,017,822.92	19,691,726,508.06	23,945,661,122.03
Integration contribution(2006 and 2007: slippage penalty)	1,944,688,885.92	5,000,000,000.00	4,866,259,600.88
Refunds to pension and nursing care insurance	189,681,786.31	173,536,467.12	171,621,153.42
Unemployment benefit to the unemployed / reimbursement to foreign insurance institutions	16,934,061,766.26	13,864,394,172.61	17,290,578,205.40
Insolvency payments	696,585,384.43	653,795,868.33	1,617,202,162.33
Costs for the collection of contributions and administration	6,007,361,415.91	6,474,003,353.68	7,299,976,780.25
Remuneration to social security collection offices	481,230,414.67	482,327,836.36	465,373,888.12
Administrative expenditures of the BA for the sphere of SGB III	3,414,514,002.71	4,012,576,204.11	4,932,424,436.98
Administrative expenditures of the BA within basic benefits for job-seekers	2,111,616,998.53	1,979,099,313.21	1,902,178,455.15
First allocation to the benefit fund of the BA		2,500,000,000.00	
Balanced withdrawal from reserves		1,117,835,825.37	13,803,517,554.88
Balanced addition to reserves	6,642,489,651.99		

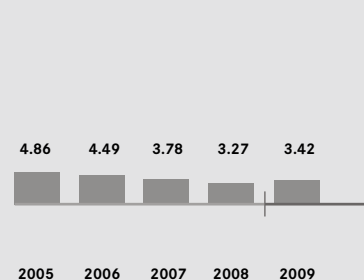
Financial and Economic Crisis Spares Labour Market in 2009 but Puts those under Pressure who Pay the Contributions

Contributors
(moving annual average, millions)



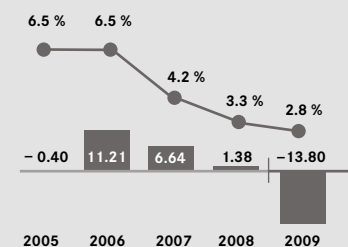
Number of contributors decreased by 0.6 percent between December 2008 and November 2009

Persons unemployed
(annual average, millions)



4.8 percent more unemployed than in the previous year

Operative funding balance
(billion EUR) and **contribution rate**
in unemployment insurance



EUR 13.80 billion deficit in 2009 due to high compulsory expenditures and decreasing contribution volume

Key Labour Market Data

in thousands

	2007	2008	2009
Persons in employment ¹	39,656	40,220	40,148
Persons employed in jobs covered by social security ²	26,855	27,458	27,380
Reported vacancies ³	621	569	486
Unemployed persons ^{3,4}	3,777	3,268	3,423
Unemployment rate ³ (relating to the entire civilian labour force)	9.0	7.8	8.2

¹ Persons in employment domiciled in Germany (national concept); preliminary results; Source: Federal Statistical Office

² Always for the end of June; data as of 2007 preliminary

³ Annual average

⁴ The reorientation of labour market policy instruments as of January 2009 has an indirect effect on the comparability of unemployment rates over time. Further information can be found in the methods report "Umfassende Arbeitsmarktstatistik" (comprehensive labour market statistics) on the Internet <http://www.pub.arbeitsagentur.de/hst/services/statistik/interim/grundlagen/methodenberichte/index.shtml>.

Employment Covered by Social Insurance According to Branches of Industry

Number of persons on annual average in thousands* and share of women in percent

Germany

	ES 08*	2007		2008		2009		Total change 2008-2009
		Total	Share of women in percent	Total	Share of women in percent	Total	Share of women in percent	
Total		26,855	45.0	27,458	45.1	27,380	45.8	- 78
Agriculture, forestry and fishery	A	212	32.3	217	32.9	219	32.7	2
Mining, power and water supply, waste management industry	B, D, E	542	18.8	546	19.1	551	19.4	5
Processing industry	C	6,398	25.2	6,528	25.1	6,369	25.1	- 159
Construction industry	F	1,577	12.7	1,572	12.9	1,572	13.0	0
Trade, maintenance, repair of vehicles	G	3,962	51.2	4,023	51.3	4,022	51.8	- 1
Traffic and storage	H	1,383	25.4	1,420	25.4	1,400	25.5	- 20
Hotel and restaurant industry	I	789	57.5	806	57.7	828	57.7	23
Information and communication	J	815	36.3	842	36.5	828	35.9	- 14
Financial and insurance services	K	996	55.7	990	55.9	1,003	56.1	13
Economic services	L, M, N	3,319	46.7	3,516	46.8	3,380	48.6	- 136
Public administration, defense, soc. ins., ext. org.	O, U	1,678	60.5	1,668	60.8	1,692	61.3	24
Education and teaching	P	998	66.8	1,028	66.9	1,071	66.9	43
Health and welfare	Q	3,150	80.2	3,236	80.2	3,361	80.2	125
Other services, private households	R, S, T	1,032	63.9	1,057	63.9	1,080	64.3	22

