

3<sup>rd</sup> SEEK Conference  
Centre for European Economic Research (ZEW)

April 25–26, 2013, Mannheim - Frank-J. Weise

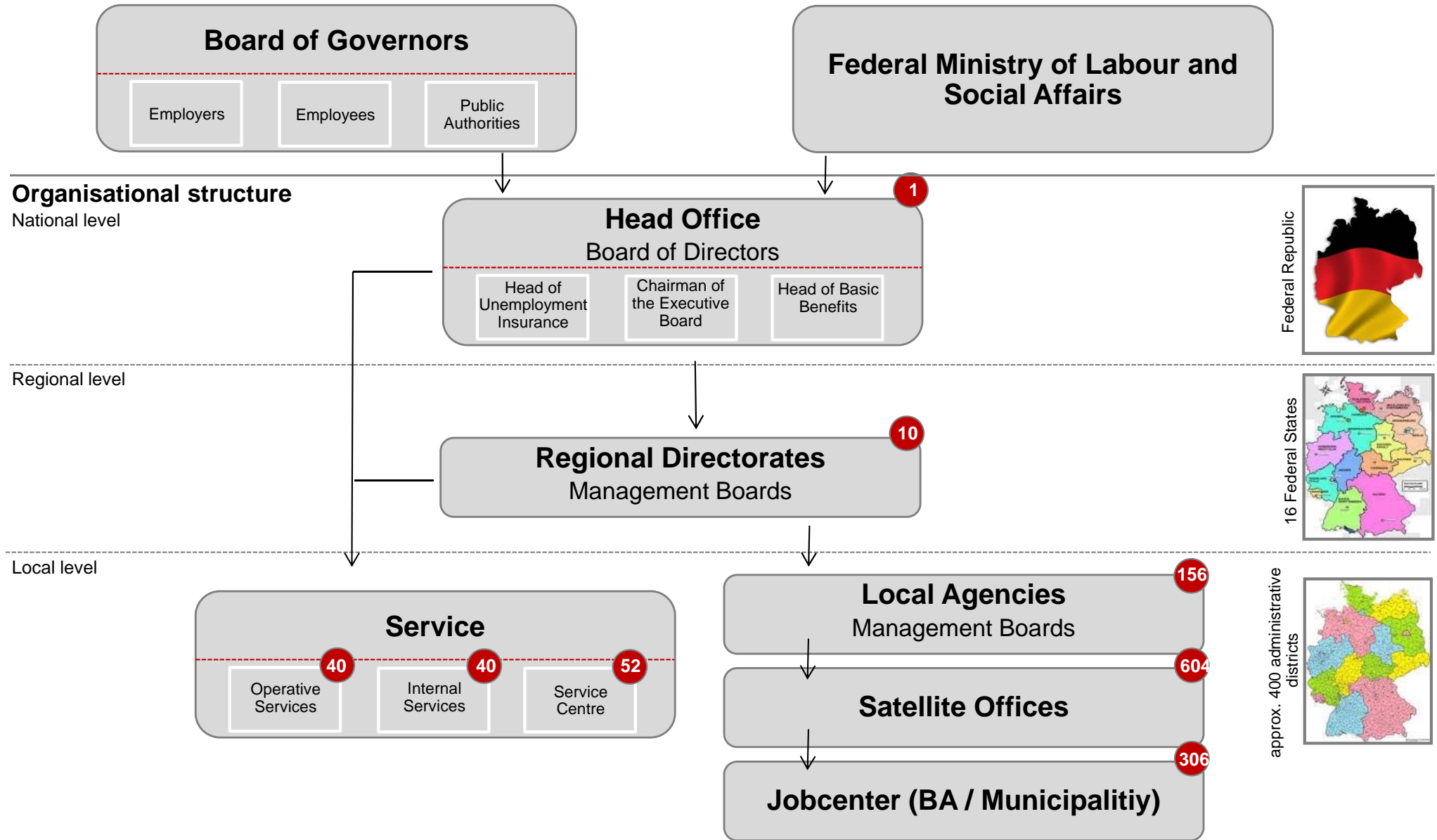


From German Angst to German Job Miracle.  
The Story of Change – Federal Employment Agency