* Economic sector system 2008

Major Labour Market Policy Instruments

Number of persons on annual average in thousands*

	2007	2008	2009
Short-time work¹	68	102	1,110
Qualification			
Further vocational training ²	148	171	216
Aptitude tests and training measures ^{2, 3, 4}	77	81	39
Benefits supporting placement			
Participations in measures of activation and vocational integration ⁴	–	–	132
Benefits during employment			
Integration subsidies	112	127	135
Start-up grant	92	123	126
Bridging allowance	3	–	–
Self-employment grant ³	122	41	7
Employment creation measures			
Occasional work	323	315	322
Job-creation schemes	41	40	16
Structural adjustment measures	2	1	–
Promotion of vocational training of these vocational rehabilitation³			
Vocational training of disadvantaged people ³	125	127	131
Vocational preparation measures ³	73	67	68
Initial vocational integration of persons with disabilities	110	107	102
Vocational reintegration of persons with disabilities	25	23	22

* Data for 2009 are provisional. As of 2006, the statistics on the support provided are based on information from the IT processes at the BA as well as on data inputs supplied by authorised local authorities assessed as plausible.

¹ The annual average for 2009 was estimated based on the monthly values from January until September 2009 available so far.

² Including the data on the support of the participation of disabled persons in working life; currently no selective reporting possible.

³ Current extrapolation is not possible at the moment due to missing empirical values or for technical reasons; therefore, a comparison with values of previous years is only possible in a limited way.

⁴ The individual promotion of participants beginning on 1 January 2009 is based on Section 46 of SGB III introduced on 1 January 2009.

Contributions to Health, Pension and Nursing Care Insurance

Million EUR (increase in expenditures for net payments by x percent), Germany 2009

Benefits	Net benefits	Contributions to health insurance (KV)	Percentage of net benefit	Contributions to pension insurance (RV)	Percentage of net benefit	Contributions to nursing care insurance (PV)	Percentage of net benefit	Total KV, RV, PV	Percentage of net benefit
Unemployment benefit to unemployed persons	10,059.2	2,930.8	29.1	3,920.2	39.0	372.6	3.7	7,223.6	71.8
Unemployment benefit during further vocational training	687.4	197.6	28.8	264.5	38.5	25.2	3.7	487.4	70.9
Transitional allowance	62.6	16.3	26.0	17.2	27.5	2.1	3.4	35.6	56.9
Training allowance	180.9	0.2	0.1	0.3	0.2	0	0	0.5	0.3
paid insolvency payments	1,126.3							629	
refunded insolvency payments	– 88.7							– 67.5	
				Social security contributions only shown as totals					

In addition, the BA refunded EUR 9.5 million for the accident insurance of the beneficiaries (including administrative expenses) to the accident insurance of the Federal Government.

Unemployment and Active Employment Promotion of Women

Characteristic		Germany			West Germany			East Germany		
		Women, absolute figures	Share of women in percent		Women, absolute figures	Share of women in percent		Women, absolute figures	Share of women in percent	
		2009	2008	2009	2009	2008	2009	2009	2008	2009
Unemployed										
Inflow	AT	3,963,947	45.0	42.8	2,736,250	44.8	42.4	1,227,697	45.4	43.9
Existing	AV	1,555,507	49.0	45.4	1,054,408	49.2	45.4	501,099	48.5	45.4
of these long-term unemployed ¹	AV	475,008	52.7	50.9	314,517	52.4	51.1	160,491	53.4	50.7
of these people returning into employment ¹	AV	90,959	98.6	98.4	52,026	98.5	98.4	38,933	98.7	98.5
Outflow	AT	3,949,882	45.8	43.8	2,695,391	45.6	43.3	1,254,491	46.1	44.9
of these in employment (without training)	AT	1,240,158	39.5	38.6	804,943	39.2	38.2	435,215	40.1	39.3
Unemployment rate	%									
(relating to the entire civilian labour force ¹)	AV	7.9	8.2		6.8	6.8		12.4	13.4	

Important services of active employment promotion (existing and approvals)

Further vocational training^{3,4,5}	AV	96,246	46.9	44.8	65,927	47.5	44.2	30,319	45.7	46.2
Benefits supporting placement^{3,5}										
Participations in measures of activation and vocational integration ⁶	AV	58,461	x	45.1	42,904	x	43.9	15,558	x	48.8
Employment creation measures:^{3,5}										
Occasional work in accordance with Section 16 Subsection 3 SGB II	AV	132,207	42.0	41.2	64,131	38.6	37.9	68,076	46.0	44.8
Job-creation schemes	AV	7,327	42.4	45.0	1,441	37.4	38.4	5,885	43.5	47.0
Promotion of regular employment										
Direct assistance:^{3,5}										
Integration subsidy	AV	54,699	38.2	40.9	29,175	34.9	37.9	25,523	42.8	44.8
Hiring subsidy for start-ups	AV	610	42.6	46.0	282	39.1	40.6	328	47.0	52.1
Hiring subsidy for substitutes	AV	104	51.1	63.4	46	44.2	66.0	59	56.3	61.6
Wage subsidies	AV	4,204	34.5	34.2	3,223	31.4	31.6	981	48.2	47.1
Start-up grant	AV	46,482	37.3	37.1	34,486	36.5	36.2	11,996	39.8	40.0
Indirect assistance:^{3,5}										
Training measures ^{4,6}	AV	18,287	48.0	47.4	13,256	47.4	46.5	5,031	49.4	50.0
Support for guidance and placement (approvals)	AT	110,267	52.3	52.2	70,674	52.2	51.7	39,593	52.3	53.2
Mobility subsidies (approvals)	AT	9,467	38.2	44.6	4,013	36.9	40.7	5,454	38.9	47.9
Applicants for vocational training positions – as of 2009 including the data of authorised local authorities (zkt)										
Registered during the year under review (inflow) ²	AT	259,268	47.1	46.7	208,947	47.6	46.8	50,254	45.6	46.1
At the end of the reporting year ² applicants not yet placed	AT	7,583	48.9	46.1	5,526	48.8	46.3	2,056	49.1	45.6

AV = Annual average, AT = Annual total

¹ As of 2005 complementary evaluations of the BA's special IT process. As of 2005, the unemployment statistics are based on data from the BA's IT process and on data supplied by authorised local authorities and assessed as plausible; if the data supplied did not seem plausible, figures were based on complementary estimates from the BA's statistics. Complementary evaluations of the BA's special IT process do not contain any data from authorised local authorities.

The reorientation of labour market policy instruments as of January 2009 has an indirect effect on the comparability of unemployment rates over time. Further information can be found in the methods report "Umfassende Arbeitsmarktstatistik" (comprehensive labour market statistics) on the Internet <http://www.pub.arbeitsagentur.de/hst/services/statistik/interim/grundlagen/methodenberichte/index.shtml>.

² Unemployed persons as a percentage of the total civilian labour force (dependently employed, self-employed and family helpers).

³ Reporting year: 1 October to 30 September of the following year. As of July 2005, the geographical characteristic for data collection on applicants was changed from the place of counselling to the place of residence. Regional figures may differ from the totals for Germany as a whole because of data that could not be allocated and applicants living abroad. Until reporting year 2007/08 without data of authorised local authorities (zkt); as of reporting year 2008/09 including zkt.

⁴ Data for 2009 are provisional. As of 2006, the statistics on the support provided are based on information from the IT processes at the BA as well as on data inputs supplied by authorised local authority entities assessed as plausible.

⁵ Including the data on the promotion of the participation of disabled persons in working life; currently no selective reporting possible.

⁶ Current extrapolation is not possible at the moment due to missing empirical values or for technical reasons; therefore, a comparison with values of previous years is only possible in a limited way.