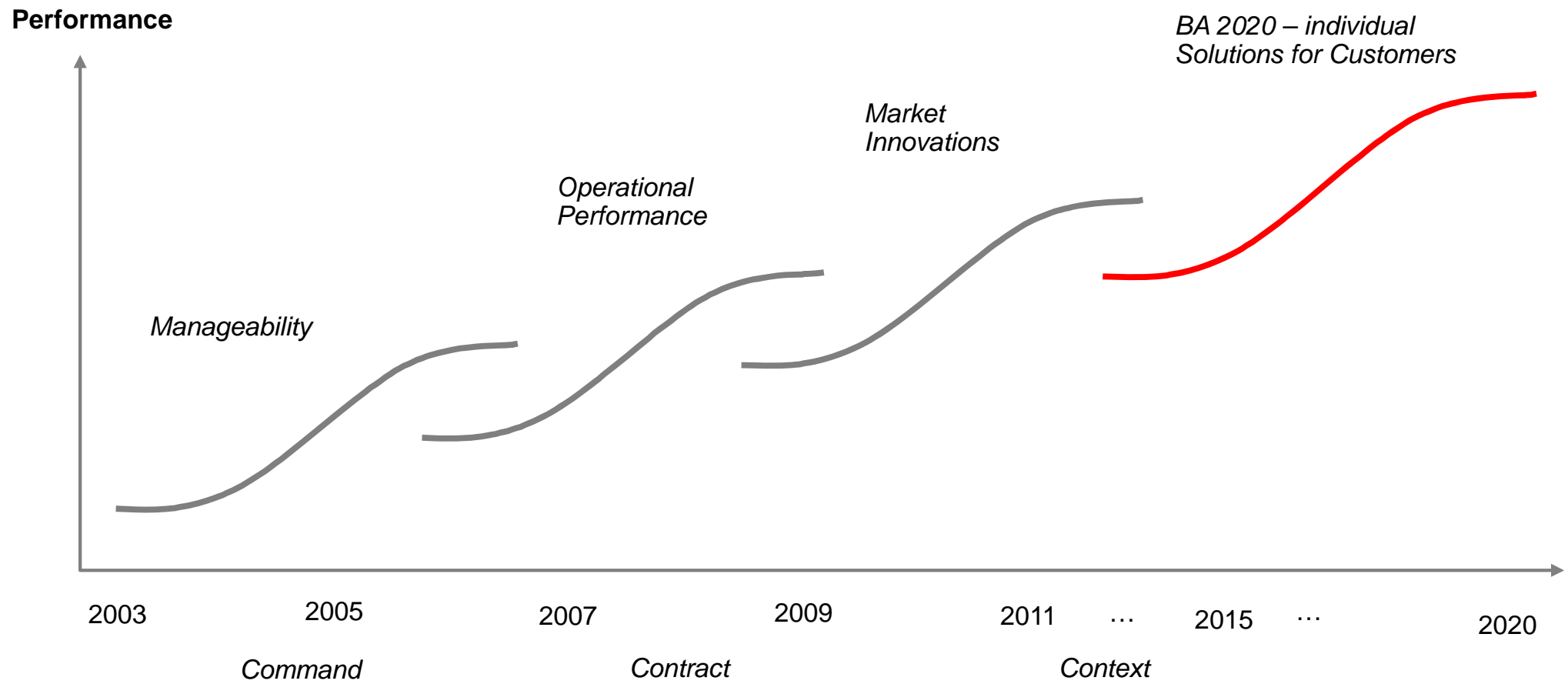
**Bundesagentur für Arbeit**

# Structure of the BA





## Phases of Reform



## Reform Phase I: Manageability

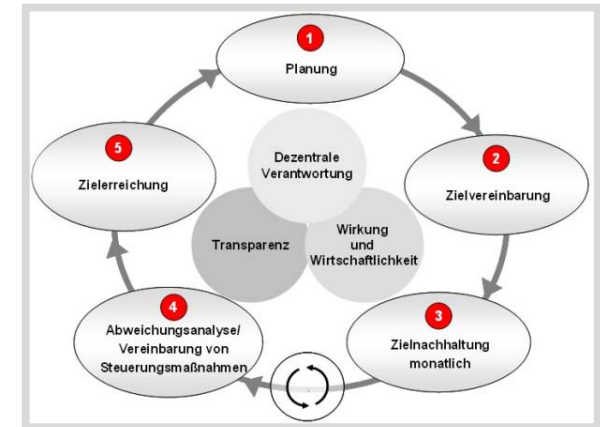
Management audit and development of the executives

Leading through objectives instead of penalties

Transparency regarding finances, the effects of labour market programmes and the performance of the agencies and Jobcenters

Designing business processes in the customer centre and in service centres as well as action programmes for counselling and placement

### Transparency of results by introducing controlling



### Transparency of processes using business process modelling



# Reform Phase II: Operative Performance - Performance comparisons

## Comparison types

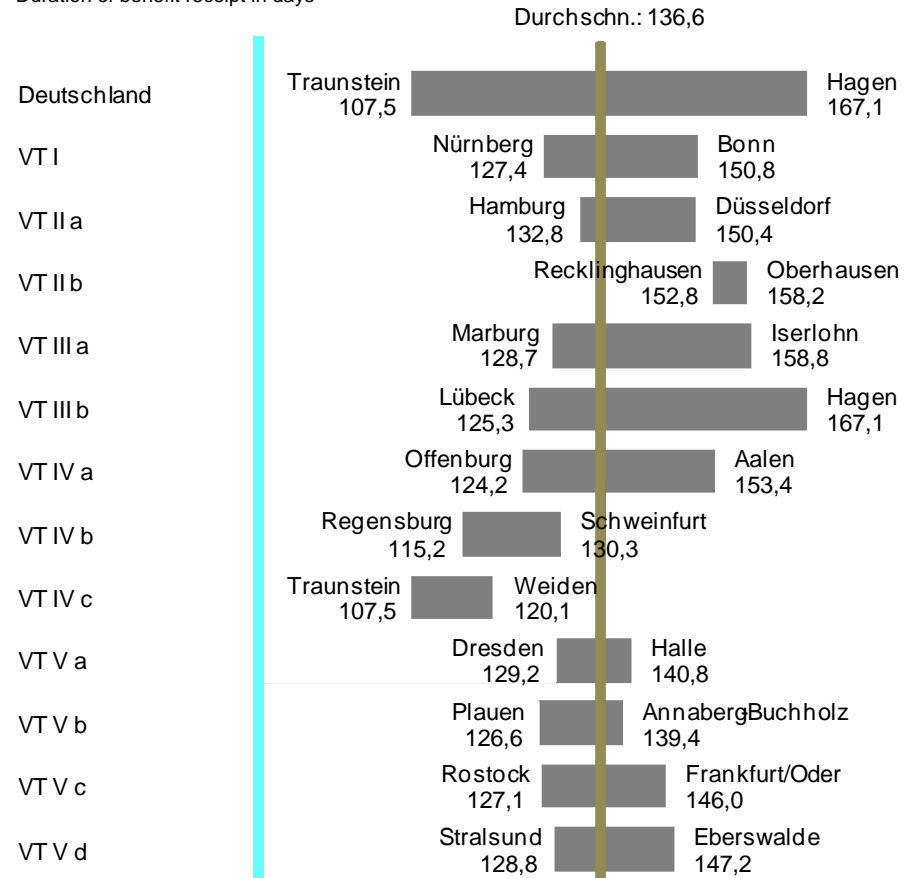
Classification of the agency districts into comparable labour markets