⁷ The individual promotion of participants beginning on 1 January 2009 is based on Section 46 SGB III introduced on 1 January 2009.

Key Data Women in the Labour Market

Number of persons on annual average
total in thousands and share of women in percent
Germany

	2007		2008		2009	
	Total	Percentage women	Total	Percentage women	Total	Percentage women
Unemployed	3,777	49.6	3,268	49.0	3,423	45.4
Unemployment rate (relating to the entire civilian labour force)	9.0	9.6	7.8	8.2	8.2	7.9
Unemployed persons returning into employment	139	98.7	109	98.6	92	98.4
Unemployed single parents	311	92.5	288	92.6	279	92.0
Persons employed in jobs covered by social security	26,855	45.0	27,458	45.1	27,380	45.8
Persons employed in full-time jobs covered by social security	22,070	36.6	22,443	36.6	22,165	37.0
Persons employed in part-time jobs covered by social security	4,773	83.7	5,003	83.6	5,202	83.4
Persons in minor employment	6,918	64.3	7,078	64.0	7,192	63.9
Of these persons employed solely in minor employment	4,882	67.5	4,882	67.4	4,932	66.8

Personnel Statistics

Key data from the personnel area

Rate of severely disabled: ~ 8.5 percent

Share of women: ~ 70 percent

Part-time rate: ~ 22 percent

Jobs for permanent staff and employment possibilities for temporary staff at the Bundesagentur für Arbeit

	Total		Unemployment insurance ¹ and internal service as well as service basic benefits		Basic benefits ² without service basic benefits		Family Benefits Office	
	2008	2009	2008	2009	2008	2009	2008	2009
Total	100,221.0	108,781.0	63,306.5	66,261.0	33,426.5	38,619.5	3,488.0	3,900.5
Employees	63,152.0	72,934.0	37,188.5	41,444.5	22,963.5	28,129.0	3,000.0	3,360.5
Civil servants	20,148.5	19,363.5	14,272.5	13,584.0	5,463.0	5,371.5	413.0	408.0
Staff with temporary contracts	12,076.5	11,943.5	7,001.5	6,692.5	5,000.0	5,119.0	75.0	132.0
Junior staff	4,844.0	4,540.0	4,844.0	4,540.0				

Source: Budget plan of the BA for the years 2008 and 2009

¹ Employment agencies, regional directorates, special offices, and headquarters

² ARGE and agencies with separate duties (core tasks basic benefits) as well as supra-regional tasks within basic benefits

Members of the Executive Board of the Bundesagentur für Arbeit

Dr. rer. pol. h.c. Frank-J. Weise

Chairman of the Executive Board

(in office since 19 February 2004; Member of the Executive Board since 29 April 2002)

Heinrich Alt

Member of the Executive Board

(in office since 26 April 2002)

Raimund Becker

Member of the Executive Board

(in office since 19 February 2004)

Members of the Board of Governors of the Bundesagentur für Arbeit

(reporting year 2009)

Annelie Buntenbach

Chairwoman

from 1 July 2009 to 30 June 2010

Peter Clever

Deputy Chairman

from 1 July 2009 to 30 June 2010

■ Employee group

Dr. Wilhelm Adamy

German Federation of Trade Unions

Michaela Rosenberger

Gewerkschaft Nahrung-Genuss-Gaststätten

Members

Egbert Biermann

IG Bergbau, Chemie, Energie

Dietmar Schäfers

IG Bauen-Agrar-Umwelt

Annelie Buntenbach

Federation of Trade Unions

Dr. Hans-Jürgen Urban

IG Metall

Isolde Kunkel-Weber

United Services Union ver.di

Peter Deutschland

German Federation of Trade Unions

Dr. Stephanie Odenwald

Gewerkschaft Erziehung und Wissenschaft

Deputy Members

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German Federation of Trade Unions

■ Employers group

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Vereinigung der Bayerischen Wirtschaft e.V.