## Performance spreads

Large spreads in a comparison type are potentials for improvements

Duration of benefit receipt in days

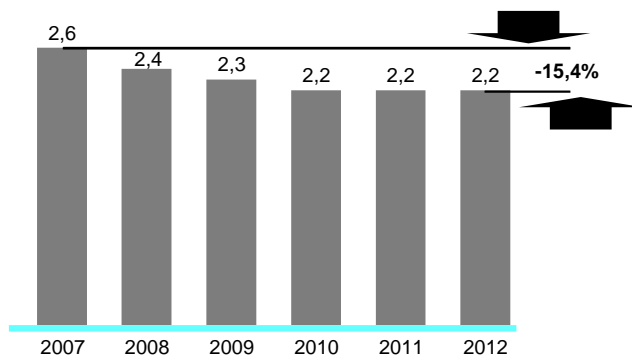


## Reform Phase II: Operational Performance

### Effectiveness has been increased

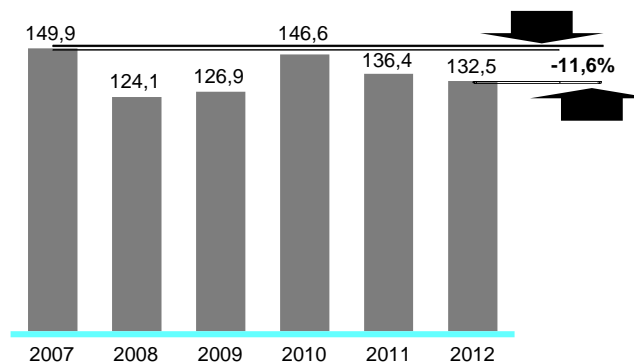
#### Customer satisfaction could be increased

(in grades (1 = very good, 6 = insufficient))



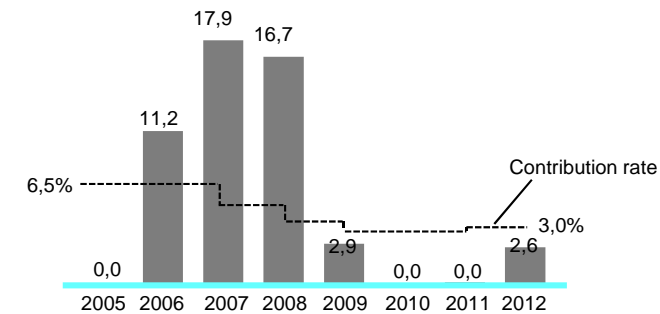
#### Duration of benefit receipt has been reduced

in days



#### Contribution rate has been reduced and reserves have been built up

in billions of euros



## Reform Phase III: Market Innovations

Preventing "damage events" through preventive and efficient work

*WeGebAU – budgets for qualifying a company's employees*  
*KodiaK – in-depth analysis of customer profiles*

Investing in staff instead of materials

*Inga – internal holistic integration service*

Flexibilisation of budgets – innovative projects

*Converting labour market budgets into staff authorisations*  
*Approving decentralised "innovative approaches" showing effects*

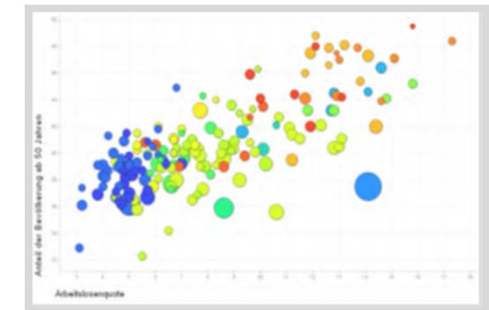
Labour market monitor for transparency and networking