Gerhard Handke

Bundesverband Großhandel, Außenhandel,
Dienstleistungen e.V. (BGA)

Members

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Confederation of German Employers'
Associations

Knuth Henneke

Metropol-Region Rhein-Neckar

Walter Huber
Siemens AG

Dr. Jürgen Wuttke
Confederation of German Employers'

Holger Schwannecke
Unternehmerverband des Deutschen
Handwerks e.V. (UDH)

Deputy Members

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Employers Association of the Metalworking
Industry

Alexander Wilhelm
Confederation of German Employers'
Associations

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CMS Societät für Unternehmensberatung AG

Public bodies group

Members

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Federal Ministry of Labour and Social Affairs

Sabine Hübner
Ministry of Work, Social Affairs, Health and the
Family, Federal State of Brandenburg

Carsten Frigge
Ministry of Economic and Labour Affairs of
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Christiane Voß-Gundlach
Federal Ministry of Labour and Social Affairs

Prof. Eberhard Trumpp
Administrative District Assembly
Baden-Württemberg

Key Annual Data of the Labour Statistics for the Federal Republic of Germany

in thousands

Characteristic		2004	2005	2006	2007	2008	2009	
Population ¹	t	82,501	82,438	82,315	82,218	82,002		
	m	40,354	40,340	40,301	40,274	40,184		
	w	42,147	42,098	42,014	41,944	41,818		
Persons employed in jobs covered by social security ²	t	26,524	26,178	26,354	26,855	27,458	27,380	
	m	14,541	14,286	14,424	14,770	15,064	14,829	
	w	11,983	11,892	11,931	12,085	12,394	12,551	
<i>of these foreign nationals</i>	t	1,805	1,755	1,790	1,844	1,901	1,879	
Total number of unemployed persons	AV t	4,381	4,861	4,487	3,777	3,268	3,423	
	" m	2,449	2,603	2,338	1,900	1,668	1,868	
	" w	1,933	2,258	2,150	1,873	1,600	1,556	
<i>of these foreign nationals</i>	" t	545	673	645	559	497	524	
<i>Young people under 20</i>	" t	75	124	109	83	67	66	
<i>Severely disabled persons</i>	" t	174	181	184	177	164	167	
<i>Unemployed persons looking for part-time work</i> ³	" t	391	491	517	466	397	382	
Total unemployment rate ³	AV t	11.7	13.0	12.0	10.1	8.7	9.1	
	" m	12.5	13.3	12.0	9.8	8.6	9.6	
	" w	10.8	12.7	12.0	10.4	8.9	8.6	
<i>of these foreign nationals</i>	" t	20.3	25.1	23.7	20.3	18.1	19.1	
<i>of these young people under 20</i>	" t	4.2	7.4	6.8	5.3	4.3	4.3	
Job-seekers ⁴	AV t	5,849	6,368	6,228	5,709	5,090	5,438	
	" m	3,254	3,400	3,226	2,869	2,610	2,925	
	" w	2,594	2,969	3,002	2,840	2,480	2,513	
Total vacancies notified	AV t	286	413	564	621	569	486	
	" t	54	130	183	193	176	179	
Inflow of job-seekers ⁵	AT t	6,900	6,840	6,344	6,501	6,257	6,758	
Inflow of unemployed persons	AT t	8,235	8,427	8,131	8,206	8,352	9,253	
Inflow of notified vacancies	AT t	2,136	2,731	2,932	2,898	2,649	2,244	
Short-time workers ⁸	AV t	151	126	67	68	102	1,110	
Employees in job-creation measures ⁵	AV t	86	48	44	41	40	16	
Clients of the vocational guidance ⁴	AT t	2,048	1,949	2,059				
	" m	1,051	1,006	1,072				
	" w	997	944	987				
Notified vocational training vacancies ⁴	AT t	520	471	459	510	512	475	
	<i>of these remained unfulfilled</i> ⁴	YE t	13	13	15	18	20	17
Registered applicants for vocational training positions - as of 2009 including the data of authorised local authorities (zkt) ⁴	AT t	736	741	763	734	620	556	
	<i>of these not yet helped/not yet placed</i> ⁴	YE t	44	41	49	33	15	16
	Participants in further vocational training measures ^{5,9}	AV t	216	142	145	148	171	216
Participations in measures of activation and vocational integration ¹⁰	AV t	-	-	-	-	-	132	
Integration subsidies ⁵	AV t	110	60	82	112	127	135	
Recipients of unemployment benefit II ⁶			4,982	5,392	5,277	5,010	4,908	
Recipients of welfare benefit ⁶			1,774	1,955	1,963	1,897	1,817	
Recipients of unemployment benefit ⁷	AV t	1,845	1,728	1,445	1,080	917	1,143	

AV = Annual average, AT = Annual total, YE = Year end

¹ As of 2005 complementary evaluations of the BA's special IT process. As of 2005, the unemployment statistics are based on data from the BA's IT process and on data supplied by authorised local authorities and assessed as plausible; if the data supplied did not seem plausible, figures were based on complementary estimates from the BA's statistics. Complementary evaluations of the BA's special IT process do not contain any data from authorised local authorities.

² The reorientation of labour market policy instruments as of January 2009 has an indirect effect on the comparability of unemployment rates over time. Further information can be found in the methods report „Umfassende Arbeitsmarktstatistik“ (comprehensive labour market statistics) on the Internet <http://www.pub.arbeitsagentur.de/hst/services/statistik/interim/grundlagen/methodenberichte/index.shtml>.

³ Source: Federal Statistical Office; Break-off date: 31 December – for 2006 – results on 30 September 2006 from the population forward projection.

⁴ End of June in each case; data as of 2007 are provisional – according to the principle of place of work.

⁵ Unemployed persons as a percentage of the dependent civilian labour force (employees liable to social security and in marginal employment, civil servants, unemployed persons).

⁶ Reporting year: 1 October to 30 September of the following year. As of July 2005, the geographical characteristic for data collection on advice seekers and applicants was changed from the place of counselling to the place of residence. Regional figures may differ from the totals for Germany as a whole because of data that could not be allocated and applicants living abroad. Until reporting year 2007/08 without data of authorised local authorities (zkt); as of reporting year 2008/09 including zkt.

⁷ Data for 2009 are provisional. As of 2006, the statistics on the support provided are based on information from the IT processes at the BA as well as on data inputs supplied by authorised local authorities assessed as plausible.

⁸ Data with 3 months waiting period from January 2005 up to and including September 2009; the data for the period October to December 2009 were included in the annual values of 2009 as preliminary, extrapolated values.

⁹ The annual average for 2009 includes preliminary, extrapolated values for the 2009 November and December figures.

¹⁰ The annual average for 2009 was estimated based on the monthly values from January until September 2009 available so far.

¹¹ Including the data on the support of the participation of disabled persons in working life; currently no selective reporting possible.

¹² The individual promotion of participants beginning on 1 January 2009 is based on Section 46 of SGB III introduced on 1 January 2009.