*For example, transparency regarding need for skilled workers*

**Higher budget flexibility**  
allows for targeted  
utilisation of resources



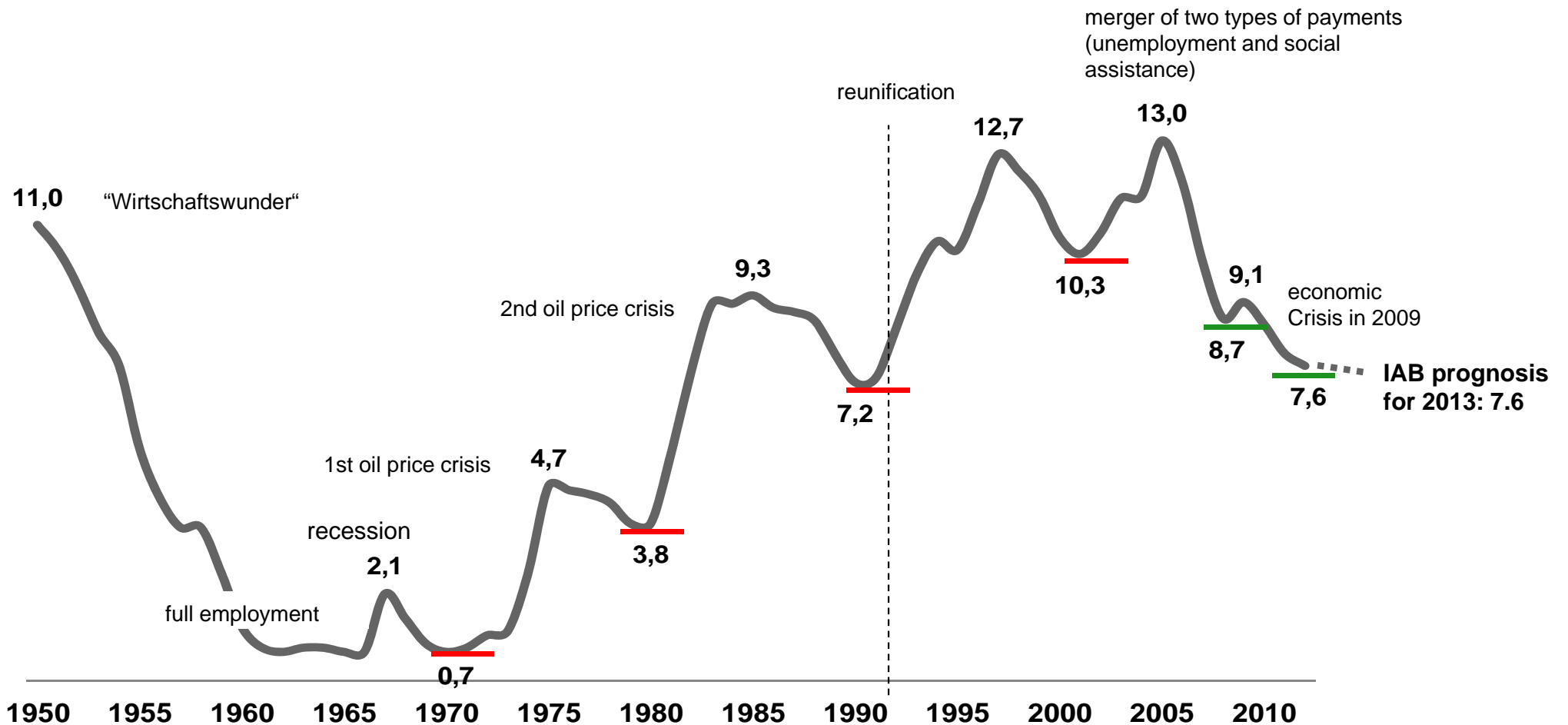
**Labour market monitor**



## Base Unemployment is Decreasing

### Unemployment rate

referring to the total dependent civil labour force in per cent  
Germany, 1950 to 2012, IAB prognosis for 2013





## Mega Trends and Effects on the Labour Market 2020

### Trends

Living and working are becoming more mobile, flexible and **volatile**

Markets are becoming **more international**

Knowledge and information society are evolving **at a tearing pace**

Demographic change will be **visible**

Chances for participation are **unequally** distributed

Public finances remain **scarce**

### Assumptions for the Labour Market 2020

Short-term and distinctive shocks on the labour market will continue to happen

Global economy and labour markets will be even more connected

Importance of information technology will increase  
Autonomy and personal responsibility will increase

Relationship between supply and demand will adjust quantitatively and qualitatively

The labour market will split further regarding qualifications and competences

Disadvantaged people will have to be more strongly supported

We will have to increase effectiveness and efficiency of our labour market services