Key annual data of the labour statistics for Western Germany

in thousands

Characteristic		2004	2005	2006	2007	2008	2009
Population¹	t	65,680	65,698	65,667	65,664	65,541	
	m	32,111	32,129	32,128	32,144	32,096	
	w	33,569	33,569	33,539	33,521	33,446	
Persons employed in jobs covered by social security²	t	21,412	21,206	21,340	21,737	22,239	22,164
	m	11,973	11,807	11,905	12,185	12,427	12,225
	w	9,438	9,399	9,435	9,553	9,812	9,939
<i>of these foreign nationals</i>	t	1,706	1,654	1,682	1,731	1,787	1,758
Total number of unemployed persons	AV t	2,783	3,247	3,007	2,486	2,145	2,320
	" m	1,608	1,747	1,567	1,245	1,089	1,266
	" w	1,175	1,500	1,440	1,239	1,055	1,054
<i>of these foreign nationals</i>	" t	469	583	557	477	423	450
<i>Young people under 20</i>	" t	48	85	76	58	46	47
<i>Severely disabled persons</i>	" t	129	135	136	127	117	121
<i>Unemployed persons looking for part-time work³</i>	" t	334	430	451	399	336	326
Total unemployment rate³	AV t	9.4	11.0	10.2	8.4	7.2	7.8
	" m	10.3	11.3	10.1	8.1	7.0	8.2
	" w	8.4	10.8	10.2	8.7	7.4	7.4
<i>of these foreign nationals</i>	" t	18.9	23.5	22.1	18.8	16.8	17.8
<i>of these young people under 20</i>	" t	3.5	6.5	6.0	4.6	3.6	3.7
Job-seekers⁴	AV t	3,757	4,268	4,177	3,760	3,322	3,656
	" m	2,145	2,286	2,161	1,881	1,696	1,971
	" w	1,612	1,981	2,017	1,879	1,626	1,686
Total vacancies notified	AV t	239	325	436	489	455	375
<i>of these for part-time work</i>	" t	41	79	117	131	123	122
Inflow of job-seekers⁵	AT t	4,974	4,944	4,516	4,647	4,519	4,947
Inflow of unemployed persons	AT t	5,577	5,850	5,496	5,582	5,724	6,459
Inflow of notified vacancies	AT t	1,658	2,021	2,167	2,169	1,951	1,612
Short-time workers⁶	AV t	122	101	54	52	80	960
Employees in job-creation measures⁵	AV t	21	12	9	9	7	4
	AT t	1,488	1,436	1,537			
	" m	762	738	794			
" w	726	698	742				
Notified vocational training vacancies⁴	AT t	407	371	360	394	402	382
<i>of these remained unfulfilled⁴</i>	YE t	13	12	14	16	17	14
Registered applicants for vocational training positions - as of 2009 including the data of authorised local authorities (zkT)⁴	AT t	523	538	559	547	482	446
<i>of these of these: not yet helped/not yet placed⁴</i>	YE t	29	30	33	23	10	12
Participants in further vocational training measures^{5,9}	AV t	146	97	101	103	118	150
Participations in measures of activation and vocational integration¹⁰	AV t	-	-	-	-	-	100
Integration subsidies⁵	AV t	40	28	47	68	74	78
Recipients of unemployment benefit II⁶			3,186	3,462	3,394	3,240	3,224
Recipients of welfare benefit⁶			1,255	1,399	1,402	1,352	1,301
Recipients of unemployment benefit⁷	AV t	1,288	1,208	1,023	769	648	844

Note on area status: Old Federal States without Berlin

AV = Annual average, AT = Annual total, YE = Year end

¹ As of 2005 complementary evaluations of the BA's special IT process. As of 2005, the unemployment statistics are based on data from the BA's IT process and on data supplied by authorised local authorities and assessed as plausible; if the data supplied did not seem plausible, figures were based on complementary estimates from the BA's statistics. Complementary evaluations of the BA's special IT process do not contain any data from authorised local authorities. The reorientation of labour market policy instruments as of January 2009 has an indirect effect on the comparability of unemployment rates over time. Further information can be found in the methods report „Umfassende Arbeitsmarktstatistik“ (comprehensive labour market statistics) on the Internet <http://www.pub.arbeitsagentur.de/hst/services/statistik/interim/grundlagen/methodenberichte/index.shtml>.

² Source: Federal Statistical Office; Break-off date: 31 December

³ End of June in each case; data as of 2007 are provisional – according to the principle of place of work.

⁴ Unemployed persons as a percentage of the dependent civilian labour force (employees liable to social security and in marginal employment, civil servants, unemployed persons).

⁵ Reporting year: 1 October to 30 September of the following year. As of July 2005, the geographical characteristic for data collection on advice-seekers and applicants was changed from the place of counselling to the place of residence. Regional figures may differ from the totals for Germany as a whole because of data that could not be allocated and applicants living abroad. Until reporting year 2007/08 without data of authorised local authorities (zkT); as of reporting year 2008/09 including zkT.

⁶ Data for 2009 are provisional. As of 2006, the statistics on the support provided are based on information from the IT processes at the BA as well as on data inputs supplied by authorised local authorities assessed as plausible.

⁷ Data with 3 months waiting period from January 2005 up to and including September 2009; the data for the period October to December 2009 were included in the annual values of 2009 as preliminary, extrapolated values.

⁸ The annual average for 2009 includes preliminary, extrapolated values for the 2009 November and December figures.

⁹ The annual average for 2009 was estimated based on the monthly values from January until September 2009 available so far. Due to reasons of recording not all cases of short-time work can be allocated regionally.

¹⁰ Including the data on the support of the participation of disabled persons in working life; currently no selective reporting possible.

¹¹ The individual promotion of participants beginning on 1 January 2009 is based on Section 46 of Book III of the Social Code introduced on 1 January 2009.

Key annual data of the labour statistics for Eastern Germany

in thousands

Characteristic			2004	2005	2006	2007	2008	2009
Population¹	t		16,821	16,740	16,648	16,554	16,461	
	m		8,243	8,212	8,173	8,131	8,089	
	w		8,578	8,529	8,475	8,423	8,372	
Persons employed in jobs covered by social security²	t		5,112	4,972	5,014	5,117	5,219	5,216
	m		2,567	2,479	2,519	2,585	2,636	2,605
	w		2,545	2,493	2,496	2,532	2,583	2,612
<i>of these foreign nationals</i>	t		99	96	101	107	114	121
Total number of unemployed persons	AV t		1,599	1,614	1,480	1,291	1,123	1,103
	" m		841	856	770	655	579	602
	" w		758	758	710	635	545	501
<i>of these foreign nationals</i>	" t		76	90	89	82	74	74
<i>Young people under 20</i>	" t		27	39	33	26	21	18
<i>Severely disabled persons</i>	" t		44	46	48	50	47	46
<i>Unemployed persons looking for part-time work³</i>	" t		57	62	66	67	61	56
Total unemployment rate³	AV t		20.1	20.6	19.2	16.8	14.7	14.5
	" m		20.6	21.3	19.5	16.7	14.8	15.5
	" w		19.5	19.7	18.8	16.8	14.5	13.5
<i>of these foreign nationals</i>	" t		38.8	45.0	42.4	38.0	33.9	34.1
<i>of these young people under 20</i>	" t		6.9	11.0	10.0	8.4	7.3	7.0
Job-seekers⁴	AV t		2,092	2,101	2,050	1,949	1,768	1,782
	" m		1,109	1,113	1,065	988	914	954
	" w		982	987	986	961	854	828
Total vacancies notified	AV t		47	88	129	133	113	110
<i>of these for part-time work</i>	" t		13	51	66	62	53	57
Inflow of job-seekers⁵	AT t		1,926	1,895	1,829	1,854	1,738	1,811
Inflow of unemployed persons	AT t		2,658	2,577	2,635	2,624	2,628	2,793
Inflow of notified vacancies	AT t		478	710	765	729	698	632
Short-time workers⁶	AV t		29	25	13	16	21	150
Employees in job-creation measures⁵	AV t		65	36	34	31	32	13
Clients of the vocational guidance services⁴	AT t		555	511	520			
	" m		287	267	277			
	" w		268	244	244			
Notified vocational training vacancies⁴	AT t		113	100	99	116	110	94
<i>of these remained unfilled⁴</i>	YE t		1	1	2	2	3	3
Registered applicants for vocational training positions - as of 2009 including the data of authorised local authorities (zkt)⁴	AT t		213	202	204	186	138	109
	YE t		15	11	16	10	4	4
Participants in further vocational training measures^{5, 9}	AV t		70	45	44	46	53	66
Participations in measures of activation and vocational integration¹⁰	AV t		-	-	-	-	-	32
Integration subsidies⁵	AV t		70	32	35	44	53	58
Recipients of unemployment benefit II⁶				1,796	1,930	1,883	1,770	1,685
Recipients of welfare benefit⁴				519	556	562	545	517
Recipients of unemployment benefit⁷	AV t		557	520	423	311	269	299

Note on area status: New Federal States and Berlin

AV = Annual average, AT = Annual total, YE = Year end

¹ As of 2005 complementary evaluations of the BA's special IT process. As of 2005, the unemployment statistics are based on data from the BA's IT process and on data supplied by authorised local authorities and assessed as plausible; if the data supplied did not seem plausible, figures were based on complementary estimates from the BA's statistics. Complementary evaluations of the BA's special IT process do not contain any data from authorised local authorities. The reorientation of labour market policy instruments as of January 2009 has an indirect effect on the comparability of unemployment rates over time. Further information can be found in the methods report „Umfassende Arbeitsmarktstatistik“ (comprehensive labour market statistics) on the Internet <http://www.pub.arbeitsagentur.de/hst/services/statistik/interim/grundlagen/methodenberichte/index.shtml>.

² Source: Federal Statistical Office; Break-off date: 31 December

³ End of June in each case; data as of 2007 are provisional – according to the principle of place of work.

⁴ Unemployed persons as a percentage of the dependent civilian labour force (employees liable to social security and in marginal employment, civil servants, unemployed persons).

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